

TRANSACTION GRANTED EARLY TERMINATION—Continued

ET date	Trans No.	ET req status	Party name
	19990977	G	Ace Beauty Companies.
		G	Tyco International Ltd.
		G	Sage Products, Inc.
		G	Sage Products, Inc.
	19991012	G	Societe Nationale d'Exploitation Industrielle des Tabac.
		G	Ronald O. Perelman.
		G	Consolidated Cigar Holdings, Inc.

FOR FURTHER INFORMATION CONTACT:

Sandra M. Peay or Parcellena P. Fielding, Contact Representatives, Federal Trade Commission, Premerger Notification Office, Bureau of Competition, Room 303, Washington, DC 20580, (202) 326-3100.

By Direction of the Commission.

Donald S. Clark,

Secretary.

[FR Doc. 99-1181 Filed 1-19-99; 8:45 am]

BILLING CODE 6750-01-M

FEDERAL TRADE COMMISSION

[File No. 9910040]

ABB AB et al.; 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 March 22, 1999.

ADDRESSES: Comments should be directed to: FTC/Office of the Secretary, Room 159, 600 Pa. Ave., N.W., Washington, D.C. 20580.

FOR FURTHER INFORMATION CONTACT:

Pamela Taylor or Ann Malester, FTC/S-2308, 601 Pa. Ave., N.W., Washington, D.C. 20580, (202) 326-2237 or 326-2820.

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 complaint. An electronic copy of the full text of the consent agreement package can be obtained from the FTC Home Page (for January 8, 1999), 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, 600 Pennsylvania Avenue, N.W., Washington, D.C. 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 a proposed Consent Order from ABB AB and ABB AG (hereinafter collectively "ABB"), which is designed to remedy the anticompetitive effects resulting from ABB's acquisition of Elsag Bailey Process Automation N.V. ("Elsag Bailey"). Under the terms of the agreement, ABB will be required to divest the Analytical Division of Elsag Bailey's Applied Automation, Inc. subsidiary, which is involved in the manufacture and sale of process gas chromatographs and the research and development of process mass spectrometers, to a Commission-approved buyer within six (6) months. If the sale of these assets is not made within six (6) months, the Commission may appoint a trustee to divest Elsag Bailey's entire Applied Automation, Inc. subsidiary.

The proposed Consent 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 proposed Consent Order and the comments received and will decide whether it should withdraw from the

proposed Consent Order or make final the proposed Order.

Pursuant to an October 26, 1998 cash tender offer, ABB agreed to acquire 100% of the issued and outstanding voting securities of Elsag Bailey for \$1.1 billion. The proposed Complaint alleges that the acquisition, if consummated, would violate Section 7 of the Clayton Act, as amended, 15 U.S.C. § 18, and Section 5 of the Federal Trade Commission Act, as amended, 15 U.S.C. § 45, in the markets for process gas chromatographs and process mass spectrometers.

Process gas chromatographs are analytical instruments used in process manufacturing applications to measure the chemical composition of a gas or a liquid by separating a sample into its individual components through selective chemical interaction or solubility, and measuring the separated components using a detector. ABB and Elsag Bailey are the world's two leading suppliers of process gas chromatographs.

ABB is also one of the world's leading suppliers of process mass spectrometers. Process mass spectrometers are analytical instruments used in process manufacturing applications to determine the chemical composition of a gas or vapor stream by taking a sample, ionizing the sample, separating the ions for a particular atomic or molecular species by their mass to charge ration and measuring the concentrations using a detector. While Elsag Bailey does not currently manufacture process mass spectrometers, it is involved in the research and development of a process mass spectrometer which it plans to begin manufacturing and selling in 1999. Thus, Elsag Bailey is an actual potential competitor in the market for process mass spectrometers.

The worldwide process gas chromatograph market is highly concentrated, and the proposed acquisition would substantially increase concentration in that market. The acquisition would result in a Herfindahl-Hirschman Index ("HHI") of 4,764 points, which is an increase of 2,310 points over the pre-acquisition HHI level. The combined firm would have a market share of almost 70%. By eliminating competition between the top two competitors in this highly concentrated market, the proposed acquisition would allow ABB to unilaterally exercise market power, thereby increasing the likelihood that process gas chromatograph customers would be forced to pay higher prices and that innovation in the process gas chromatograph market would decrease.

The worldwide process mass spectrometer market is also highly concentrated, with a pre-acquisition HHI of 4,150. Although Elsag

Bailey does not currently manufacture and sell process mass spectrometers, it is involved in the research and development of a new mass spectrometer product, which it plans to introduce in 1999. It appears that the introduction of this product would result in increased competition in the process mass spectrometer market, leading to lower prices and increased innovation. ABB's proposed acquisition of Eltag Bailey would eliminate this significant source of future competition and leave the process mass spectrometer market highly concentrated for the foreseeable future.

Substantial barriers to new entry exist in the process gas chromatograph and process mass spectrometer markets. A new entrant into either of these markets would need to undertake the difficult, expensive and time-consuming process of developing and testing a product, establishing a track record for product quality, and developing a service and support network. Because of the difficulty of accomplishing these tasks, new entry into either the process gas chromatograph or process mass spectrometer market, other than Eltag Bailey's imminent introduction of a process mass spectrometer, could not be accomplished in a timely manner and is therefore unlikely to deter or counteract the anticompetitive effects resulting from the transaction.

The proposed Consent Order effectively remedies the acquisition's anticompetitive effects in the process gas chromatograph and process mass spectrometer markets by requiring ABB to divest the assets of the Analytical Division of Eltag Bailey's Applied Automation, Inc. subsidiary. Pursuant to the Consent Agreement, ABB is required to divest these assets no later than six (6) months from the date ABB signs the Consent Agreement. In the event that ABB fails to divest the assets of the Analytical Division within this six-month time frame, the Consent Agreement contains a "crown jewel" provision which allows the Commission to appoint a trustee to divest Eltag Bailey's entire Applied Automation, Inc. subsidiary.

In order to ensure that the acquirer of the divested assets has access to all of the employees currently involved in Eltag Bailey's process gas chromatograph and process mass spectrometer businesses, the Consent Agreement requires ABB to provide financial incentives for these individuals to accept employment with the acquirer. The Order also requires ABB to provide the Commission a report of compliance with the divestiture provisions of the Order within thirty (30) days following the date the Order becomes final, and every thirty (30) days thereafter until ABB has completed the required divestiture. Finally, an Agreement to Hold Separate signed by ABB requires that the Applied Automation Assets, which includes the Analytical Division Assets, be operated independently of ABB until the divestiture required by the Order is completed.

The purpose of this analysis is to facilitate public comment on the proposed Order, and it is not intended to constitute an official interpretation of the agreement and proposed Order or to modify in any way their terms.

By Direction of the Commission.

Donald S. Clark,

Secretary.

[FR Doc. 99-1179 Filed 1-19-99; 8:45 am]

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GENERAL SERVICES ADMINISTRATION

Federal Supply Service

Revisions to the General Services Administration's (GSA's) Centralized Household Goods Traffic Management Program (CHAMP)

AGENCY: Federal Supply Service, GSA.

ACTION: Notice of proposed program changes for comment.

SUMMARY: This notice invites comments on GSA's plan to increase the Centralized Household Goods Management Program's (CHAMP's) shipment surcharge from \$45 to \$105, and revise the Household Goods Tender of Service "shipment definition" as reflected in the attachment to this notice. The proposed new definition states that each of the three components of an individual employee's belongings (i.e., household goods, privately owned vehicle(s) (POV), and unaccompanied air baggage) is separately subject to the shipment surcharge. These actions are necessary to increase CHAMP funding and enable GSA to defray its expenses for this program.

DATES: Please submit your comments by February 19, 1999.

ADDRESSES: Mail comments to the Transportation Management Division (FBF), General Services Administration, Washington, DC 20406, Attn: **Federal Register** Notice. GSA will consider your comments prior to implementing these proposals.

FOR FURTHER INFORMATION CONTACT: Larry Tucker, Senior Program Expert, Transportation Management Division, FSS/GSA, 703-305-5745.

SUPPLEMENTARY INFORMATION: GSA's Centralized Household Goods Traffic Management Program (CHAMP) receives no Congressional funding and depends on a shipment surcharge, currently \$45, to defray its costs. The shipment surcharge has been in effect since 1996 and no longer fully funds program expenses. So that GSA may meet its expenses and continue to provide these critical services, GSA proposes to increase the shipment surcharge to \$105. GSA also plans to revise the shipment definition in the Household Goods Tender of Service to state that each of the three components

comprising an individual employee's belongings (i.e.) household goods, POV, and unaccompanied baggage) whether shipped separately or together is separately subject to a shipment surcharge.

GSA is committed to providing a program that meets the needs of Federal agencies. The funding increase proposed in this notice will be used to directly pay for program activities including: domestic and international rate negotiations, review and approval of carrier applications, consolidating carrier survey (3080) responses and computing the resulting customer satisfaction indices, providing technical assistance on questions pertaining to tariff interpretation and loss and damage claims, developing helpful move-related publications and training materials, and conducting workshops.

Dated: January 13, 1999.

Alan J. Zaic,

Assistant Commissioner, Office of Transportation and Property Management.

Existing HTOS Definition—1998-99 RFO, Section, 2-6.7.3 "First Shipment. The first shipment of a relocation performed pursuant to the HTOS is defined as a surface shipment of household effects, shipment of a privately owned vehicle, and a shipment of unaccompanied air baggage, all or any one of which are tendered to the Participant by the shipping Federal Agency at the same time or within six months of the tender of the first component of this shipment.

"Supplemental Shipments. A supplemental shipment of a relocation performed pursuant to the HTOS is defined as any surface shipment, including a privately owned vehicle, or unaccompanied air baggage shipment tendered to the Participant by the shipping Federal Agency after six months from the date of the tender of the first component of the first shipment."

Proposed Amendment to HTOS Shipment Definition. We are planning to revise the above referenced provision to read as follows:

"Definition of a shipment. For purposes of this HTOS, a shipment (whether on the same GBL or separate GBL's) is defined as:

- (a) A surface shipment of household effects;
- (b) Shipment of a privately owned vehicle; or
- (c) Shipment of unaccompanied air baggage.

"This definition applies to interstate, intrastate and international shipments as defined in the applicable Request for Offers (RFO).