

immediately assume Ralcorp's position as the largest private label cereal producer in the United States. Moreover, General Mills' post-merger share of the RTE cereal market will be between 25 and 31 percent (depending on whether share is measured in pounds or sales dollars), well below levels suggested by the Horizontal Merger Guidelines as the minimum threshold at which the Commission might reasonably presume market power.<sup>2</sup> It is hard to understand under these simple facts how the majority determined that the proposed acquisition will enable General Mills unilaterally to exercise market power.

Unable to presume market power, the Commission instead relies upon a "close substitutes" theory of unilateral harm, notwithstanding a paucity of empirical evidence demonstrating that Ralcorp's branded Chex products are the closest substitutes to the branded cereals of General Mills. Although Chex products clearly compete with the branded General Mills RTE cereal products, consumers have a preference for variety when they choose RTE cereals and frequently choose among the many branded and private label cereals produced by RTE cereal manufacturers in the United States. Not surprisingly, Judge Wood reached this conclusion in her opinion explaining why she refused to block the acquisition of the Nabisco RTE cereal assets by Kraft General Foods in early 1993.<sup>3</sup> In *Kraft General Foods*, an empirical analysis of cereal purchasing patterns suggested—as it does in the present matter—that consumers have many attractive alternatives from which to choose in the event that one RTE cereal producer tries to raise prices above competitive levels. Overall, the empirical evidence does not support the Commission's claim, under either a "close substitutes" or a dominant firm theory, that General Mills would be able unilaterally to raise the prices of its branded RTE cereals after the acquisition.

Even if I agreed with the majority that this consent agreement rests upon an empirically sound theory of competitive harm, the proposed order would bar General Mills from enforcing an arguably procompetitive non-compete

consisting of "branded RTE cereal." Indeed, the provisions of the proposed order (which affect the disposition of assets used in the production of nonbranded cereals) make sense only in the context of an "all RTE cereal" product market.

<sup>2</sup> See U.S. Department of Justice and Federal Trade Commission, Horizontal Merger Guidelines § 2.211, 4 Trade Reg. Rep. (CCH) ¶ 13,104, at 20573-9.

<sup>3</sup> *State of New York v. Kraft General Foods, Inc.*, 1995-1 Trade Cas. (CCH) ¶ 70,911, at 74,039, 74,066 (S.D.N.Y. 1995).

agreement that is properly limited in scope and duration. Covenants not to compete are often included in contracts for the sale of a business, and generally are enforceable when ancillary to an enforceable agreement and reasonable in geographic coverage, scope of activity, and duration. *Lektro-Vend Corp. v. Vendo Co.*, 660 F.2d 255, 265 (7th Cir. 1981) ("The recognized benefits of reasonably enforced non-competition covenants are now beyond question."), *cert. denied*, 455 U.S. 921 (1982); *United States v. Addyston Pipe & Steel Co.*, 85 F. 271, 281-82 (6th Cir. 1898), *aff'd as modified*, 175 U.S. 211 (1899).<sup>4</sup> Judicial inquiry into non-compete provisions generally focuses on whether the restriction is reasonably necessary to protect the legitimate business interests of the party seeking to enforce the provision. *United States v. Empire Gas Corp.*, 537 F.2d 296, 307 (8th Cir. 1976), *cert. denied*, 429 U.S. 1122 (1977); *Sound Ship Bldg. Corp. v. Bethlehem Steel Corp.*, 387 F. Supp. 252, 255 (D.N.J. 1975), *aff'd*, 533 F.2d 96 (3d Cir.), *cert. denied*, 429 U.S. 680 (1976).

The Commission has often recognized that competitive benefits can flow from a non-compete clause in the context of the sale of a business. The Commission's recent acceptance for public comment of a consent agreement in *Ciba-Geigy, Ltd., et al.*, File No. 961 0055 (consent agreement accepted for public comment, Dec. 16, 1996), is illustrative. In *Ciba-Geigy*, the Commission imposed an affirmative obligation on the newly merged entity, Novartis AG, not to compete in the United States and Canada for six years in the sale of animal flea control products.<sup>5</sup> As the *Ciba-Geigy* order indicates, the Commission clearly recognizes that non-compete clauses—even when long in duration and broad in scope—can serve legitimate procompetitive purposes in some circumstances by allowing an acquiring entity a brief period to re-deploy the acquired assets in a manner that increases competition in the marketplace. I am therefore puzzled why the Commission so hastily condemns a non-compete provision here that is only eighteen months in duration, limited to the manufacture and sale of private label Chex products, and arguably necessary to protect the

<sup>4</sup> See also *Business Elecs. Corp. v. Sharp Elecs. Corp.*, 485 U.S. 717, 729 n.3 ("The classic 'ancillary' restraint is an agreement by the seller of a business not to compete within the market.")

<sup>5</sup> See Paragraph VI of the proposed order in *Ciba-Geigy*.

legitimate interests of the contracting parties.<sup>6</sup>

Because I find that the facts do not support the Commission's theory of unilateral competitive harm in this instance, and because in any event I disagree with the Commission's decision to bar enforcement of the non-compete provision contained in the parties' acquisition agreement, I have voted to reject the consent agreement.

[FR Doc. 97-921 Filed 1-14-97; 8:45 am]

BILLING CODE 6750-01-M

## DEPARTMENT OF HEALTH AND HUMAN SERVICES

### Centers for Disease Control and Prevention

#### NIOSH Meeting; The National Institute for Occupational Safety and Health (NIOSH) of the Centers for Disease Control and Prevention (CDC) Announces the Following Meeting

*Name:* "Correlation of Seven Quantitative Fit Test Methods to an Actual Measurement of Exposure Using Negative-Pressure Full Facepiece Respirators," and "Development and Correlation of a New Quantitative Fit Test Method for Health-Care Industry Respirators" study protocol peer review.

*Time and Date:* 9 a.m.-3 p.m., February 4, 1997.

*Place:* NIOSH, CDC, Room L-1047A, 1095 Willowdale Road, Morgantown, West Virginia 26505.

*Status:* Open to the public, limited only by the space available. The meeting room accommodates approximately 20 people.

*Purpose:* Participants will provide NIOSH with their individual advice and comments regarding technical and scientific aspects of the protocols for two NIOSH studies. The first study is entitled "Correlation of Seven Quantitative Fit Test Methods to an Actual Measurement of Exposure Using Negative-Pressure Full Facepiece Respirators." The second study is entitled "Development and Correlation of a New Quantitative Fit Test Method for Health-Care Industry Respirators." Peer review panelists will review the study protocols and provide individual advice on the conduct of the studies. Individual viewpoints and suggestions from industry, labor, academia, other governmental agencies, and the public are invited.

Agenda items are subject to change, as priorities dictate.

*Contact Person for Additional Information:* Christopher C. Coffey, M/S 1138, NIOSH, CDC, 1095 Willowdale Road, Morgantown, West Virginia 26505, telephone (304) 285-5958, fax (304) 285-6047.

<sup>6</sup> Barring enforcement of the non-compete agreement might undermine adherence by the parties to the supply agreement, an element of the acquisition agreement found acceptable by the majority.

Dated: January 8, 1997.  
 Carolyn J. Russell,  
*Director, Management Analysis and Services  
 Office, Centers of Disease Control and  
 Prevention (CDC).*  
 [FR Doc. 97-965 Filed 1-14-97; 8:45 am]  
**BILLING CODE 4160-19-P**

**NIOSH Meeting; The National Institute  
 for Occupational Safety and Health  
 (NIOSH) of the Centers for Disease  
 Control and Prevention (CDC)  
 Announces the Following Meeting**

*Name:* "Postural Stability and Motor  
 Response Times During Scaffold End Frame  
 Handling" study protocol peer review.  
*Time and Date:* 1-4 P.M., February 13,  
 1997.

*Location:* Suncrest Facility, Large  
 Conference Room, NIOSH, CDC, 3040  
 University Avenue, Morgantown, West  
 Virginia 26505.

*Status:* Open to the public, limited only by  
 the space available. The meeting room  
 accommodates approximately 50 people.

*Purpose:* Participants will provide NIOSH  
 with their individual advice and comments  
 regarding technical and scientific aspects of  
 the NIOSH protocol "Postural Stability and  
 Motor Response Times During Scaffold End  
 Frame Handling." Peer review panelists will

review the study protocol and provide  
 individual advice on the conduct of the  
 study. Viewpoints and suggestions from  
 industry, labor, academia, other  
 governmental agencies, and the public are  
 invited.

Agenda items are subject to change, as  
 priorities dictate.

*For Further Information Contact:* Brian E.  
 Moyer, M/S 119, 1095 Willowdale Road,  
 Morgantown, West Virginia 26505, telephone  
 (304) 285-5969.

Dated: January 8, 1997.  
 Carolyn J. Russell,  
*Director, Management Analysis and Services  
 Office, Centers for Disease Control and  
 Prevention (CDC).*

[FR Doc. 97-964 Filed 1-14-97; 8:45 am]  
**BILLING CODE 4160-19-P**

**Administration for Children and  
 Families**

**Proposed Information Collection  
 Activity; Comment Request**

Proposed Projects:  
 Title: Child Care Quarterly Unit  
 Report  
 OMB No.: New collection  
 Description: This legislatively-  
 mandated report collects program and

participants data on children and  
 families receiving direct CCDF services.  
 Disaggregate data will be collected and  
 will be used to determine the  
 participants and program characteristics  
 as well as cost and level of child care  
 services. The data will be used to  
 provide a report to Congress. Form ACF  
 801 represents the data elements to be  
 collected and reported to ACF.

Respondents (States and Territories)  
 will be asked to sample the population  
 of families receiving benefits on a  
 monthly basis and submit the three  
 most current monthly samples to ACF  
 quarterly. Each monthly sample is  
 drawn independent of the other samples  
 and retained for submission within a  
 quarterly report. ACF is not issuing  
 specifications on how respondents  
 compile overall database(s) from which  
 samples are drawn. ACF will provide to  
 the respondents a sampling plan which  
 will specify minimum sample size. It is  
 expected to be a monthly sample of  
 approximately 150 cases for large States  
 with smaller samples based on  
 population size adjustments for smaller  
 respondents.

Respondents: States, D.C., Guam,  
 Virgin Islands and Puerto Rico

**ANNUAL BURDEN ESTIMATES**

Instrument	Number of respondents	Number of responses per respondent	Average burden hours per response	Total burden hours
ACF-801 .....	54	4	20	4,320

Estimated Total Annual Burden Hours:  
 4,320.

In compliance with the requirements  
 of Section 3506(c)(2)(A) of the  
 Paperwork Reduction Act of 1995, the  
 Administration for Children and  
 Families is soliciting public comment  
 on the specific aspects of the  
 information collection described above.  
 Copies of the proposed collection of  
 information can be obtained and  
 comments may be forwarded by writing to  
 the Administration for Children and  
 Families, Office of Information Services,  
 Division of Information Resource  
 Management Services, 370 L'Enfant  
 Promenade, SW., Washington, DC  
 20447, Attn: ACF Reports Clearance  
 Officer. All requests should be  
 identified by the title of the information  
 collection.

The Department specifically requests  
 comments on: (a) Whether the proposed  
 collection of information is necessary  
 for the proper performance of the  
 functions of the agency, including  
 whether the information shall have  
 practical utility; (b) the accuracy of the

agency's estimate of the burden of the  
 proposed collection of information; (c)  
 the quality, utility, and clarity of the  
 information to be collected; and (d)  
 ways to minimize the burden of the  
 collection of information on  
 respondents, including through the use  
 of automated collection techniques or  
 other forms of information technology.  
 Consideration will be given to  
 comments and suggestions submitted  
 within 60 days of this publication.

Dated: January 9, 1997.  
 Douglas J. Godesky,  
*Reports Clearance Officer.*  
 [FR Doc. 97-940 Filed 1-14-97; 8:45 am]  
**BILLING CODE 4184-01-M**

**Food and Drug Administration**

[Docket No. 96N-0488]

**Use of Clorsulon Drench in Goats;  
 Availability of Data**

**AGENCY:** Food and Drug Administration,  
 HHS.

**ACTION:** Notice.

**SUMMARY:** The Food and Drug  
 Administration (FDA) is announcing the  
 availability of target animal safety and  
 effectiveness data, human food safety  
 data, and environmental data to be used  
 in support of a new animal drug  
 application (NADA) or supplemental  
 NADA for use of a suspension  
 containing 8.5 percent clorsulon as a  
 drench in goats for the treatment of  
 adult liver fluke infestation. The data,  
 contained in Public Master File (PMF)  
 5440, were compiled under National  
 Research Support Project No. 7 (NRSP-  
 7), a national agricultural program for  
 obtaining clearances for use of new  
 drugs in minor animal species or in  
 animal species for the control of  
 diseases that occur infrequently or in  
 limited geographical areas.

**ADDRESSES:** Submit NADA's or  
 supplemental NADA's to the Document  
 Control Unit (HFV-199), Center for  
 Veterinary Medicine, Food and Drug  
 Administration, 7500 Standish Pl.,  
 Rockville, MD 20855.