UNITED STATES OF AMERICA
BEFORE THE FEDERAL TRADE COMMISSION

COMMISSIONERS:	**Lina M. Khan, Chair** **Noah Joshua Phillips** **Rebecca Kelly Slaughter** **Christine S. Wilson**

In the Matter of **AMERICAN SECURITIES PARTNERS VII, L.P.,** **a limited partnership;** **PRINCE INTERNATIONAL CORPORATION,** **a corporation;** **and** **FERRO CORPORATION,** **a corporation.**	**COMPLAINT** **Docket No. C-** **REDACTED PUBLIC VERSION**

COMPLAINT

Pursuant to the Clayton Act and the Federal Trade Commission Act ("FTC Act"), and its authority thereunder, the Federal Trade Commission ("Commission"), having reason to believe that Respondent Prince International Corporation ("Prince"), a corporation subject to the jurisdiction of the Commission, whose ultimate parent entity is Respondent American Securities Partners VII, L.P. ("American Securities"), a limited partnership subject to the jurisdiction of the Commission, has agreed to acquire Ferro Corporation ("Ferro"), a corporation subject to the jurisdiction of the Commission, in violation of Section 5 of the FTC Act, as amended, 15 U.S.C. § 45, and that such acquisition, if consummated, would violate Section 7 of the Clayton Act, as amended, 15 U.S.C. § 18, and Section 5 of the FTC Act, as amended, 15 U.S.C. § 45, and it appearing to the Commission that a proceeding in respect thereof would be in the public interest, hereby issues its Complaint, stating its charges as follows:

I. RESPONDENTS

1. Respondent Prince International Corporation is a corporation organized, existing, and doing business under and by virtue of the laws of the State of Delaware with its executive offices and principal place of business located at 15311 Vantage Parkway West, Suite

350, Houston, TX 77032.

2. Respondent American Securities Partners VII, L.P., is a limited partnership organized, existing, and doing business under and by virtue of the laws of the State of Delaware with its executive offices and principal place of business located at 590 Madison Avenue, 38th Floor, New York, New York, 10022.

3. Respondent Ferro Corporation is a corporation organized, existing, and doing business under and by virtue of the laws of the State of Ohio with its executive offices and principal place of business located at 6060 Parkland Boulevard, Mayfield Heights, Ohio, 44124.

4. Each Respondent is, and at all times relevant herein has been, engaged in commerce, as "commerce" is defined in Section 1 of the Clayton Act as amended, 15 U.S.C. § 12, and engages in business that is in or affects commerce, as "commerce" is defined in Section 4 of the FTC Act, as amended, 15 U.S.C. § 44.

II. THE PROPOSED ACQUISITION

5. Pursuant to an agreement and plan of merger dated May 11, 2021, Respondent Prince proposes to acquire all of the outstanding and issued voting securities of Respondent Ferro in a transaction valued at approximately $2.1 billion (the "Acquisition"). The Acquisition is subject to Section 7 of the Clayton Act, as amended, 15 U.S.C. § 18.

III. THE RELEVANT MARKETS

6. The relevant lines of commerce in which to analyze the effects of the Acquisition are the manufacture and sale of the following products:

   a. porcelain enamel frit;

   b. glass enamel; and

   c. forehearth colorants.

7. Porcelain enamel frit is a glass-based product used to create heat-tolerant, scratch and corrosion resistant coatings (porcelain enamel) for appliances, water heaters, cookware, and other applications. Porcelain enamel frit is necessary to make porcelain enamel. There are no good substitutes for porcelain enamel in the various applications in which it is used.

8. Glass enamel is a liquid paste or powder that is added to glass surfaces, such as appliance doors, architectural panels, and glass bottles, for aesthetic purposes, such as adding color or decoration; and to automotive windshields, for functional purposes, such as blocking UV light. There are no good substitutes for glass enamel in the various applications in

which it is used.

9. Forehearth colorants are glass-based products added to the forehearths of certain glass furnaces during the manufacture of glass bottles to impart a specific color to the bottles. There is no good substitute for forehearth colorants.

10. North America is the relevant geographic area in which to assess the competitive effects of the Acquisition in porcelain enamel frit. Prince supplies its U.S. customers from a plant in Leesburg, Alabama, while Ferro suppliers its U.S. customers from a plant in Villagran, Mexico.

11. The world is the relevant geographic area in which to assess the competitive effects of the Acquisition in glass enamel and forehearth colorants. Prince supplies its U.S. glass enamel customers from a plant in Cambiago, Italy, while Ferro supplies its U.S. customers from a plant in Villagran, Mexico. Prince supplies its U.S. forehearth colorant customers with products made at a plant in Bruges, Belgium that are further processed in Leesburg, Alabama, while Ferro supplies its U.S. customers with products made at a plant in Villagran, Mexico that are further processed in Orrville, Ohio.

IV. THE STRUCTURE OF THE MARKETS

12. The North American market for porcelain enamel frit is highly concentrated. Respondents have a combined share of about [redacted] of sales of the overall North American market for porcelain enamel frit and about [redacted] of the sales of the non-captive, merchant North American market for porcelain enamel frit.

13. The world market for glass enamel is highly concentrated, with the two leading producers, Ferro and Fenzi Holdings SPV S.p.A., having a combined market share of about [redacted] Prince, the third largest competitor, has about a [redacted] market share.

14. The world market for forehearth colorant is highly concentrated. Ferro and Prince are the two largest producers of forehearth colorant in the world, with a combined market share of about [redacted].

V. ENTRY CONDITIONS

15. Entry into the relevant markets described in Paragraphs 12-14 would not be timely, likely, or sufficient in magnitude, character, and scope to deter or counteract the anticompetitive effects of the Acquisition. *De novo* entry would not take place in a timely manner because the time and cost required to construct a new plant, and the time required to obtain approvals at customer accounts. In addition, no other entry is likely to occur such that it would be timely and sufficient to deter or counteract the competitive harm likely to result from the Acquisition.

VI. THE EFFECTS OF THE ACQUISITION

16. The effects of the Acquisition, if consummated, may be to substantially lessen competition in violation of Section 7 of the Clayton Act, as amended, 15 U.S.C. § 18, and Section 5 of the FTC Act, as amended, 15 U.S.C. § 45, by:

    a. increasing the likelihood that Prince would unilaterally exercise market power in the relevant markets; and

    b. increasing the likelihood of collusive or coordinated interaction between any remaining competitors in the relevant markets.

17. The parties' documents show that they regard each other as the leading, and perhaps only other practical competitor, in porcelain enamel in North America. In an email to a major porcelain enamel user, Prince states:

    [redacted]

    A Ferro strategic document states: [redacted] and its [redacted]

18. The parties' documents also show that price competition between the two parties is intense in porcelain enamel. A Prince strategic review states that [redacted] A Prince management review states [redacted]

19. The parties' documents show that Prince may be in a position to rapidly increase its market share in the glass enamel market, particularly in the automotive segment. Prince currently produces a glass enamel paste for the traditional silk screen application process and estimates that it has [redacted] However, Prince is developing an innovative technology, referred to as digital ink, which could lead to Prince becoming a major supplier in this segment. Digital ink, which contains glass enamel paste, may have significant productivity savings over the traditional method of application, screen printing. A Prince strategic document states [redacted]

VII. VIOLATIONS CHARGED

20. The Acquisition described in Paragraph 5 constitutes a violation of Section 5 of the FTC Act, as amended, 15 U.S.C. § 45.

21. The Acquisition described in Paragraph 5, if consummated, would constitute a violation of Section 7 of the Clayton Act, as amended, 15 U.S.C. § 18, and Section 5 of the FTC Act, as amended, 15 U.S.C. § 45.

WHEREFORE, THE PREMISES CONSIDERED, the Federal Trade Commission on this twentieth day of April, 2022 issues its Complaint against said Respondents.

By the Commission.

April J. Tabor
Secretary

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