

Board of Governors of the Federal Reserve System, February 22, 2017.

Yao-Chin Chao,

[FR Doc. 2017-03828 Filed 2-27-17; 8:45 am]

BILLING CODE 6210-01-P

FEDERAL TRADE COMMISSION

[File No. 161 0215]

Enbridge Inc. and Spectra Energy Corp.; Analysis To Aid Public Comment

AGENCY: Federal Trade Commission.

ACTION: Proposed consent agreement.

SUMMARY: The consent agreement in this matter settles alleged violations of federal law prohibiting unfair methods of competition. The attached Analysis to Aid Public Comment describes both the allegations in the complaint and the terms of the consent orders—embodied in the consent agreement—that would settle these allegations.

DATES: Comments must be received on or before March 20, 2017.

ADDRESSES: Interested parties may file a comment at <http://www.ftc.gov>.

online or on paper, by following the instructions in the Request for Comment part of the **SUPPLEMENTARY INFORMATION** section below. Write “In the Matter of Enbridge Inc. and Spectra Energy Corp File No. 161-0215” on your comment and file your comment online at <http://www.ftc.gov>.

by following the instructions on the web-based form. If you prefer to file your comment on paper, write “In the Matter of Enbridge Inc. and Spectra Energy Corp File No. 161-0215” on your comment and on the envelope, and mail your comment to the following address: Federal Trade Commission, Office of the Secretary, 600 Pennsylvania Avenue NW., Suite CC-5610 (Annex D), Washington, DC 20580, or deliver your comment to the following address: Federal Trade Commission, Office of the Secretary, Constitution Center, 400 7th Street SW., 5th Floor, Suite 5610 (Annex D), Washington, DC 20024.

FOR FURTHER INFORMATION CONTACT: Eric Cochran (202-326-3454), Bureau of Competition, 600 Pennsylvania Avenue NW., Washington, DC 20580.

SUPPLEMENTARY INFORMATION: Pursuant to Section 6(f) of the Federal Trade Commission Act, 15 U.S.C. 46(f), and FTC Rule 2.34, 16 CFR 2.34, notice is hereby given that the above-captioned consent agreement containing consent order to cease and desist, having been

filed with and accepted, subject to final approval, by the Commission, has been placed on the public record for a period of thirty (30) days. The following Analysis to Aid Public Comment describes the terms of the consent agreement, and the allegations in the complaint. An electronic copy of the full text of the consent agreement package can be obtained from the FTC Home Page (for February 16, 2017), on the World Wide Web, at <http://www.ftc.gov>.

You can file a comment online or on paper. For the Commission to consider your comment, we must receive it on or before March 20, 2017. Write “In the Matter of Enbridge Inc. and Spectra Energy Corp File No. 161-0215” on your comment. Your comment—including your name and your state—will be placed on the public record of this proceeding, including, to the extent practicable, on the public Commission Web site, at <http://www.ftc.gov>.

As a matter of discretion, the Commission tries to remove individuals’ home contact information from comments before placing them on the Commission Web site.

Because your comment will be made public, you are solely responsible for making sure that your comment does not include any sensitive personal information, like anyone’s Social Security number, date of birth, driver’s license number or other state identification number or foreign country equivalent, passport number, financial account number, or credit or debit card number. You are also solely responsible for making sure that your comment does not include any sensitive health information, like medical records or other individually identifiable health information. In addition, do not include any “[t]rade secret or any commercial or financial information which . . . is privileged or confidential,” as discussed in Section 6(f) of the FTC Act, 15 U.S.C. 46(f), and FTC Rule 4.10(a)(2), 16 CFR 4.10(a)(2). In particular, do not include competitively sensitive information such as costs, sales statistics, inventories, formulas, patterns, devices, manufacturing processes, or customer names.

If you want the Commission to give your comment confidential treatment, you must file it in paper form, with a <http://6.5.162.6.5.25.20.VerDaj.cSop<11>2014>

¹ In particular, the written request for confidential treatment that accompanies the comment must include the factual and legal basis for the request,

and must identify the specific portions of the comment to be withheld from the public record. FTC Rule 4.9(c), 16 CFR 4.9(c).

The Merger, if consummated, will result in Respondent Enbridge having ownership interests in the two closest and likely lowest-cost pipelines that provide or can provide natural gas pipeline transportation from many Deepwater Outer Continental Shelf oil and gas leasing and exploration blocks (“blocks”) in certain natural gas producing areas in the Gulf of Mexico. Enbridge, through a wholly owned subsidiary, owns and operates the Walker Ridge Pipeline. Spectra has an indirect, minority ownership interest in the Discovery Pipeline. The Complaint alleges that, resulting from the Merger, Enbridge will have access to competitively sensitive information of its competitor, the Discovery Pipeline, and gain voting rights over the Discovery Pipeline’s significant capital expenditures, including expansions needed to connect to new wells. Without adequate safeguards, Enbridge could misuse that information and its voting rights, leading to anticompetitive conduct that would make the Discovery Pipeline a less effective competitor or would facilitate coordination in the industry. To remedy these concerns, under the terms of the Proposed Decision and Order (“Order”) contained in the Consent Agreement, Enbridge is required to erect firewalls to limit its access to non-public information relating to the Discovery Pipeline. In addition, all board members appointed by Enbridge or Spectra to the boards of directors overseeing the Discovery Pipeline must recuse themselves from any vote pertaining to the Discovery Pipeline, with limited exceptions.

The Commission has placed the Consent Agreement on the public record for 30 days to solicit comments from interested persons. Comments received during this period will become part of the public record. After 30 days, the Commission will again review the Consent Agreement and the comments received, and will decide whether it should withdraw from the Consent Agreement, modify it, or make the Order final.

Enbridge

A. Enbridge

Enbridge is an energy delivery company that operates primarily in the United States and Canada. Its primary business is in pipeline transportation of crude oil; however, it also has significant natural gas gathering, processing, transportation, and storage assets. Enbridge owns several interconnected natural gas pipelines that export natural gas from the Gulf of

Mexico to processing plants in Louisiana.

B. Spectra

Spectra is one of the largest North American pipeline and midstream

and ability to reduce the competitiveness of Discovery Pipeline bids for projects for which the parties' pipeline are the closest and lowest-cost options.

Second, Enbridge will have access to the Discovery Pipeline's competitively sensitive information. When its Walker Ridge Pipeline competes with the Discovery Pipeline, Enbridge may use this competitively sensitive information to raise transportation costs for natural gas producers. The exchange of information also may increase the likelihood of tacit or explicit coordination between the Walker Ridge Pipeline and the Discovery Pipeline.

V . 57

Entry into the relevant markets would not be timely, likely, or sufficient to deter or counteract the anticompetitive effects arising from the Merger. Barriers to entry are significant. Building pipeline underwater is an expensive and lengthy process, often taking several years from the initial proposal to the end of construction.

V . 30 300 30 30

The proposed Order resolves the anticompetitive concerns described above by requiring that (1) Enbridge erect firewalls to limit its access to non-public information relating to the Discovery Pipeline, and (2) all representatives appointed by Enbridge or Spectra to the DCP or DPM boards of directors recuse themselves from any vote pertaining to the Discovery Pipeline, with two limited exceptions. First, Enbridge's representatives may vote on initiatives to expand the Discovery Pipeline beyond natural gas pipeline services in the Gulf of Mexico. This provision ensures that Enbridge does not have to participate in business ventures unrelated to the Discovery Pipeline's current business. Second, Enbridge's representatives may participate in votes to change DPM's ownership interest in the Discovery Pipeline. The use of firewalls and recusal provisions is appropriate because the competitive concerns arise from a discrete overlap that constitutes a relatively small portion of DCP's and DPM's overall physical footprints and business portfolios.

The proposed Order allows the Commission to appoint a monitor. The Commission has appointed Robert Ogle, who currently is associated with Claro Group LLC. Mr. Ogle will help ensure the effectiveness of the firewall provisions and ongoing compliance with the Order. The Commission routinely appoints monitors for orders

involving firewall provisions. Mr. Ogle will serve for a 5-year term, but the Commission may extend or modify the term as appropriate. The Order will have a term of 20 years.

The Commission does not intend this analysis to constitute an official interpretation of the proposed Order or to modify its terms in any way.

By direction of the Commission.

Donald S. Clark,

Commissioner.

[FR Doc. 2017-03889 Filed 2-27-17; 8:45 am]