171-0126

UNITED STATES OF AMERICA
BEFORE THE FEDERAL TRADE COMMISSION

COMMISSIONERS: **Maureen K. Ohlhausen, Acting Chairman**
Terrell McSweeny

In the Matter of	)	
	)	
SEVEN & i HOLDINGS CO., LTD.	)	**Docket No. C-4641**
a corporation;	)	
	)	
7-ELEVEN, INC.,	)	
a corporation;	)	
	)	
and	)	
	)	
SUNOCO LP,	)	
a limited partnership.	)	

COMPLAINT

Pursuant to the Clayton Act and the Federal Trade Commission Act ("FTC Act"), and its authority thereunder, the Federal Trade Commission ("Commission"), having reason to believe that Respondent Seven & i Holdings Co., Ltd. has entered into an agreement through its wholly owned subsidiaries, including Respondent 7-Eleven, Inc., to acquire certain retail fuel assets from Respondent Sunoco LP, that such acquisition, if consummated, would violate Section 7 of the Clayton Act, as amended, 15 U.S.C. § 18, and Section 5 of the Federal Trade Commission Act, as amended, 15 U.S.C. § 45, and that a proceeding in respect thereof would be in the public interest, hereby issues this complaint, stating its charges as follows.

I. RESPONDENTS

1. Respondent Seven & i Holdings Co., Ltd. ("Seven & i") is a corporation organized, existing, and doing business under, and by virtue of, the laws of Tokyo, Japan, with its office and principal place of business located at 8-8 Nibancho, Chiyoda-Ku, Tokyo, Japan 102-8452, and the address of its United States subsidiary, 7-Eleven, Inc., 3200 Hackberry Road, Irving, Texas 75063.

2. Respondent 7-Eleven, Inc. ("7-Eleven") is a corporation organized, existing, and doing business under, and by virtue of, the laws of the State of Texas with its office and principal place of business located at 3200 Hackberry Road, Irving, Texas. 7-Eleven is a wholly owned subsidiary of Seven & i. Respondent 7-Eleven is, and at all times relevant herein has been, engaged in, among other things, the retail sale of gasoline and diesel fuel in the United States.

3. Respondent Sunoco LP ("Sunoco") is a limited partnership organized, existing, and doing business under, and by virtue of, the laws of the State of Delaware, with its office and principal place of business located at 8111 Westchester Drive, Suite 600, Dallas, Texas. Respondent Sunoco is, and at all times relevant herein has been, engaged in, among other things, the retail sale of gasoline and diesel fuel in the United States.

4. Each Respondent, either directly or through its subsidiaries, is, and at all times relevant herein has been, engaged in commerce, as "commerce" is defined in Section 1 of the Clayton Act as amended, 15 U.S.C. § 12, and Section 4 of the FTC Act, as amended, 15 U.S.C. § 44.

II. THE PROPOSED ACQUISITION

5. Pursuant to an Asset Purchase Agreement dated April 6, 2017, Seven & i, through its wholly owned subsidiaries 7-Eleven and SEI Fuel Services, Inc., proposes to acquire approximately 1,100 convenience stores and retail fuel outlets and related assets, for approximately $3.3 billion (the "Acquisition"). SEI Fuel Services, Inc. will enter into a fuel supply agreement with Sunoco, LLC as a part of the Acquisition.

6. The Acquisition is subject to Section 7 of the Clayton Act, as amended, 15 U.S.C. § 18.

III. THE RELEVANT MARKET

7. Relevant product markets in which to analyze the effects of the Acquisition are the retail sale of gasoline and the retail sale of diesel. Consumers require gasoline for their gasoline-powered vehicles and can purchase gasoline only at retail fuel outlets. Consumers require diesel for their diesel-powered vehicles and can purchase diesel only at retail fuel outlets. No economic or practical alternative to the retail sale of gasoline or diesel at retail fuel outlets exists.

8. Relevant geographic markets in which to analyze the effects of the Acquisition include 76 local markets within the following metropolitan statistical areas: Boston, Massachusetts; Brownsville, Texas; Buffalo, New York; Fort Myers, Florida; Corpus Christi, Texas; Daytona Beach, Florida; Killeen, Texas; Laredo, Texas; Mission, Texas; Miami, Florida; Gettysburg, Pennsylvania; Titusville, Florida; Pittsburgh, Pennsylvania; Richmond, Virginia; San Antonio, Texas; Venice, Florida; Tampa, Florida; Roma, Texas; Victoria, Texas; and Washington, DC.

9. The relevant geographic markets for retail gasoline and retail diesel are highly localized, ranging up to a few miles, depending on local circumstances. Each relevant market is distinct and fact-dependent, reflecting the commuting patterns, traffic flows, and outlet characteristics unique to each market. Consumers typically choose between nearby retail fuel outlets with similar characteristics along their planned routes.

IV. MARKET STRUCTURE

10. The Acquisition, if consummated, would create a monopoly in 18 local markets. In 39 local markets, the Acquisition, if consummated, would reduce the number of independent market participants from three to two. In 19 local markets, the Acquisition, if consummated, would reduce the number of independent market participants from four to three. The Acquisition would result in a highly concentrated market in each of these 76 markets.

V. BARRIERS TO ENTRY

11. Entry into each relevant market would not be timely, likely, or sufficient to deter or counteract the anticompetitive effects arising from the Acquisition. Significant entry barriers 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.

VI. EFFECTS OF THE ACQUISITION

12. The effects of the Acquisition, if consummated, may be substantially to lessen competition or to tend to create a monopoly in the relevant markets in violation of Section 7 of the Clayton Act, as amended, 15 U.S.C. § 18, and Section 5 of the FTC Act, as amended, 15 U.S.C. § 45, by:

a. increasing the likelihood that Respondent 7-Eleven would unilaterally exercise market power in the relevant markets; and/or

b. increasing the likelihood of collusive or coordinated interaction between any remaining competitors in the relevant markets.

VII. VIOLATIONS CHARGED

13. The Acquisition, if consummated, would violate Section 7 of the Clayton Act, as amended, 15 U.S.C. § 18, and Section 5 of the FTC Act, as amended, 15 U.S.C. § 45.

14. The Asset Purchase Agreement entered into by Respondents 7-Eleven and Sunoco constitutes a violation of Section 5 of the FTC Act, as amended, 15 U.S.C. § 45.

IN WITNESS WHEREOF, the Federal Trade Commission, having caused this Complaint to be signed by the Secretary and its official seal affixed, at Washington, D.C., this eighteenth day of January, 2018, issues its Complaint against Respondents.

By the Commission.

Donald S. Clark
Secretary