of the Consent Agreement are fully implemented by D&B.

II. Respondent D&B

D&B is a corporation organized, existing and doing business under the laws of the State of Delaware, with its principal place of business at 103 JFK Parkway, Short Hills, New Jersey 07078. D&B is the world’s leading supplier of commercial information on businesses. In 2008, D&B’s revenue exceeded $1.7 billion. MDR, a division of D&B, has its headquarters at 6 Armstrong Road, Suite 301, Shelton, Connecticut 06484. MDR also has offices in Chicago, Illinois, and San Francisco, California.

III. The Commission’s Complaint

The Complaint alleges that, prior to MDR’s acquisition of QED, MDR was the largest provider of K-12 data in the United States. K-12 data is sold or leased to customers, including book publishers and other suppliers of educational products and services, that use the information to market the various products and services that they offer to education institutions. The Complaint further alleges that MDR’s closest competitor in the K-12 data market was QED. After acquiring QED, MDR attained a near monopoly. Two firms, one of which was MCH, accounted for the remaining competition.

The Complaint alleges that if allowed to stand, the acquisition would likely enable MDR unilaterally to exercise market power in various ways, including by increasing prices and reducing product quality and services.

IV. Terms of the Order

A. MCH is the Acquirer.

MCH is a privately held company with offices located at 601 E. Marshall Street, Sweet Springs, Missouri 65351. The Commission believes that MCH is an appropriate acquirer of the assets to be divested, and that with those assets, it will be in a position to restore the competition that was lost when MDR acquired QED. MCH currently has a small share of the K-12 data market, but is a company with over 80 years of experience in the broader data market industry.

B. The Assets to be Divested.

The key asset that MCH will acquire is an updated K-12 database. As a result, MCH’s database not only will rival MDR’s, but will exceed the size and scope of the QED database when MDR acquired it.

A second important asset that MCH will acquire is the QED name and its associated intellectual property. The combination of the QED name and the updated database has the potential to enable MCH to compete for and offer customers K-12 data comparable to what QED had been offering when it was acquired by MDR.

C. Other Requirements Imposed upon MDR.

The Order also includes several provisions that will facilitate the ability of MCH to compete on a more even footing with MDR. The Order grants certain categories of MDR customers the option to terminate their contracts with MDR, without penalty, for a period of 21 months, upon 30 days notice to MDR that the customer intends to terminate its contract(s) for the purpose of considering alternative sources of K-12 data. The Order does not require that these customers actually make a purchase from an alternative source, nor does it require that the alternative source be limited to MCH. MDR will be required to notify customers with potentially terminable contracts, by certified mail, of their termination rights.

To facilitate the ability of customers to switch away from MDR to MCH, the Order also requires that MDR grant such customers access to a data translation table containing both MDR’s and QED’s unique identification numbers assigned to educational institutions contained in their K-12 databases [PIN/PID numbers]. The table assists customers in converting their internal marketing data systems from MDR’s data reference numbering system [PIN] to QED’s data reference numbering system [PID]. Former QED employees and certain MDR employees also are released from any restrictions on their ability to join MCH.

Another provision of the Order requires that for a period of 21 months, MDR offer all third parties placing orders for K-12 data with MDR a “net names” discount of up to 30% for names obtained from MCH (i.e., a discount for overlap names). The Order also requires that MDR, for up to one year, provide MCH with reasonably necessary technical assistance within five days of such a request and further requires MDR to facilitate the ability of MCH to enter into contracts with any vendor that had been doing business with QED.

D. A Monitor Will Help Ensure Compliance.

The Order provides for the appointment by the Commission of an independent monitor, with fiduciary responsibilities to the Commission, to help ensure that D&B carries out all of its responsibilities and obligations under the Order. The Commission has appointed Mr. Richard Casabonne, a person with significant experience in the K-12 data market, as monitor. Mr. Casabonne is chief executive officer of Casabonne Associates, Inc., a consulting firm that focuses on educational activities. In the event D&B fails to comply with its divestiture obligations, the Order also provides that the Commission may also appoint a divestiture trustee to fulfill those requirements.

V. Opportunity for Public Comment

The Consent Agreement has been placed on the public record for 30 days to receive comments from interested persons. Comments received during this period will become part of the public record. After 30 days, the Commission will review the comments received and determine whether to take further action. The purpose of this analysis is to facilitate comment on the Order. This analysis does not constitute an official interpretation of the Consent Agreement or Order, nor does it modify their terms in any way. The Consent Agreement does not constitute an admission by D&B that it violated the law or that the facts as alleged in the Complaint, other than jurisdictional facts, are true. By direction of the Commission.

Donald S. Clark
Secretary.

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GOVERNMENT ACCOUNTABILITY OFFICE

Financial Management and Assurance; Government Auditing Standards

AGENCY: Government Accountability Office.

ACTION: Notice of document availability.

SUMMARY: On August 23, 2010, the U.S. Government Accountability Office (GAO) issued an exposure draft of...
The proposed 2010 revision to GAGAS will be the sixth revision since the standards were first issued in 1972. The 2010 Yellow Book exposure draft seeks to emphasize the critical role of high quality government audits in achieving credibility and accountability in government. The proposed changes contained in the 2010 Exposure Draft update GAGAS to reflect major developments in the accountability and audit profession and emphasize specific considerations applicable to the government environment. In addition, this proposed revision modernizes GAGAS, with updates to reflect major developments in the accountability and audit environment, including a conceptual framework approach for independence. Clarifications have also been made throughout the standards.

DATES: Comments will be accepted through November 22, 2010.

ADDRESSES: A copy of the exposure draft (GAO–10–853C) can be obtained on the GAO Internet page http://www.gao.gov/govaud/vbkOl.htm.

FOR FURTHER INFORMATION CONTACT: Michael Hrapsky, Specialist, Auditing Standards at (202) 512–9535.

SUPPLEMENTARY INFORMATION: To ensure that your comments are considered by GAO and the Advisory Council in their deliberations, please submit them by November 22, 2010. Please send your comments electronically to yellowbook@gao.gov.


James R. Dalkin,
Director, Financial Management and Assurance.

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BILLING CODE 1610–02–M