

business. With this Consent Agreement, the competition that would otherwise be eliminated through the proposed acquisition of Orchid by LabCorp will be fully preserved.

The proposed Consent Agreement 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 Consent Agreement and the comments received, and will decide whether it should withdraw from the proposed Consent Agreement, modify it, or make final the accompanying Decision and Order ("Order").

Pursuant to an Agreement and Plan of Merger dated April 5, 2011, LabCorp intends to acquire Orchid in a cash tender offer valued at approximately \$85.4 million. Both parties provide paternity testing services to government agencies, and are by far the largest providers of those services in the United States. The Commission's complaint alleges that the proposed 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 U.S. markets for the provision of paternity testing services to state and local government agencies. The proposed Consent Agreement remedies the alleged violations by replacing the lost competition in the relevant market that would result from the acquisition.

## II. The Products and Structure of the Markets

DNA paternity testing services for government agencies is a relevant product market in which to analyze the competitive effects of the proposed acquisition. No other types of paternity testing services, like blood testing, meet government agencies' requirements. LabCorp and Orchid are the two principal competitors in the United States for government paternity testing services contracts—they are the only two firms that consistently bid for these contracts, they account for the overwhelming majority of awarded contracts, and they have been the winner and runner-up in most of these bids. As a result, LabCorp and Orchid accounted for the overwhelming majority of the business in this roughly \$27 million market.

## III. Entry

The anticompetitive impact of LabCorp's acquisition of Orchid is not likely to be averted by entry or expansion from other DNA testing labs.

Most other DNA testing laboratories do not have the scale or the experience needed to compete effectively for government contracts.

## IV. Effects of the Acquisition

The proposed acquisition likely would result in significant anticompetitive harm in the highly-concentrated relevant market for government paternity testing services. LabCorp and Orchid are the only significant competitors in this highly-concentrated market. Over the past five years, LabCorp and Orchid consistently participated in the vast majority of state and local government bids conducted in the United States, almost always as head-to-head competitors. They bid more often, and typically at lower prices, than any other labs. The acquisition will eliminate this significant head-to-head competition and is likely to result in higher prices for government paternity testing services contracts.

## V. The Consent Agreement

The proposed Consent Agreement remedies the competitive concerns raised by the transaction by requiring the parties to divest Orchid's U.S. government paternity testing business to DDC. LabCorp also must divest testing equipment along with contract and service information necessary to enable DDC to replicate Orchid's market position. LabCorp also must facilitate the assignment of all existing government paternity testing services contracts to DDC. This divestiture preserves competition that would otherwise be eliminated as a result of the acquisition.

The proposed Consent Agreement also contains several provisions designed to ensure that the divestiture is successful. LabCorp must provide lab testing services to DDC until the assets are fully transferred and Orchid's government contracts are assigned to DDC. In addition, DDC will have access to the personnel and information that are at Orchid's Dayton facility. Finally, LabCorp cannot use or retain any confidential business information except as necessary to maintain the assets for DDC's use during the transition period. To prevent improper sharing of information, a manager of the business being transferred who reports directly to Commission staff will be put in place.

DDC is a respected provider of paternity testing services for both private and government customers. DDC operates a testing laboratory located in Fairfield, Ohio that, with the divested assets and business, will enable DDC to

effectively replace Orchid as the primary competitor to LabCorp. DDC has the resources and experience necessary to acquire the divested assets and assume responsibility for Orchid's existing government contracts.

If the Commission determines that either DDC is not an acceptable acquirer of the assets to be divested, or that the manner of the divestitures is not acceptable, LabCorp must unwind the divestiture and divest the assets within six months of the date the Order becomes final to another Commission-approved acquirer. If LabCorp fails to divest the assets within the six months, the Commission may appoint a trustee to divest the relevant assets.

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.

By direction of the Commission.

**Donald S. Clark,**

*Secretary.*

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## GENERAL SERVICES ADMINISTRATION

[OMB Control No. 3090-0294; Docket No. 2011-0001; Sequence 4]

### Information Collection; Implementation of Information Technology Security Provision

**AGENCY:** General Services Administration (GSA).

**ACTION:** Notice of request for public comments regarding a new OMB information clearance.

**SUMMARY:** Under the provisions of the Paperwork Reduction Act, the Regulatory Secretariat will be submitting to the Office of Management and Budget (OMB) a request to review and approve a new information collection requirement regarding Implementation of Information Technology Security Provision.

Public comments are particularly invited on: Whether this collection of information is necessary for the proper performance of functions of the GSAR, and whether it will have practical utility; whether our estimate of the public burden of this collection of information is accurate, and based on valid assumptions and methodology; ways to enhance the quality, utility, and clarity of the information to be collected; and ways in which we can

minimize the burden of the collection of information on those who are to respond, through the use of appropriate technological collection techniques or other forms of information technology.

**DATES:** Submit comments on or before February 13, 2012.

**ADDRESSES:** Submit comments identified by Information Collection 3090-0294, Implementation of Information Technology Security Provision, by any of the following methods:

- *Regulations.gov:* <http://www.regulations.gov>. Submit comments via the Federal eRulemaking portal by inputting "Information Collection 3090-0294, Implementation of Information Technology Security Provision," under the heading "Enter Keyword or ID" and selecting "Search". Select the link "Submit a Comment" that corresponds with "Information Collection 3090-0294, Implementation of Information Technology Security Provision". Follow the instructions provided at the "Submit a Comment" screen. Please include your name, company name (if any), and "Information Collection 3090-0294, Implementation of Information Technology Security Provision" on your attached document.

- *Fax:* (202) 501-4067.

- *Mail:* General Services

Administration, Regulatory Secretariat (MVCB), 1275 First Street NE., Washington, DC 20417. Attn: Hada Flowers/IC 3090-0294, Implementation of Information Technology Security Provision.

*Instructions:* Please submit comments only and cite Information Collection 3090-0294, Implementation of Information Technology Security Provision, in all correspondence related to this collection. All comments received will be posted without change to <http://www.regulations.gov>, including any personal and/or business confidential information provided.

**FOR FURTHER INFORMATION CONTACT:** Ms. Deborah Lague, Procurement Analyst, Office of Acquisition Policy, at (202) 694-8149 or via email at [deborah.lague@gsa.gov](mailto:deborah.lague@gsa.gov).

**SUPPLEMENTARY INFORMATION:**

**A. Purpose**

The General Services Administration (GSA) issued a interim rule (76 FR 34886) to implement a recommendation from the Office of the Inspector General (OIG) based on an internal audit of the security of GSA's information technology data and systems. The audit recommended that GSA develop standard requirements and deliverables for IT service contracts and task orders

that promote compliance with GSA IT Security Policy and Procedures.

The rule requires contracting officers to insert the clause at 552.239-71, Security Requirements for Unclassified Information Technology Resources, in solicitations and contracts containing the provision at 552.239-70, Information Technology Security Plan and Accreditation. As such, the provision and clause will be inserted in solicitations that include information technology supplies, services or systems in which the contractor will have physical or electronic access to government information that directly supports the mission of GSA. The rule requires contractors, within 30 days after contract award to submit an IT Security Plan to the Contracting Officer and Contacting Officer's Representative that describes the processes and procedures that will be followed to ensure appropriate security of IT resources that are developed, processes, or used under the contract. The rule will also require that contractors submit written proof of IT security authorization six months after contract award, and verify that the IT Security Plan remains valid annually.

**B. Annual Reporting Burden**

*Respondents:* 147.

*Responses per Respondent:* 2.

*Hours per Response:* 5.

*Total Burden Hours:* 1,470.

*Obtaining Copies of Proposals:*

Requesters may obtain a copy of the information collection documents from the General Services Administration, Regulatory Secretariat (MVCB), 1275 First Street NE., Washington, DC 20417, telephone (202) 501-4755. Please cite OMB Control No. 3090-0294, Implementation of Information Technology Security Provision, in all correspondence.

Dated: December 9, 2011.

**Joseph A. Neurauter,**

*Director, Office of Acquisition Policy, Senior Procurement Executive.*

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**GENERAL SERVICES ADMINISTRATION**

[OMB Control No. 3090-0027; Docket 2011-0001; Sequence 8]

**General Services Administration Acquisition Regulation; Information Collection; Contract Administration, Quality Assurance (GSAR Parts 542 and 546; GSA Form 1678 and GSA Form 308)**

**AGENCY:** Office of the Chief Acquisition Officer, GSA.

**ACTION:** Notice of request for comments regarding an extension to an existing OMB clearance.

**SUMMARY:** Under the provisions of the Paperwork Reduction Act, the General Services Administration will be submitting to the Office of Management and Budget (OMB) a request to review and approve an extension of a previously approved information collection requirement regarding contract administration, and quality assurance.

Public comments are particularly invited on: Whether this collection of information is necessary and whether it will have practical utility; whether our estimate of the public burden of this collection of information is accurate and based on valid assumptions and methodology; and ways to enhance the quality, utility, and clarity of the information to be collected.

**DATES:** Submit comments on or before: February 13, 2012.

**FOR FURTHER INFORMATION CONTACT:** Ms. Dana Munson, Procurement Analyst, General Services Acquisition Policy Division, at (202) 357-9652 or via email to [dana.munson@gsa.gov](mailto:dana.munson@gsa.gov).

**ADDRESSES:** Submit comments identified by Information Collection 3090-0027, Contract Administration and Quality Assurance (GSAM Part 542 and Part 546; GSA Form 1678 and GSA Form 308), by any of the following methods:

- *Regulations.gov:* <http://www.regulations.gov>. Submit comments via the Federal eRulemaking portal by inputting "Information Collection 3090-0027, Contract Administration and Quality Assurance (GSAM Part 542 and Part 546; GSA Form 1678 and GSA Form 308)", under the heading "Enter Keyword or ID" and selecting "Search". Select the link "Submit a Comment" that corresponds with "Information Collection 3090-0027, Contract Administration and Quality Assurance (GSAM Part 542 and Part 546; GSA Form 1678 and GSA Form 308)". Follow the instructions provided at the "Submit