

## VIA FACSIMILE

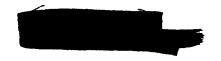
Mr. Richard B. Smith
Ms. Melea R.C. Epps
Federal Trade Commission
Room 303
6th Street & Pennsylvania Ave., N.W.
Washington, D.C. 20580

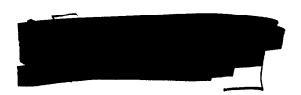
Re: Characterization of Pipelines Under New Rule 802.3

Dear Mr. Smith and Ms. Epps:

A U.S. issuer is acquiring the voting securities of another U.S. issuer substantially all of whose assets are located in a foreign country. The foreign assets consist of the concession owners constructed the and owned them until they had recovered their construction costs, at which time ownership transferred to the government. To follow-up on our telephone conversation, my client and I found out the following facts preliminarily. In the case of the which is not dedicated to the acquired person's concession, but services several concessions, we believe that the owner of the concession has a first call on capacity up to a certain limit, but that with respect to unused capacity, the government that owns has the right to sell such unused capacity to others. Thus, the acquired person may use the capacity only for the under the Concession Agreement and does not "own" or "control to the conventional sense.

With respect to the government also owns it. It is dedicated to the finite concession. The concession is owned and operated as a joint venture of three privately owned companies and the government. No person other than the concession operators used to the concessi





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From having read the Statement of Basis and Purpose and based on our telephone conversation on April 5, it is my understanding that the reason for excluding certain from exempt assets is the concern that such assets could be a business in and of themselves rather than just an asset incidental to be a business in and of themselves rather Section 802.3 is the notion that the person acquiring the would control them as well. We would appreciate your confirmation that the above-describe assets under Section 802.3(c)(1) and (2) and that regardless of whether are included as assets", the mere non-exclusive right to use for one's own production is an "associated. ... asset."

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value of such agreet must be given a lair market value determined.

If it is peech is HM, then the transaction is reportable