

## Haynes, Lanea

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**From:** Shaffer, Kristin  
**Sent:** Wednesday, November 22, 2017 9:42 AM  
**To:** [REDACTED]  
**Cc:** HSRHelp  
**Subject:** RE: HSR Reportability Question

[REDACTED],

We agree.

Best regards,  
Kristin

**Kristin Shaffer**

Attorney  
Premerger Notification Office  
Federal Trade Commission  
202-326-3434 | [kshaffer@ftc.gov](mailto:kshaffer@ftc.gov)

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**From:** [REDACTED]  
**Sent:** Tuesday, November 21, 2017 9:38:21 PM  
**To:** HSRHelp  
**Cc:** Berg, Karen E.; Whitehead, Nora; Walsh, Kathryn E.; Gillis, Diana L.  
**Subject:** HSR Reportability Question

Hi all,

Apologies for the request right before the Thanksgiving holiday, but we were hoping to get your view before Friday, November 24.

We want to confirm that our interpretation of the sale of an asset located outside of U.S. territorial waters is not reportable for HSR purposes when it satisfies the 802.50 exemption:

Company A intends to sell *Asset X* (Company A's interest in a platform used for oil and gas handling) to Company B.

*Asset X* is located outside of U.S. territorial waters (i.e., beyond 12 nautical miles from the U.S. coast). However, we understand that it is located in an exclusive economic zone that provides the US certain rights regarding the use of marine resources. No portion of *Asset X* extends into U.S. territorial waters and owners of *Asset X* are compensated on a tariff basis for product transported through *Asset X*. *Asset X* transports product via a lateral to another platform located outside of U.S. territorial waters and owned by a non-party, which then transports the product via a pipeline (also owned by a non-party) into U.S. territorial waters.

According to [Informal Interpretation 1204004](#), only assets located within the U.S. territorial waters are considered to be U.S. assets. As a result, we believe *Asset X* would be considered a foreign asset for purposes of the HSR Act.

Therefore, under Section 802.50, the acquisition of *Asset X* would be exempt from reporting under the HSR Act because the interest Company B (the acquirer) would hold in *Asset X* generated less than \$80.8 million sales in or into the U.S. in its last fiscal year.