

FEDERAL TRADE COMMISSION
6th and Pennsylvania Avenue, N.W.
Room 301
Washington, D.C. 20580

Dear Mr. Cohen:

This is to confirm our telephone conversation of last week in which I asked whether the following hypothetical transactions would be reportable under the Hart-Scott-Rodino ("HSR") Premerger Notification and Waiting Requirements (15 U.S.C. \$ 18a).

Pirst, assume Company A, a United States corporation, plans to acquire from a foreign government ("F") a 49% interest in a foreign manufacturing partnership. Company B, also a United States corporation, holds the 51% share of the partnership. Assume further that Companies A and B fulfill the size of the parties test under HSR, and the acquisition price exceeds the size of transaction test.

You advised me that under the above scenario, the acquisition from F of the 49% interest in the manufacturing partnership by Company A is not a transaction that must be reported under HSR because it is considered a reformation of a partnership. You advised that reformation of partnerships and formation of partnerships are not reportable under HSR.

Second, assume the same scenario and the same facts, except Company B buys P's 49% interest in the partnership and then sells that interest to Company A.

You advised me that under this second scenario, Company B would be required to file under HSR because the purchase from F dissolves the partnership. If, subsequent to the transfer from F to B of the 49% interest, Companies A and B formed a

partnership with A holding a 49% interest and B holding a 51% interest, that transaction would not be reportable because it is considered the formation of a partnership.

Please call me at your earliest convenience if you do not agree that this letter accurately sets forth last week's conversation and your advice to me.

Thank you very much.

