FEDERAL TRADE COMMISSION
PROTECTING AMERICA'S CONSUMERS

FTC Requires Retail Fuel Station and Convenience Store Operator Alimentation Couche-Tard Inc. and its affiliate CrossAmerica Partners LP to Divest 10 Fuel Stations in Minnesota and Wisconsin as a Condition of Acquiring Holiday Companies

December 15, 2017

FOR RELEASE

TAGS: oil and gas competition | Gasoline | Retail | Grocery/Supermarkets | Bureau of Competition | Competition | Merger | Horizontal

Retail fuel station and convenience store operator Alimentation Couche-Tard Inc. and its affiliate CrossAmerica Partners LP have agreed to divest 10 fuel stations in Minnesota and Wisconsin to settle Federal Trade Commission charges that ACT's proposed acquisition of Holiday Companies would violate federal antitrust law.

The FTC's settlement with ACT and CAPL preserves competition in 10 local markets within the following cities: Aitkin, Hibbing, Minnetonka, Mora, Saint Paul, and Saint Peter in Minnesota; and Hayward, Siren, and Spooner in Wisconsin. Without the divestitures, the FTC alleged, the acquisition would likely substantially lessen competition, likely leading to higher retail prices in these markets.

Under the terms of the acquisition, ACT will acquire from Holiday Companies approximately 380 retail fuel outlets with attached convenience stores in 10 states. ACT agreed to two other packages of divestitures earlier this year in connection with separate mergers, one in June, and one in November.

Retail fuel markets that sell gasoline and diesel fuel are frequently small and highly localized. The complaint alleges that without a remedy, ACT's acquisition of Holiday would reduce the number of independent market participants from 3 to 2 or 4 to 3 in each of the 10 local markets. According to the complaint, the acquisition would increase the likelihood that ACT and CAPL will unilaterally exercise market power in all 10 markets, and the likelihood of successful coordination among the remaining firms in 8 of the 10 markets.

Under the terms of the consent agreement with ACT and CAPL, the companies are required to identify a buyer or buyers that are acceptable to the Commission within 120 days after the issue date of the order, and to divest the 10 retail fuel stations. The agreement also requires ACT and CAPL to maintain the economic viability, marketability, and competitiveness of each station until the divestiture is complete.

Further details about the consent agreement, which includes an asset maintenance order and allows the Commission to appoint a monitor, are set forth in the analysis to aid public comment for this matter.

The Commission vote to issue the complaint and accept the proposed consent order for public comment was 2-0. The FTC will publish the consent agreement package in the Federal Register shortly. The agreement will be subject to public comment for 30 days, beginning today and continuing through Jan. 15, 2018, after which the Commission will decide whether to make the proposed consent order final. Comments can be filed electronically or in paper form by following the instructions in the “Supplementary Information” section of the Federal Register notice.

NOTE: The Commission issues an administrative complaint when it has “reason to believe” that the law has been or is being violated, and it appears to the Commission that a proceeding is in the public interest. When the Commission issues a consent order on a final basis, it carries the force of law with respect to future actions. Each violation of such an order may result in a civil penalty of up to $40,654.

The Federal Trade Commission works to promote competition, and protect and educate consumers. You can learn more about how competition benefits consumers or file an antitrust complaint. Like the FTC on Facebook, follow us on Twitter, read our blogs and subscribe to press releases for the latest FTC news and resources.

PRESS RELEASE REFERENCE:
Alimentation Couche-Tard Inc. and CrossAmerica Partners LP Agree to Pay $3.5 Million Civil Penalty to Settle FTC Allegations that they Violated 2018 Order

Contact Information

MEDIA CONTACT:
Betsy Lordan
Office of Public Affairs
202-326-3707

STAFF CONTACT:
Nicholas Bush
Bureau of Competition
202-326-2848

ftc.gov