

IN THE MATTER OF

CHEVRON CORPORATION, ET AL.

MODIFYING ORDER IN REGARD TO ALLEGED VIOLATION OF SEC. 5 OF THE
FEDERAL TRADE COMMISSION ACT AND SEC. 7 OF THE CLAYTON ACT*Docket C-3147. Consent Order, Oct. 24, 1984—Modifying Order, March 13, 1985*

After a "Request For Termination of Hold Separate Agreement" (Request) filed by a respondent in a divestiture order issued on October 24, 1984, had been placed on the public record for ten days and no comments had been received, the Commission reviewed the Request and concluded that the public interest warranted modifying Paragraph II(c) of the Order, so that the Agreement To Hold Separate, attached to the Order as Appendix I, "shall continue in effect until such time as Gulf's stock interest in Colonial Pipeline Company has been divested." The Commission held that the Hold Separate Agreement had accomplished its primary objectives with the divestitures of Gulf's refining and marketing assets in the Southeast and of its interest in Colonial Pipeline Company, and the potential harm resulting from the costs of continuing the Agreement outweighed any further need to maintain it in effect.

ORDER MODIFYING DECISION AND ORDER ISSUED OCTOBER 24, 1984

On February 21, 1985, respondent Chevron Corporation ("Chevron") filed a "Request For Termination Of Hold Separate Agreement" (Request). Since Paragraph II(c) of the decision and order issued on October 24, 1984 ("the order") incorporates the Agreement To Hold Separate, which is attached to the order as Appendix I, the Request, in effect, seeks modification of the order to terminate the Hold Separate Agreement. The Request was on the public record for ten days and no comments were received.

Paragraph II(c) of the order provides that the Agreement to Hold Separate "shall continue in effect until such time as the Schedule A properties have been divested. . . ." As the Request notes, the Hold Separate Agreement is not limited to the assets that Chevron is required to divest pursuant to the order but is applicable to all of Gulf's domestic oil and gas assets and operations. Chevron has now submitted divestiture applications covering all of the assets it is required to divest and the Commission has approved the divestitures with the exception of the divestiture of 51 percent of Gulf's interest in the West Pipeline Company. The latter divestiture proposal is awaiting Commission action.

In reviewing respondent's Request, the Commission has concluded that the public interest warrants reopening the order and modifying Paragraph II(c) so that the Hold Separate Agreement will

terminate on the consummation of the divestiture of Gulf's interest in Colonial Pipeline Company. The Commission has concluded that the potential harm resulting from the costs of continuing the Hold Separate Agreement outweighs any further need to maintain it in effect. The Commission is of the opinion that, with the divestitures of Gulf's refining and marketing assets in the Southeast and of its interest in Colonial Pipeline Company, the Hold Separate Agreement has accomplished its primary objectives. On the other hand, Chevron has demonstrated that the continuation of the Hold Separate Agreement, which is applicable to all of Gulf's domestic oil and gas assets and operations, is imposing considerable costs on Chevron and Gulf. These costs have been estimated to exceed \$1 million a day and are being incurred because the Hold Separate Agreement prevents the realization of efficiencies that are expected to flow from integrating the operations of the two companies. Such efficiencies include those that can be achieved in combining the Chevron and Gulf work forces; increasing operating efficiencies and eliminating the duplication of functions resulting from overlapping operations in various areas; and combining desirable aspects of the technologies of the two companies. Chevron has also demonstrated that the Hold Separate Agreement is contributing to the loss of a considerable number of skilled employees who are difficult to replace and is adversely affecting the morale and productivity of Gulf employees.

Accordingly, *it is ordered*, that this matter be, and it hereby is, reopened, and that Paragraph II(c) of the Commission's order issued on October 24, 1984, be, and it hereby is, modified to read as follows:

(c) The Agreement to Hold Separate, attached hereto and made a part hereof as Appendix I, shall continue in effect until such time as Gulf's stock interest in Colonial Pipeline Company has been divested, and Chevron and Gulf shall comply with all terms of said Agreement.

Commissioner Calvani voted in the negative.

IN THE MATTER OF

COMMODORE BUSINESS MACHINES, INC.

CONSENT ORDER, ETC., IN REGARD TO ALLEGED VIOLATION OF SEC. 5 OF
THE FEDERAL TRADE COMMISSION ACT*Docket C-3151. Complaint, March 22, 1985—Decision, March 22, 1985*

This Consent Order requires a West Chester, Pa. marketer of computer products, among other things, to cease, in connection with the advertising, sale or distribution of the Commodore 64 or any other hardware or software computer product, representing the availability or capability of a product, unless at the time of the claim the product is available for public sale in reasonable quantities, or has the claimed capability. The Order further bars the company from making any representations concerning the future availability or capability of a computer product unless the firm has a reasonable basis for the claim at the time the representation is made. Respondent is additionally required to maintain specified records for a period of three years.

Appearances

For the Commission: *Reid B. Horwitz* and *Joel Winston*.

For the respondent: *James R. Wendelgass*, in-house counsel, West Chester, Pa.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act, and by virtue of the authority vested in it by said Act, the Federal Trade Commission, having reason to believe that Commodore Business Machines, Inc. ("Commodore"), hereinafter at times referred to as respondent, has violated the provisions of the said Act, and it appearing to the Commission that a proceeding by it in respect thereof would be in the public interest, hereby issues its complaint stating its charges in that respect as follows:

PARAGRAPH 1. Commodore is a corporation 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 1200 Wilson Drive, West Chester, Pennsylvania.

PAR. 2. Commodore has been and now is engaged in the business of manufacturing, advertising, offering for sale, sale and distribution of Commodore 64 computer and other computer hardware and software products to the public.

PAR. 3. Among the products available as accessories for computers