assessment systems involve the use of expert-system technology, which is a set of computerized methods for exploiting information drawn from relevant knowledge domains through rules or algorithms so as to assist in the solution of realworld problems, such as claims assessment. Entry is difficult in this market because of the time and expense necessary for finding and choosing the appropriate domain information, choosing or developing the appropriate rules or algorithms, and integrating the expert-system technology into a computing platform that is sufficiently robust, scalable, and stable while incorporating a domain-appropriate user interface.

The proposed complaint alleges that CSC's proposed acquisition of Mynd would eliminate actual, direct, and substantial competition between CSC and Mynd. Elimination of this competition would likely result in increased prices for claims assessment systems and reduced innovation as a result of delayed or reduced product development.

IV. Terms of the Agreement Containing Consent Order

The proposed Order is designed to remedy the anticompetitive effects of the acquisition in the United States market for claims assessment systems, as alleged in the complaint, by requiring the divestiture to ISO of Mynd's claims assessment business. The Order would also require respondents to dismiss with prejudice all of CSC's intellectual-property litigation claims against Neuronworks, the original developers of COA, so as to enable Neuronworks to perform COA-related consulting or other work in conjunction with ISO or another acquirer. Further, the Order would require respondents to release, hold harmless, and indemnify ISO or other acquirer from liability for any past, current, or future claims arising out of Mynd's and Neuronworks's acts prior to the divestiture date related to COA. The purpose of these provisions is to allow the acquirer to compete in the market by selling COA free from claims by CSC of intellectual property infringement. The proposed Order would also require respondents to divest other assets related to Mynd's claims assessment systems business, including customer lists, contracts, intellectual property, and other intangible assets so as to put ISO or another acquirer into a position to compete as soon as possible following the divestiture.

ISO, based in New York City, is a leading vendor of statistical, actuarial, and underwriting information for and about the property and casualty insurance industry. ISO uses these statistics to develop advisory prospective loss costs—projections of average future claim payments and loss adjustment expenses, for various lines of insurance and classifications of policy holders. Insurance companies use these loss costs to develop their own independent rates for their insurance policies. ISO also provides aggregate insurance statistics to state regulators.

If the Commission, at the time that it accepts the proposed Order for public comment, notifies respondents that it does not approve of the proposed divestiture to ISO, or the manner of the divestiture, the proposed Order provides that respondents would have three months to divest Mynd's claims assessment business to a different Commission-approved acquirer. If respondents did not complete the divestiture in that period, a trustee would be appointed who, upon Commission approval, would have the authority to divest Mynd's claims assessment business to a Commission-approved acquirer.

The proposed Order to Maintain Assets that is also included in the Consent Agreement requires that respondents preserve the Mynd assets they are required to divest as a viable and competitive operation and conduct the Mynd claims assessment business in the ordinary course of business until those Mynd assets are transferred to the Commission-approved acquirer.

The Consent Agreement requires respondents to provide the Commission with an initial report setting forth in detail the manner in which respondents will comply with the provisions relating to the divestiture of assets. The proposed Order further requires respondents to provide the Commission with a report of compliance with the Order within thirty (30) days following the date the Order becomes final and every thirty (30) days thereafter until they have complied with the terms of the Order.

V. Opportunity for Public Comment

The proposed Order has been placed on the public record for thirty days for receipt of comments by interested persons. Comments received during this period will become part of the public record. After thirty days, the Commission will again review the proposed Order and the comments received and will decide whether it should withdraw from the proposed Order or make it final. By accepting the proposed Order subject to final approval, the Commission anticipates that the competitive problems alleged in the proposed complaint will be resolved. The purpose of this analysis is to invite public comment on the proposed Order, including the proposed divestiture, to aid the Commission in its determination of whether to make the proposed Order final. This analysis is not intended to constitute an official interpretation of the proposed Order, nor is it intended to modify the terms of the proposed Order in any way.

By direction of the Commission.

Donald S. Clark,

Secretary.

[FR Doc. 00–33027 Filed 12–27–00; 8:45 am]

BILLING CODE 6750–01–M

FEDERAL TRADE COMMISSION

[File No. 001 0088; Docket No. C–3990]

Glaxo Wellcome plc and SmithKline Beecham plc; 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 January 17, 2001.

ADDRESSES: Comments should be directed to: FTC/Office of the Secretary, Room H–159, 600 Pennsylvania Avenue, NW., Washington, DC 20580.

FOR FURTHER INFORMATION CONTACT: Molly S. Boast or Jacqueline K. Mendel, FTC/H–374, 600 Pennsylvania Avenue, NW., Washington, DC 20580, (202) 326–2039 or 326–2603.

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 thirty (30) 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 December 18, 2000), on the World Wide Web, at ''http://www.ftc.gov/os/2000/12/index.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. Comments should be directed to: FTC/Office of the Secretary, Room H–159, 600 Pennsylvania Avenue, NW., Washington, DC 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)(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 Glaxo Wellcome plc (''Glaxo'') and SmithKline Beecham plc. (''SB'') which is designed to remedy the anticompetitive effects of the merger of Glaxo and SB. Under the terms of the agreement, the companies would be required to: (1) Divest all of SB's worldwide rights and intellectual property relating to its antiemetic drug, Kytril, to F. Hoffman LaRoche; (2) divest SB's intellectual property rights to manufacture and market ceftazidime to Abbott Laboratories; (3) divest SB's worldwide rights and intellectual property relating to its antiviral drugs, Famvir and Denavir, including the rights to the base active ingredients, penciclovir and famciclovir, to Novartis Pharm AG and Novartis Pharmaceuticals Corporation; (4) return to Cantab Pharmaceuticals plc all rights to use Cantab's DISC technology for the development of a prophylactic herpes vaccine; (5) divest Glaxo's U.S. and Canadian Zantac trademark rights to Pfizer (formerly Warner-Lambert) and thereby remove restrictions on the ability of Pfizer's Zantac 75 to compete in the over-the-counter (''OTC'') H–2 blocker acid relief market; (6) assign all of SB's relevant intellectual property rights and relinquish all options to the drug renzapride, a drug to treat irritable bowel syndrome, to Alizyme plc; (7) assign all of Glaxo's relevant intellectual property rights and relinquish all of Glaxo's reversionary rights to GI147211C, a topoisomerase I inhibitor to treat certain types of cancer, to Gilead Sciences, Inc.; and (8) assign all of SB's relevant intellectual property rights and relinquish all options to regain control over frovatriptan, a drug to treat migrane headaches, to Vernalis Ltd.

The proposed Consent Order has been placed on the public record for thirty (30) days for receipt of comments by interested persons. Comments received during this period will become part of the public record. After thirty (30) 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 Consent Order.

Pursuant to a scheme of arrangement announced on January 17, 2000, Glaxo and SB propose to combine their two companies in a transaction valued at approximately $182 billion. Thereafter, the merged entity will be renamed Glaxo SmithKline plc. The proposed Complaint alleges that the proposed merger, 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, in the markets for the research, development, manufacture and sale of: (1) 5HT–3 antiemetic drugs; (2) ceftazidime; (3) second generation oral and intravenous antiviral drugs for the treatment of herpes virus infections; (4) prescription topical antiviral cremes for herpes labialis or oral herpes, commonly referred to as cold sores; (5) prophylactic herpes vaccines; (6) OTC H–2 blockers; (7) topoisomerase I inhibitors marketed or in development for the treatment of ovarian, non-small cell lung, colorectal and other solid tumor cancers; (8) drugs for the treatment of irritable bowel syndrome (''IBS''); and (9) triptan drugs for the treatment of migraine headaches. The proposed Consent Order would remedy the alleged violations by replacing the lost competition that would result from the merger in each of these markets.

5HT–3 Antiemetic Drugs

Antiemetic drugs are administered to cancer patients undergoing chemotherapy and radiation therapy to prevent or lessen the nausea and vomiting associated with those medical procedures. 5HT–3 antiemetic products have revolutionized the treatment of patients with cancer because they are more effective than any of the older antiemetic products. Today, oncologists can pursue more aggressive chemotherapy and radiation regimens because patients are much less likely to experience debilitating nausea and vomiting, side effects that can curtail aggressive cancer treatment.

The United States market for 5HT–3 antiemetic drugs is highly concentrated. In the $778 million dollar 5HT–3 antiemetic market, Glaxo markets Zofran and SB markets Kytril, which together represent approximately 90% of the market. Only one other firm, Aventis, markets a 5HT–3 antiemetic product, called Anzemet.

Entry into the manufacture and sale of prescription pharmaceutical drugs is difficult, expensive, and time-consuming. De novo entry for pharmaceutical products has been estimated to take between 12 and 24 years and cost upwards of $359 million. No other pharmaceutical company is expected to enter the United States market with a 5HT–3 antiemetic product in the foreseeable future.

The merger of SB and Glaxo would reduce the number of 5HT–3 antiemetic competitors from three to two; create a dominant firm with a greater than 90% share of the overall market; and leave Anzemet as the only remaining competitor against the combined Glaxo SmithKline. Currently, health care provider customers benefit enormously by competing Zofran and Kytril against one another to achieve favorable pricing.

The Consent Agreement effectively remedies the anticompetitive effects in the market for 5HT–3 antiemetic drugs by requiring that: (1) SB divest all of its worldwide rights and intellectual property relating to Kytril (granisetron) to F. Hoffman-La Roche Ltd. (''Roche''); (2) SB submit all confidential information and know-how regarding Kytril to Roche; (3) the former SB sales force and management who participated in the marketing of Kytril maintain the confidentiality of this information; and (4) the former SB sales and marketing personnel be prohibited from selling products that compete with Kytril, *i.e.,* Zofran, for a period of six to twelve months (depending on the status of the employee).

The Consent Agreement also requires SB to contract manufacture Kytril for Roche until Roche obtains approval from the U.S. Food and Drug Administration (''FDA'') to manufacture Kytril for itself.

Second Generation Oral and Intravenous Antiviral Drugs for the Treatment of Herpes

SB manufactures and markets Famvir, and Glaxo manufactures and markets Valtrex, the only two second generation oral and intravenous antiviral prescription drugs for the treatment of

herpes infections. Due to their greater bioavailability, superior efficacy, and requirements for less frequent dosing, Famvir and Valtrex have a significant advantage in treating herpes simplex virus Type 1 (''HSV–1''), herpes simplex virus Type 2 (''HSV–2'') and the herpes varicella zoster virus (''herpes zoster'') over the first-generation drug acyclovir.

New entry into the manufacture and sale of second generation antiviral drugs for the treatment of HSV–1, HSV–2 and herpes zoster infection is difficult, time-consuming, and expensive. SB and Glaxo are the only firms that have introduced second generation products to the market, and no other companies are developing drugs for these indications. Thus, given the amount of time it would take for a new product to obtain regulatory approval, entry cannot occur in a timely fashion to counter the anticipated anticompetitive effects of the proposed merger.

The proposed merger of SB and Glaxo would eliminate the only competition that exists in the $500 million market for second generation prescription oral and intravenous antiviral drugs for the treatment of HSV–1, HSV–2, and herpes zoster. As a result of the proposed merger, American consumers are likely to pay higher prices for Valtrex and Famvir, and because SB and Glaxo offer the only second generation drugs available to treat HSV–1, HSV–2, and herpes zoster infections, the merger will result in a monopoly for an extended period, as there are no other drugs in research or development for these indications.

The proposed divestiture to Novartis remedies the anticompetitive effects of the merger in both the oral and intravenous antiviral herpes infection treatment market as well as those in the topical oral herpes prescription creme market, which is discussed below. In the oral and intravenous herpes antiviral market, the divestiture resolves the anticompetitive effects of the proposed merger by requiring that: (1) SB divest all of its worldwide rights and intellectual property relating to Famvir, including rights to the base active ingredient famciclovir, to Novartis; (2) SB submit all confidential information and know-how regarding Famvir to Novartis; (3) the former SB sales force and management who participated in the marketing of Famvir maintain the confidentiality of this information; and (4) the former SB sales and marketing personnel be prohibited from selling products that compete with Famvir, *i.e.,* Valtrex, for a period of six to twelve months (depending on the status of the employee).

The Consent Agreement also requires SB to contract manufacture Famvir for Novartis until Novartis obtains FDA approval to manufacture Famvir for itself.

Prescription Topical Antiviral Cremes for Oral Herpes

SB's Denavir is currently the only prescription topical antiviral medication approved by the FDA for the treatment of oral herpes infections, commonly called cold sores. Meanwhile, Glaxo's Zovirex creme is the dominant prescription cold sore product in much of Europe. Glaxo was in the final stages of seeking FDA approval to market its creme formulation of Zovirex for the treatment of oral cold sores in the United States. But, in April of 2000, after the announcement of its proposed merger with SB, Glaxo withdrew the Zovirex creme application then pending at the FDA, but without prejudice to refiling. At the time, Glaxo was a little more than six months from bringing its Zovirex cream to the U.S. market to compete against Denavir.

De novo entry into prescription topical antiviral cremes for the treatment of oral herpes is difficult, time-consuming, and expensive. No other companies are currently developing prescription topical medications for the treatment of cold sores.

The proposed merger eliminates the only potential entrant into the market for prescription topical antiviral medications for the treatment of cold sores—the Zovirex creme which Glaxo was close to bringing to market. If SB and Glaxo merge, it is highly unlikely that the merged firm would bring the Zovirex cream to market to compete against Denavir.

As noted above, the proposed divestiture to Novartis remedies the anticompetitive effects of the merger in both the oral and intravenous antiviral herpes infection treatment market as well as those in the prescription topical oral herpes antiviral market. In the prescription topical oral herpes antiviral market, the divestiture resolves the anticompetitive effects of the proposed merger by requiring that: (1) SB divest all of its worldwide rights and intellectual property relating to Denavir, including rights to the base active ingredient penciclovir, to Novartis; (2) SB submit all confidential information and know-how regarding Denavir to Novartis; (3) the former SB sales force and management who participated in the marketing of Denavir maintain the confidentiality of this information; and (4) the former SB sales and marketing of Denavir maintain the confidentiality of this information; and (4) the former SB sales and marketing personnel be prohibited from selling products that compete with Denavir, *i.e.,* topical Zovirex cream, for a period of six to twelve months (depending on the status of the employee).

The Consent Agreement also requires SB to contract manufacture Denavir for Novartis until Novartis obtains FDA approval to manufacture Denavir for itself.

Ceftazidime

Ceftazidime is an injectable antibiotic administered to hospitalized patients who are critically ill and at risk of contracting, and possible dying from, pseudomonas infection, a serious hospital-borne infection. Ceftazidime is considered the ''gold standard'' for treating patients who are either at risk of contracting pseudomonas or who have such infections. Ceftazidime is a third-generation of a class of antibiotics called cephalosporins and is considered a ''broad spectrum'' antibiotic effective at treating a broad range of hospital-borne infection. Nearly all hospitals in the U.S. have ceftazidime on their formularies for use in combating pseudomonas infections.

Last year, sales of all ceftazidime products were approximately $82 million dollars in the U.S. Currently, only two firms, SB and Glaxo, manufacture ceftazidime. Three firms market ceftazidime products: Glaxo manufactures and markets Fortaz and Ceptaz; Lilly markets Tazidime, which is manufactured by SB; and Abbott Labs markets SB's Tazicef brand in the U.S. In 1999, sales of Glaxo's Fortaz and Ceptaz and of SB's Tazicef amounted to 85% of the market.

There are significant barriers to entry into the manufacture and sale of ceftazidime. The production of ceftazidime requires an aseptic facility for both the manufacture and sterile filling processes, greatly increasing the costs and complexities of manufacturing the product. Building and obtaining FDA approval for this type of facility takes much longer than two years, and patents covering the manufacture of ceftazidime that do not expire for a number of years prevent generic production of ceftazidime at this time.

The proposed merger of Glaxo and SB would create a monopoly in the manufacture of ceftazidime and would reduce the number of firms marketing ceftazidime from three to two. Glaxo SmithKline would not likely continue its relationship with Abbott as a marketer, removing a competing marketer of branded ceftazidime. Lilly, the only other competitor to Glaxo

SmithKline, would be dependent on Glaxo SmithKline for its supply. The presence of three ceftazidime competitors in the market allows customers to negotiate more favorable pricing than would be possible with only two firms. Consequently, after the merger, customers' ability to negotiate lower prices for ceftazidime would diminish, likely resulting in higher prices.

The Consent Agreement effectively remedies the anticompetitive effects in the market for ceftazidime by requiring: (1) SB to provide all necessary intellectual property rights to manufacture and market ceftazidime to Abbott Laboratories, and (2) the creation of a new stream of supply for ceftazidime to Abbott that is independent of SB. Thereby, the Consent Agreement replaces SB's manufacturing and marketing rights and capabilities in the United States ceftazidime market.

Prophylactic Herpes Vaccines

The evidence shows that the development of prophylactic vaccines to prevent infection by HSV–1 and HSV–2 is a relevant product market. Currently, no vaccines exist for the prevention of HSV–1 and HSV–2 infection, but SB and Glaxo are two of very firms developing prophyactic vaccines to prevent herpes infections.

SB is one of the world's three leading vaccine suppliers, and currently, SB has the most advanced development effort toward a prophylactic herpes vaccine. Glaxo is relatively new in the vaccine area, but has a significant effort underway to develop vaccines against genital herpies. Glaxo has been developing a vaccine for genital HSV infection using the Disabled Infectious Single Cycle (''DISC'') technology developed by Cantab Pharmaceuticals. With Cantab, Glaxo is currently pursuing a therapeutic indication, and had planned to begin work with Cantab designing Phase III clinical trials on a prophylactic indication this year, exercising its option to do so pursuant to its contract with Cantab.

New entry into the research, development, manufacture and sale of vaccines to prevent HSV–1 and HSV–2 infection is extremely difficult, time-consuming, and expensive. Development of vaccines for other diseases have generally taken more than a decade and the time frames for vaccine development tend to be longer than those for prescription drugs. Other firms that have undertaken efforts to develop a prophylactic herpes vaccine either have failed in their efforts or are far behind and Glaxo/Cantab.

The merger is likely to chill innovations in a very complex area as a combined Glaxo SmithKline would potentially forego the development efforts of one of the firms. Even if both products were developed, the merger would eliminate future price competition between the two prophylactic vaccines.

The Consent Agreement effectively remedies the anticompetitive effects in the market for prophylactic vaccines for the prevention of infection by HSV–1 and HSV–2 by requiring Glaxo to return to Cantab all rights and information and results from clinical trials that are necessary for Cantab to develop a prophylactic herpes vaccine. This will permit Cantab to pursue a prophylactic indication for the vaccine developed by the joint venture, and, should that effort be unsuccessful, to develop a different prophylactic herpes vaccine using its DISC technology.

OTC H–2 Blockers

Histamine-2 blockers, more commonly known as ''H–2 blockers,'' are a class of drugs available over-the-counter (''OTC'') for acide relief. H–2 blocker products originated as prescription products and were later approved by the FDA for OTC sale. As their name implies, H–2 blockers work by blocking histamine (acid) prodution, acting in essence like corks to prevent the release of stomach acid.

Today, the $502 million OTC H–2 blocker market is comprised of four branded products—SB's Tagamet, Glaxo's Zantac 75 (marketed by Pfizer, formerly WArner-Lambert), Johnson & Johnson's Pepcid AC and Whitehall-Robin's Axid, along with private label equivalents of Tagamet, Zantac 75, and Pepcid AC. SB's Tagamet and Glaxo's Zantac 75 have a combined market share of approximately 41%.

Entry into the OTC H–2 blocker acid relief market is time-consuming, difficult, and expensive. New products take several years to develop; each must be approved by the FDA for OTC sale, or alternatively, approved to switch from prescription to OTC status; and furthermore, expensive advertising and promotion is required to establish a brand name in the OTC market. Currently, no additional H–2 blockers are expected to enter the OTC market.

The merger of SB and Glaxo is likely to lessen the competitivenes of Zantac 75 in the OTC market where it is marketed by Pfizer. Currently, the trademark license under which Pfizer sells Zantac 75 requires the approval of Glaxo for any product or trademark changes or improvements. Prior to the merger, as licensor to Pfizer, Glaxo had the incentive to approve changes or improvements that would enhance the competitiveness of Zantac 75 in the OTC H–2 blocker market. But after the merger, it is likely that Glaxo SmithKline will be less inclined to approve changes to enhance the competitiveness of Zantac 75, an OTC H–2 rival to its Tagamet. Furthermore, Pfizer would be in the difficult position of having to ask its close rival for permission to make product improvements, thereby exposing its future competitive strategy, which the rival might preemptively counter. Such a situation could prevent or discourage Pfizer from pursuing such competitive product improvements, as Glaxo SmithKline would be provided with direct access to cometitive intelligence on a product that competes directly against its own.

The Consent Agreement effectively remedies the anticompetitive effects in the market for OTC H–2 blockers by: (1) Requiring Glaxo to divest all of its U.S. and Canadian trademark rights to Zantac to Pfizer; (2) removing all requirements on Pfizer to seek prior approval from Glaxo for any product line extensions; (3) removing all restrictions on Pfizer's ability to seek FDA approval of higher OTC dosage strengths for Zantac; (4) reducing the cost to Pfizer if a higher dosage strength is approved by the FDA for the OTC market to a payment not to exceed $3 million; and (5) allowing Pfizer to use any FDA approved form of the base active, ranitidine, in Zantac products. In the United States and Canada, Glaxo only retains the exclusive use of the Zantac name for prescription products that contains ranitidine. This gives Pfizer the unrestricted ability to market the OTC Zantac products, improve those products, and use the Zantac trademarks unfettered, which will allow Pfizer to compete vigorously and effectively in the OTC H–2 blocker market.

Topoisomerase I Inhibitors for the Treatment of Ovarian, non-SCLC, Colorectal, and Other Solid Tumor Cancers

zSB's drug Hycamptin is currently a leading therapy for ovarian and non-small cell lung cancer (''non-SCLC''), and SB is pursuing indications for these cancers as well as a second-line indication for treating colorectal and other solid-tumor cancers. Gilead Sciences, in conjunction with Glaxo, is developing a topoisomerase I inhibitor, GI14722C, that is being developed for ovarian, breast, non-SCLC, and other solid tumor indications, including colorectal cancer. The only other topoisomerase I inhibitor on the market

is Pharmacia's Camptosar, which is indicated as a second-line treatment for colorectal cancer, and is being tested for non-SCLC.

The proposed merger is likely to create anticompetitive effects in the topoisomerase I inhibitor market by potentially eliminating one of the few research and development efforts in this area. As a result of the merger, the combined entity could unilaterally delay, terminate or otherwise fail to develop the GI147211C topoisomerase I inhibitor, resulting in less product innovation, fewer choices, and higher prices for consumers.

The Consent Agreement effectively remedies the anticompetitive effects in the market for topoisomerase I inhibitors for the treatment of certain cancers by requiring Glaxo to assign all relevant GI147211C intellectual property to Gilead and to relinquish its reversionary rights to Gilead's drug. Thus, the Consent Agreement eliminates Glaxo's ability to regain control over GI147211C, a drug likely to compete against SB's Hycamptin in combating ovarian, non-SCLC, colorectal, and other solid tumor cancers.

Drugs for the Treatment of Irritable Bowel Syndrome

Irritable bowel syndrome (''IBS'') is not well understood and often has been labeled as several different conditions, including irritable colon and spastic colon. People with IBS experience varying symptoms, with some sufferers experiencing symptoms of diarrhea, others constipation, and still others a mix of both. The symptoms of IBS may include cramping, abdominal pain and other forms of abdominal discomfort. Seventy percent of IBS sufferers are women. IBS is estimated to affect up to 15% of the U.S. population.

Glaxo currently owns a drug called Lotronex for the treatment of IBS. Though effective in treating IBS sufferers, Lotronex was recently taken off the market by Glaxo because of concerns about serious side effects in some patients, but Glaxo continues to conduct clinical trials for Lotronex. Lotronex is the only FDA-approved drug for the treatment of IBS. SB currently does not have a drug in this market, but has an option to acquire and market renzapride, a drug being developed by Alizyme Therapeutics plc for the treatment of IBS. Alizyme's renzapride drug is about 2–3 years from being on the market. In addition to the Alizyme/SB renzapride development effort, only two other drugs for IBS are in clinical development; thus, timely entry will not occur to deter or counteract the likely anticompetitive effects of the proposed merger.

The proposed merger likely would eliminate one of the few research and development efforts on drugs to treat IBS. As a result of the merger, Glaxo SmithKline would likely delay, terminate or otherwise fail to develop renzapride which would compete against Lotronex, resulting in less product innovation, and consequently, fewer product choices, and higher prices for consumers.

The Consent Agreement effectively remedies the anticompetitive effects in the market for drugs to treat IBS by requiring SB to assign all relevant intellectual property rights to Alizyme and to relinquish all options in renzapride, thus removing any possible influence over Alizyme's development of an IBS drug that is likely to compete directly against Glaxo's Lotronex.

Triptan Drugs for the Treatment of Migraine Headaches

Glaxo is the leading seller of triptan drugs for the treatment of migraine headaches with its two triptan migraine drugs—Immitrex (sumatriptan succinate) and Amerge (naratriptan hydrochloride). SB has a reversionary interest in another triptan drug for migraines—SB209509 (frovatriptan)—which is being developed by Vernalis Ltd. The only other approved migraine drugs in the triptan class are Maxalt (rizatriptan benzoate) from Merck and Zomig (zolmitriptan) from Astra Zeneca. Vernalis expects to submit final data to the FDA by the end of 2000, and hopes to launch its frovatriptan drug in the second half of 2001.

In addition to the SB/Vernalis frovatriptan effort, only two other triptan drugs for migraine are in clinical development and are well behind the SB/Vernalis efforts. Thus, timely entry will not occur to deter or counteract the likely anticompetitive effects of the proposed merger.

The proposer merger likely would eliminate one of the few research and development efforts on triptan drugs to treat migraines. As a result of the merger, Glaxo SmithKline would likely delay, terminate or otherwise fail to develop frovatriptan which would compete against Glaxo's Immitrex and Amerge, resulting in less product innovation, and consequently, fewer product choices and higher prices for consumers.

To resolve the merger's anticompetitive effects in this market, SB renegotiated its agreement with Vernalis, assigning all relevant intellectual property to Vernalis and relinquishing its options in frovatriptan, which likely will compete directly against Glaxo's Immitrex and Amerge.

The Consent Agreement also allows the Commission to appoint a Monitor Trustee to ensure Glaxo SmithKline's compliance with all of the requirements of the Order. In addition, the Commission may appoint a Divestiture Trustee in the event that Glaxo SmithKline fails to divest all of the assets required to be divested. Finally, the Consent Agreement imposes reporting requirements on Glaxo SmithKline until such time as it has fully complied with all of the provisions of the Order.

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

By direction of the Commission.

Donald S. Clark,

Secretary.

[FR Doc. 00–33029 Filed 12–27–00; 8:45 am]

BILLING CODE 6750–01–M

FEDERAL TRADE COMMISSION

[File No. 001 0215; Docket No. C–3987]

Philip Morris Companies, Inc., and Nabisco Holdings Corp.; 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 January 8, 2001.

ADDRESSES: Comments should be directed to: FTC/Office of the Secretary, Room H–159, 600 Pennsylvania Avenue, NW., Washington, DC 20580.

FOR FURTHER INFORMATION CONTACT: Richard Parker or Joseph Brownman, FTC/H–374, 600 Pennsylvania Avenue, NW., Washington DC 20580. (202) 326–2574 or (202) 326–2605.

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