FEDERAL TRADE COMMISSION
PROTECTING AMERICA'S CONSUMERS

FTC Orders the Divestiture of Hundreds of Retail Stores Following 7-Eleven, Inc.'s Anticompetitive $21 Billion Acquisition of the Speedway Retail Fuel Chain

June 25, 2021

Proposed order prohibits 7-Eleven from enforcing noncompete provisions for franchisees or employees working at or doing business with divested assets

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7-Eleven, Inc. and Marathon Petroleum Corporation have agreed to divest hundreds of stores used to sell gasoline and diesel fuel in 293 local markets across 20 states to settle Federal Trade Commission charges that 7-Eleven 's acquisition of Marathon's Speedway subsidiary violated federal antitrust laws. 7-Eleven consummated the acquisition on May 14, 2021, even though the company knew the acquisition violated Section 7 of the Clayton Act and Section 5 of the FTC Act.

A subsidiary of the Tokyo-based Seven & i Holdings Co., Ltd., 7-Eleven owns, operates, and franchises approximately 9,000 convenience stores in the United States, making it the largest U.S. convenience store chain. Almost half of 7-Eleven's stores also sell fuel. Marathon operates a vertically integrated refining, marketing, retail, and transportation system for petroleum and petroleum products; prior to closing, Marathon controlled Speedway, which operates almost 4,000 retail fuel outlets across the United States.

According to the complaint, markets for retail gasoline and retail diesel fuel are highly localized, and consumers have no economic or practical alternatives to the retail sale of gasoline or diesel fuel. The complaint alleges that the acquisition will harm competition for the retail sale of fuel in 293 local markets across Arizona; California; Florida; Illinois; Indiana; Kentucky; Massachusetts; Michigan; North Carolina; New Hampshire; Nevada; New York; Ohio; Pennsylvania; Rhode Island; South Carolina; Tennessee; Utah; Virginia, and West Virginia. In 140 of those markets, competition for retail sale of gas will be harmed; in 29 markets, competition for retail sale of diesel will be harmed, and in 124 markets, competition for retail sale of both types of products will be harmed.

The complaint alleges that without a remedy, the acquisition reduces the number of independent competitors to three or fewer in each of the 293 markets.

Under the terms of the proposed consent order, 7-Eleven, Inc. and Marathon are required to divest 124 retail fuel outlets to Anabi Oil, comprising 123 Speedway outlets and one 7-Eleven outlet. They are also required to divest 106 retail fuel outlets to Cross America Partners, comprising 105 Speedway outlets and one 7-Eleven outlet. And they must divest 63 Speedway retail fuel outlets to Jacksons Food Stores.

In addition, to remove impediments that could prevent the buyers from competing vigorously in these markets, the proposed order also prohibits 7-Eleven from enforcing any noncompete provisions as to any franchisees or employees working at or doing business with the divested assets.

The proposed order also requires 7-Eleven, Inc. and Marathon, for a period of five years, to obtain prior Commission approval before purchasing any of the divested outlets. For 10 years, the companies must provide prior notice of future acquisitions of the divested assets and other assets identified by the Commission within the 293 local markets at issue, plus an additional three markets. Acquisitions in these markets likely would raise the same competitive concerns but may fall below the Hart-Scott-Rodino Act premerger notification thresholds.

Further details about the consent order – which requires the companies to designate an asset maintenance manager, and appoints The Claro Group as an independent third-party monitor to ensure their compliance with the order and to oversee the asset maintenance manager – are set forth in the analysis to aid public comment for this matter.

FTC staff would like to thank the Florida Attorney General's Office and the California Department of Justice for their close cooperation throughout this investigation.

The Commission vote to issue the complaint and accept the proposed consent order for public comment was 4-0-1, with Chair Lina Khan not participating. The FTC will publish the consent agreement package in the Federal Register shortly. Instructions for filing comments appear in the published notice. Comments must be received 30 days after publication in the Federal Register. Once processed, comments will be posted on Regulations.gov.

NOTE: The Commission issues an administrative complaint when it has "reason to believe" that the law has been or is being violated, and it appears to the Commission that a proceeding is in the public interest. When the Commission issues a consent order on a final basis, it carries the force of law with respect to future actions. Each violation of such an order may result in a civil penalty of up to $43,792.

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Contact Information

MEDIA CONTACT:
Betsy Lordan
Office of Public Affairs
202-326-3707

STAFF CONTACT:
Nicholas Bush
Bureau of Competition
202-326-2848

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