EXHIBIT B
UNITED STATES OF AMERICA

BEFORE FEDERAL TRADE COMMISSION

---

In the Matter of

Union Oil Company of California, Docket No.
A Corporation.

---

Videotaped Deposition of DAVID BALTO
Washington, D.C.
Thursday, August 7, 2003
9:08 a.m.

Job No.: 1-20528
Pages 1 through 43
Reported by: Cynthia R. Simmons
MR. ROBERTI: I don't care.

MR. ORLANS: Okay.

MR. WILDFANG: Maybe at a break, I can give you copies.

BY MR. WILDFANG:

Q. I've marked, as Exhibit 401, a January 17th letter, January 17th, 1996 letter to you from M. Laurence Popofsky, which has various attachments to it. Do you recognize that letter?

A. I see what it says.

Q. Do you have a recollection of having received it?

A. No.

Q. Do you have a general recollection of having had communications with Mr. Popofsky or other lawyers on behalf of the oil companies, with respect to Unocal?

MR. ROBERTI: Objection to form.

A. What do you mean by general recollection?

Q. Well, there are a series of, of letters, either to you or copied to you, that I've had marked --

A. Right.

Q. -- as Exhibits 401 through 409, and I just
wondered if, as a general matter, do you have a recollection of there having been an investigation by the FTC of matters relating to Unocal, back in about 1996?

A. Yes, it's a general matter.

Q. Okay. Let me just get the mechanics out of the way here.

A. Sure.

Q. If you'd look at Exhibit 401 -- or 402, which is a letter dated March 5, 1996 to you from Mr. Popofsky and, again, there are various attachments to that letter. Do you recognize that letter?

A. No.

Q. You don't have any recollection of having received that letter?

A. No.

Q. As a general matter, when you were attorney advisor to Chairman Pitofsky, if a letter was addressed to you, did it usually end up on your desk?

A. Yes.

Q. If you would look at Exhibit 403, which is a letter dated April 5, 1996 to you from Mr. Popofsky, do you recognize that letter?
investigation of Unocal back in 1996?

A. No, I don't believe so.

Q. Do you have any idea of where the reporter got the, the understanding that the FTC had earlier decided not to challenge the conduct of Unocal?

A. No, I don't. No.

MR. ROBERTI: Objection to form. You can answer.

A. No, I don't.

Q. Okay. Let me take you back now to Exhibit 401 and then the subsequent exhibits. I think you had indicated earlier that these are documents, which I provided to you, at least most of these are documents I provided to you a few days ago. What I'm interested in is your best recollection, your most complete recollection of the communications between the FTC and the lawyers for oil refiners in California, with respect to Unocal patents back in 1996.

Tell me everything you recall about those communications.

A. Sometime in -- well, just to put this in context, I was the attorney advisor to the chairman, and it was an extremely busy job.
in Exhibit 409, the Wall Street Journal article, that officials at the FTC concluded that the law shielded Unocal's dealings with the California board, and that the agency couldn't win the case. You don't know whether that's a correct or incorrect statement?

A. No, I don't know if that's correct or incorrect.

Q. Do you know, for a fact, that in 1996 the FTC did not challenge the conduct of Unocal?

A. That's correct.

Q. The letters from Mr. Popofsky, which I've marked as exhibits, go into great detail describing the factual background, would you agree with that?

MR. ROBERTI: Objection to form.

A. I've briefly looked at these because you've sent them to me. I guess they provide a certain level of detail of factual background.

Q. If you'd look at Exhibit 401?

A. Sure.

Q. The attachment, which begins at Bates-numbered document FTC HE0000005. This is a document of some 20 or so pages. Is this a document which is commonly referred to as a white
what the sources of them are but, but, no, I mean, other than that, I wouldn't know what the sources of the document were.

Q. Well, let me ask a somewhat less ambiguous question, all right? Do you know whether or not the materials attached to the March 5, 1996 letter to you and Mr. Atalics from Larry Popofsky were evidentiary materials from litigation that was ongoing between Unocal and the other oil refiners?

MR. ROBERTI: Objection to form.

A. I don't, I don't know right now, and the only way I would know would be by looking at these materials. I don't know right now, and the only way I would know is by looking at -- through the materials.

Q. Do you have a recollection of whether or not you knew, at the time, in 1996 that there was ongoing litigation between Unocal and Exxon Mobil and other oil refiners over the Unocal patents?

A. I believe I knew that.

Q. Do you know what the outcome of that litigation was?

A. I believe that Unocal won.

Q. Do you know -- strike that.

Did you know at the time, that is in about
1996, that the oil refiners, who were in litigation with Unocal over their patents, had asserted essentially the same claims now being brought by the FTC in its current investigation?

MR. ROBERTI: Objection, form.

Q. Let me rephrase it. Were you aware in 1996 that the oil refiners, who had sued Unocal over the Unocal patents, had asserted that Unocal should be stopped from enforcing its patents because of their conduct before the California Air Resources Board?

A. I have a general recollection of that but not a very deep understanding of that. If I can just explain, you know, this is an area which you can see that I've written a lot of articles about. I've written about Dell computer and the consequences of Dell computer, and I've, you know, looked at this area in some depth.

And we could go through all those articles, and you'd never see any reference to the Unocal matter. I mean, it's not, it's not something that I sort of categorized in this group of this subset of conduct that I saw as being problematic in Dell.

Q. So in the articles that you've written on