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UNITED STATES OF AMERICA
BEFORE FEDERAL TRADE COMMISSION

COMMISSIONERS:	**Deborah Platt Majoras, Chairman** **Orson Swindle** **Thomas B. Leary** **Pamela Jones Harbour** **Jon Leibowitz**

In the Matter of **ENTERPRISE PRODUCTS PARTNERS L.P.,** **a limited partnership,** **and** **DAN L. DUNCAN,** **a natural person.**	**Docket No. C-4123**

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act and the Clayton Act, and by virtue of the authority vested in it by said Acts, the Federal Trade Commission, having reason to believe that Respondent Enterprise Products Partners L.P., and Respondent Dan L. Duncan entered into a series of agreements with GulfTerra Energy Partners L.P. and others to merge Enterprise Products Partners L.P. and GulfTerra Energy Partners L.P., all such parties being subject to the jurisdiction of the Federal Trade Commission, in violation of Section 5 of the Federal Trade Commission Act, as amended, 15 U.S.C. § 45, and that such merger, 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 its complaint, stating its charges as follows:

I. THE RESPONDENTS

1. Respondent Enterprise Products Partners L.P. ("Respondent Enterprise") is a publicly traded limited partnership organized and doing business under the laws of the State of Delaware with its executive offices at 2727 North Loop West in Houston, Texas 77008. Enterprise Products GP, LLC ("Enterprise GP") is the general partner of Enterprise and is responsible for its day-to-day management and operations.

2. Respondent Enterprise is engaged, among other things, in the pipeline transportation of natural gas, and the transportation, fractionation, and storage of natural gas liquids, such as ethane and propane.

3. Respondent Enterprise at all times relevant herein has been and is now engaged in commerce as "commerce" is defined in Section 1 of the Clayton Act, as amended, 15 U.S.C. 12, and is a partnership whose business is in or affecting commerce as "commerce" is defined in Section 4 of the Federal Trade Commission Act, as amended, 15 U.S.C. § 44.

4. Respondent Dan L. Duncan ("Respondent Duncan"), a natural person, is the ultimate parent entity of Respondent Enterprise. Mr. Duncan owns or controls 100 percent of Enterprise Products GP, LLC and 48.8 percent of the limited partnership units in Respondent Enterprise. His offices are located at 2727 North Loop West, in Houston, Texas 77008.

5. Respondent Duncan at all times relevant herein has been and is now engaged in commerce as "commerce" is defined in Section 1 of the Clayton Act, as amended, 15 U.S.C. 12, and is an individual whose business is in or affecting commerce as "commerce" is defined in Section 4 of the Federal Trade Commission Act, as amended, 15 U.S.C. § 44.

II. THE MERGER PARTNER

6. GulfTerra Energy Partners L.P. ("GulfTerra") is a limited partnership, organized, existing, and doing business under and by virtue of the laws of the State of Delaware, with its principal place of business located at 4 Greenway Plaza, Houston, Texas 77046. El Paso Corporation owns 31.1 percent of the limited partnership units of GulfTerra LP. El Paso Corporation also owns 50 percent of the membership interest in, and manages the day-to-day operations of, GulfTerra's general partner.

7. GulfTerra is engaged, among other things, in the pipeline transportation of natural gas, and the transportation, fractionation, and storage of natural gas liquids, such as ethane and propane.

III. THE TRANSACTION

8. On December 15, 2003, Respondent Enterprise and GulfTerra agreed to merge to form the second largest publicly traded energy partnership, with an enterprise value of approximately $13 billion.

IV. THE RELEVANT MARKETS

9. For purposes of this Complaint, the relevant lines of commerce in which to analyze the effects of the merger are:

   a. the pipeline transportation of natural gas; and

   b. propane storage and terminaling services.

10. For purposes of this Complaint, the relevant geographic areas in which to analyze the effects of the merger with respect to the pipeline transportation of natural gas are portions of the following United States Department of Interior Minerals Management Service areas in the Gulf of Mexico: East Breaks, Garden Banks, Keithley Canyon, and Alaminos Canyon ("West Central Deepwater") of the Gulf of Mexico.

11. For purposes of this Complaint, the relevant geographic areas in which to analyze the effects of the merger with respect to propane storage and terminaling services is Hattiesburg, Mississippi.

V. THE STRUCTURE OF THE MARKETS

12. The relevant markets are highly concentrated whether measured by Herfindahl-Hirschman Indices ("HHI") or two-firm or four-firm concentration ratios.

13. Respondents and GulfTerra are actual competitors in the relevant markets.

VI. BARRIERS TO ENTRY

14. Entry into the relevant markets is costly, difficult and unlikely because of, among other things, the substantial sunk cost needed to construct the assets required for entry.

VII. EFFECTS OF THE MERGER

15. The effect of the merger may be to substantially lessen competition, or to tend to create a monopoly in the relevant markets set forth above, in violation of 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, in the following ways, among others:

a. By eliminating direct competition between Respondents and GulfTerra in the relevant markets;

b. By enhancing the likelihood of collusion or coordinated action between or among the remaining firms in the pipeline transportation of natural gas from the West Central Deepwater of the Gulf of Mexico;

c. By enhancing the likelihood that Respondents would unilaterally exercise market power in the pipeline transportation of natural gas from the West Central Deepwater of the Gulf of Mexico;

d. By enhancing the likelihood of collusion or coordinated action between or among the remaining firms in the market for propane storage and terminaling services in Hattiesburg, Mississippi; and

e. By increasing the likelihood that customers would be forced to pay higher prices for propane storage and terminaling services and pipeline transportation of natural gas in the relevant geographic areas.

VIII. VIOLATION CHARGED

16. The merger agreement described in Paragraph 8 constitutes a violation of Section 5 of the Federal Trade Commission Act, as amended, 15 U.S.C. § 45.

17. The merger described in Paragraph 8, if consummated, would constitute a violation of 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.

WHEREFORE, THE PREMISES CONSIDERED, the Federal Trade Commission on this twenty-ninth day of September, 2004, issues its complaint against said respondents.

By the Commission.

Donald S. Clark
Secretary

SEAL: