

**ANALYSIS OF AGREEMENT CONTAINING CONSENT ORDER
TO AID PUBLIC COMMENT**
*In the Matter of Oltrin Solutions, LLC; JCI Jones Chemicals, Inc.; Olin Corporation;
and Trinity Manufacturing, Inc., File No. 111-0078*

I. Introduction

The Federal Trade Commission (“Commission”) has accepted, subject to final approval, an Agreement Containing Consent Orders (“Consent Agreement”) from Oltrin Solutions, LLC (“Oltrin”) and JCI Jones Chemicals, Inc. (“JCI”). Oltrin is a joint venture between Olin Corporation (“Olin”) and Trinity Manufacturing, Inc. (“Trinity”). The purpose of the Consent Agreement is to remedy the anticompetitive effects stemming from a March, 2010 transaction (the “Transaction”) in which Oltrin (1) acquired from JCI, among other things, a list of its bulk sodium hypochlorite (“bleach”) customers from its plant in Charlotte, North Carolina and (2) entered into a non-compete agreement that prohibited JCI from selling bulk bleach in North Carolina and South Carolina for six years. Under the terms of the proposed Consent Agreement, Oltrin is required to release JCI from the non-compete agreement, transfer a minimum volume of bleach contracts to JCI, and provide a short-term backup supply agreement in order to facilitate JCI’s reentry into the market.

At the time of the Transaction in March of 2010, Oltrin and JCI produced and sold bulk bleach to municipal water departments and industrial customers in southern Virginia, North Carolina, and South Carolina. The Commission’s Complaint alleges that the Transaction violated 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, by eliminating actual, direct, and substantial competition between Oltrin and JCI in a market no broader than the bulk supply of bleach in southern Virginia, North Carolina, and South Carolina, and potentially limited to North Carolina and South Carolina.

The proposed Consent Agreement has been placed on the public record for thirty days to receive comments by interested persons. Comments received during this period will become part of the public record. After thirty days, the Commission will review the Consent Agreement again and any comments received, and decide whether to withdraw from the proposed Consent Agreement, modify it, or make final the accompanying Decision and Order.

II. The Respondents

Respondent Oltrin is a limited liability company with its headquarters address located at 11 E.V. Hogan Dr., Hamlet, North Carolina, 28345. Oltrin is jointly owned by Trinity and TriOlin LLC, a subsidiary of Olin, and was formed in 2007. Oltrin purchases and resells all of the bleach produced for external sales at the Trinity-operated plant in Hamlet, North Carolina.

Respondent JCI is a privately-held, family-owned company headquartered at 1765 Ringling Blvd., Sarasota, Florida, 34236. JCI is one of the world’s leading manufacturers and distributors of water treatment chemicals and it produces bleach and other chemicals nationwide at eleven manufacturing plants. Prior to entering into the Transaction, JCI was engaged in the manufacture and sale of bleach from its plant in Charlotte, North Carolina.

Respondent Olin is a publicly-traded corporation incorporated in Virginia and headquartered at 190 Carondelet Plaza, Suite 1530, Clayton, Missouri, 63105. Olin produces a variety of chemicals and is the largest North American producer of bleach.

Trinity is a privately-owned marketer of bleach and other chemicals, headquartered at 11 E.V. Hogan Dr., Hamlet, North Carolina, 28345. Trinity operates a bleach plant in Hamlet, North Carolina. All of the bleach produced at the Hamlet plant is sold to Trinity and that portion intended for external sale is resold through Oltrin.

III. The Relevant Market and Market Structure

The relevant market within which to analyze the competitive effects of the Transaction is no broader than the sale of bulk bleach in southern Virginia, North Carolina, and South Carolina, and potentially limited to North Carolina and South Carolina. Bulk bleach is primarily used by municipal and industrial customers to disinfect water. Although there are other methods of disinfecting water – including ozone, ultraviolet light, and chlorine gas – customers are unlikely to switch to these alternatives once they have installed the infrastructure to disinfect water with bleach. “Bulk sales” of bleach typically consist of purchases delivered in quantities of 4,500 to 4,800 gallons.

The geographic market for bleach is limited by the expense of transporting it, which when shipped by truck is generally a maximum distance of approximately 250 to 300 miles from the point of production. At the time of the Transaction, Oltrin was the largest, and JCI was Oltrin’s next-largest, competitor in the relevant market.

IV. Entry

Entry is not likely to deter or counteract the anticompetitive effects of the Transaction. Producing bleach with a modern salt-to-bleach plant requires time-consuming and capital-intensive investment. Alternatively, producing bleach by combining electrochemical units (“ECUs”) requires that the producer handle chlorine. Chlorine is a hazardous substance and handling it subjects the producer to stringent security regulations. There has been no entry in the relevant market since the date of the Transaction.

V. Effects of the Transaction

Absent the proposed Consent Agreement, the Transaction would result in further and ongoing competitive harm in the southern Virginia, North Carolina, and South Carolina bulk bleach market. Prior to the Transaction, Oltrin bid on bleach contracts, either directly or through a distributor, against JCI on multiple occasions. As a result, the Transaction eliminated actual, direct, and substantial competition between Oltrin and JCI for the sale of bulk bleach in the relevant geographic market.

VI. The Consent Agreement

The proposed Consent Agreement remedies the alleged violation by requiring Oltrin to release JCI from the agreement not to compete for the sale of bulk bleach in North and South Carolina. Having formerly produced bleach at its Charlotte, North Carolina plant, JCI has demonstrated that it is capable of competing with Oltrin. Today, just as before, JCI is well-positioned to restore the competition that was lost when it entered into the Transaction with Oltrin.

The proposed Consent Agreement also contains several provisions designed to ensure that the remedy is successful. First, Oltrin will transfer to JCI customer contracts totaling approximately two million gallons worth of bleach volume. Second, Oltrin will enter into a six month backup bleach supply agreement with JCI, so that JCI can continue to supply its bleach customers if JCI encounters any unexpected production interruptions. Third, Oltrin and JCI must notify the Commission in advance of any future Transactions. Finally, Oltrin must notify any customers which requested a bid since the Transaction occurred (1) that JCI will be supplying bleach in North Carolina and South Carolina and (2) requesting that the customer add JCI's contact information to any future solicitation of bids.

If, after the public comment period, the Commission determines that the Consent Agreement will not restore competition to the relevant market, then the Consent Agreement will be withdrawn. The purpose of this analysis is to facilitate public comment on the proposed Consent Agreement. This analysis is not intended to constitute an official interpretation of the proposed Consent Agreement or to modify its terms in any way.