

geographic markets) in which to analyze the acquisition by CVS of certain TCI cable television systems are the boroughs of Paramus and Hillsdale, New Jersey. As alleged in the draft complaint, these markets are highly concentrated, with only CVS and TCI providing cable television service in Paramus and Hillsdale. The acquisition would significantly increase concentration in Paramus and Hillsdale, with only CVS left to provide cable television service.

According to the draft complaint, entry into the distribution of multi-channel video programming by cable television is unlikely to be timely or effective to prevent anticompetitive effects in the relevant geographic markets.

CVS's acquisition of the TCI cable systems may substantially reduce competition in the relevant geographic markets by eliminating actual competition between CVS and TCI to serve existing neighborhoods, hotels, and apartment complexes, by eliminating actual competition between CVS and TCI to serve new residential homes, neighborhoods, hotels, and apartment complexes, and by eliminating actual and potential competition between CVS and TCI to extend their cable systems throughout the relevant geographic area. Each of these effects increases the likelihood that the price of cable television services will increase, or the quality of that service will decrease in the relevant sections of the country.

IV. Terms of the Proposed Consent Order

The Proposed Consent Order attempts to remedy the Commission's competitive concerns about the acquisition. Under the terms of the Proposed Consent Order, CVS must divest TCI's cable systems in Paramus and Hillsdale, New Jersey, to a buyer or buyers approved by the Commission. CVS must have a buyer approved by the Commission within six (6) months after the date it signs the Agreement Containing Consent Order. CVS is not required to complete the divestiture within this six-month time period because municipal approvals can take in excess of ninety (90) days. If CVS obtains the Commission's approval and files all necessary applications for other governmental approvals (e.g., municipal approvals for franchise transfers) within this six-month period, the divestiture period is extended by a period of time equal to the number of days such other governmental body takes to approve or disapprove the necessary applications.

If CVS has not obtained the Commission's approval for an acquirer within the mandated six-month divestiture period, the Commission may appoint a trustee to divest TCI's Paramus and Hillsdale cable systems. To insure that the trustee can divest the assets, the Commission is requiring that CVS begin constructing a headend with the necessary technological capabilities to serve the Paramus and Hillsdale cable systems if CVS has not obtained the Commission's approval of an acquirer within the six-month divestiture period.

For a period of ten years from the date that the Proposed Consent Order becomes final, CVS, with certain exceptions set forth in the Proposed Consent Order, may not acquire any stock or related assets of any entity engaged in providing cable television services in Paramus or Hillsdale without giving the Commission prior notice.

V. Opportunity for Public Comment

The Proposed Consent Order has been placed on the public record for sixty (60) days for receipt of comments by interested persons. Comments received during this period will be come 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 or make final the Proposed Consent Order.

By accepting the Proposed Consent Order subject to final approval, the Commission anticipates that the competitive problems alleged in the complaint will be resolved. The purpose of this analysis is to invite public comment on the Proposed Consent Order, in order to aid the Commission in its determination of whether it should make final the Proposed Consent Order contained in the Agreement. This analysis is not intended to constitute an official interpretation of the Agreement and Proposed Consent Order, nor is it intended to modify the terms of the Proposed Consent Order in any way.

Donald S. Clark,
Secretary.

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FEDERAL TRADE COMMISSION

[File No. 981-0086]

S.C. Johnson & Son, 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 April 6, 1998.

ADDRESSES: Comments should be directed to: FTC/Office of the Secretary, Room 159, 6th St. and Pa. Ave., N.W., Washington, D.C. 20580.

FOR FURTHER INFORMATION CONTACT: William Baer or Steven Bernstein, FTC/H-374, Washington, D.C. 20580. (202) 326-2932 or 326-2423.

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 January 23, 1998), on the World Wide Web, at "http://www.ftc.gov/os/actions/htm." A paper copy can be obtained from the FTC Public Reference Room, Room H-130, Sixth Street and Pennsylvania Avenue, N.W., Washington, D.C. 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 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 ("Commission") has accepted, subject to final approval, an agreement containing a proposed Consent Order from S.C. Johnson & Son, Inc. ("S.C. Johnson"), which is designed to remedy the anticompetitive effects resulting from S.C. Johnson's acquisition of the home care and home food management businesses of DowBrands Inc., DowBrands L.P. and DowBrands Canada Inc. (hereinafter collectively

"DowBrands"). Under the terms of the agreement, S.C. Johnson will be required to divest DowBrands' "Spray 'n Wash," "Spray 'n Starch" and "Glass Plus" businesses to Reckitt & Colman, Inc. ("Reckitt & Colman"), the U.S. wholly-owned subsidiary of the British company, Reckitt & Colman plc. If the sale of these assets is not made to Reckitt & Colman, S.C. Johnson will be required to divest the Spray 'n Wash, Spray 'n Starch, and Glass Plus businesses, as well as DowBrands' Urbana, Ohio manufacturing plant and DowBrands' "Yes" laundry detergent, "Vivid" color-safe bleach, and oven cleaner businesses, to a Commission-approved buyer.

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 proposed Consent Order and the comments received, and will decide whether it should withdraw from the proposed Consent Order or make final the proposed Order.

On October 27, 1997, S.C. Johnson and DowBrands entered into Asset Purchase Agreements under which S.C. Johnson agreed to acquire the home care and home food management businesses of DowBrands for approximately \$1.125 billion. The proposed Complaint alleges that the 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 the markets for the research, development, manufacture and sale of soil and stain remover products and glass cleaner products.

Soil and stain removers are products used by consumers in conjunction with laundry detergent to remove specific and isolated stains from clothing. S.C. Johnson, which sells "SHOUT," and DowBrands, which sells "Spray 'n Wash," are the two leading U.S. suppliers of soil and stain removers. S.C. Johnson, which sells "Windex," and DowBrands, which sells "Glass Plus," are also the two leading U.S. suppliers of glass cleaners, which are used by consumers to clean glass, mirrors and other surfaces.

The soil and stain remover and glass cleaner markets are highly concentrated, and the proposed acquisition would substantially increase concentration in each market. In the soil and stain remover market, the acquisition would result in an increase in the Herfindahl-Hirschmann Index ("HHI") of 5,646 points, which is an increase of 2,730

points over the premerger HHI level. In the glass cleaner market, the post-merger HHI would be 4,920 points, which is an increase of 1,180 points over the premerger HHI level. By eliminating competition between the top two competitors in these highly concentrated markets, the proposed acquisition would allow S.C. Johnson to unilaterally exercise market power in each market, thereby increasing the likelihood that: (1) Soil and stain remover and glass cleaner customers would be forced to pay higher prices; (2) innovation in these markets would decrease; and (3) advertising and promotion in these markets would be reduced.

The relevant geographic market is the United States. It is unlikely that the competition eliminated by the proposed transaction would be replaced by foreign manufacturers of soil and stain removers and glass cleaners. Foreign manufacturers of these products are unable to compete effectively in the U.S. because they lack the necessary brand recognition among U.S. consumers and face substantial transportation costs, which make importing their products into the U.S. uneconomical.

In addition, new entry would not deter or counteract the anticompetitive effects likely to flow from the proposed transaction. A new entrant into either the soil and stain remover or glass cleaner market would need to undertake the difficult, expensive and time-consuming process of developing a competitive product, creating brand recognition among consumers, and establishing a viable distribution network. Because of the difficulty of accomplishing these tasks, new entry into either market could not be accomplished in a timely manner. Moreover, because of the high costs involved, it is not likely that new entry into either market would occur at all, even if prices were to increase substantially after the transaction.

The proposed Consent Order naming S.C. Johnson as respondent effectively remedies the acquisition's anticompetitive effects in the soil and stain remover and glass cleaner markets by requiring S.C. Johnson to divest DowBrands' Spray 'n Wash, Spray 'n Starch, and Glass Plus businesses to a third party. Pursuant to the Consent Agreement, S.C. Johnson is required to divest these businesses to Reckitt & Colman, no later than 10 business days from the date the Commission accepts this Agreement for public comment. In the event S.C. Johnson fails to divest to Reckitt & Colman, the Consent Agreement contains a "crown jewel" provision that requires S.C. Johnson to

divest DowBrands' Spray 'n Wash, Spray 'n Starch, and Glass Plus businesses, as well as, at the acquirer's option, DowBrands' Urbana, Ohio manufacturing plant and DowBrands' "Yes" laundry detergent, "Vivid" color-safe bleach, and oven cleaner businesses, within six months from the date S.C. Johnson signed the Consent Agreement. If S.C. Johnson fails to divest the crown jewel assets within this six-month time period, the Commission may appoint a trustee to divest these assets.

In order to provide the acquirer with DowBrands' soil and stain remover and glass cleaner products during a transition period, the Consent Agreement requires S.C. Johnson, at the acquirer's option, to provide to the acquirer a twelve-month supply of these products at cost. The Order also requires S.C. Johnson to provide the Commission a report of compliance with the divestiture provisions of the Order within thirty (30) days following the date the Order becomes final, every thirty (30) days thereafter until S.C. Johnson has completed the required divestiture and every ninety (90) days thereafter until S.C. Johnson has completed its obligations under the supply agreement.

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 proposed Order or to modify in any way their terms.

Donald S. Clark,
Secretary.

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DEPARTMENT OF DEFENSE

GENERAL SERVICES ADMINISTRATION

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

[OMB Control No. 9000-0135]

Submission for OMB Review; Comment Request Entitled Subcontractor Payments

AGENCIES: Department of Defense (DOD), General Services Administration (GSA), and National Aeronautics and Space Administration (NASA).

ACTION: Notice of request for an extension to an existing OMB clearance (9000-0135).

SUMMARY: Under the provisions of the Paperwork Reduction Act of 1995 (44