

**UNITED STATES OF AMERICA  
BEFORE THE FEDERAL TRADE COMMISSION**

In the matter of	)	
	)	
UNION OIL COMPANY OF CALIFORNIA,	)	Docket No. 9305
	)	
a corporation.	)	
	)	

**DECLARATION OF FRAN S. BOVE IN SUPPORT OF  
SHELL’S SECOND MOTION FOR *IN CAMERA* TREATMENT**

I, Fran S. Bove, declare as follows:

1. I am the Business Team Manager, Fuels Business Group, at Shell Global Solutions US Inc. My responsibilities in this position include fuel product technology development and support. Shell Global Solutions US Inc. performs work for Shell Oil Products United States (“Shell”) and Motiva Enterprises LLC.

2. The documents for which Shell requests *in camera* protection, attached as Exhibits A-J hereto, are identified as:

<b>Exhibit</b>	<b>RX</b>	<b>Production Bates Numbers</b>
A	1055	SHUNO-0006773 to 6774

and:

<b>Exhibit</b>	<b>CX</b>	<b>Production Bates Numbers</b>
B	2169	SHUNOBD-0000001 to 16
C	[TBD]	SHUNOBD-0000017 to 30
D	[TBD]	SHUNOBD-0000031 to 40
E	1131	AG-SHELL-0000390 to 398
F	1132	AG-SHELL-0000399 to 415
G	1133	AG-SHELL-0000416 to 427
H	Banducci Deposition Transcript (8/7/03)	Page 46, line 2 through page 47 line 12.

I	Hancock Deposition Transcript (9/5/03)	Page 193, line 22 through page 197, line 6. Page 216, line 16 through page 222, line 17.
J	Jacober Deposition Transcript (8/20/03)	Page 33, line 8 through page 34, line 3. Page 45, line 21 through page 46, line 20.

3. I have reviewed the documents for which Shell seeks *in camera* treatment. As Business Team Manager, Fuels Business Group, I am familiar with the type of information contained in Exhibits A-J and the purposes for which those documents are used in Shell's operations. I am also generally familiar with the confidentiality protection afforded this type of information by Shell. Based upon my review of these documents, my knowledge of Shell's business, and my familiarity with the confidentiality protection that Shell affords information of this type, it is my belief that public disclosure of these documents could cause serious competitive injury to Shell.

4. Shell is not a party to the captioned matter. It is my understanding that Exhibit A was produced to Union Oil Company of California ("Unocal") with the designation "Confidential" pursuant to the Protective Order in this matter. Exhibits B-D were designated "Restricted Confidential – Attorney Eyes Only" prior to their production to Unocal. Shell provided Exhibits E-G to the Commission during the pre-complaint stage of this matter, and these documents are designated "Confidential" in accordance with paragraphs 2.(a) and 3. of the Protective Order. Exhibits H-J were designated "Restricted Confidential – Attorney Eyes Only" by Shell's counsel pursuant to the Protective Order. Other than the productions just described, no disclosure of Exhibits A-J to anyone outside of Shell has occurred, to the best of my knowledge.

### Exhibits

5. Exhibit A (RX 1055; SHUNO-0006773 to 6774) is a letter from Robert Millar, Business Manager of Shell's Los Angeles Refinery, to Janice Ross of the California Air Resources Board ("CARB"), dated July 5, 2001. The letter was prepared by Mr. Millar with input from Shell personnel with refining expertise and Shell counsel. It reflects Shell's confidential response to an inquiry by CARB into an irregularity in Reid Vapor Pressure ("RVP") values that Shell had reported to CARB on April 27, 2001. The information contained in Exhibit A includes highly sensitive details concerning Shell's methods for testing and measuring gasoline properties for blends manufactured at its California refineries. This document communicates these business methods to CARB for the exclusive purpose of demonstrating compliance with CARB's regulatory requirements, and is not for public distribution. Shell's California refineries currently use the testing and measurement methods reflected in Exhibit A, and these practices are vitally important to the day-to-day operation of these facilities. Disclosure of the

information contained in this document to competitors could damage Shell's economic interests and allow rival refiners to learn Shell's internal business practices.

6. Exhibits B and C (CX 2169, SHUNO-0002591 to 2592; CX [TBD], SHUNOBD-0000017 to 30) are a series of spreadsheets containing detailed information for individual batches of CARB summertime gasoline produced in 2001 (Exhibit B) and 2002 (Exhibit C) at Shell's California refineries. Exhibit D (CX [TBD], SHUNOBD-0000031 to 40) is a related series of spreadsheets in the same format as Exhibits B and C, and it contains the refineries' CARB Phase 3 summertime gasoline batch data. (CARB Phase 3 refers to the gasoline specifications which are used currently at some refineries and which are mandated for 2004.) I understand that these "batch data" documents were designated "Restricted Confidential – Attorney Eyes Only" pursuant to the Protective Order in this matter before being produced to Unocal. They contain highly confidential and commercially sensitive information about specific production volumes, the particular numerical properties and characteristics of those volumes and the methods by which those properties and characteristics are measured at Shell's California refineries.

7. Disclosure of Exhibits B-D would cause serious and irreparable harm to Shell's competitive position. A rival with access to the information contained in these documents would have the ability to determine certain production capacities, fuel compositions and blendstock requirements of Shell's California refineries, and could use this confidential information to disadvantage Shell when negotiating exchange agreements or competing for customers. Moreover, this knowledge could permit Shell's customers to adjust their purchasing strategies for CARB summertime gasoline to take advantage of supply fluctuations and thereby reduce the average selling price for Shell's conventional and CARB gasoline output.

8. Exhibits E-G (CX 1131, AG-SHELL-0000390 to 398; CX 1132, AG-SHELL-0000399 to 415; and CX 1133, AG-SHELL-0000416 to 427) are presentations to Shell executives in 2001 containing funding requests for major process unit modifications at Shell's Bakersfield, Los Angeles and Martinez Refineries, respectively. These business planning documents were created by Shell personnel for review and approval by Shell management. It is my understanding that these Exhibits were provided to Complaint Counsel and Unocal only under compulsory process in this matter. Shell designated each of these documents as "Confidential" under the Protective Order. Many hours of work and substantial business resources were expended in the development and presentation of these appropriation requests, as well as in their implementation.

9. Exhibits E-G contain Shell's capital plans and business strategies for complying with the CARB Phase 3 regulations. More specifically, they describe the process unit modifications planned for Shell's California refineries and the costs associated with those projects. Each of these documents contains detailed and commercially sensitive economic analyses of the impact of the modifications on Shell's production volumes for finished products and the profit margins associated with those volumes. These Exhibits also quantify Shell's internal rates of return for the specific investments proposed and alternatives considered. If Shell's competitors had access to

this information, they could adjust their business strategies to exploit Shell's production capacities, supply requirements and cost position. In addition, public disclosure of this information could enable Shell's competitors to improve their own refinery processes in similar ways but with substantially lower capital costs than those incurred at the Shell facilities, to the detriment of Shell's economic position.

10. Exhibit H includes an excerpt of the deposition transcript of Ron Banducci, a former Refining Manager at Shell's Martinez Refinery. I am informed that Mr. Banducci's deposition testimony was taken by Respondent's Counsel in this matter on August 7, 2003. It is also my understanding that Shell's counsel has designated this entire transcript as "Restricted Confidential – Attorney Eyes Only" under the Protective Order in this matter. The portion of the transcript shown in Exhibit H contains Mr. Banducci's discussion of modifications at the Martinez Refinery in connection with particular CARB Phase 3 specifications. (See Banducci Tr. at page 46, line 2 through page 47, line 12). Public disclosure of this information could enable Shell's competitors to improve their own refinery processes in similar ways but with substantially lower capital costs than those incurred by Shell, to the detriment of Shell's economic position.

11. Exhibit I contains portions of the deposition transcript of Steve Hancock, a former Refining Support executive at Shell's Houston headquarters. I am informed that Mr. Hancock's deposition testimony was taken by Respondent's Counsel in this matter on September 5, 2003. It is also my understanding that Shell's counsel has designated this entire transcript as "Restricted Confidential – Attorney Eyes Only" under the Protective Order in this matter. The first portion of the transcript in Exhibit I contains Mr. Hancock's discussion of specific changes at Shell's California refineries in connection with particular CARB Phase 3 specifications. (See Hancock Tr. at page 193, line 22 through page 197, line 6). The second excerpt contains testimony about a specific blending alternative for Shell's refineries that it studied in connection with the CARB Phase 3 specifications (See Hancock Tr. at page 216, line 16 through page 222, line 17). Public disclosure of this information could enable Shell's competitors to improve their own refinery processes in similar ways but with substantially lower capital costs than those incurred by Shell, to the detriment of Shell's economic position.

12. Exhibit J includes excerpts from the deposition transcript of David Jacober, a former clean fuels coordinator at Shell's Houston headquarters, and currently a Vice President of Business Management for Shell. I am informed that Mr. Jacober's deposition testimony was taken by Respondent's Counsel on August 20, 2003 in this matter. It is also my understanding that Shell's counsel has designated this entire transcript as "Restricted Confidential – Attorney Eyes Only" under the Protective Order in this matter. The excerpts from the transcript shown in Exhibit J contains Mr. Jacober's discussion of Shell's policy and practice for refining gasoline with respect to the numerical property ranges set forth in the claims of Unocal's patents. (Jacober Tr. at page 33, line 8 through page 34, line 3; page 45, line 21 through page 46, line 20). Public disclosure of this information could enable Shell's competitors to adjust their blending and refining strategies or change supply arrangements with Shell to the detriment of its economic position.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct. Executed this \_\_\_\_\_ day of October, 2003, in \_\_\_\_\_.

\_\_\_\_\_  
Fran S. Bove

**TABS A-J  
REDACTED**