
Persons knowing of any reason why the following applicants should not receive a license are requested to contact the Office of Transportation Intermediaries, Federal Maritime Commission, Washington, DC 20573.

Non-Vessel—Operating Common Carrier Ocean Transportation Intermediary Applicants:
Raylink Shipping Inc., 60 Bay 40th Street, Brooklyn, NY 11214.
Officers: Tao Zhang (Jason Zhang), President (Qualifying Individual).
AA Connection, LLC, 2198 144th Ave., SE., Bellevue, WA 98007.
Officers: Mei Mao, Manager (Qualifying Individual), Frances Underhill, Member.
Cybamar Swiss GMBH, Hugostrauasse 9 8050 Zurich, Switzerland. Officer: Bassem Salhab, Managing Director (Qualifying Individual).
Superior International Group Inc., 355 S. Lemon Avenue, Suite E, Walnut, CA 91789. Officer: Steven Wong, President (Qualifying Individual).
Non-Vessel—Operating Common Carrier and Ocean Freight Forwarder Ocean Transportation Intermediary Applicant:
Transportation Freight Group, LLC, 720 Heards Ferry Road, Atlanta, GA 30328. Officer: Chad Rosenberg, Member (Qualifying Individual).
Ocean Freight Forwarder—Ocean Transportation Intermediary Applicants:
Cycle Logical Supply Chain Solutions, LLC, 444 Claude Scott Drive, Canton, GA 30115. Officer: Sheila Hines Hewitt, President (Qualifying Individual).
Star USA, Inc., 250 N. Davis Road, Ashland, OH 44805. Officers: Michael L. Easton, Vice President (Qualifying Individual), Margaret S. Easton, President.

Dated: October 6, 2006.
Bryant L. VanBrakle, Secretary.

FEDERAL RETIREMENT THRIFT INVESTMENT BOARD

Sunshine Act; Notice of Meeting

TIME AND DATE: 9 a.m. (EDT), October 16, 2006.
PLACE: 4th Floor Conference Room, 1250 H Street, NW., Washington, DC.
STATUS: Parts will be open to the public and parts closed to the public.

MATTERS TO BE CONSIDERED

Parts Open to the Public
1. Approval of the minutes of the September 18, 2006 Board member meeting.
2. Thrift Savings Plan activity report by the Executive Director.
5. Deloitte & Touche Mid-Year Review.
7. Procurement.

FOR FURTHER INFORMATION CONTACT:
Thomas J. Trabucco, Director, Office of External Affairs, (202) 942-1640.

Dated: October 6, 2006.
Thomas K. Emshuler, Secretary to the Board, Federal Retirement Thrift Investment Board.

FEDERAL TRADE COMMISSION

Ocean Transportation Intermediary License Rescission of Order of Revocations

Notice is hereby given that the Order revoking the following license is being rescinded by the Federal Maritime Commission pursuant to section 19 of the Shipping Act of 1984 (46 U.S.C. app. 1718) and the regulations of the Commission pertaining to the licensing of Ocean Transportation Intermediaries, 46 CFR part 515.

License Number: 018883NF.
Name: Wastaki Freight International, Inc.
Address: 9820 Atlantic Drive, Miramar, FL 33025.
Order Published: FR: 06/28/06 (Volume 71, No. 124, Pg. 36799).

Peter J. King, Deputy Director, Bureau of Certification and Licensing.

FEDERAL TRADE COMMISSION

The Boeing Company, Lockheed Martin Corporation and United Launch Alliance; Analysis of Agreement Containing Consent Orders 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 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 October 31, 2006.
ADDRESSES: Interested parties are invited to submit written comments. Comments should refer to “Boeing Lockheed Martin, File No. 051 0165,” to facilitate the organization of comments. A comment filed in paper form should include this reference both in the text and on the envelope, and should be mailed or delivered to the following address: Federal Trade Commission/Office of the Secretary, Room 135–H, 600 Pennsylvania Avenue, NW., Washington, DC 20580. Comments containing confidential material must be filed in paper form, must be clearly labeled “Confidential,” and must comply with Commission Rule 4.9(c), 16 CFR 4.9(c) (2005). The FTC is requesting that any comment filed in paper form be sent by courier or overnight service, if possible, because U.S. postal mail in the Washington area and at the Commission is subject to delay due to heightened security precautions. Comments that do not contain any nonpublic information may instead be filed in electronic form as part of or as an attachment to e-mail messages directed to the following e-mail box: consentagreement@ftc.gov. The FTC Act and other laws the Commission administers permit the collection of public comments to consider and use in this proceeding as appropriate. All timely and responsive public comments, whether filed in paper or electronic form, will be considered by the Commission, and will be available to the public on the FTC Web site, to the extent practicable, at http://www.ftc.gov. As a matter of discretion, the FTC makes every effort to remove home contact information for individuals from the public comments it receives before placing those comments labeled "Confidential" in the public docket.

The comment must be accompanied by an explicit request for confidential treatment, including the factual and legal basis for the request, and must identify the specific portions of the comment to be withheld from the public record. The request will be granted or denied by the Commission’s General Counsel, consistent with applicable law and the public interest. See Commission Rule 4.9(c), 16 CFR 4.9(c).
on the FTC Web site. More information, including routine uses permitted by the Privacy Act, may be found in the FTC’s privacy policy, at http://www.ftc.gov/ftc/privacy.htm.

FOR FURTHER INFORMATION CONTACT:
Michael R. Moiseyev, Bureau of Competition, 600 Pennsylvania Avenue, NW., Washington, DC 20580, (202) 326–3106.

SUPPLEMENTARY INFORMATION: Pursuant to section 6(f) of the Federal Trade Commission Act, 38 Stat. 721, 15 U.S.C. 46(f), and § 2.34 of the Commission 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 October 3, 2006), on the World Wide Web, at http://www.ftc.gov/os/2006/10/index.htm. A paper copy can be obtained from the FTC Public Reference Room 130–H, 600 Pennsylvania Avenue, NW., Washington, DC 20580, either in person or by calling (202) 326–2222.

Public comments are invited, and may be filed with the Commission in either paper or electronic form. All comments should be filed as prescribed in the ADDRESSES section above, and must be received on or before the date specified in the DATES section.

Analysis of Agreement Containing Consent Order To Aid Public Comment

I. Introduction

The Federal Trade Commission (“Commission”) has accepted, subject to final approval, an Agreement Containing Consent Order (“Consent Agreement”) from The Boeing Company (“Boeing”), Lockheed Martin Corporation (“Lockheed”), and United Launch Alliance L.L.C. (“ULA”). The purpose of the proposed Consent Agreement is to remedy the anticompetitive effects resulting from the formation of ULA, a joint venture of Boeing and Lockheed that will provide launch services to the Department of Defense (“DoD”) and other U.S. government customers, that are not necessary to achieve the national security benefits that DoD believes will flow from the formation of ULA. The proposed Consent Agreement requires that: (1) ULA cooperate on equivalent terms with all providers of government space vehicles; (2) the space vehicle businesses of Boeing and Lockheed provide equal consideration and support to all launch services providers when seeking any U.S. government delivery in orbit contract; and (3) Boeing, Lockheed, and ULA safeguard competitively sensitive information obtained from other providers of space vehicles and launch services.

The Consent Agreement has been placed on the public record for 30 days for receipt of comments by interested persons. Comments received during this period will become part of the public record. After 30 days, the Commission will again review the Consent Agreement and the comments received, and will decide whether it should withdraw from the proposed Consent Agreement or make it final.

Pursuant to a Joint Venture Master Agreement, dated May 2, 2005, Boeing and Lockheed agreed to form a joint venture to be called ULA (“Proposed Joint Venture”). The Proposed Joint Venture would consolidate manufacturing and development of Boeing and Lockheed’s Expendable Launch Vehicles (“ELV”). Sales of launch services to the U.S. government will also be merged into ULA. Boeing and Lockheed will not exchange any cash in the transaction, but each party’s contributed businesses are valued in excess of $530.7 million. The Commission’s complaint alleges that the Proposed Joint Venture 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, by substantially lessening competition in the U.S. markets for government medium to heavy (“MTH”) launch services and government space vehicles.

II. The Parties

Boeing maintains its headquarters in Chicago, Illinois. It is the world’s largest aerospace company and the second largest supplier to the Department of Defense. Boeing manufactures and sells MTH launch services to the U.S. government on its two ELVs, the Delta II and Delta IV. Delta II provides medium lift capability; Delta IV provides heavy lift capability. Boeing is the third largest supplier of government space vehicles.

Lockheed, based in Bethesda, Maryland, is the largest defense contractor in the United States. Lockheed provides MTH launch services to the United States government with its Atlas V ELV. Lockheed is the largest supplier of government space vehicles.

III. Government MTH Launch Services and Space Vehicles

Government MTH launch services are a relevant product market for the purposes of assessing the likely competitive effects of the Proposed Joint Venture. Launch service providers deliver space vehicles (i.e., satellites, interplanetary spacecraft, and other payloads) into earth orbit or beyond into outer space. Payloads in excess of 4,150 pounds require, at minimum, a medium lift launch vehicle to attain low earth orbit, the lowest sustainable orbit. MTH launch vehicles are generally based on a common vehicle configuration, i.e., the Delta IV and Atlas V, and are customized to adjust lift capability by adding “strap-on” motors or additional booster engines. There is no alternative technology currently available to deliver satellites and other payloads to space in the medium and heavy weight classes. Light launch vehicles cannot be “scaled-up” with strap-on motors or booster engines to increase lift capability.

Further, with the U.S. government’s demand for communication and reconnaissance capabilities increasing, space vehicles are not expected to become lighter in the future. Accordingly, the U.S. government has no alternatives for the functions performed by space vehicles and no alternative technology to deliver MTH payloads to space.

Government space vehicles are a second relevant product market for the purposes of analyzing the competitive effects of the Proposed Joint Venture. The United States government purchases space vehicles for a multitude of unique (and often classified) applications, including military communications and navigation, reconnaissance, atmospheric observation, and scientific exploratory missions, among other things. Other forms of communication, navigation, reconnaissance, and scientific observation are not substitutes for the unique capabilities of government space vehicles.

The relevant geographic market is the United States. Federal law and national security imperatives require that the U.S. government purchase MTH launch services and space vehicles from domestic companies.

The U.S. markets for government MTH launch services and government space vehicles are highly concentrated. In the U.S. government MTH launch services market, Boeing and Lockheed are the only competitors, and their commoditization will result in a monopoly.

Space Exploration Technologies Corp. (“SpaceX”) is attempting to enter the
MTH launch services market, but the timing of its possible entry and the reliability of its MTH launch vehicles is uncertain. Additionally, DoD and other government customers would require several validation launches before purchasing MTH launch services from SpaceX, further postponing the market impact of SpaceX’s potential entry. In the U.S. market for government space vehicles, three firms, Boeing, Lockheed, and Northrop Grumman (“Northrop”), account for the large majority of sales.

IV. Entry

Entry into the government MTH launch services market and the government space vehicle market is extremely difficult. For MTH launch vehicles and government space vehicles alike, design and development alone require many years and cost in excess of a billion dollars. Government space vehicles cost approximately $1 billion and take approximately five years to produce. Moreover, because the costs of a launch failure or a space vehicle malfunction are extremely high in terms of dollars and delays in vital national security or scientific services, the U.S. government only procures MTH launch services and space vehicles from firms with an established track record for success. As a result, new entry is unlikely to reverse the anticompetitive effects of the Proposed Joint Venture.

V. Competitive Effects

DoD has contracted with both Boeing and Lockheed to provide MTH launch services through 2011. Under the current procurement program—known as “Buy III”—Boeing’s and Lockheed’s fixed costs are covered by DoD, and launch services are purchased at variable cost. The rationale for this program is grounded in a Presidential Decision Directive requiring the U.S. Government to maintain “assured access to space,” which is interpreted to require maintaining at least two independent MTH launch vehicle providers.

Despite the absence of current price competition under Buy III, significant anticompetitive effects, including the loss of non-price competition and the loss of potential future price competition, are likely to occur if the proposed transaction is consummated. Under Buy III, launches that are more than two years away may be awarded to either Boeing or Lockheed. As a result, each has an incentive to improve the capability and reliability of its launch services to increase the likelihood that DoD will award it future launches. In addition, Buy III expires in 2011, after which full price and non-price competition pursuant to DoD’s usual procurement process may be reinstated. Finally, the creation of the Proposed Joint Venture would deny the government the benefits of a competitive “down select” to either the Delta or Atlas ELV if assured access to space is later determined not to require two separate families of launch vehicles.

National security issues, however, are also a vital element of an analysis of the Proposed Joint Venture. To understand the unique national security implications of the Proposed Joint Venture, the Commission has consulted closely with the DoD and other Federal agencies. Indeed, as the primary customer of government MTH launch services and space vehicles and the government agency ultimately responsible for the security of the United States, DoD’s views on ULA were particularly significant. Under these unique circumstances, the Commission placed a great deal of weight on DoD’s position as to whether ULA would benefit national security and whether the Commission should challenge the Proposed Joint Venture. DoD has informed the Commission that the creation of ULA will advance U.S. national security interests by improving the United States’ ability to access space reliably. DoD considers access to space “essential” given the military’s increasing dependence on space-based reconnaissance, communication, and munitions/guidance systems. Maximizing the reliability of launch vehicles that provide access to space is of paramount importance to DoD. A single launch failure can result in the loss of a mission-critical payload and threaten military programs by delaying future launches until the cause of the failure is discovered and remedied.

ULA will improve launch vehicle reliability in several ways. First, the single ULA workforce will benefit from a launch tempo (the number of vehicles assembled and launched per year) greater than could be expected from the two separate Lockheed and Boeing workforces. A single workforce with more launch experience will be critical in minimizing mistakes and malfunctions that jeopardize mission success. In addition, integrating the two firms’ complementary technologies will

vehicle businesses. Similarly, Boeing and Lockheed may have an incentive to share with ULA confidential information that their space vehicle businesses may learn from any future launch vehicle service competitors. This concern arises because third parties, such as Northrop, will no longer be able to utilize competition between Boeing and Lockheed in the MTH launch services market to negotiate the creation of firewalls and other protections for their confidential information.

VI. The Proposed Consent Agreement

To allow the United States to obtain the national security enhancements offered by ULA, the proposed Consent Agreement does not attempt to remedy the loss of direct competition between Boeing and Lockheed Martin under these unique circumstances. Instead, the purpose of the proposed Consent Agreement is to address ancillary competitive harms that DoD has identified as not inextricably tied to the national security benefits associated with the creation of ULA. To ensure that the provisions of the proposed Consent Agreement are followed, it provides for a compliance officer who will be appointed by the Secretary of Defense. The compliance officer will have broad investigative and remedial powers and may interview respondents’ personnel, inspect respondents’ facilities, and require respondents to provide documents, data, and other information.

To alleviate DoD’s concerns in the government space vehicle market, the proposed Consent Agreement requires ULA to cooperate on equivalent terms with all government space vehicle providers seeking to win U.S. government procurement contracts. Because a space vehicle and launch vehicle require significant integration to achieve successful placement of a space vehicle into orbit, space vehicle and launch services providers work closely together pursuant to teaming arrangements when seeking to win government contracts. Pursuant to the proposed agreement, ULA must provide all space vehicle suppliers with equal access to engineering resources, personnel, and technical information. These provisions ensure that ULA cannot give an unfair advantage to the space vehicle businesses of its parents during DoD’s space vehicle procurement process.

The proposed Consent Agreement addresses DoD’s concern that Boeing and Lockheed will refuse to support or deal with future competitors to ULA by requiring Boeing and Lockheed to provide equal consideration, information, and resources to any launch services competitors of ULA when bidding on a delivery in orbit contract. These provisions prevent Boeing and Lockheed from slowing or deterring entry into the MTH launch services businesses in order to protect ULA’s monopoly status. To ensure the parties’ compliance with this requirement, Boeing and Lockheed must create selection criteria and have those criteria approved by the compliance officer. Further, the proposed Consent Agreement prohibits Boeing and Lockheed from selecting ULA as a launch services supplier without the prior approval of the compliance officer.

To address DoD’s concern that competitive harm may occur as the result of the exchange of confidential information, the proposed agreement forbids ULA, Boeing, and Lockheed from sharing third parties’ competitively sensitive information. ULA must establish separate teams to support each space vehicle supplier’s efforts to win government contracts and implement procedures, pursuant to the compliance officer’s oversight, that will ensure that confidential information is not exchanged among the teams. Additionally, the order requires a number of prophylactic measures designed to ensure that confidential information is not exchanged between ULA and its parents. Pursuant to these provisions, ULA’s facilities must be physically separate from those of Boeing and Lockheed, and employees must be able to access only the facilities of their respective employer. If ULA requires technical support from Boeing or Lockheed employees, these employees must sign confidentiality agreements, which must be provided to the compliance officer, agreeing not to disclose the confidential information of any space vehicle supplier teaming with ULA. In addition, for a one-year period, any such employee may not join or assist a Boeing or Lockheed project that is competing with a space vehicle supplier whose confidential information was obtained by the employee during work at ULA.

The purpose of this analysis is to facilitate public comment on the proposed Consent Agreement, and it is not intended to constitute an official interpretation of the proposed Consent Agreement or to modify its terms in any way.
principle and sound enforcement policy, the views of DoD as a major customer are entitled to no less respect in this case.

From a purely practical perspective, I must consider the potential role of DoD testimony if the Commission were to seek a preliminary injunction over DoD’s objections. As a Commissioner, I am responsible for evaluating litigation risk before sending Commission staff into court. Customer testimony, standing alone, certainly would not (and should not) be dispositive, in this or any other merger case. I expect, however, that DoD’s conclusions would influence a judge’s decision whether to grant a preliminary injunction—especially in light of the national security overlay and DoD’s expertise.

The proposed consent order addresses three competitive concerns that, in DoD’s view, are not “inextricably linked” to ULA’s putative national security advantages. The AACPC acknowledges that the proposed consent agreement does not attempt to remedy the loss of direct competition and is, instead, intended to “address ancillary competitive harms that DoD has identified as not inextricably tied to the national security benefits associated with the creation of ULA.” While I have voted in favor of accepting the proposed consent agreement, I note a few troublesome aspects. The proposed consent agreement departs radically from traditional Commission consent orders in merger cases. Structural remedies are, by far, the preferred way to resolve competitive problems in the horizontal merger context. Conduct restrictions, standing alone, generally are viewed as insufficient to address the underlying market mechanisms from which competitive harm may arise. Here, in lieu of market-based competition, the monopolist ULA will be subjected to an elaborate and highly regulatory system of oversight by a “compliance officer” appointed by the Secretary of Defense. Ordinarily, such a system would not be considered an effective remedy for the anticompetitive effects alleged in the Commission’s complaint.

I continue to believe that preserving a competitive market structure is the preferred “fix” for an anticompetitive horizontal merger. Also, I am somewhat unsettled by the notion that the Commission—an independent, bipartisan federal agency—is, in effect, delegating away too much of its oversight authority to an executive branch agency. I recognize, however, that staff from the Commission and DoD have attempted to craft a workable remedy that will strike an appropriate balance between competition and broader national security interests. In the end, I am faced with a Hobson’s choice: accept a complex and regulatory consent that will prevent some competitive harm; or do nothing, and allow the joint venture to proceed unrestricted. I lack the technical expertise to second-guess DoD’s conclusion that allowing the formation of ULA is the best way to preserve national security and protect the public interest. In light of our agencies’ established protocol for concurrent review of defense industry transactions, I reluctantly agree that the Commission must give DoD the benefit of the doubt. I therefore vote to accept the proposed consent agreement.

[FR Doc. E6–16862 Filed 10–11–06; 8:45 am] BILLING CODE 6750–01–P

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Office of the National Coordinator for Health Information Technology, American Health Information Community Meeting

ACTION: Announcement of meeting.

SUMMARY: This notice announces the ninth meeting of the American Health Information Community in accordance with the Federal Advisory Committee Act (Pub. L. No. 92–463, 5 U.S.C., App.) The American Health Information Community will advise the Secretary and recommend specific actions to achieve a common interoperability framework for health information technology (IT).

DATES: October 31, 2006, from 8:30 a.m.

ADDRESSES: Hubert H. Humphrey building (200 Independence Avenue, SW., Washington, DC 20201), Conference Room 800.

FOR FURTHER INFORMATION CONTACT: Visit http://www.hhs.gov/healthit/ahic.html

SUPPLEMENTARY INFORMATION: The Community will discuss personalized healthcare, review standards recommendations from the Health Information Technology Standards Panel, and set priorities for 2007.

A Web cast of the Community meeting will be available on the NIH Web site at: http://www.videocast.nih.gov. If you have special needs for the meeting, please contact (202) 690–7151.


Judith Sparrow, Director, American Health Information Community, Office of Programs and Coordination, Office of the National Coordinator.

[FR Doc. 06–8620 Filed 10–11–06; 8:45 am]

BILLING CODE 4150–24–M

DEPARTMENT OF HEALTH AND HUMAN SERVICES

National Committee on Vital and Health Statistics: Meeting

Pursuant to the Federal Advisory Committee Act, the Department of Health and Human Services (HHS) announces the following advisory committee meeting.

Name: National Committee on Vital and Health Statistics (NCVHS), Subcommittee on Standards and Security (SSS).

Time and Date:

October 11, 2006 9 a.m.–5 p.m.

October 12, 2006 9 a.m.–5 p.m.


Status: Open.

Purpose: The purpose of the meeting will be to hear testimony on a number of issues of interest to the Subcommittee including but not limited to, concerns and issues regarding implementation of the National Provider Identifier (NPI); recommendations from the Disability Workgroup; an update on the progress of the Medicare Modernization Act electronic prescribing pilots; and standards development organizations (SDOs) recommendations on streamlining the standards adoption process.

For Further Information Contact: Substantive program information as well as summaries of meetings and a roster of Committee members may be obtained from Maria Friedman, Health Insurance Specialist, Security and Standards Group, Centers for Medicare and Medicaid Services, MS: C5–24–04, 7500 Security Boulevard, Baltimore, MD 21244–1850, telephone: 410–786–6333 or Marjorie S. Greenberg, Executive Coordinator, NCVHS, National Center for Health Statistics, Centers for Disease Control and Prevention, Room 1100,