#### UNITED STATES OF AMERICA BEFORE FEDERAL TRADE COMMISSION

	DERAL TRADE COMMISSION	
	SEP 2 0 2011	
No.	SECRETARY	

In the Matter of

Docket No. C-4253

BASF SE, a corporation. **Public Version** 

#### PETITION OF BASF SE FOR APPROVAL OF IB TOLL MANUFACTURING AGREEMENT EXTENSION

Pursuant to Section 2.41(f) of the Federal Trade Commission ("Commission") Rules of Practice and Procedure, 16 C.F.R. § 2.41(f) (2002) and Paragraphs II.A and III.A. of the Decision and Order (the "D&O") issued in this matter and served on June 4, 2009, BASF SE ("BASF") hereby petitions the Commission to approve an extension of the IB Toll Manufacturing Agreement concluded with Dominion Colour Corporation ("DCC") for the production of indanthrone blue, as requested by DCC (the "Petition").<sup>1</sup>

#### 1. Background

On March 27, 2009, BASF and the Commission entered into the ACCO to settle the Commission's allegations that the proposed acquisition by BASF of Ciba Holding Inc. ("Ciba") (the "Acquisition") would have violated federal antitrust laws. The ACCO expressly provides that it does not constitute an admission by BASF that any law has been violated or that the facts (other than jurisdictional facts) as alleged by the Commission in its Complaint are true. On April 2, 2009, the Commission accepted the Orders for public comment. The OMA became effective on April 8, 2009, by service on BASF, as provided for under Paragraph 10 of the ACCO, and the Acquisition was consummated on April 9, 2009. After expiration of the 30-day public comment period, the Commission on June 4, 2009 finalized the D&O by service on BASF, as provided for

The Petition incorporates the Definitions set out in the Agreement Containing Consent Orders (the "ACCO"), the D&O and the Order to Maintain Assets (the "OMA") (together, the "Orders"). Except where the context otherwise requires, the defined terms shall have the same meanings where used in this Petition.

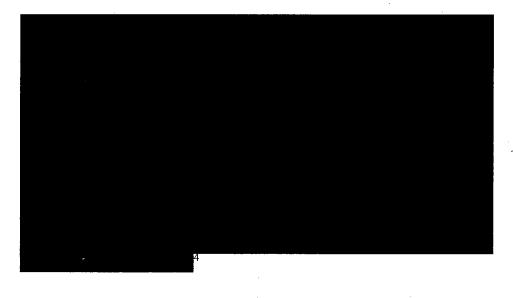
#### under Paragraph 10 of the ACCO.

On October 16, 2009, BASF submitted its petition for approval of the proposed divestiture of the Ciba IB Business and the Ciba BV Business, which was published for public comment by the Commission; the public comment period ended on November 17, 2009. On December 4, 2009, the Commission approved the divestiture of the Ciba IB Business and the Ciba BV Business to DCC, and the European Commission approved the divestiture of the Ciba IB Business and the Ciba BV Business to DCC on January 19, 2010.

#### 2. IB Finishing Agreement / IB Toll Manufacturing Agreement<sup>2</sup>

Pursuant to the D&O, BASF was required to enter into an IB Finishing Agreement with the IB Acquirer.<sup>3</sup>

Pursuant to the IB Toll Manufacturing Agreement (which was included in BASF's October 16, 2009 petition for approval of divestiture), BASF/Ciba agreed to toll manufacture the IB pigments for DCC in the Huningue plant under the following terms and conditions:



- <sup>2</sup> The IB Toll Manufacturing Agreement was included as Exhibit 11(a) to the IB Divestiture Agreement and is synonymous with the IB Finishing Agreement referred to in the D&O.
- D&O, paragraph I.MM.

#### 3. Reasons for Request for Extension

By letter of August 26, 2011 (<u>Exhibit A</u>), DCC requested that the IB Toll Manufacturing Agreement, which is scheduled to expire on **Exhibit A**, "be extended for up to provided however that DCC may, upon at least

prior written notice, request that the Agreement terminate early on or any thereafter."

BASF is not aware of the reasons for DCC's request of an extension. As these are likely to be business secrets of DCC, we suggest that the Commission contact DCC directly if it wishes to be informed of the details.

#### 4. Request for Commission Approval

For these reasons, and in accordance with paragraph I.MM. of the D&O, BASF respectfully requests that the Commission approve the extension of the IB Toll Manufacturing Agreement as requested by DCC.

In accordance with section 19 of the IB Toll Manufacturing Agreement, BASF also has requested approval for this extension from the European Commission.

#### 5. Request for Confidential Treatment

BASF has prepared both a confidential and a non-confidential redacted version of this Petition because the confidential version, together with the attached confidential Exhibit, contains confidential and competitively sensitive business information relating to BASF, DCC, the Businesses and the Divestitures. The disclosure of such information would prejudice BASF and DCC, and would cause harm to the ongoing competitiveness of the Businesses. BASF therefore has prepared the redacted version of this Petition for public comment.

Pursuant to Sections 2.41(f)(4) and 4.9(c) of the Commission Rules of Practice and Procedure, 16 C.F.R. §§ 2.41(f)(4) and 4.9(c) and the applicable confidentiality provisions of the Hart-Scott-Rodino Antitrust Improvements Act, as amended, 15 U.S.C. § 18a(b), BASF hereby requests, on its own behalf and on the behalf of Ciba and DCC, that the confidential version of this Petition and its Exhibit be afforded confidential treatment. The confidential version of this Petition and its Exhibit also fall within the scope of confidentiality provided by 5 U.S.C. § 552 and Section 4.10(a)(2) of the Commission Rules of Practice and Procedure, 16 C.F.R. § 4.10(a)(2). They are also exempt from disclosure under the Freedom of Information Act, 5 U.S.C. § 552(b)(4).

## Dated: September 20, 2011

Respectfully submitted,

Robert S. Schlossberg Freshfields Bruckhaus Deringer US LLP Counsel for BASF SE

### Enclosure

# **EXHIBIT A**

## CONFIDENTIAL