

from Design Zone, Inc. The agreement would settle a proposed complaint by the Federal Trade Commission that Design Zone violated the Textile Fiber Products Identification Act and engaged in unfair or deceptive acts or practices in violation of Section 5(a) of the Federal Trade Commission Act.

The proposed consent order has been placed on the public record for sixty (60) days for reception of comments by interested persons. 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.

This matter concerns country-of-origin labeling practices relating to the sale of cotton t-shirts and other textile wearing apparel. The proposed complaint charges that Design Zone removed labels saying "Made in China" from t-shirts manufactured in China and substituted labels containing the statement "Made in the USA" or, in some instances, added the "Made in USA" labels without removing the "Made in China" labels.

The proposed consent order contains provisions designed to prevent Design Zone from engaging in similar acts and practices in the future. Part I of the proposed order prohibits Design Zone from misrepresenting, in any manner, the extent to which t-shirts or other items of textile wearing apparel are made in the United States or any other country. It further prohibits it from violating any provision of the Textile Fiber Products Identification Act.

The proposed order also contains standard provisions regarding record-keeping, notification of changes in corporate status, distribution of the order, termination of the order, and filing of a compliance report.

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 the proposed order or to modify their terms in any way.

By direction of the Commission.

Donald S. Clark,

Secretary.

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FEDERAL TRADE COMMISSION

[File No. 9923004]

Gottschalks, Inc.; 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 May 26, 1999.

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

FOR FURTHER INFORMATION CONTACT: Carol Jennings, FTC/S-4302, 600 Pennsylvania Avenue, N.W., Washington, D.C. 20580, (202) 326-3010.

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 March 16, 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. Comments should be directed to: FTC/Office of the Secretary, Room 159, 600 Pennsylvania Avenue, N.W., Washington, D.C. 20580. Two paper copies of each comment should be filed, and should be accompanied, if possible, by a 3½ inch diskette containing an electronic copy of the comment. 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 has accepted, subject to final approval, an agreement to a proposed consent order from respondent Gottschalks, Inc.

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 agreement and the comments received and will decide whether it should withdraw from the agreement and take other appropriate action or make final the agreement's proposed order.

This matter concerns practices related to the sale of textile and wool products by means of an on-line Internet catalog. The Commission's complaint charges that respondent violated the Federal Trade Commission Act, 15 U.S.C. 41 *et seq.*, the Textile Fiber Products Identification Act, 15 U.S.C. 70 *et seq.*, and the Wool Products Labeling Act, 15 U.S.C. 68 *et seq.*, by failing to disclose in its on-line catalog whether products offered for sale were made in the U.S.A., imported, or both.

Part I of the proposed consent order prohibits respondent from advertising any textile or wool product in any mail order catalog or mail order promotional material, including those disseminated on the Internet, without disclosing clearly and conspicuously that the product was made in the U.S.A., imported, or both.

Part II of the proposed order requires the respondent, for five years after the date of issuance of the Order, to maintain records demonstrating compliance with the Order, including: (a) copies of mail order catalogs and mail order promotional materials, as defined in 16 CFR 303.1(u) and 300.1(h), that offer textile and/or wool products for direct sale to consumers; and (b) complaints and other communications with consumers, government agencies, or consumer protection organizations, pertaining to country-of-origin disclosures for textile and/or wool products.

Part III of the proposed order requires the respondent to distribute copies of the order to certain company officials and employees. Part IV of the proposed order requires the respondent to notify the Commission of any change in the corporation that may affect compliance obligations under the order. Part V of the proposed order requires the respondent to file one or more compliance reports. Part VI of the proposed order is a provision whereby

the order, absent certain circumstances, terminates twenty years from the date of issuance.

The purpose of this analysis is to facilitate public comment on the proposed consent order. 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.

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FEDERAL TRADE COMMISSION

[File No. 9810261]

North Lake Tahoe Medical Group, Inc.; 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 May 26, 1999.

ADDRESSES: Comments should be directed to: FTC/Office of the Secretary, Room 159, 600 Pa. Ave., NW., Washington, DC 20580.

FOR FURTHER INFORMATION CONTACT: Paul Nolan, FTC/H-3115, 600 Pennsylvania Avenue, NW., Washington, DC 20580, (202) 326-2770 or Matthew Gold, San Francisco Regional Office, Federal Trade Commission, 901 Market Street, Suite 570, San Francisco, CA 94103, (415) 356-5276.

SUPPLEMENTARY INFORMATION: Pursuant to section 6(f) of the Federal Trade Commission Act, 38 Stat. 721, 15 U.S.C. 46 and § 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 March 22, 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, NW., 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 § 4.9(b)(6)(ii) of the Commission's rules of practice (16 CFR 4.9(b)(6)(ii)).

North Lake Tahoe Medical Group, Inc.; Analysis of Proposed Consent Order To Aid Public Comment

The Federal Trade Commission has accepted, subject to final approval, an agreement to a proposed consent order from North Lake Tahoe Medical Group, Inc. ("Tahoe IPA"). The agreement settles charges by the Federal Trade Commission Tahoe IPA has violated Section 5 of the Federal Trade Commission Act by: (1) Acting concertedly to delay the entry into the market of managed care; (2) engaging in collective negotiations over prices with payers; and (3) refusing to deal with Blue Shield of California ("Blue Shield") when it did not comply with the Tahoe IPA's demands. 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 review the agreement and the comments received, and will decide whether it should withdraw from the agreement or make final the agreement and proposed order.

The purpose of this analysis is to facilitate public comment on the proposed order. The analysis is not intended to constitute an official interpretation of the agreement and proposed order, or to modify in any way their terms. Further, the proposed consent order has been entered into for settlement purposes only and does not constitute an admission by Tahoe IPA that the law has been violated as alleged in the complaint.

The Complaint

Under the terms of the agreement, a proposed complaint will be issued by the Commission along with the proposed consent order. The allegations

in the Commission complaint are summarized below.

Tahoe IPA is a physician organization based in Truckee, California. All of the members of Tahoe IPA are physicians practicing in and around the Tahoe Basin, which includes the North Lake Tahoe and South Lake Tahoe areas. During the time period addressed by the allegations of the complaint, Tahoe members constituted at least 70% of all physicians practicing in the North and South Lake Tahoe areas.

Tahoe IPA was formed in 1994 as a vehicle for its members to deal concertedly with the impending entry into North and South Lake Tahoe of managed care. Beginning in 1994, and continuing until at least 1998, when Tahoe IPA first learned that it was under investigation by the staff of the Commission, Tahoe IPA conspired to fix the prices and other terms under which its members dealt with third-party payers. Tahoe IPA also conspired to prevent or delay the entry into the North Lake and South Lake Tahoe areas of managed care. Tahoe IPA refused to participate, either individually or collectively, in HMO plans offered by Blue Shield, Hometown Health Plan, Foundation Health Plan, St. Mary's Health Plan, and other third-party payers attempting to do business in the Tahoe Basin. Tahoe IPA engaged in collective negotiations to fix price terms and other competitively significant terms with all payers seeking to enter the North and South Lake Tahoe areas. Tahoe IPA maintained an exclusivity clause in its "Provider Participation Agreement," and encouraged its members to deal with third-party payers only through Tahoe IPA. Tahoe IPA sought to coerce payers into accepting the IPA fee schedules and minimum reimbursement rates. Tahoe IPA leaders stated that payers must accept the IPA's price terms if they want to contract with IPA members.

In furtherance of its unlawful agreements, since 1996 Tahoe IPA attempted to coerce Blue Shield to raise its level of fee-for-service reimbursement to IPA physicians. Since November 1997, when it became clear the Blue Shield would not negotiate on the Tahoe IPA's terms, the IPA encouraged its physician members to depart from Blue Shield's preferred provider organization ("PPO"). In private and public statements, the Tahoe IPA reminded its members that it was acting as their agent with Blue Shield, and that the IPA would ultimately be successful in its negotiations with Blue Shield if the members continued to contract on a united front. Beginning as early as