

**ANALYSIS TO AID PUBLIC COMMENT ON PROPOSED AGREEMENT
CONTAINING ORDER TO SHOW CAUSE AND ORDER MODIFYING ORDER
*In the Matter of Aspen Technology, Inc., Docket No. 9310, File No. 061-0064***

The Federal Trade Commission, subject to its final approval, has accepted for public comment an Agreement Containing Order to Show Cause and Order Modifying Order (“Proposed Modifying Order” or “Order”) with Aspen Technology, Inc. (“Aspen”) to resolve the Commission’s investigation related to Aspen’s compliance with its obligations under the Decision and Order issued in this matter on December 20, 2004 (“Original Order”).

The Original Order required, among other things, that Aspen divest the software product HYSYS and certain related assets Aspen had obtained through its acquisition of Hyprotech, Ltd. (“Hyprotech assets”). Under the terms of the Original Order, Aspen was required to divest the Hyprotech assets on or before March 28, 2005, to an acquirer approved by the Commission. On December 20, 2004, the Commission approved Honeywell International Inc. (“Honeywell”) as the acquirer of the Hyprotech assets.

Following entry of the Original Order in 2004, issues arose concerning the scope and timeliness of Aspen’s compliance. After a full investigation, the Commission found reason to believe that Aspen had not complied fully with its obligations; the Commission notified the Department of Justice of its intention to file an enforcement action under Section 5(l) of the FTC Act. The Commission has since determined in its discretion that, rather than pursuing the enforcement action, it is in the public interest to reopen this proceeding pursuant to Section 3.72(b) of the Commission’s Rules of Practice, 16 CFR §3.72(b), and modify the Original Order by adding provisions intended to remediate the inability of the Original Order to achieve fully its stated purpose as a result of actions by Aspen. Although Aspen denies these allegations, it has consented to entry of the Proposed Modifying Order.

The Proposed Modifying Order revises the Original Order by requiring Aspen to maintain the capability to save customer case files containing the Input Variables created in Aspen HYSYS, Aspen HYSYS Dynamics, and certain heat exchange simulation software products into a Portable Format, as defined in the Order. The Order further requires Aspen to provide Honeywell with certain technical information to enable Honeywell to utilize the Portable Format. These provisions are intended to enable Honeywell to compete with Aspen as intended by the Original Order.

The Proposed Modifying Order has been placed on the public record for 30 days for interested persons to comment. Comments received during this 30 day period will become part of the public record. After 30 days, the Commission will again review the Proposed Modifying Order and the comments received and will decide whether it should withdraw the Proposed Modifying Order or make the Proposed Modifying Order final.

1. The Respondent

Aspen, headquartered in Burlington, Massachusetts, is a developer and worldwide supplier of simulation software. Its products are used by firms in the refining, oil and gas, petrochemical, chemical, pharmaceutical, and other process manufacturing industries and by engineering and construction companies that support those industries.

2. The Proposed Modifying Order

The Proposed Modifying Order requires Aspen to complete and maintain a Portable Format Export/Import Feature for Aspen HYSYS 6.0, Aspen HYSYS 7.1 and all current and future versions of Aspen HYSYS, Aspen HYSYS Dynamics, and the covered heat exchange simulation software products until December 31, 2014, or if Honeywell exercises the option permitted it in the Order, until December 31, 2016. The Order defines a Portable Format Export/Import Feature as the provision for the export into and import from a Portable Format of Input Variables. The Order further defines a Portable Format as a structured file format that is both human and machine-readable and defines an Input Variable as all user input data related to calculations and basic user input data related to HYSYS flowsheet block and stream graphical layouts. The current Portable Format generally used by Aspen is an XML format.

The Proposed Modifying Order also requires Aspen to provide Honeywell with certain Technical Documentation, which is defined as tags used to identify the user input variable, data types of the tags (e.g., integer, real, Boolean, text, choice), valid choices for choice data types, and a definition of the meaning of the tags. The Technical Information will provide information to Honeywell that is intended to allow it to develop the ability to import Input Variables written by Aspen to the Portable Format and to export those Input Variables into the Portable Format.

Under the terms of the Proposed Modifying Order, Dr. Thomas L. Teague is appointed as Monitor. The Monitor will Validate the Portable Format Export/Import Feature in the relevant software products, review the completeness of Technical Documentation provided by Aspen to Honeywell, and take other steps to monitor Aspen's compliance with its obligations under the Order, including reporting on a regular basis to the Commission. The Order requires Aspen to grant and transfer to the Monitor all rights, powers, and authority necessary to carry out the Monitor's duties and responsibilities.

To ensure the Portable Format Export/Import Feature in HYSYS 2006.0 and HYSYS 7.1 is complete, the Order requires Aspen to update HYSYS 2006.0 to complete the Portable Format Export/Import Feature. The Monitor will Validate the HYSYS 2006.0 Update, to verify that the Portable Format Export/Import Feature is complete and functional, by verifying that (i) as to the Input Variables common to Aspen HYSYS and Aspen HYSYS Dynamics versions 7.1 and HYSYS 2006.0 Update, the native input report (.dmp) text files for each case in a HYSYS Portability Test Suite are shown to be substantially the same as the input report (.dmp) files that are produced when the Portable Format file is exported from Aspen HYSYS version 7.1 and Aspen HYSYS Dynamics version 7.1, and then imported as a new case in HYSYS 2006.0 Update, and (ii) running HYSYS 2006.0 Update in calculation mode, each case in the HYSYS

Portability Test Suite demonstrates that the calculation results from the original case file and the calculation results from the exported/imported case file are substantially the same. The HYSYS Portability Suite is a group of test cases provided by Aspen and reviewed by the Monitor that tests the capability of the Portable Format Export/Import Feature to import and export all Input Variables. The Order requires Aspen to fix any errors in the Portable Format Export/Import of the HYSYS 2006.0 Update discovered by the Monitor during the Validation process.

To facilitate Honeywell's development of the capability to import cases exported by Aspen using the Portable Format Export/Import Feature, the Proposed Modifying Order requires Aspen to provide Honeywell with the HYSYS 2006.0 Update, including object and source code, the HYSYS Portability Test Suite, and Technical Documentation of any modifications to the Portable Format or Input Variables between the HYSYS 2006.0 Update and the versions of HYSYS 7.1 or HYSYS Dynamics 7.1 current as of April 30, 2009.

To ensure all HTFS+ products have functional Portable Format Export/Import Features, Aspen is required to provide the Monitor and Honeywell with Technical Documentation of the HTFS+ Portable Format and an HTFS+ Test Suite. The Monitor will review both the Technical Documentation and HTFS+ Test Suite and require any necessary modification.

During the term of the Proposed Modifying Order, Aspen is required to take certain actions before releasing any new version of Aspen HYSYS, Aspen HYSYS Dynamics, or of the covered heat exchange software products. Aspen is required to provide the Monitor with a beta version of planned new releases of these products for review and Validation. The Monitor must be able to Validate new versions of Aspen HYSYS and Aspen HYSYS Dynamics by verifying (i) that native input report (.dmp) text files in the new release are shown to be substantially the same as the input report (.dmp) files that are produced when the Portable Format file is exported and then imported as a new case in the new release, (ii) as to Input Variables common to the new release and HYSYS 2006.0 Update, that the native input report (.dmp) text files for each case in the HYSYS Portability Test Suite are shown to be substantially the same as the input report (.dmp) files that are produced when the Portable Format file is exported from the new release and then imported as a new case in HYSYS 2006.0 Update, and (iii) the Portable Format Export/Import Feature is used in the new release in a substantially similar manner as such feature is used in HYSYS 2006.0 Update. Aspen cannot release the new version until the Monitor completes Validation of the product, provided that the Monitor completes such Validation in a timely fashion; otherwise, the Validation may be completed post-release.

Aspen is also required to provide the Monitor with Technical Documentation of Portable Format tags for all new Input Variables in the proposed new release, which the Monitor shall review for completeness. Aspen must also provide Honeywell with a copy of the Technical Documentation two weeks prior to publishing the new release. The Documentation provided to Honeywell must either incorporate revisions to the Technical Documentation required by the Monitor or provide such revisions as an update to the documentation, depending on when the Monitor informs Aspen of the need for such revisions.

If, during the term of the Proposed Modifying Order, Aspen replaces XML as the Portable Format used in Aspen HYSYS, Aspen HYSYS Dynamics, or the covered heat exchanges simulation software products, the Monitor must determine the appropriate procedure for Validating releases using the new Portable Format and providing Technical Documentation to Honeywell. Aspen cannot ship a new release of Aspen HYSYS, Aspen HYSYS Dynamics, or the covered heat exchanges simulation software products until two weeks after it has provided to Honeywell all Technical Documentation required by the Monitor.