

801.1(a)(2)



WRITER'S DIRECT DIAL NUMBER

December 13, 1989

VIA HAND DELIVERY

Mr. Patrick Sharpe
Premerger Office
Federal Trade Commission
Washington, D.C. 20580

DEC 13 1989
FEDERAL TRADE COMMISSION
WASHINGTON, D.C. 20580

RECEIVED
DEC 14 12 33 PM '89
FEDERAL TRADE COMMISSION
NOTIFICATION
OPERATOR

Re: 16 CFR 801.01(a)(2) - Exemption of Foreign Governments from "Entity"

Dear Mr. Sharpe:

This is to confirm our telephone conversation of November 29, 1989.

Our client, Company "A," a non-U.S. industrial corporation, is negotiating a joint venture for the United States with Company "B," another non-U.S. industrial corporation. The contemplated transaction will be reportable under the Antitrust Improvements Act.

The issue we discussed on the telephone deals with the determination of "ultimate parent entity" in respect of "A."

1. Facts. Substantially all (more than 90%) of A's outstanding shares are owned by a foreign city, existing under the laws of a foreign country. The foreign city holds A's shares in a separate, segregated fund identified by the name of A's founder and entitled "[Founder's name] Foundation." This foundation is not a legal entity separate and apart from the city, but the income from this fund is earmarked solely for charitable, eleemosynary and public purposes within the city.

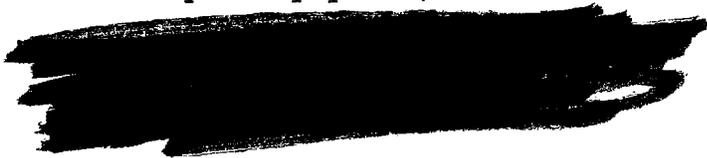
2. Conclusion. After consulting with Richard Smith, we concluded that the "ultimate parent entity" in this case is "A" and not the city which owns A. This conclusion is based upon Section 801.1(a)(2) of the Commission's Rules which exempt

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from the definition of the term "entity" any foreign state,
foreign government or agency thereof."

In reporting the contemplated transaction on behalf of A we
intend to rely on the foregoing interpretation of the
Commission's Rules.

Very truly yours,

A large, thick black redaction mark covers the signature area of the letter.

NMB/slc

9415M

I Concur
(BS) 12-15-89