Michele Cerullo

From: BC Antitrust
Sent: Wednesday, February 26, 2003 5:32 PM
To: Michele Cerullo; Patricia Jones
Subject: Fwd: FTC File No. 021-0040, Docket No. C-4058

Header (1 KB)

-----Original Message-----
Date: 02/20/2003 04:57 pm (Thursday)
From: Brian & Heather Harris <troutbums@netzero.net>
To: FTC.SERIUS("antitrust@FTC.gov")
Subject: FTC File No. 021-0040, Docket No. C-4058

February 20, 2003

Daniel P. Ducore
Federal Trade Commission
Office of Secretary
600 Pennsylvania Ave, N.W.
Washington, DC 20580

Dear Daniel P. Ducore:

Subject: FTC File No. 021-0040, Docket No. C-4058

I am sending this in regards to the recently proposed benefits that Holly Corp. presented to the Woods Cross Business Unit. I have some concerns when it comes to the competitiveness of the proposed plan when compared with current ConocoPhillips benefits plans. Although the new benefits compare reasonably when it comes to the basic insurances, (medical, life, dental) the new plan will adversely affect the Woods Cross Business Unit employees* retirement.

The current ConocoPhillips Savings Plan matches 1.25% in the 401K portion and targets 8% for the ESOP portion (the ESOP portion is variable, and can increase or decrease depending on the stock price over the semi-annual contribution periods). This is a total match of 9.25%, which only requires a 2.25% employee contribution to receive. Holly Corp matches up to 4%. This is a difference of 5.25%. For an average employee making $60,000 this represents a loss of $3,150 per year in benefit matching. In my opinion there are a few small positives and negatives, but nothing that on the aggregate will make up this difference.

In addition to the negative impact on retirement, I find it hard to believe that the benefits can be compared and considered competitive with what we have, since we have yet to receive the necessary pricing of insurances, and projected payout for the bonus programs that will apply to the employees. Under ConocoPhillips the annual bonus program targets 7.5% of base pay. In brief discussion with Holly Corp, it has been inferred that they typically see pay outs of 4% of annual base pay adding an additional 3.5% loss in total compensation.

I am deeply concerned with the proposed benefit programs because it puts current employees in a tough situation. It appears that a typical employee could loose up to 10% of their current base pay with the proposed Holly Corp benefits. As the overseeing agency of this transaction, part of your role as I understand it is to limit the negative impact such a deal would have on the employees, and I hope you will take this very seriously.

Thank You,

Brian Harris
830 N 500 W #35
Bountiful UT, 84010
801-294-5497
troutbums@netzero.net