

Regulation Group) 101 Market Street, San Francisco, California 94105-1579:

1. First Security Corporation, Salt Lake City, Utah; to merge with Rio Grande Bancshares, Inc., Las Cruces, New Mexico, and thereby indirectly acquire First National Bank of Dona Ana County, Las Cruces, New Mexico, and First National Bank of Chaves County, Roswell, New Mexico.

Board of Governors of the Federal Reserve System, December 3, 1997.

Jennifer J. Johnson,

Deputy Secretary of the Board.

[FR Doc. 97-32055 Filed 12-5-97; 8:45 am]

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Board of Governors of the Federal Reserve System, December 2, 1997.

William W. Wiles,

Secretary of the Board.

[FR Doc. 97-31948 Filed 12-5-97; 8:45 am]

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FEDERAL RESERVE SYSTEM

Notice of Proposals To Engage in Permissible Nonbanking Activities or To Acquire Companies That are Engaged in Permissible Nonbanking Activities

The companies listed in this notice have given notice under section 4 of the Bank Holding Company Act (12 U.S.C. 1843) (BHC Act) and Regulation Y, (12 CFR Part 225) to engage *de novo*, or to acquire or control voting securities or assets of a company that engages either directly or through a subsidiary or other company, in a nonbanking activity that is listed in § 225.28 of Regulation Y (12 CFR 225.28) or that the Board has determined by Order to be closely related to banking and permissible for bank holding companies. Unless otherwise noted, these activities will be conducted throughout the United States.

Each notice is available for inspection at the Federal Reserve Bank indicated. The notice also will be available for inspection at the offices of the Board of Governors. Interested persons may express their views in writing on the question whether the proposal complies with the standards of section 4 of the BHC Act.

Unless otherwise noted, comments regarding the applications must be received at the Reserve Bank indicated or the offices of the Board of Governors not later than December 31, 1997.

A. Federal Reserve Bank of St. Louis (Randall C. Sumner, Vice President) 411 Locust Street, St. Louis, Missouri 63102-2034:

1. Bank of the Ozarks, Little Rock, Arkansas; to acquire Heritage Banc Holding, Inc., Little Rock, Arkansas, and thereby indirectly acquire HEARTLAND Community Bank, F.S.B., Little Rock, Arkansas, and thereby engage in the operation of a savings association, pursuant to § 225.28(b)(4)(ii) of the Board's Regulation Y.

FEDERAL TRADE COMMISSION

[File No. 971-0105]

The Dow Chemical Company; Analysis To Aid Public Comment

AGENCY: Federal Trade Commission.

ACTION: Proposed consent agreement.

SUMMARY: The consent agreement in this matter settles alleged violations of federal law prohibiting unfair or deceptive acts or practices or unfair methods of competition. The attached Analysis to Aid Public Comment describes both the allegations in the draft complaint that accompanies the consent agreement and the terms of the consent order—embodied in the consent agreement—that would settle these allegations.

DATES: Comments must be received on or before February 6, 1998.

ADDRESSES: Comments should be directed to: FTC/Office of the Secretary, Room 159, 6th St. & Pennsylvania Ave., N.W., Washington, DC 20580.

FOR FURTHER INFORMATION CONTACT: William Baer, Federal Trade Commission, 6th & Pennsylvania Ave., N.W., H-374, Washington, DC 20580. (202) 326-2932, or Howard Morse, Federal Trade Commission, 6th & Pennsylvania Ave., N.W., S-3627, Washington, DC 20580. (202) 326-2949.

SUPPLEMENTARY INFORMATION: Pursuant to Section 6(f) of the Federal Trade Commission Act, 38 Stat. 721, 15 U.S.C. 46, and Section 2.34 of the Commission's Rules of Practice (16 CFR 2.34), notice is hereby given that the above-captioned consent agreement containing a consent order to cease and desist, having been filed with and accepted, subject to final approval, by the Commission, has been placed on the public record for a period of sixty (60) days. The following Analysis to Aid Public Comment describes the terms of the consent agreement, and the allegations in the accompanying complaint. An electronic copy of the full text of the consent agreement package can be obtained from the Commission Actions section of the FTC Home Page (for November 28, 1997), on the World Wide Web, at "<http://www.ftc.gov/os/actions97.htm>." A paper copy can be obtained from the FTC Public Reference Room, Room H-

130, Sixth Street and Pennsylvania Avenue, N.W., Washington, DC 20580, either in person or by calling (202) 326-3627. Public comment is invited. Such comments or views will be considered by the Commission and will be available for inspection and copying at its principal office in accordance with Section 4.9(b)(6)(ii) of the Commission's Rules of Practice (16 CFR 4.9(b)(6)(ii)).

Analysis of Proposed Consent Order to Aid Public Comment

The Federal Trade Commission ("Commission") has accepted, subject to final approval, an Agreement Containing Consent Order ("Agreement") from The Dow Chemical Company.

The proposed Order has been placed on the public record for sixty (60) days for reception of comments by interested persons. Comments received during this period will become part of the public record. After sixty (60) days, the Commission will again review the Agreement and the comments received and will decide whether it should withdraw from the Agreement or make final the Agreement's proposed Order.

The Dow Chemical Company, a Midland, Michigan based company and producer of chemicals, plastics, and agricultural and consumer products, announced on August 5, 1997, a cash tender offer to acquire all of the share of Sentrachem Limited, a South African chemical company that operates in the U.S. through its wholly-owned subsidiary, Hampshire Chemical Company. Hampshire and Dow, through its Chemical Division, produce aminopolycarboxylic chelating agents, also known as chelants. Hampshire produces chelants in Nashua, New Hampshire and Deer Park, Texas, and chelant intermediates in Lima, Ohio. Dow produces chelants in Freeport, Texas.

The proposed administrative complaint alleges that the proposed acquisition may substantially lessen competition in the research, development, manufacture, and sale of chelants, which are chemicals used in cleaners, pulp and paper, water treatment, photography, agriculture, and food and pharmaceutical applications to neutralize and inactivate metal ions. The proposed complaint alleges that the United States is the relevant geographic market for evaluating the acquisition's effect on chelants because the shipping costs of chelants, which are sold mostly in a liquid solution, are high and there are too many uncertainties and delays inherent in long distance shipping.

The proposed complaint alleges that Hampshire and Dow are the two leading

of only three producers of chelants in the United States, with a combined market share of over 70 percent. With only one competitor, the acquisition would likely lead to an unilateral price increase, 1992 Horizontal Merger Guidelines § 2.22.

Entry into the chelant market would not be timely, likely, or sufficient to deter or offset the adverse effects of the acquisition on competition because a new entrant would have to build both a chelant production plant and a plant to produce hydrogen cyanide ("HCN"), a key input in the production of chelants, which would take over two years and entail large fixed, and mostly sunk, costs. In order to recoup its investment, a new entrant would need to obtain a market share at least as large as that held by any of the current domestic producers, which would be difficult because of the significant amount of chelant sales that are subject to long term supply agreements.

The proposed Order would remedy the alleged violation by preserving the competition that would otherwise be lost as a result of Dow's acquisition. The proposed Order requires Dow, simultaneously with its acquisition of Sentrachem, to divest Hampshire's Chelant Business to Akzo Nobel N.V., a Dutch chemical company that is a leading European producer of chelants with strong chelant technology. Dow must divest, among other things, all rights of Hampshire relating to the research, development and manufacture of chelants in the United States and the distribution and sale of chelants in North America, including Hampshire's Lima, Ohio facility and its contract for the supply of HCN at Lima. Once it acquires the Hampshire Chelant Business, Akzo will build additional chelant capacity at the Lima, Ohio facility, which will curtail the need for inefficient, hazardous HCN shipments from the site.

The proposed Order sets certain Milestones that must be met to accomplish the construction of the additional chelant capacity at Lima. The Milestones include the submission of complete permits for the additional capacity within one year after the Order becomes final, and the installation of the structural steel within one year after the additional capacity is permitted. In the event any of the Milestones has not been achieved, Dow must reacquire the Hampshire Chelant Business from Akzo. The proposed Order further requires that upon its reacquisition of the business, Dow or a trustee will divest the Hampshire Business Unit, which, in

addition to the Hampshire Chelant Business, includes other Hampshire businesses and Hampshire facilities at Nashua, New Hampshire and Deer Park, Texas. The proposed Order requires Dow to maintain the viability and marketability of the Hampshire Business Unit in the interim. This crown jewel provision provides an incentive for realizing the additional chelant capacity at the Lima, Ohio facility in a timely manner. The crown jewel also ensures that the Order will result in effective relief by requiring a divestiture of all of Hampshire in the event that any Milestone is not achieved.

The proposed Order requires Dow to toll manufacture chelants for Akzo from Hampshire's Nashua and Deer Park facilities while Akzo builds additional chelant capacity at Lima. The proposed Order also contains a firewall provision that requires Dow to maintain the confidentiality of the Hampshire Chelant Business from Dow's Competing Chelant Business.

The purpose of this analysis is to facilitate public comment on the proposed Order. This analysis is not intended to constitute an official interpretation of the Agreement or the proposed Order or in any way to modify the terms of the Agreement of the proposed Order.

Donald S. Clark,

Secretary.

[FR Doc. 97-32033 Filed 12-5-97; 8:45 am]

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DEPARTMENT OF HEALTH AND HUMAN SERVICES

Administration for Children and Families

Submission for OMB Review; Comment Request

Title: 45 CFR Part 303.72—Request for collection of past-due support by Federal tax refund offset and administrative offset.

OMB No.: 0970-0161.

Description: The Office of Child Support Enforcement (OCSE) operates the Tax refund offset TROP. The TROP was enacted by Congress on August 13, 1981 (Pub. L. 97-35, section 2331). This is a computerized system operated by the Office of Child Support Enforcement (OCSE) within the Administration for Children and Families (ACF) of the U.S. Department of Health and Human Services (HHS) and State child support agencies. The TROP was established to recover delinquent AFDC child support

debts with ongoing cooperation of states and local child support agencies.

The Omnibus Budget Reconciliation Act of 1990 (Pub. L. 101-508) signed by the President in November 1990, expanded the Program to include a provision for non-AFDC cases.

In 1996 the Debt Collection Improvement Act (Pub. L. 104-134) further expanded the program to increase the collection of nontax debts owed to the Federal Government and to assist families in collecting past-due child support. It required the development and implementation of procedures necessary to collect past-due support by administrative offset by agencies. As a result, this program is now known as the Tax Refund and Administrative Offset Program (TROP/ADOP).

Purpose: Pursuant to Public Laws 97-35 enacted by Congress on August 13, 1981, Pub. L. 101-508 signed by the President in November 1990 and Pub. L. 104-134 enacted into law on April 26, 1996, the Debt Collection Improvement Act of 1996, and pursuant to the Executive Order 13019 dated September 28, 1996, the OCSE will match the tax refund records against Federal payment certification records and Federal financial assistance records. The purpose is to facilitate the collection of delinquent child support obligations from persons who may be entitled or eligible to receive certain Federal payments or Federal assistance. State child support agencies submit cases of delinquent child support claims to the OCSE for submission to the Financial Management Service (FMS). These cases are sent by on-line dial-up access via personal computer, tape and cartridge via mail, Mitron tape, file transfer, or electronic data transmission. The Office of Child Support Enforcement serves as a conduit between state child support enforcement agencies and the FMS by processing weekly updates of collection data and distributing the information back to the appropriate State child support agency. The information will be disclosed by OCSE to state child support agencies for use in the collection of child support debts, through locate action wage withholding or other enforcement actions.

Respondents: State, District of Columbia, Guam, Puerto Rico, and Virgin Islands Governments.

Respondents: State and local governments.