# [***82 FR 57265***](https://advance.lexis.com/api/document?collection=administrative-codes&id=urn:contentItem:5R3M-0WN0-006W-833N-00000-00&context=)

Vol. 82, No. 231, Monday, December 4, 2017

Notices

**Reporter**

82 FR 57265 \*

***Federal Register* > *2017* > *December* > *Monday, December 4, 2017* > *Notices* > *FEDERAL TRADE COMMISSION (FTC)***

**Title:** **Alimentation Couche-Tard Inc. and CrossAmerica Partners LP; Analysis To Aid Public Comment**

**Action:**  Proposed consent agreement.

**Agency**

FEDERAL TRADE COMMISSION (FTC)

**Identifier:** **[File No. 171 0207]**

**Synopsis**

**SUMMARY:** The consent agreement in this matter settles alleged violations of federal law prohibiting unfair methods of ***competition***. The attached Analysis to Aid Public Comment describes both the allegations in the complaint and the terms of the consent orders--embodied in the consent agreement--that would settle these allegations.

**Text**

**SUPPLEMENTARY INFORMATION:** Pursuant to Section 6(f) of the Federal Trade Commission Act, [*15 U.S.C. 46(f)*](https://advance.lexis.com/api/document?collection=statutes-legislation&id=urn:contentItem:4YF7-GJ21-NRF4-41JV-00000-00&context=), and FTC Rule 2.34, [*16 CFR 2.34*](https://advance.lexis.com/api/document?collection=administrative-codes&id=urn:contentItem:5HYR-92N0-008G-Y0W0-00000-00&context=), notice is hereby given that the above-captioned **[\*57266]** consent agreement containing a consent order to cease and desist, having been filed with and accepted, subject to final approval, by the Commission, has been placed on the public record for a period of thirty (30) days. The following Analysis to Aid Public Comment describes the terms of the consent agreement, and the allegations in the complaint. An electronic copy of the full text of the consent agreement package can be obtained from the FTC Home Page (for November 22, 2017), on the World Wide Web, at [*https://www.ftc.gov/news-events/commission-actions*](https://www.ftc.gov/news-events/commission-actions)*.*

You can file a comment online or on paper. For the Commission to consider your comment, we must receive it on or before December 22, 2017. Write "In the Matter of ACT/Jet Pep, Inc., File No. 171 0207" on your comment. Your comment--including your name and your state--will be placed on the public record of this proceeding, including, to the extent practicable, on the public Commission Web site, at [*https://www.ftc.gov/policy/public-comments*](https://www.ftc.gov/policy/public-comments)*.*

Postal mail addressed to the Commission is subject to delay due to heightened security screening. As a result, we encourage you to submit your comments online. To make sure that the Commission considers your online comment, you must file it at [*https://ftcpublic.commentworks.com/ftc/actconsent*](https://ftcpublic.commentworks.com/ftc/actconsent) by following the instructions on the web-based form. If this Notice appears at [*http://www.****regulations****.gov/#!home*](http://www.regulations.gov/#!home)*,* you also may file a comment through that Web site.

If you prefer to file your comment on paper, write "In the Matter of ACT/Jet Pep, Inc., File No. 171 0207" on your comment and on the envelope, and mail your comment to the following address: Federal Trade Commission, Office of the Secretary, 600 Pennsylvania Avenue NW., Suite CC-5610 (Annex D), Washington, DC 20580, or deliver your comment to the following address: Federal Trade Commission, Office of the Secretary, Constitution Center, 400 7th Street SW., 5th Floor, Suite 5610 (Annex D), Washington, DC 20024. If possible, submit your paper comment to the Commission by courier or overnight service.

Because your comment will be placed on the publicly accessible FTC Web site at [*https://www.ftc.gov*](https://www.ftc.gov)*,* you are solely responsible for making sure that your comment does not include any sensitive or confidential information. In particular, your comment should not include any sensitive personal information, such as your or anyone else's Social Security number; date of birth; driver's license number or other state identification number, or foreign country equivalent; passport number; financial account number; or credit or debit card number. You are also solely responsible for making sure that your comment does not include any sensitive health information, such as medical records or other individually identifiable health information. In addition, your comment should not include any "trade secret or any commercial or financial information which . . . is privileged or confidential"--as provided by Section 6(f) of the FTC Act, [*15 U.S.C. 46(f)*](https://advance.lexis.com/api/document?collection=statutes-legislation&id=urn:contentItem:4YF7-GJ21-NRF4-41JV-00000-00&context=), and FTC Rule 4.10(a)(2), [*16 CFR 4.10(a)(2)*](https://advance.lexis.com/api/document?collection=administrative-codes&id=urn:contentItem:5MH6-6J50-008G-Y1DH-00000-00&context=)--including in particular ***competitively*** sensitive information such as costs, sales statistics, inventories, formulas, patterns, devices, manufacturing processes, or customer names.

Comments containing material for which confidential treatment is requested must be filed in paper form, must be clearly labeled "Confidential," and must comply with FTC Rule 4.9(c). In particular, the written request for confidential treatment that accompanies the comment must include the factual and legal basis for the request, and must identify the specific portions of the comment to be withheld from the public record. *See* FTC Rule 4.9(c). Your comment will be kept confidential only if the General Counsel grants your request in accordance with the law and the public interest. Once your comment has been posted on the public FTC Web site--as legally required by FTC Rule 4.9(b)--we cannot redact or remove your comment from the FTC Web site, unless you submit a confidentiality request that meets the requirements for such treatment under FTC Rule 4.9(c), and the General Counsel grants that request.

Visit the FTC Web site at [*http://www.ftc.gov*](http://www.ftc.gov) to read this Notice and the news release describing it. The FTC Act and other laws that the Commission administers permit the collection of public comments to consider and use in this proceeding, as appropriate. The Commission will consider all timely and responsive public comments that it receives on or before December 22, 2017. For information on the Commission's privacy policy, including routine uses permitted by the Privacy Act, see [*https://www.ftc.gov/site-information/privacy-policy*](https://www.ftc.gov/site-information/privacy-policy)*.*

**Analysis of Agreement Containing Consent Orders To Aid Public Comment**

**I. Introduction**

The Federal Trade Commission ("Commission") has accepted for public comment, subject to final approval, an Agreement Containing Consent Orders ("Consent Agreement") from Alimentation Couche-Tard Inc. ("ACT") and CrossAmerica Partners LP ("CAPL") (collectively, the "Respondents"). The Consent Agreement is designed to remedy the anticompetitive effects that likely would result from the proposed acquisition of Jet-Pep, Inc. ("Jet-Pep") assets.

Under the terms of the proposed Consent Agreement, ACT and CAPL must divest to a Commission-approved buyer (or buyers) certain Jet-Pep retail fuel outlets and related assets in three local markets in Alabama. ACT must complete the divestiture no later than 120 days after the closing of ACT's acquisition of Jet-Pep. The Commission and Respondents have agreed to an Order to Maintain Assets that requires Respondents to operate and maintain each divestiture outlet in the normal course of business until a Commission-approved buyer acquires the outlet.

The Commission has placed the proposed Consent Agreement on the public record for 30 days to solicit comments from interested persons. Comments received during this period will become part of the public record. After 30 days, the Commission will again review the proposed Consent Agreement and the comments received, and will decide whether it should withdraw from the Consent Agreement, modify it, or make it final.

**II. The Respondents**

Respondent ACT, a publicly traded company headquartered in Laval, Quebec, Canada, operates convenience stores and retail fuel outlets throughout the United States and the world. ACT is the parent of wholly owned subsidiary, Circle K Stores Inc. ("Circle K"). ACT's current U.S. network consists of approximately 7,200 stores located in 42 states, making ACT the second-largest retail fuel chain in the country. ACT convenience store locations operate primarily under the Circle K and Kangaroo Express banners, while its retail fuel outlets provide a variety of company unbranded and third-party branded fuels. ACT owns 158 retail fuel outlets in Alabama.

Respondent CAPL, a publicly traded master limited partnership headquartered in Allentown, Pennsylvania, markets fuel at wholesale, and owns and operates convenience stores and retail fuel outlets. ACT, via Circle K, acquired CST Brands, Inc. ("CST") in June 2017, which gave Circle K operational control and management of CAPL. CAPL supplies fuel to nearly 1,200 sites across 29 states, but it does not operate in Alabama. **[\*57267]**

**III. The Proposed Acquisition**

Through three separate agreements (collectively "the Acquisition"), ACT will acquire ownership or operation of 120 Jet-Pep retail fuel outlets with attached convenience stores. Circle K intends to acquire 18 retail fuel outlets and Jet-Pep's terminal and related assets. CAPL will acquire the remaining 102 Jet-Pep retail fuel outlets. The Acquisition is not reportable under the Hart-Scott-Rodino ***Antitrust*** Improvements Act of 1976, [*15 U.S.C. 18a*](https://advance.lexis.com/api/document?collection=statutes-legislation&id=urn:contentItem:4YF7-GNJ1-NRF4-451X-00000-00&context=) ("HSR Act"). The Acquisition would extend ACT's position as one of the largest operators of retail fuel outlets in the United States.

The proposed Complaint alleges that the Acquisition, if consummated, would violate Section 7 of the Clayton Act, as amended, [*15 U.S.C. 18*](https://advance.lexis.com/api/document?collection=statutes-legislation&id=urn:contentItem:4YF7-GNT1-NRF4-426N-00000-00&context=), and [*Section 5*](https://advance.lexis.com/api/document?collection=statutes-legislation&id=urn:contentItem:4YF7-GR01-NRF4-43MY-00000-00&context=) of the Federal Trade Commission Act, as amended, [*15 U.S.C. 45*](https://advance.lexis.com/api/document?collection=statutes-legislation&id=urn:contentItem:4YF7-GSM1-NRF4-44DS-00000-00&context=), by substantially lessening ***competition*** for the retail sale of gasoline and diesel in three local markets in Alabama. The proposed Complaint further alleges that Acquisition agreements constitute a violation of Section 5 of the FTC Act, as amended, [*15 U.S.C. 45*](https://advance.lexis.com/api/document?collection=statutes-legislation&id=urn:contentItem:4YF7-GSM1-NRF4-44DS-00000-00&context=).

**IV. The Complaint**

As alleged in the proposed Complaint, the relevant product markets in which to analyze the Acquisition are the retail sale of gasoline and the retail sale of diesel. The retail sale of gasoline and the retail sale of diesel constitute separate relevant markets because the two are not interchangeable. Consumers require gasoline for their gasoline-powered vehicles and can purchase gasoline only at retail fuel outlets. Likewise, consumers require diesel for their diesel-powered vehicles and can purchase diesel only at retail fuel outlets.

The proposed Complaint alleges the relevant geographic markets in which to assess the ***competitive*** effects of the Acquisition are three local areas in Brewton, Monroeville, and Valley, Alabama. Each particular geographic market is unique, with factors such as commuting patterns, traffic flows, and outlet characteristics playing important roles in determining the scope of the geographic market. Retail fuel markets are highly localized and can range in size up to a few miles.

According to the proposed Complaint, the Acquisition would reduce the number of independent market participants in each market to three or fewer. The Acquisition would thereby substantially lessen ***competition*** in these local markets by increasing the likelihood that ACT will unilaterally exercise market power and by increasing the likelihood of successful coordination among the remaining firms. Absent relief, the Acquisition would likely result in higher prices in each of the three local markets.

The proposed Complaint alleges that entry into each relevant market would not be timely, likely, or sufficient to deter or counteract the anticompetitive effects arising from the Acquisition. Barriers to entry include the availability of attractive real estate, the time and cost associated with constructing a new retail fuel outlet, and the time associated with obtaining necessary permits and approvals.

**V. The Consent Agreement**

The proposed Consent Agreement would remedy the Acquisition's likely anticompetitive effects by requiring ACT to divest certain Jet-Pep retail fuel outlets and related assets in three local markets.

The proposed Consent Agreement requires that the divestiture occur no later than 120 days after ACT consummates the Acquisition. This Agreement protects the Commission's ability to obtain complete and effective relief in light of the non-reportable nature of the Acquisition and the small number of outlets to be divested. Further, based on Commission staff's investigation, the Commission believes that ACT can identify an acceptable buyer (or buyers) within 120 days.

The proposed Consent Agreement further requires ACT to maintain the economic viability, marketability, and ***competitiveness*** of each divestiture asset until the Commission approves a buyer (or buyers) and the divestiture is complete. For up to twelve months following the divestiture, ACT must make available transitional services, as needed, to assist the buyer of each divestiture asset.

In addition to requiring outlet divestitures, the proposed Consent Agreement also requires ACT to provide the Commission notice before acquiring designated outlets in the three local areas for ten years. The prior notice provision is necessary because acquisitions of the designated outlets likely raise ***competitive*** concerns and may fall below the HSR Act premerger notification thresholds.

The proposed Consent Agreement contains additional provisions designed to ensure the effectiveness of the proposed relief. For example, Respondents have agreed to an Order to Maintain Assets that will issue at the time the proposed Consent Agreement is accepted for public comment. The Order to Maintain Assets requires Respondents to operate and maintain each divestiture outlet in the normal course of business, through the date the Respondents' complete divestiture of the outlet. During this period, and until such time as the buyer (or buyers) no longer requires transitional assistance, the Order to Maintain Assets authorizes the Commission to appoint an independent third party as a Monitor to oversee the Respondents' compliance with the requirements of the proposed Consent Agreement.

The purpose of this analysis is to facilitate public comment on the proposed Consent agreement, and the Commission does not intend this analysis to constitute an official interpretation of the proposed Consent Agreement or to modify its terms in any way.

By direction of the Commission.

**Donald S. Clark,**

*Secretary.*

[FR Doc. 2017-26012 Filed 12-1-17; 8:45 am]

BILLING CODE 6750-01-P

**Dates**

**DATES:** Comments must be received on or before December 22, 2017.

**Contacts**

**ADDRESSES:** Interested parties may file a comment online or on paper, by following the instructions in the Request for Comment part of the **SUPPLEMENTARY INFORMATION** section below. Write: "In the Matter of ACT/Jet Pep, Inc., File No. 171 0207" on your comment, and file your comment online at [*https://ftcpublic.commentworks.com/ftc/actconsent*](https://ftcpublic.commentworks.com/ftc/actconsent) by following the instructions on the web-based form. If you prefer to file your comment on paper, write "In the Matter of ACT/Jet Pep, Inc., File No. 171 0207" on your comment and on the envelope, and mail your comment to the following address: Federal Trade Commission, Office of the Secretary, 600 Pennsylvania Avenue NW., Suite CC-5610 (Annex D), Washington, DC 20580, or deliver your comment to the following address: Federal Trade Commission, Office of the Secretary, Constitution Center, 400 7th Street SW., 5th Floor, Suite 5610 (Annex D), Washington, DC 20024.

**FOR FURTHER INFORMATION CONTACT:** Kara Todd, (202-326-2015), Bureau of ***Competition***, 600 Pennsylvania Avenue NW., Washington, DC 20580.

FEDERAL REGISTER

**End of Document**