

UNITED STATES OF AMERICA
BEFORE THE FEDERAL TRADE COMMISSION

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In the Matter of)	
)	
Alimentation Couche-Tard Inc.,)	
 a corporation;)	Docket No. C-4635
)	
and)	
)	
CrossAmerica Partners LP,)	
 a limited partnership.)	
_____)	

PETITION OF ALIMENTATION COUCHE-TARD INC. AND CROSSAMERICA PARTNERS LP FOR APPROVAL OF THE PROPOSED DIVESTITURE OF MN0012, MN0021, MN0024, MN0037, WI0050, WI0061, AND WI0077 TO MOLO OIL COMPANY AND TWIN CITY PETROLEUM

Pursuant to Section 2.41(f) of the Federal Trade Commission (“Commission”) Rules of Practice and Procedure, 16 C.F.R. § 2.41(f), and Paragraph II.A. of the Decision and Order contained in the Agreement Containing Consent Orders accepted for public comment in this matter (“Decision and Order”), Alimentation Couche-Tard Inc. (“ACT”) and CrossAmerica Partners LP (“CAPL”) (ACT and CAPL together, “Respondents”) petition the Commission to approve the divestiture of MN0012, MN0021, MN0024, MN0037, WI0050, WI0061, and WI0077 (the “Assets”) to Molo Oil Company (“Molo”) and Twin City Petroleum (“Twin City”).

I. Introduction

On November 29, 2017, Respondents executed an Agreement Containing Consent Orders that included a Decision and Order and an Order to Maintain Assets (collectively, the “Consent Agreement”) to settle the Commission’s charges related to ACT’s acquisition of equity interests from Holiday Companies (“Holiday”). On December 15, 2017, the Commission

accepted the Consent Agreement for public comment, and the acquisition was consummated shortly thereafter.

Paragraph II.A. of the Decision and Order requires Respondents to divest the Retail Fuel Assets.¹ Pursuant to this requirement, Respondents have diligently sought buyers that would be acceptable to the Commission. Respondents have entered into an asset purchase agreement to sell the Assets to Molo for a total base purchase price of [REDACTED] (the “APA”). The APA is attached as Confidential Exhibit 1. Respondents understand that Molo plans to assign its rights under the APA to Twin City Petroleum (“Twin City”) and that Molo will supply Twin City with fuel at the divested stations.

II. Molo and Twin City Are Well-Positioned to Compete Effectively

a. Molo and Twin City Will Compete Effectively Post-Divestiture

The Commission requires that a divestiture buyer be capable of operating the divested assets competitively. The Commission has observed that “the most successful buyers appear to be ones that know the most about what they are buying.”²

Molo

Molo has decades of history in the energy business, including broad experience in wholesale fuel supply, fuel transportation, and retail fuel operations. First, Molo operates a wholesale fuel supply network spanning several states, including Minnesota, through which it distributes unbranded fuel, as well as fuel under the BP, Cenex, Shell, Tesoro, Marathon, Conoco, and Phillips 66 brands. Second, Molo operates a fuel transportation company

¹ All capitalized terms have the meanings given to them in the Decision and Order unless otherwise specified herein.

² Staff of the Bureau of Competition of the Federal Trade Commission, *A Study of the Commission's Divestiture Process* (1999), p. 34 (available at <https://www.ftc.gov/sites/default/files/attachments/mergereview/divestiture.pdf>).

headquartered in Ramsey, Minnesota, in the Minneapolis-St. Paul metro area. Third, Molo operates 15 retail fuel outlets across Iowa under the Big 10 Mart convenience store brand, at which it sells fuel under the BP, Conoco, and Cenex brands.

Molo plans to enter into a [REDACTED] fuel supply agreement with Twin City to supply wholesale fuel to the Assets [REDACTED]. [REDACTED]

[REDACTED] Respondents also understand that Molo is capable of providing fuel transportation services to Twin City as needed.

Molo thus has the necessary scale, established industry relationships, and wholesale fuel supply experience to provide Twin City with a reliable, efficient fuel supply post-divestiture.

Twin City

Twin City is owned by Hisham Mubaidin, who has nearly 30 years of experience in the oil and gas industry, including in the supply of retail and wholesale fuel. Mr. Mubaidin's retail and wholesale fuel network comprises 27 stations located across the United States, including 11 stations in Florida, 8 stations in Pennsylvania, 5 stations in New Mexico, and 3 stations in Texas. These operations include lessee-dealer, commission-agent, and directly operated stations, as well as stations for which Mr. Mubaidin is a fuel distributor. Through these operations, Mr. Mubaidin has established fuel supply relationships with Sunoco, Marathon, Citgo, and ARCO.

Respondents understand that Twin City intends to operate the Assets directly, with the exception of MN0021 and MN0024, which will continue to be operated by their current lessee-dealers. As described above, Twin City will receive fuel supply at the Assets through a

Assets, the real property, fuel inventory, and equipment needed for Molo and Twin City to compete effectively after the divestiture.

- Also consistent with Paragraph II.A. of the Decision and Order, the sale to Molo and Twin City under the APA is subject to Molo and Twin City being approved by the Commission.

IV. Request for Confidential Treatment

Because this petition and its attachments contain confidential and competitively sensitive business information relating to the divestiture of the Retail Fuel Assets, Respondents have redacted such confidential information (including all exhibits) from the public version of this petition. The disclosure of this information would prejudice Respondents, Molo, and Twin City, cause harm to the ongoing competitiveness of the Retail Fuel Assets, and impair Respondents' ability to comply with their obligations under the Consent Agreement. Pursuant to Sections 2.41(f)(4) and 4.9(c) of the Commission's Rules of Practice and Procedure, 16 C.F.R. §§ 2.41(f)(4) and 4.9(c), Respondents request, on their own behalf and on behalf of Molo and Twin City, that the confidential version of this petition should be accorded such confidential treatment under Section 552 of the Freedom of Information Act and Section 4.10(a)(2) of the Commission's Rules of Practice and Procedure. 5 U.S.C. § 552; 16 C.F.R. § 4.10(a)(2). The confidential version of this petition is also exempt from disclosure under Exemptions 4, 7(A), 7(B), and 7(C) of the Freedom of Information Act, 5 U.S.C. §§ 552(b)(4), 552(b)(7)(A), 552(b)(7)(B), and 552(b)(7)(C), and the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, 15 U.S.C. § 18a(h).

V. Conclusion

The proposed divestiture of the Assets to Molo and Twin City will accomplish the Commission's goals to ensure the continued use of the Assets in the same business in which they were engaged when the Acquisition was announced, and to remedy any lessening of competition resulting from the Acquisition as alleged in the Commission's Complaint.

Respondents wish to complete the proposed divestiture as soon as possible following Commission approval. Prompt consummation will further the purposes of the Decision and Order and is in the interests of the Commission, the public, Molo, Twin City, and Respondents. Respondents accordingly request that the Commission promptly commence the period of public comment pursuant to Section 2.41(f)(2) of the Commission's Rules of Practice and Procedure, 16 C.F.R. § 2.41(f)(2), and grant this petition by approving the divestiture of the Assets as soon as practicable after the close of the public comment period.



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