ABA ANTITRUST SECTION  
SPRING MEETING  

Summary of Bureau of Competition Activity  
Fiscal Year 2004 Through February 29, 2008  

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**ABA ANTITRUST SECTION**  
**SPRING MEETING**  

**Bureau of Competition Activity**  
**Fiscal Year 2004 through February 29, 2008**

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<tr>
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* In FY 2007 the Commission authorized both a PI and an Administrative Complaint in matters 0610140 - Equitable Resources/Dominion, 0610259 - Giant Industries/Western refining and 0710114 Whole Foods/Wild Oats. For reporting purposes, however, these matters are only counted once as enforcement actions do avoid double counting.

**I. Mergers**

**A. Consent Orders**

**Actavis Group**  
(Final Order May 22, 2007): The Commission prevented a merger-to-monopoly in the sale of generic isradipine capsules by challenging the proposed $235 million purchase of Abrika Pharmaceuticals, Inc., by the Actavis Group, an international generic pharmaceuticals company. To maintain competition in the market for this important generic drug, used to lower blood pressure and to treat hypertension, ischemia, and depression, the consent order requires the divestiture of all rights and assets necessary to produce, market, and sell generic isradipine to Cobalt Laboratories, Inc.
American Air Liquide, Inc.
(Final Order June 29, 2004): L’Air Liquide was permitted to acquire Messer Griesheim GmbH, a leading industrial gas producer. Under terms of the order, Air Liquide is required to divest six air separation units operated by Messer in California, Texas, Louisiana, and Mississippi within six months. According to the complaint, the transaction as proposed would substantially lessen competition in the market for liquid argon, liquid oxygen and liquid nitrogen.

Allergan, Inc.
(Final Order April 21, 2006): The consent order requires that Allergan and Inamed divest the rights to develop and distribute Reloxin, a potential Botox rival, to settle charges that Allergan’s $3.2 billion purchase of Inamed would reduce competition and force consumers to pay higher prices for botulinum toxin type A products. Under the terms of the FTC settlement, the companies will return the development and distribution rights to Reloxin to Ipsen Ltd., its U.K.-based manufacturer.

Aspen Technology, Inc.
(Final Order December 20, 2004) Under terms of a consent order, Aspen agreed to divest Hypotech’s continuous process and batch process assets and Aspen’s operator training software and service business to a Commission-approved buyer to settle charges in the complaint and resolve the administrative proceedings. The Commission issued an administrative complaint on August 6, 2003 that challenged Aspen’s 2002 acquisition of Hyprotech, Ltd. alleging that the acquisition eliminated a significant competitor in the provision of process engineering simulation software for industry. According to the complaint, the acquisition has led to reduced innovation competition in six specific process engineering simulation software markets.

Barr Pharmaceutical, Inc.
(Final Order December 8, 2006): The consent order settles charges that Barr Pharmaceutical, Inc.’s proposed acquisition of Pliva d.d for approximately $2.5 billion would have eliminated current or future competition between Barr and Pliva in certain markets for generic pharmaceuticals treating depression, high blood pressure and ruptured blood vessels, and in the market for organ preservation solutions, thereby increasing the likelihood that consumers would pay more for these vital products. In settling the Commission’s charges, Barr is required to sell its generic antidepressant trazodone and its generic blood pressure medication triamterene/HCTZ. Barr also is required to divest either Pliva’s or Barr’s generic nimodipine for use in treating ruptured blood vessels in the brain. Finally, Barr is required to divest Pliva’s branded organ preservation solution Custodial.

Buckeye Partners, L.P.
(Final Order December 17, 2004): Buckeye agreed to notify the Commission before acquiring any interest in the Niles petroleum terminal for a period of ten years under provisions of a consent order. The consent order settled charges that Buckeye’s proposed acquisition of five refined petroleum products pipelines and 24 petroleum products terminals in the United States from Shell Oil Company would reduce competition in the market for the terminaling of gasoline, diesel fuel, and other light petroleum products in the area of Niles, Michigan.
Boston Scientific Corp
(Final Order July 25, 2006): The consent order settles charges that the $27 billion acquisition of Guidant Corporation by Boston Scientific Corporation would harm competition and consumers in several significant medical device markets. Guidant Corporation by Boston Scientific Corporation are the largest market shareholders in several coronary medical device markets in the U.S., together accounting for 90% of the U.S. PTCA balloon catheter market and 85% of the U.S. coronary guidewire market. The consent order required the divestiture of Guidant’s vascular business to an FTC-approved buyer.

Cemex, S.A.
(Final Order March 25, 2005): Cemex S.A. agreed to settle concerns stemming from its proposed $5.8 billion acquisition of RMC Group PLC. The final consent order required Cemex to divest RMC’s five ready-mix concrete plants in the Tucson, Arizona area, at no minimum price to a Commission-approved buyer.

Cephalon, Inc.
(Final Order September 20, 2004): The consent order settled charges that Cephalon's proposed acquisition of Cima Labs, Inc. would allow Cephalon to continue its monopoly in the United States market for drugs that eliminate or reduce the spikes of severe pain that chronic cancer patients experience. The consent order required Cephalon to grant Barr Laboratories, Inc. a fully paid, irrevocable license to make and sell a generic version of Cephalon's breakthrough cancer pain drug, Actiq, in the United States.

Chevron Texaco Corporation
(Final Order July 27, 2005): Under the terms of the consent orders Chevron and Unocal will cease enforcing Unocal’s patents covering reformulated gasoline that complies with California Air resources Board Standard, will not undertake any new enforcement efforts related to the particular patents, and will cease all attempts to collect damages, royalties, or other payments related to the use of any of the patents. In addition, the companies will dismiss all pending legal actions related to alleged infringement of the patents. According to the complaint, the acquisition of the Unocal patents by Chevron would have facilitated coordinated interaction among downstream refiners and marketers of CARB gasoline.

Cytec Industries, Inc.
(Final Order April 7, 2005): A final consent order requires Cytec Industries, Inc. to divest UCB’s Amino Resins Business in Massachusetts and Germany to a Commission-approved buyer. According to the complaint issued with the agreement, the acquisition as proposed would eliminate direct competition between the two firms in the market for amino resins used for industrial liquid coatings and rubber adhesion promotion.

DaVita Inc.
(Final Order November 18, 2005): The consent order resolves the competitive issues raised by DaVita’s proposed $3.1 billion purchase of rival outpatient dialysis clinic operator Gambro Healthcare Inc. from Gambro AB. Pursuant to the order, DaVita sold 69 dialysis clinics and end two management services contracts in 35 markets across the United States within 10 days of consummating its purchase of Gambro. The Commission has approved Renal Advantage Inc. as
the buyer of most of the clinics to be divested, and entered into an order to maintain assets with DaVita.

**DSM N.V.**  
(Final Order January 6, 2004): A consent order permitted DSM N.V. to acquire the Vitamins and Fine Chemicals Division of Roche Holding AG but requires DSM to divest its phytase business to BASF AG within 10 days after the transaction is completed. Phytase is an enzyme added to certain animal feed to promote the digestion of nutrients necessary for livestock production.

**Enterprise Products Partners L.P.**  
(Final Order November 23, 2004): Enterprise Products Partners L.P. settled charges that its $13 billion merger with GulfTerra Energy/Partners L.P. would eliminate competition in two markets: the pipeline transportation of natural gas from the West Central Deepwater region of the Gulf of Mexico; and propane storage and terminaling services in Hattisburg, Mississippi. The consent order requires the divestiture of an interest in a pipeline transportation system and an interest in a propane facility that serves the Dixie Pipeline.

**Enterprise Products Partners L.P.**  
(Final Order November 3, 2006): Enterprise Products Partners L.P. settled charges that its $1.1 billion acquisition of TEPPCO Partners’ NGLs salt dome storage businesses would likely result in higher prices and service degradations by reducing the number of commercial salt dome NGL storage providers in Mont Belvieu, Texas, from four to three. The FTC’s order required TEPPCO to divest its interests in the world’s largest NGL storage facility in Mont Belvieu, Texas, to an FTC-approved buyer.

**Fresenius AG**  
(Final Order July 6, 2006): Fresenius AG settled charges that its purchase of rival dialysis provider Renal Care Group, Inc. would likely have resulted in higher prices for dialysis services. The consent order requires that Fresenius AG will sell 91 outpatient kidney dialysis clinics and financial interests in 12 more.

**Fresenius AG**  
(Final Order October 23, 2007): The Commission settled charges stemming from American Renal Associates’ (ARA) proposed acquisition of assets from Fresenius AG, which would have made ARA the only operator of dialysis clinics in the Warwick/Cranston area of Rhode Island. The purchase agreement called for the sale of five Fresenius clinics to ARA, including two in the Warwick/Cranston area, and the closure of an additional three Fresenius clinics in Rhode Island and Massachusetts. The parties terminated their purchase agreement after FTC staff raised antitrust concerns, but the Commission challenged the closure of the three clinics as a naked agreement to pay a competitor to exit the market, and also alleged a Section 7 violation in the Warwick/Cranston market for dialysis services. The Commission’s order bars the parties from entering into any agreement to close dialysis clinics, and requires ARA to notify the Commission if it intends to acquire any dialysis centers in the Warwick/Cranston area for a period of 10 years.
**GenCorp Inc.**  
(Final Order December 19, 2003): A consent order allowed GenCorp Inc. to acquire Atlantic Research Corporation while requiring the divestiture of Atlantic’s in-space liquid propulsion business within six months of consummating the transaction. According to the complaint issued with the consent order, the transaction as originally planned would have lessened competition in the United States in four different types of in-space propulsion engines: monopropellant thrusters; bipropellant apogee thrusters; dual mode apogee thrusters; and biopropellant attitude control thrusters.

**General Dynamics Corporation**  
(Final Order February 9, 2007): The consent order settled charges that General Dynamics’ proposed $275 million acquisition of SNC Technologies, Inc. and SNC Technologies, Corp. (collectively, SNC) would likely undermine competition by bringing together two of only three competitors providing the U.S. military with melt-pour load, assemble, and pack (LAP) services used during the manufacture of ammunition for mortars and artillery. Absent relief, the proposed acquisition would likely force the U.S. military to pay higher prices for these munitions. General Dynamics is required to sell its interest in American Ordnance to an FTC-approved buyer within four months of acquiring SNC.

**General Electric Company**  
(Final Order January 28, 2004): A final consent order settled antitrust concerns stemming from General Electric Company’s proposed acquisition of Agfa-Gevaert N.V.’s nondestructive testing business. According to the complaint issued with the consent order, the transaction as proposed would have eliminated competition in the United States markets for portable flaw detectors, corrosion thickness gages, and precision thickness gages - equipment used to inspect the tolerance of materials without damaging them or impairing their future usefulness. The consent order requires General Electric to divest its worldwide Panametrics Ultrasonic NDT business to R/D Tech, Inc. within 20 days after the transaction is completed.

**General Electric Company**  
(Final Order October 25, 2004): General Electric was permitted to acquire InVision Technologies, Inc. with conditions that it divest InVision’s YXLON x-ray nondestructive testing and inspection equipment to a Commission approved acquirer. According to the complaint issued with the consent order, the two firms are direct competitors in a highly concentrated market. The consent order protects competition in the United States market for specialized x-ray testing and inspection including standard x-ray cabinets; x-ray systems equipped with automated defect recognition software; and high-energy x-ray generators.

**Genzyme Corporation**  
(Final Order January 31, 2005): A consent order allowed Genzyme’s acquisition of ILEX Oncology, Inc., but requires the companies to divest certain assets in the market for solid organ transplant acute therapy drugs. Specifically, Genzyme is required to divest all contractual rights related to ILEX’s Campath®, an immunosuppressant antibody used in solid organ transplants to Schering AG.
Great Atlantic & Pacific Tea Company (A&P)

Hologic, Inc.
(Final Order August 9, 2006): The Commission approved a final consent order to ensure the maintenance of competition in the market for prone stereotactic breast biopsy systems (SBBSs). The Commission had challenged this merger which was consummated in 2005. The order required the divestiture of all prone SBBS assets to Siemens, a company well-positioned to become a competitor in this market.

Hospira, Inc.
(Final Order March 23 18, 2007): The consent order settles charges that Hospira Inc.’s proposed $2 billion acquisition of rival drug manufacturer Mayne Pharma Ltd. Would likely reduce competition and harm consumers. In settling the Commission’s charges, the companies have agreed to divest to Barr Pharmaceuticals, Inc. (Barr), within 10 days of the acquisition, Mayne’s rights and assets related to the following products: hydromorphone hydrochloride (hydromorphone), nalbuphine hydrochloride (nalbuphine), morphine sulfate (morphine), preservative-free morphine, and deferoxamine mesylate (deferoxamine).

Itron, Inc.
(Final Order August 5, 2004): The consent order, designed to preserve competition in the market for the manufacture and sale of mobile radio frequency automatic meter reading technologies for electric utilities in the United States, permitted Itron's $255 million acquisition of Schlumberger Electricity, Inc. The consent order requires Itron to grant a royalty-free, perpetual, and irrevocable license to Hunt Technologies, Inc., creating an effective competitor in this market that allows utility companies and others to gather electric consumption data automatically and remotely from electricity meters.

Jarden Corporation
(Final Order September 21, 2007): The Commission charged that the acquisition of K2, Inc, a sporting goods manufacturer, by Jarden Corporation would likely harm competition. The proposed $1.2 billion transaction would have joined two of the nation’s leading producers of monofilament fishing line, the most common type of line used in the United States. The consent order settling the charges requires Jarden to sell all assets related to the manufacture and sale of four varieties of monofilament fishing line to sporting goods company W.C. Bradley/Zebco.

Johnson & Johnson
(Final Order December 12, 2005): The consent order protects competition in three medical device product markets affected by Johnson & Johnson’s proposed $25.4 billion acquisition of Guidant Corporation. Under the terms of the order, J&J is required to 1) grant to a third party a
fully paid-up, non-exclusive, irrevocable license, enabling that third party to make and sell drug eluting stents with the Rapid Exchange delivery system, 2) divest to a third party J&J’s endoscopic vessel harvesting product line, and 3) end its agreement to distribute Novare Surgical System, Inc.’s proximal anastomotic assist device. On May 31st, 2006 the Commission granted a petition filed by Johnson and Johnson Corporation, requesting that the FTC reopen and set aside the entire decision and order concerning the proposed acquisition of Guidant Corporation.

Johnson & Johnson
(Final Order January 19, 2007): The consent order settles charges that Johnson & Johnson’s (J&J) proposed $16.6 billion acquisition of Pfizer Inc.’s (Pfizer) Consumer Healthcare business would likely reduce competition in the U.S. markets for over-the-counter (OTC) H-2 blockers used to prevent and relieve heartburn, OTC hydrocortisone anti-itch products, OTC night-time sleep aids, and OTC diaper rash treatments. In settling the Commission’s charges, the companies have agreed to sell Pfizer’s Zantac H-2 blocker business to Boehringer Ingelheim Pharmaceuticals Inc. (Boehringer), and Pfizer’s Cortizone hydrocortisone anti-itch business, Pfizer’s Unisom night-time sleep aid business, and J&J’s Balmex diaper rash treatment business to Chattem, Inc.

Kinder Morgan, Inc.
(Final Order March 16, 2007): The order settles charges that the proposed $22 billion deal whereby energy transportation, storage, and distribution firm Kinder Morgan, Inc. (KMI) would be taken private by KMI management and a group of investment firms, including private equity funds managed and controlled by The Carlyle Group (Carlyle) and Riverstone Holdings LLC (Riverstone) would threaten competition between KMI and Magellan in eleven metropolitan areas in the Southeast, likely resulting in higher prices for gasoline and other light petroleum products. The order requires that Carlyle’s and Riverstone’s interest in Magellan become a passive investment, by requiring them to: (1) removing all of their representatives from the Magellan Board of Managers and its boards of directors, (2) ceding control of Magellan to its other principal investor, Madison Dearborn Partners, and (3) not influencing or attempting to influence the management or operation of Magellan.

Kyphon Inc.
(Final Order December 7, 2007): The Commission challenged Kyphon Inc.’s $220 million proposed acquisition of the spinal assets of Disc-O-Tech Medical Technologies, Ltd. and Discotech Orthopedic Technologies (collectively Disc-O-Tech) as anticompetitive in the market for minimally invasive vertebral compression fracture treatment products in the U.S. Disc-O-Tech’s Confidence products promised real benefits to patients in treating these painful fractures in a minimally invasive way, and threatened Kyphon’s near-monopoly on treatment options. The Commission’s consent order required that Kyphon divest all assets, intellectual property and development rights related to the Confidence brand to an FTC-approved buyer.

Linde, AG
(Final Order September 5, 2006): In August 2006, the FTC approved a final consent order relating to the proposed $14.4 billion acquisition of the BOC Group by Linde requiring Linde to divest Air Separation Units (ASUs), bulk refined helium assets, and other assets in eight
localities across the United States. The consent order aims to maintain competition in the markets for liquid oxygen, liquid helium, and bulk refined helium in several U.S. markets.

**Mylan**  
(Final Order November 6, 2007) The Commission ordered divestitures to resolve competitive concerns in the U.S. market for five generic drugs stemming from Mylan Laboratories’ proposed acquisition of the generic arm of Merck Pharmaceuticals, a transaction valued at approximately $6.6 billion. Under a September 2007 consent order with the Commission, Mylan and Merck must divest all assets relating to flecainide acetate tablets, acebutolol hydrochloride capsules, guanfacine hydrochloride tablets, nicardipine hydrochloride capsules, and sotalol hydrochloride. The generic drugs at issue are used for the treatment of many conditions, including hypertension and heart arrhythmia. The order requires the divestiture of all assets related to the relevant products to Amneal Pharmaceuticals, a generic drug manufacturer.

**Magellan Midstream Partners, L.P.**  
(Final Order November 23, 2004): Under terms of a consent order, Magellan completed its acquisition of pipelines and terminals in the Midwestern United States and a refined petroleum products terminal in Oklahoma City that supplies light petroleum products such as gasoline and diesel fuel from the Shell Oil Company. The consent order required Magellan to divest the Shell Oklahoma City terminal to a Commission-approved buyer within six months after the transaction is consummated.

**Novartis AG**  
(Final Order September 21, 2005): To resolve overlaps for three generic pharmaceuticals that arose from Novartis AG’s acquisition of Eon Labs, Inc., under the terms of a consent order, Novartis is required to divest all the assets necessary to manufacture and market generic desipramine hydrochloride tablets, orphenadrine citrate extended release (ER) tablets, and rifampin oral capsules in the United States to Amide within 10 days of Novartis’s acquisition of Eon. Further, Novartis, through its Sandoz generic pharmaceuticals division, will supply Amide with orphenadrine citrate ER and desipramine hydrochloride tablets until Amide obtains Food and Drug Administration (FDA) approval to manufacture the products itself, and will assist Amide in obtaining all necessary FDA approvals.

**Occidental Chemical Corporation**  
(Final Order July 13, 2005): A consent order allows Occidental Chemical Company’s purchase of the chemical assets of Vulcan Materials Company, provided Occidental divests Vulcan’s Port Edwards, Wisconsin, chemical facility and related assets. The consent order alleviates the alleged anticompetitive impact of the acquisition in the markets for potassium hydroxide, anhydrous potassium carbonate (APC), and potassium carbonate, which includes APC and liquid potassium carbonate. The Port Edwards facility will be divested to ERCO Worldwide or to another Commission-approved buyer within six months if a problem is encountered with ERCO sale.

**Owens Corning**  
(Final Order December 7, 2007): The Commission remedied competitive problems raised by Owens Corning’s proposed acquisition of glass fiber reinforcements and composite fabric assets
from Compagnie de Saint Gobain. The investigation involved cooperation among staff of the FTC, the European Commission, and Mexico’s Federal Competition Commission. After staff from the competition agencies raised antitrust concerns, the parties modified their agreement to exclude Saint Gobain’s glass fiber reinforcement assets in the U.S. and certain assets in Europe. The Commission’s consent order addressed additional competitive problems in the highly concentrated North American market for continuous filament mat, which is used in the production of non-electrical laminate, marine parts and accessories, and other products. The order requires Owens Corning to divest sufficient U.S. continuous filament mat facilities, assets, and intellectual property to enable the buyer effectively to produce and sell the products in competition with the new Owens Corning/Saint Gobain joint venture.

**Penn National Gaming, Inc.**  
(Final Order September 15, 2005): A consent order permitted Penn National Gaming, Inc.’s acquisition of Argosy Gaming Company, provided Penn sells Argosy’s Baton Rouge casino to Columbia Sussex Corporation within four months of the order becoming final.

**Rite Aid Corporation**  
(Final Order September 21, 2007): The Commission charged that Rite Aid Corporation’s $3.5 billion acquisition of competitors Brooks and Eckerd Pharmacies from the Canadian drug store operator Jean Coutu Group, Inc. was anticompetitive and required the sale of retail pharmacies located in 23 cities along the East Coast. According to the Commission’s complaint, the merger would have substantially reduced competition in the sale of pharmacy services to customers in those areas, where customers view stores operated by the two companies as their two best options. The consent order requires Rite Aid to divest pharmacies in those cities to buyers pre-approved by the Commission. The investigation, which included cooperation from the state attorneys general of Maryland, New Jersey, New York, Pennsylvania, Vermont, Virginia, and Maine, was handled by the agency’s Northeast Regional Office.

**Sanofi-Synthélabo**  
(Final Order September 20, 2004): The consent order settled antitrust concerns that Sanofi's proposed $64 billion acquisition of Aventis would create significant overlaps in several markets for pharmaceutical products while creating the world's third largest pharmaceutical company. Under terms of the consent order, Sanofi must: 1) divest its Arixtra factor Xa inhibitor to GlaxoSmithKline, plc; 2) divest its key clinical studies for the Campto® cytotoxic colorectal cancer treatment to Pfizer, Inc. and 3) divest Aventis' contractual rights to the Estorra insomnia drug either to Sepracor, Inc. or to another Commission-approved buyer.

**Service Corporation International**  
(Final Order January 5, 2007): The consent order settled charges that Service Corporation International’s (SCI) proposed acquisition of Alderwoods Group Inc. would likely lessen competition in 47 markets for funeral or cemetery services, leaving consumers with fewer choices and the prospect of higher prices or reduced levels of service. Under the settlement, SCI must sell funeral homes in 29 markets and cemeteries in 12 markets across the United States. In six other markets, SCI must sell certain funeral homes that it plans to acquire or end its licensing agreements with third-party funeral homes affiliated with SCI.
Schering-Plough Corp
(Final Order January 4, 2008): The Commission charged that Schering-Plough’s proposed $14.4 billion acquisition of Organon Biosciences N.V. threatened to substantially reduce competition in the U.S. market for three popular vaccines used to treat poultry, a staple in American food markets. The November 2007 order settling the charges required the sale of assets required to develop, manufacture, and market these vaccines to Wyeth. In addition, Schering-Plough was required to sign a supply and transition services agreement with Wyeth, under which Schering will provide the vaccines for a period of two years, allowing time for the necessary FDA approvals.

Teva Pharmaceutical Industries Ltd
(Final Order March 7, 2006): The consent order allowed Teva to acquire IVAX Corporation, provided the companies sell the rights and assets needed to manufacture and market 15 generic pharmaceutical products. Among the drugs sold were several forms of generic amoxicillin and amoxicillin clavulanate potassium that are widely used in the United States.

The Procter & Gamble Company
(Final Order December 16, 2005): The consent order permitted The Procter & Gamble Company’s acquisition of rival consumer products manufacturer The Gillette Company, provided the companies divest: 1) Gillette’s Rembrandt at-home teeth whitening business; 2) P&G’s Crest SpinBrush battery-powered and rechargeable toothbrush business; and 3) Gillette’s Right Guard men’s antiperspirant deodorant business. In addition, P&G must amend its joint venture agreement with Philips Oral Health Care, Inc. regarding the Crest Sonicare IntelliClean System rechargeable toothbrush to allow Philips to independently market and sell rechargeable toothbrushes.

The Boeing Company
(Final Order May 8, 2007): The Commission intervened in the formation of United Launch Alliance (ULA), a proposed joint venture between the Boeing Corp. and Lockheed Martin Corp. The FTC’s complaint alleged that the formation of ULA as originally structured would have reduced competition in the markets for U.S. government medium to heavy launch services and space vehicles. In settling the Commissions’ charges, the parties agreed to take certain actions (such as nondiscrimination requirements and firewalls) to address ancillary competitive harms not inextricably tied to the national security benefits of ULA.

Thermo Electron Corporation
(Final Order December 5, 2006): The consent order settled charges that charged that Thermo Electron Corporation’s proposed $12.8 billion acquisition of Fisher Scientific International, Inc. would harm competition in the U.S. market for high-performance centrifugal vacuum evaporators (CVEs) in violation of the antitrust laws. Thermo and Fisher are the only two significant suppliers of high-performance CVEs in the United States and the proposed transaction would eliminate the direct price, service, and innovation competition that exists between them. To settle the Commission’s charges, Thermo is required to divest Fisher’s Genevac division, which includes Fisher’s entire CVE business, within five months of the date the consent agreement was signed.
Valero L.P.
(Final Order July 27, 2005): The consent order permitted Valero L.P. to acquire Kaneb Services LLC and Kaneb Pipe Line Partners subject to the divestitures of assets that will preserve existing competition for petroleum transportation and terminaling in Northern California, Pennsylvania, and Colorado, and avoid a potential increase in bulk gasoline and diesel prices. The order also requires Valero to develop an information firewall and maintain open, non-discriminatory access to two retained Northern California terminals, in order to ensure access to ethanol terminaling in Northern California.

Watson Pharmaceuticals, Inc.
(Final Order December 12, 2006): A consent order settled charges that Watson Pharmaceuticals, Inc.’s proposed $1.9 billion acquisition of Andrx Corporation, would have likely led to competitive problems in the markets for 13 generic drug products. Watson was required to end its marketing agreements with Interpham Holdings, divest Andrx’s right to develop, make, and market generic extended release tablets that correct the effects of type 2 diabetes, and divest Andrx’s rights and assets related to the developing and marketing of 11 generic oral contraceptives.

B. Authorizations to Seek Preliminary Injunctions

Aloha Petroleum, Ltd
(July 26, 2005): The Commission authorized staff, in conjunction with the Hawaii Attorney General, to seek a preliminary injunction to block Aloha Petroleum’s proposed acquisition of Trustreet Properties. Aloha sought to acquire Trustreet’s half interest in the Barber Point petroleum importing terminal, when Aloha already owned the other half interest. The proposed acquisition would have reduced the number of marketers with ownership or access to a refinery or importing terminal from five to four, and the number of suppliers selling to unintegrated retailers from three to two. After Aloha subsequently announced a long-term agreement with a third party, Mid-Pac Petroleum that would enable Mid-Pac to replace Trustreet as a bulk gasoline supplier, the Commission sought to dismiss its federal court complaint on the ground of changed circumstances.

Arch Coal, Inc.
(March 30, 2004): The Commission authorized staff to file a complaint to block Arch Coal, Inc.’s proposed acquisition of Triton Coal Company, L.L.C. from New Vulcan Holdings, L.L.C. on grounds that the acquisition would increase concentration and tend to create a monopoly in the market for coal mined from the Southern Powder River Basin and in the production of 8800 British Thermal Unit coal. On April 1, 2004, the complaint was filed in the U.S. District Court for the District of Columbia. On June 13, 2005 the Commission announced that it was closing its investigation, saying that it will not continue with administrative litigation challenging the deal.
Equitable Resources, Inc.
(April 13, 2007): The Commission filed a federal court injunction action to block Equitable Resources’ proposed acquisition of The Peoples Natural Gas Company, a subsidiary of Dominion Resources; previously, on March 15, 2007, the Commission had filed an administrative complaint. The Commission challenged the merger-to-monopoly in natural gas distribution as detrimental to nonresidential customers in certain areas of Allegheny County, Pennsylvania, which includes Pittsburgh. In May 2007, the federal district court in Pittsburgh denied the FTC’s motion for a preliminary injunction and dismissed the complaint, ruling that because the Pennsylvania Utility Commission has the power to approve the merger, the Commission is barred from taking action under the state action doctrine. In June 2007, the U.S. Court of Appeals for the Third Circuit granted the Commission’s motion for an injunction pending appeal. The parties abandoned the transaction in January 2008, and in February 2008 the Commission dismissed the administrative complaint. Subsequently, on March 3, 2008, the US Court of Appeals for the Third Circuit vacated the district court opinion.

Western Refining
(April 10, 2007): The Commission issued an administrative complaint and initiated federal court action to block Western Refining, Inc.’s $1.4 billion proposed acquisition of rival energy company Giant Industries, Inc. to preserve competition in the supply of bulk light petroleum products, including motor gasoline, diesel fuels, and jet fuels, in northern New Mexico. After a week-long trial, the federal district court denied the Commission’s motion for a preliminary injunction, rejecting arguments that Giant had unique opportunities to increase supply and lower fuel prices in northern New Mexico. In October, the Commission dismissed its administrative complaint, concluding that further prosecution would not be in the public interest.

Whole Foods
(June 7, 2007): The Commission sought a federal court temporary restraining order (TRO) and preliminary injunction, and issued an administrative complaint, against Whole Food Market, Inc.’s proposed acquisition of its chief rival, Wild Oats Markets, Inc. According to the complaint, the approximately $670 million deal raised competition problems in 21 local markets where Whole Foods and Wild Oats both operated stores and were each other’s closest competitors among premium national and organic supermarkets. The district court granted the TRO, but subsequently denied the preliminary injunction after an abbreviated hearing, concluding that the merger’s likely effect would not be substantially to reduce competition in violation of Section 7 of the Clayton Act. The Commission has appealed the district court’s ruling on grounds that the lower court failed to apply the proper legal standard that governs preliminary injunction applications by the Commission in Section 7 cases. Oral arguments in the Court of Appeals for the District of Columbia are set for April 23, 2008.

C. Commission Opinions/Initial Decisions

Chicago Bridge & Iron Company
(January 25, 2008): The U.S. Court of Appeals for the Fifth Circuit upheld a Commission order requiring Chicago Bridge & Iron Co., N.V. and its United States subsidiary (“CB&I”) to divest assets acquired from Pitt-Des Moines, Inc. used in the business of designing, engineering and building field-erected cryogenic storage tanks. In its 2005 order, the Commission had ruled that
CB&I’s acquisition of these assets in 2001, during a pending FTC investigation, would likely result in a substantial lessening of competition or tend to create a monopoly in four markets for industrial storage tanks in the United States, in violation of Section 7 of the Clayton Act and Section 5 of the FTC Act. The court endorsed the Commission’s findings, based on an extensive review of many years of bidding data, that the merged firms controlled over 70 percent of the market, and that new entry was unlikely given the high entry barriers based on the incumbents’ reputation and control of skilled crews.

On January 7, 2005 the Commission upheld in part the ruling of an administrative law judge that Chicago Bridge & Iron’s acquisition of the Water Division and the Engineered Construction Division of Pitt-Des Moines, Inc. created a near-monopoly in four separate markets involving the design and construction of various types of field-erected specialty industrial storage tanks in the United States. In an effort to restore competition as it existed prior to the merger, the Commission ordered Chicago Bridge to reorganize the relevant product business into two separate, stand-alone, viable entities capable of competing in the markets described in the complaint and to divest one of those entities within six months.

On June 27, 2004, an administrative law judge upheld the complaint and ordered the divestiture all of the assets acquired in the acquisition. In December 2004, the Commission approved an interim consent order prohibiting Chicago Bridge & Iron from altering the assets acquired from Pitt-Des Moines, Inc. except “in the ordinary course of business.” These assets included but were not limited to real property; personal property; equipment; inventories; and intellectual property.

In an administrative complaint issued on October 25, 2001, the Commission challenged the February 2001 purchase of the Water Division and Engineered Construction Division of Pitt-Des Moines, Inc. alleging that the acquisition significantly reduced competition in four separate markets involving the design and construction of various types of field-erected specialty industrial storage tanks in the United States. The initial decision filed June 27, 2003 upheld the complaint.

Northwestern Healthcare Corporation (August 2007), the Commission ruled that Evanston Northwestern Healthcare Corp.’s 2000 acquisition of Highland Park Hospital was anticompetitive and resulted in higher prices for acute care inpatient hospital services in parts of Chicago’s northern suburbs. The Commission concluded that in this “highly unusual case,” divestiture, the remedy imposed by the administrative law judge, would be too costly and potentially risky and instead imposed a conduct remedy. The Commission’s order requires Evanston to set up two separate and independent contract negotiation teams to bargain with managed care organizations to revive competition between Evanston’s two hospitals and the Highland Park hospital.

In an initial Decision dated October 17, 2005 the Administrative law judge found that Evanston Northwest Healthcare Corporation’s acquisition of an important competitor, Highland Park Hospital, resulted in higher prices and substantially lessened competition for acute care inpatient services in parts of Chicago’s northwestern suburbs. The Administrative law judge found that the evidence established that the merged hospital exercised its enhanced post-merger market power to obtain price increases significantly above its premerger prices and substantially larger than price increases obtained by comparable hospitals. The ALJ also found that the evidence ruled out explanations for the price increase, other than the exercise of market power. The ALJ entered an order that would require the divestiture of the acquired hospital.
The hospital’s appeal of the ALJ’s decision and order requiring divestiture of Highland Park Hospital is now pending before the Commission.

On February 10, 2004 the Commission issued an administrative complaint alleging that following Evanston Northwestern Healthcare Corporations’s acquisition of Highland Park Hospital prices charged to health insurers for medical services increased and, therefore, higher costs for health insurance were passed on to consumers of hospital services in the Cook and Lake counties of Illinois. The complaint also alleges that a physicians group affiliated with both hospitals, Highland Park Independent Physician Group, negotiated prices for physicians on staff at Evanston as well as for several hundred independent physicians not affiliated with either hospital. According to the complaint, these actions constitute illegal price fixing among competing physicians or physician groups and deny consumers the benefits of competition in physician services.

In May, 2005, the Commission approved a final consent order to resolve a separate count in the complaint involving alleged price fixing by doctors associated with the two hospitals.

D. Court Decisions

Arch Coal, Inc.
(August 13, 2004): The U.S. District Court for the District of Columbia denied the Commission’s request for a preliminary injunction to block Arch Coal, Inc.’s proposed acquisition of Triton Coal Company, L.L.C. from new Vulcan Holdings, L.L.C. The parties consummated the deal after the Circuit Court of Appeals for the District of Columbia refused to issue a stay pending an appeal of the district court decision.

The administrative complaint issued on April 6, 2004 challenged the proposed acquisition of all the assets of Triton Coal Company, L.L.C. from New Vulcan Coal Holdings, L.L.C. According to the complaint, the acquisition would have combined two of the four leading producers of coal in Wyoming’s Southern Powder River Basin. On September 10, 2004, the administrative complaint was withdrawn from adjudication. The Commission decided not to pursue an appeal of the decision of the U.S. District Court for a preliminary injunction to block the sale of Triton to Arch Coal. On June 13, 2005 the Commission announced that it was closing its investigation, saying that it will not continue with administrative litigation challenging the deal.

E. Order Violations

RHI AG
(April 1, 2004): RHI AG paid a total civil penalty of $755,686.41 to settle charges that it violated a 1999 consent order concerning its acquisition of Global Industrial Technologies, Inc. According to the complaint, filed in the United States District Court for the District of Columbia, RHI not only failed to divest the two refractories plants and other assets to Resco Products, Inc., but it did not completely comply with other provisions required by the settlement agreement.
F. Other Commission Orders

None

G. Administrative Complaints

Equitable Resources, Inc.
(March 15, 2007): The Commission filed an administrative complaint, and on April 13, 2007 a federal court injunction action to block Equitable Resources’ proposed acquisition of The Peoples Natural Gas Company, a subsidiary of Dominion Resources. The Commission challenged the merger-to-monopoly in natural gas distribution as detrimental to nonresidential customers in certain areas of Allegheny County, Pennsylvania, which includes Pittsburgh. In May 2007, the federal district court in Pittsburgh denied the FTC’s motion for a preliminary injunction and dismissed the complaint, ruling that because the Pennsylvania Utility Commission has the power to approve the merger, the Commission is barred from taking action under the state action doctrine. In June 2007, the U.S. Court of Appeals for the Third Circuit granted the Commission’s motion for an injunction pending appeal. The parties abandoned the transaction in January 2008, and in February 2008 the Commission dismissed the administrative complaint. Subsequently, on March 3, 2008, the US Court of Appeals for the Third Circuit vacated the district court opinion.

Western Refining
(April 10, 2007): The Commission issued an administrative complaint and initiated federal court action to block Western Refining, Inc.’s $1.4 billion proposed acquisition of rival energy company Giant Industries, Inc. to preserve competition in the supply of bulk light petroleum products, including motor gasoline, diesel fuels, and jet fuels, in northern New Mexico. After a week-long trial, the federal district court denied the Commission’s motion for a preliminary injunction, rejecting arguments that Giant had unique opportunities to increase supply and lower fuel prices in northern New Mexico. On October 3, 2007, the Commission dismissed its administrative complaint, concluding that further prosecution would not be in the public interest.

Whole Foods
(June 5, 2007): The Commission issued an administrative complaint, and sought a federal court temporary restraining order (TRO) and preliminary injunction, against Whole Food Market, Inc.’s proposed acquisition of its chief rival, Wild Oats Markets, Inc. According to the complaint, the approximately $670 million deal raised competition problems in 21 local markets where Whole Foods and Wild Oats both operated stores and were each other’s closest competitors among premium national and organic supermarkets. The district court granted the TRO, but subsequently denied the preliminary injunction after an abbreviated hearing, concluding that the merger’s likely effect would not be substantially to reduce competition in violation of Section 7 of the Clayton Act. The Commission has appealed the district court’s ruling on grounds that the lower court failed to apply the proper legal standard that governs preliminary injunction applications by the Commission in Section 7 cases. Oral arguments in the Court of Appeals for the District of Columbia are set for April 23, 2008.
H. Other

**Horizontal Merger Investigation Data**  
Fiscal Years 1996 – 2003. Staff analysis of horizontal investigations. The staff tabulated certain market structure information as it relates to the Commission’s decision whether or not to seek relief in specific markets investigated. Released February 2004.

**2007 Report on Ethanol Market Concentration**  
The study examines the current state of ethanol production in the United States and measures market concentration using capacity and production data. Released November 29, 2007.

**2006 Report on Ethanol Market Concentration**  
The study examines the current state of ethanol production in the United States and measures market concentration using capacity and production data. Released December 5, 2006.

**2005 Report on Ethanol Market Concentration**  
The study examines the current state of ethanol production in the United States and measures market concentration using capacity and production data. Released December 2, 2005.

**Conference on the Price Effects of Mergers and Concentration in the United States Petroleum Industry**  
(January 14, 2005, Washington, DC.) The conference reviewed two studies that examined price effects within the petroleum industry: the March 2004 case study of the effects of the Marathon/Ashland Corporation joint venture; the second, the May 2004 report by the Government Accountability Office that examined the effects of mergers and market concentration in the United States petroleum industry.

**Horizontal Merger Investigation Data**  
Fiscal Years 1996 – 2005. Staff analysis of horizontal investigations. The staff tabulated certain market structure information as it relates to the Commission’s decision whether or not to seek relief in specific markets investigated. Released January 25, 2007.

**Merger Enforcement Workshop**  
(February 17 - 19, 2004) sponsored by the Federal Trade Commission and the Department of Justice. Topics discussed:  
- Hypothetical Monopolist Test  
- Concentration & Market Shares  
- Monopsony  
- Non-Price Competition/Innovation  
- Unilateral Effects  
- Coordinated Effects  
- Uncommitted Entry  
- Efficiencies/Dynamic Analysis/Integrated Analysis
II. Hart-Scott-Rodino Antitrust Improvements Act Enforcement

A. Court Decisions

James D. Dondero
(May 21, 2007): Dondero, the ultimate parent entity of Highland Capital Management, L.P. (Highland), a hedge fund that specializes in senior bank loans, paid $250,000 to settle charges that starting in August 2003, Highland acquired shares in Neighborcare, Inc., which was then known as Genesis Health Ventures, without complying with the filing and reporting requirements of the Hart-Scott-Rodino (HSR) Premerger Notification Act.

Scott R. Sacane
(September 26, 2005): A Connecticut-based hedge fund manager who failed to report several large stock purchases before they were made, as required by the Hart-Scott-Rodino (HSR) Premerger Notification Act, paid a $350,000 civil penalty to settle Federal Trade Commission charges. The complaint alleged that Scott Sacane, manager of the Durus Life Sciences Master Fund, failed to make four required premerger notification filings. His failure to do so violated the HSR Act for each transaction.

William H. Gates, III
(May 4, 2004): William H. Gates, III paid $800,000 in civil penalties to settle charges that he acquired more than ten percent of the voting securities of Republic Services, Inc. without observing the filing and waiting period requirements under the Hart-Scott-Rodino Antitrust Improvements Act of 1976. The complaint was filed in the federal district court in Washington, DC.

B. Consent Orders

None

C. Complaints - Filed

Blockbuster, Inc.
(March 4, 2005): The Commission filed a complaint under Section 7A(g)(2) of the Clayton Act in U.S. District Court for the District of Columbia to require Blockbuster, Inc. to provide sufficient and accurate pricing data in compliance with the second request issued by the Commission under the statutory rules of the Hart-Scott-Rodino Act. Blockbuster cannot proceed with its proposed acquisition of Hollywood Entertainment Corporation until 30 days from the date it has substantially complied with the second request.
D. Complaints - Authorized

Arch Coal, Inc.
(February 23, 2004): The Commission authorized staff to file a complaint in federal district court for a temporary restraining order under Section 7A(g)(2) of the Clayton Act to block Arch Coal’s proposed acquisition of Triton Coal Company until Arch Coal substantially complied with the Commission’s request for additional information under the Hart-Scott-Rodino Act. After Arch Coal was notified that the Commission authorized a Section 7A(g)(2) complaint, Arch withdrew its Certification of Substantial Compliance with the second request and provided additional information. On June 13, 2005 the Commission announced that it was closing its investigation, saying that it will not continue with administrative litigation challenging the deal.

E. Rules and Formal Interpretations

Hart-Scott Final Rulemaking
(Effective January 29, 2008): The notification and filing thresholds under the premerger rules have been revised as required by the 2000 amendments to Section 7A of the Clayton Act. Section 7A(a)(2) requires the Commission to revise the jurisdictional thresholds annually, based on the change in gross national product, in accordance with section 8(a)(5) for each fiscal year beginning after September 30, 2004.

Hart-Scott Final Rulemaking
(Effective February 21, 2007): The notification and filing thresholds under the premerger rules have been revised as required by the 2000 amendments to Section 7A of the Clayton Act. Section 7A(a)(2) requires the Commission to revise the jurisdictional thresholds annually, based on the change in gross national product, in accordance with section 8(a)(5) for each fiscal year beginning after September 30, 2004.

Hart-Scott Final Rulemaking
(Effective July 23, 2006): The Federal Trade Commission and the Department of Justice’s Antitrust Division implemented an electronic filing system that allows merging parties to submit via the Internet premerger notification filings required by the Hart-Scott-Rodino Act.

Hart-Scott Final Rulemaking
(Effective February 18, 2006): The notification and filing thresholds under the premerger rules have been revised as required by the 2000 amendments to Section 7A of the Clayton Act. Section 7A(a)(2) requires the Commission to revise the jurisdictional thresholds annually, based on the change in gross national product, in accordance with section 8(a)(5) for each fiscal year beginning after September 30, 2004.
Reforms to the Merger Review Process
(Effective February 16, 2006): Reforms to the agency’s merger review process establishing that the FTC will:

- limit the number of employees required to provide information in response to a second request, provided the party complies with specified conditions;
- reduce the time period for which a party must provide documents in response to the second request;
- allow a party to preserve far fewer backup tapes and produce documents on those tapes only when responsive documents are not available through more accessible sources; and
- significantly reduce the amount of information parties must submit regarding documents they consider to be privileged.

Hart-Scott Rodino Reform / Amended Final Rules
(Effective January 11, 2006): Amendments to Parts 801 and 802 of the Premerger Notification Rules allowing filing persons to provide an Internet address linking directly to the documents required by Items 4(a) and (b) in lieu of providing paper copies.

Hart-Scott Rodino Reform / Amended Final Rules
(Effective December 12, 2005): Amendments to Parts 801 and 802 of the Premerger Notification Rules requiring use of 2002 NAICS rather than 1997 NAICS when reporting economic data by industry and product codes.

Hart-Scott Rodino Final Rulemaking
(Effective April 7, 2005): Final rules adopted from proposed rules published April 8, 2004. The amendments require notification of acquisitions of interests in unincorporated entities and formations of unincorporated entities. The rules also extend the application of certain exemptions, including the intraperson exemption, to unincorporated entities.

Hart-Scott Final Rulemaking
(Effective March 2, 2005): The notification and filing thresholds under the premerger rules have been revised as required by the 2000 amendments to Section 7A of the Clayton Act. Section 7A(a)(2) requires the Commission to revise the jurisdictional thresholds annually, based on the change in gross national product, in accordance with section 8(a)(5) for each fiscal year beginning after September 30, 2004.

F. Other

Premerger Notification Annual Report to Congress Pursuant to Section 201 of the Hart-Scott-Rodino Antitrust Improvements Act of 1976

Premerger Notification Annual Report to Congress Pursuant to Section 201 of the Hart-Scott-Rodino Antitrust Improvements Act of 1976
(September 8, 2006): Twenty-eighth Annual Report (Fiscal Year 2005).
III. Non-Merger Enforcement

A. Commission Opinions/Initial Decisions

Kentucky Household Goods Carriers Association, Inc.
(June 21, 2004): An administrative law judge upheld an administrative complaint that charged a group of affiliated intrastate movers with engaging in horizontal price-fixing by filing collective rates on behalf of its member motor common carriers for the intrastate transportation of property within the Commonwealth of Kentucky. The judge also ruled that the association’s conduct was not protected by the state action doctrine because the State of Kentucky did not supervise the rate-making practices of the group. On July 12, 2004, the Kentucky Household Goods Carriers Association, Inc. filed an appeal of the initial decision with the Commission. The oral argument was held January 24, 2005. On June 22, 2005, the Commission issued a unanimous opinion upholding the Initial Decision finding that the Kentucky Household Goods Carriers Association, Inc., consisting of competing firms, engaged in illegal price-fixing by jointly filing tariffs containing collective rates on behalf of its members, and that the state action doctrine does not immunize that activity from antitrust liability. On August 22, 2006, the Sixth Circuit Court of Appeals affirmed the opinion of the Commission in Kentucky Household Goods Carriers Association, Inc., finding that the Association’s ratemaking activities constituted unlawful price fixing and were not exempt from the antitrust laws under the state action doctrine.

The administrative complaint issued on July 8, 2003 by the Commission charged that the association composed of competing household goods movers filed collective rates for intrastate moving services in the state of Kentucky. According to the complaint, these activities were not protected under the state action doctrine and are not immune from federal antitrust scrutiny.

North Texas Specialty Physicians
(November 8, 2004): An administrative law judge upheld the administrative complaint that charged that the North Texas Specialty Physicians, a physician group practicing in Forth Worth, Texas, collectively determined acceptable fees for physician services in negotiating contracts with health insurance plans and other third party payers. The judge ruled that complaint counsel proved that North Texas Specialty Physicians engaged in horizontal price fixing. The accompanying order prohibits the group from negotiating, on behalf of its members, collective
pricing of contracts with health plan services for the provision of physician services. On January 14, 2005, North Texas Specialty Physicians filed a notice of appeal of the initial decision. On December 1, 2005, the Commission issued a unanimous decision upholding the allegations that North Texas Specialty Physicians negotiated agreements among participating physicians on price and other terms, refused to negotiate with payers except on terms agreed to among its members, and refused to submit payor offers to members if the terms did not satisfy the group’s demands. The Commission concluded that the group’s contracting activities with payors “amount[s] to unlawful horizontal price fixing” and that respondent’s efficiency claims were not legitimate and not supported by the evidence. The respondent has appealed the Commission decision to the U.S. Court of Appeals for the Fifth Circuit. On March 7, 2007, the Fifth Circuit Court of Appeals heard oral arguments in the appeal by respondents of the Commission's opinion in North Texas Specialty Physicians.

The administrative complaint, issued on September 16, 2003 by the Commission, charged that the corporation of 600 physicians negotiated the price and other terms of medical services that its participating physicians would accept in contracting with third party payers. According to the complaint, the exchange of prospective price information among otherwise competing physicians reduced competition and enabled the physicians to achieve supra-competitive prices.

**Rambus, Inc.**

*(June 19, 2002)* The Commission filed a complaint with an administrative law judge charging that between 1991 and 1996 Rambus, Inc. joined and participated in the JEDEC Solid State Technology Association (JEDEC), the leading standard-setting industry for computer memory. According to the complaint, JEDEC rules require members to disclose the existence of all patents and patent applications that relate to JEDEC’s standard-setting work. While a member of JEDEC, Rambus observed standard-setting work involving technologies which Rambus believed were or could be covered by its patent applications, but failed to disclose this to JEDEC. In 1999 and 2000, after JEDEC had adopted industry-wide standards incorporating the technologies at issue and the industry had become locked in to the use of those technologies, Rambus sought to enforce its patents against companies producing JEDEC-compliant memory, and in fact has collected substantial royalties from several producers of DRAM (dynamic random access memory).

*(February 17, 2004)* The administrative law judge dismissed all charges against Rambus, ruling that Commission staff had failed to sustain their burden of proof with respect to all three violations alleged in the complaint. The Initial Decision found that Rambus’ conduct before the JEDEC standard-setting organization did not amount to deception and did not violate any extrinsic duties, such as a duty of good faith to disclose patents or patent applications. The Initial Decision also found that the there was insufficient evidence that there were viable alternatives to Rambus’ technology before the standard setting organization.

*(August 2, 2006)* The FTC issued an opinion by Commissioner Pamela Jones Harbour concluding that Rambus unlawfully monopolized markets for four computer memory technologies that have been incorporated into industry standards DRAM chips. DRAMs are widely used in personal computers, servers, printers, and cameras. The Commission found that, through a course of deceptive conduct, Rambus was able to distort a critical standard-setting process and engage in an anticompetitive “hold up” of the computer memory industry. The Commission held that Rambus’s acts of deception constituted exclusionary conduct under
Section 2 of the Sherman Act and contributed significantly to Rambus’s acquisition of monopoly power in the four relevant markets.

(February 5, 2007) Chairman Majoras issued the opinion of the Commission on remedy in the Rambus matter. In this opinion, the Commission prescribed a set of remedies barring Rambus from making misrepresentations or omissions to standard-setting organizations, requiring Rambus to license its SDRAM and DDR SDRAM technology and setting limits to the royalty rates it can collect under the licensing agreements including with those firms that may have already incorporated its DRAM technology, and requiring Rambus to employ a Commission-approved compliance officer to ensure it discloses relevant patent information to any standard-setting organizations in which it participates.

(April 4, 2007) Rambus appealed the Commission’s order to the U.S. Court of Appeals for the District of Columbia Circuit, which heard oral arguments in February 2008.

South Carolina State Board of Dentistry
(September 11, 2007) The Commission settled a September 15 2003 administrative complaint charging the South Carolina State Board of Dentistry with unlawfully restraining competition by enacting a rule that required a dentist to examine every child before a dental hygienist could provide preventive dental care – such as cleanings – in schools. The Board, which is a state regulatory agency composed primarily of practicing dentists, claimed that its actions were immune from antitrust challenge under the state action doctrine, but that argument was rejected in a 2004 Commission opinion holding that the Board’s conduct was directly contrary to state law. In 2006, the court of appeals dismissed the Board’s interlocutory petition for review for lack of jurisdiction, and the Supreme Court denied certiorari in January 2007. The FTC’s 2007 consent requires the Board to publicly support the current state public health program that allows hygienists to provide preventive dental care to schoolchildren, especially those from low-income families.

Union Oil of California
(November 25, 2003): An administrative law judge dismissed a complaint in its entirety against Union Oil of California that charged the company with committing fraud in connection with regulatory proceedings before the California Air Resources Board regarding the development of reformulated gasoline. The judge ruled much of Unocal’s conduct was permissible activity under the Noerr-Pennington doctrine and that the resolution of the issues outlined in the complaint would require an in depth analysis of patent law which he believed were not with the jurisdiction of the Commission. In July 2004, the Commission reversed the judge’s ruling and reinstated charges that Unocal illegally acquired monopoly power in the technology market for producing a “summer-time” low-emissions gasoline mandated for sale and use by the California Air Resources Board for use in the state for up to eight months of the year. While the case was pending before the administrative law judge, a consent agreement was signed

B. Court Decisions

PolyGram Holding, Inc. (The Three Tenors)
(July 24, 2003): The Commission upheld the ruling of an administrative law judge and prohibited PolyGram from entering into any agreement with competitors to fix the prices or
restrict the advertising of products they have produced independently. The administrative complaint, issued on July 30, 2001, generally known as The Three Tenors and involving respondents PolyGram Holding, Inc.; Decca Music Group Limited; UMG Recordings Inc.; and Universal Music & Video Distribution Corporation charged PolyGram with entering into an illegal price fixing agreement not to advertise or discount earlier albums and video recordings of concerts featuring the Three Tenors in an effort to promote the latest concert, thought to be less appealing to the public. The Commission ordered the respondents to cease and desist from entering into any combination, conspiracy, or agreement - with producers or sellers at wholesale of audio or video products - to “fix, raise, or stabilize prices or price levels” in connection with the sale in or into the United States of any audio or video product. In July 2005, the U.S. Court of Appeals for the District of Columbia Circuit affirmed the Commission’s decision in Polygram Holding Inc., validating the Commission’s approach to analyzing horizontal conduct among competitors.

**Schering-Plough Corporation**
(March 8, 2005) The United States Court of Appeals for the Eleventh Circuit set aside and vacated the Commission decision that found that Schering-Plough entered into agreements with Upsher-Smith Laboratories, Inc. and American Home Products to delay the entry of generic versions of Schering’s branded K-Dur 20, a prescribed potassium chloride supplement. The Commission filed a petition for writ of certiorari with the U.S. Supreme Court in August 2005, arguing that the lower court failed to recognize how some agreements limiting entry during the term of a patent can still be improper; the decision jeopardizes particularly important consumer interests; and the court of appeals misapplied the substantial evidence standard of review. The Supreme Court denied the petition.

In the complaint dated March 30, 2001 the Commission alleged that Schering-Plough, the manufacturer of K-Dur 20 - a prescribed potassium chloride, used to treat patients with low blood potassium levels - entered into anticompetitive agreements with Upsher-Smith Laboratories and American Home Products Corporation to delay the entry of generic versions of the K-Dur 20 drug from entering the market. According to the charges, Schering-Plough paid Upsher-Smith $60 million and paid American Home Products $15 million to keep the low-cost generic version of the drug off the market. The charges against American Home Products were settled by a consent agreement.

An initial decision filed July 2, 2002 dismissed all charges against Schering-Plough and Upsher-Smith Laboratories. On December 8, 2003 the Commission reversed the administrative law judge’s initial decision that had dismissed all charges. The Commission found that Schering-Plough Corporation entered into agreements with Upsher-Smith Laboratories, Inc. and American Home Products to delay the entry of generic versions of Schering’s branded K-Dur 20. According to the opinion, the parties settled patent litigation with terms that included unconditional payments by Schering in return for agreements to defer introduction of the generic products. The Commission entered an order that would bar similar conduct in the future.
C. Authorizations to Seek Preliminary/Permanent Injunctions

Alpharma, Inc. and Perrigo Company
(August 11, 2004): The Commission authorized staff to file a complaint in federal district court charging that Alpharma, Inc. and Perrigo Company drove up the prices for over-the-counter store-brand children’s liquid ibuprofen through an agreement eliminating competition between the two firms and allowing Perrigo to raise its prices creating higher profits to then be shared between the firms. According to the complaint, while both Alpharma and Perrigo filed for U.S. Food and Drug Administration approval to sell a generic version of children’s liquid Motrin, Alpharma was eligible to sell its product at least six months before approval would be granted to Perrigo. The two companies entered into an agreement not to compete whereby Perrigo would sell the children’s liquid ibuprofen for seven years and Alpharma, while would not marketing a competing product, would receive an up-front payment and a royalty on Perrigo’s sales of the product. To settle the charges, Alpharma and Perrigo paid a total of $6.25 million in illegal profits and agreed not to enter into agreements not to compete when one party to the agreement is a first filer of an abbreviated new drug application.

Cephalon, Inc.
(February 13, 2008) The Commission filed a complaint in federal district court charging Cephalon, Inc. with preventing competition to its branded drug Provigil. The conduct under challenge includes paying four firms to refrain from selling generic versions of Provigil until 2012. Cephalon’s anticompetitive scheme, according to the Commission, denies patients access to lower-cost, generic versions of Provigil and forces consumers and other purchasers to pay hundreds of millions of dollars a year more for Provigil. According to the complaint, Cephalon entered into agreements with four generic drug manufacturers that each planned to sell a generic version of Provigil until 2012. Cephalon achieved a result that assertion of its patent rights alone could not.

Warner Chilcott
(January 8, 2008) The Commission settled with Barr Laboratories concluding its federal court action challenging an agreement between Warner Chilcott and Barr in which, the Commission alleged, Barr agreed not to sell a lower-priced generic substitute of Warner Chilcott’s branded Ovcon 35, an oral contraceptive drug, for several years for $20 million.

On November 5, 2005 a complaint was filed in District Court for the District Columbia seeking to put an end to an agreement between drug manufacturers Galen Chemicals Ltd. (now known as Warner Chilcott) and Barr Laboratories that denies consumers the choice of a lower-priced generic version of Warner Chilcott’s Ovcon® oral contraceptive. According to the FTC’s complaint, Barr planned to launch a generic version of Ovcon as soon it received regulatory approval from the Food and Drug Administration. Warner Chilcott expected to lose half its Ovcon sales within the first year if Ovcon faced competition from a generic equivalent. Faced with this prospect, instead of competing with Barr, Warner Chilcott entered into an agreement
with Barr, preventing entry of Barr’s generic Ovcon into the United States for five years. In exchange for Barr’s promise not to compete, Warner Chilcott paid Barr $20 million.

In September 2006, under the threat of a preliminary injunction sought by the Commission, Warner Chilcott waived the exclusionary provision in its agreement, and the next day Barr announced its intention to start selling generic Ovcon in the United States. Under the terms of the October 2006 order settling the Commission’s charges, Warner Chilcott agreed to certain terms to protect generic entry into the market.

D. Consent Orders

Advocate Health Partners
(Final Order February 9, 2007) The final consent order settles charges that the conduct of several organizations representing more than 2,900 independent Chicago-area physicians for agreeing to fix prices and for refusing to deal with certain health plans except on collectively determined terms. The order will prohibit the respondents from engaging in such anticompetitive conduct in the future.

Alabama Trucking Association, Inc.
(Final Order October 28, 2003) With an administrative complaint issued on July 8, 2003 the Commission charged that the association of household goods movers engaged in the collective filing of tariffs on behalf of its members who compete in the provision of moving services in the state of Alabama. Under terms of a final consent order, Alabama Trucking Association, Inc. agreed to stop filing tariffs containing collective intrastate rates and to void collectively filed tariffs currently in effect in Alabama.

Austin Board of Realtors
(Final Order September 6, 2006): The Commission entered into a final consent order settling charges against the Austin Board of Realtors (ABOR) for its practice of preventing consumers with listing agreements for potentially low-cost, unbundled brokerage services from marketing their listings on public real estate-related Internet sites. In settling the charges, ABOR is prohibited from adopting or enforcing any rule that treats one type of real estate listing agreement more advantageously than any other, or from interfering with its members ability to enter into any lawful listing agreement with home sellers.

California Pacific Medical Group dba Brown and Toland Medical Group
(Final Order February 3, 2004): With an administrative complaint issued on July 8, 2003 the Commission charged a San Francisco, California physicians’ organization with engaging in an agreement under which its competing members agreed collectively on the price and other terms on which they would enter into contracts with health plans or other third party payers. The complaint also alleged that Brown and Toland directed its physicians to end their preexisting contracts with payers and required its physician members to charge specified prices in all Preferred Provider Organization contracts. A final consent order prohibits Brown and Toland from negotiating with payers on behalf of physicians, refusing to deal with payers, and setting terms for physicians to deal with payers, unless the physicians are clinically or financially integrated.
Clark County, Washington Attorneys  
(Final Order July 23, 2004): Private attorneys in Clark County, Washington who provide criminal legal services for indigent defendants under a county contract settled charges that they illegally entered into an agreement known as the “Indigent Defense Bar Consortium Contract” to collectively demand higher fees for certain types of cases and refuse to accept specific additional cases unless the Clark County complied with their demands. The county was forced to substantially increase the reimbursement rate for each of the case categories specified in the Consortium Contract. According to the Commission, the conduct of the attorneys was identical to the boycott staged by criminal defense attorneys in Washington, DC which was ruled to be price fixing by the U.S. Supreme Court in the matter of Superior Court Trial Lawyers Association. Robert Lewis, James Sowder, Gerald Wear, and Joel R. Yoseph, the four attorneys who led the activities and served as the representatives of the 43 attorneys who signed the Consortium Contract, were named in the complaint and in the consent order.

Colegio de Optometras de Puerto Rico  
(Final order September 11, 2007): The Commission charged in July 2007 a group of optometrists in Puerto Rico with violating the FTC Act by orchestrating agreements among members of the Colegio de Optometras to refuse, or threaten to refuse, to accept vision and health care contracts except on collectively agreed-upon terms. Two leaders of the group were also charged with facilitating the agreement by urging members not to participate in the vision network. The Commission’s consent order settling these charges bars the group and the two leaders from engaging in such conduct, while allowing them to undertake certain kinds of joint contracting arrangements by which physician participants control costs and improve quality by managing the provision of services. FTC staff worked with the Office of Monopolistic Affairs of Puerto Rico’s Department of Justice on this case.

Evanston Northwestern Healthcare Corporation  
(Final Order May 17, 2005): Under terms of a consent order, Evanston Northwestern Healthcare Corporation agreed not to collectively negotiate fee-for-service contracts. The order settled charges of one count of an administrative complaint issued February 10, 2004. The count alleged that a physician group associated with a hospital negotiated prices for several hundred independent physicians who were not financially or clinically integrated with the group.

Health Care Alliance of Laredo, L.C.,  
(Final Order March 28, 2006): A physicians’ independent practice association in Texas agreed to settle charges that it engaged in unlawful collective bargaining to set fees its members would accept from health insurance plans and advised its members against dealing individually with plans. The Commission charged that both practices resulted in higher medical costs for consumers. The consent order settling the FTC’s charges will prohibit the IPA from engaging in such anticompetitive conduct in the future.

Information and Real Estate Services, LLC.  
(Final Order December 1, 2006): The Commission settled charges that Information and Real Estate Services, LLC (IRES) adopted rules that withheld valuable benefits of the Multiple Listing Services (MLSs) they control from consumers who chose to enter into non-traditional
listing contracts with real estate brokers. The consent order settling the FTC’s charges will prohibit IRES from discriminating against non-traditional listing arrangements.

**Memorial Hermann Health Network Providers**
(Final Order January 18, 2004): Memorial Hermann Health Network Providers settled charges that it negotiated fees and other services for medical care provided by its member physicians in the Houston, Texas area in an effort to obtain higher fees and more advantageous terms. According to the complaint these alleged price fixing practices increased costs for consumer, employers, and health plans.

**MiRealSource, Inc.**
(Final Order March 23, 2007): The Commission filed a Part 3 administrative complaint challenging a set of rules adopted by MiRealSource, Inc. to keep Exclusive Agency Listings from being listed on its MLS, as well as other rules that restricted competition in real estate brokerage services. The complaint alleges that the conduct was collusive and exclusionary, because in agreeing to keep non-traditional listings off the MLS or from public Web sites, the brokers enacting the rules were, in effect, agreeing among themselves to limit the manner in which they compete with one another, and withholding valuable benefits of the MLS from real estate brokers who did not go along. On February 5, 2007 the Commission approved a consent order for public comment settling the complaint. Under the terms of the final consent order, MiRealSource has agreed to abandon such collusive conduct and provide its services to all member brokers representing potential home sellers, regardless of the type of listing contract that they choose.

**Missouri Board of Embalmers and Funeral Directors**
(Proposed Consent Agreement Accepted for Public Comment on March 9, 2007): Under the terms of the proposed consent order, the Missouri Board of Embalmers and Funeral Directors (Board) agreed to settle charges that it deterred competitive entry in the retail sale of caskets by adopting a rule that only licensed funeral directors could sell caskets to consumers on an at-need basis. Under the proposed settlement, the Board must include in various forms of communications to the publics that it is not necessary to obtain a license from the Board to offer for retail sale caskets and other funeral merchandise to customers in Missouri.

**Monmouth County Association of Realtors**
(Final Order December 1, 2006): The Commission settled charges that Monmouth County Association of Realtors (Monmouth) adopted rules that withheld valuable benefits of the Multiple Listing Services (MLSs) they control from consumers who chose to enter into non-traditional listing contracts with real estate brokers. The consent order settling the FTC’s charges will prohibit Monmouth from discriminating against non-traditional listing arrangements.

**Movers Conference of Mississippi, Inc.**
(Final Order October 28, 2003): With an administrative complaint issued on July 8, 2003 the Commission charged that the association composed of competing household goods movers filed collective rates for intrastate moving services in the state of Mississippi. According to the complaint, these activities were not protected under the state action doctrine and are not immune
from federal antitrust scrutiny. Under terms of a final consent order the Movers Conference agreed to stop filing tariffs containing collective intrastate rates.

**Motor Oil Importers of Puerto Rico**  
(Final Order August 28, 2008): The Commission charged that a motor oil lubricant importer illegally conspired with its competitors to restrict the importation and sale of these products in Puerto Rico, which resulted in higher prices paid by consumers. According to the FTC’s complaint, during 2005 and 2006, American Petroleum joined with numerous others in the Puerto Rico lubricants industry to lobby for the delay, modification, or repeal of Puerto Rico Law 278, which imposes an environmental recovery fee of 50 cents per quart. With the effective date of the law approaching, the importers adopted a strategy of refusing to import lubricants as a means of forcing a change. The consent order settling the charges bars American Petroleum from conspiring with its competitors to restrict output, refuse to deal, or boycott any lubricant buyer or potential buyer.

**Multiple Listing Service, Inc.**  
(Proposed Consent Agreement Accepted for Public Comment on December 12, 2007): The FTC settled charges that Multiple Listing Service, Inc. (MLS), a group of real estate professionals based in Milwaukee, Wisconsin, adopted rules that withheld valuable benefits of the multiple listing service it controls from consumers who chose to enter into nontraditional listing contracts with real estate brokers. The rules blocked less-than-full-service listings from being transmitted by MLS to popular Internet web sites, but provided this important benefit for traditional forms of listings. Under the terms of the December 2007 consent, MLS is barred from adopting or enforcing any rule that treats one type of real estate listing agreement more advantageously than any other, and from interfering with the ability of its members to enter into any kind of lawful listing agreement with home sellers.

**Negotiated Data Solutions, LLC**  
(Proposed Consent Agreement Accepted for Public Comment on January 23, 2008): The Commission charged that Negotiated Data Solutions LLC (N-Data) violated Section 5 of the FTC Act by engaging in unfair methods of competition. N-Data acquired patent rights originally held by National Semiconductor Corp. which were included in an IEEE industry standard for autonegotiation technology, which allows Ethernet devices made by different manufacturers to work together. Ethernet is a computer networking standard that is used in nearly every computer sold in the U.S. N-Data reneged on National Semiconductor’s commitment to charge a one-time royalty of $1000 to manufacturers or sellers of products using the IEEE standard, and demanded higher royalties from users. In a proposed consent agreement resolving the charges, the Commission proposes to order N-Data to stop enforcing the patents at issue unless N-Data has first offered a license under the original terms.

**New Hampshire Motor Transport Association**  
(Final Order December 4, 2003): The New Hampshire Motor Transport Association settled charges that it filed tariffs containing rules that called for automatic increases in intrastate rates. In addition, the organization agreed to void its collectively filed tariffs current in effect in New Hampshire.
New Century Health Quality Alliance, Inc.
(Final Order October 6, 2006): The Commission approved a final consent order settling Commission charges alleging that two independent practice associations (IPAs) and 18 member physician practices in the Kansas City, MO area, refused to deal with health care plans, except on collectively agreed-upon prices and other terms.

New Millennium Orthopaedics
(Final Order June 13, 2005): The Commission settled charges with two small groups of orthopaedic physicians in the Cincinnati area that had formed an independent practice association that jointly negotiated contracts regarding the rates its physician members would charge health plans and other payors for their services. In addition to the usual prohibitions on joint negotiations, the Commission’s order disbanded the IPA and prohibited future collective bargaining.

Northern New England Real Estate Network, Inc.
(Final Order December 1, 2006): The Commission settled charges that Northern New England Real Estate Network, Inc. adopted rules that withheld valuable benefits of the Multiple Listing Services (MLSs) they control from consumers who chose to enter into non-traditional listing contracts with real estate brokers. The consent order settling the FTC’s charges will prohibit Northern New England Real Estate Network, Inc. from discriminating against non-traditional listing arrangements.

Partners Health Network, Inc.
(Final Order September 23, 2005): A physician-hospital organization operating in northwestern South Carolina, agreed to settle charges that it orchestrated and carried out agreements among its physician members to set the prices they would accept from health plans, and to refuse to deal with health plans that did not agree to its collectively determined prices. The consent order settling the FTC’s charges prohibits the PHO from collectively negotiating with health plans on behalf of its physicians and from setting terms of dealing with purchasers.

Piedmont Health Alliance, Inc.
(Final Order October 1, 2004): With an administrative complaint issued on December 22, 2003 the Commission charged Piedmont Health Alliance, Inc. with collectively setting prices it demanded for physician services with third party payers. According to the complaint, the physician-hospital organization entered into signed agreements on behalf of its member physicians to participate in all contracts negotiated and to accept the negotiated physician fees. The complaint further alleges that these practices eliminated price competition among physicians in the North Carolina counties of Alexander, Burke, Caldwell and Catawba. The complaint also names ten individual physicians who participated in the alleged price fixing services. On August 10, 2004, the organization and physicians agreed to settle charges that they fixed prices for medical services. A final consent order prohibited Piedmont Health Alliance, Inc. and the ten physicians from entering into any such agreements with physicians in the area that negotiate fees or terms of services with health insurance companies or other third party payers. Also refer to settlement entered with Tenet Healthcare Corporation (Frye Regional Medical Center, Inc.).
Preferred Health Services, Inc.
(Final Order April 13, 2005): The order prohibits Preferred Health Services from orchestrating collective agreements and other terms for physician services when negotiating with health insurance plans and other third party payers. According to the complaint these agreements among the physician-hospital organization of doctors and the Oconee Memorial Hospital in northwestern South Carolina to collectively negotiate fees and terms of services could lead to higher health care costs and limited physician access.

Puerto Rico Association of Endodontists, Corp.
(Final Order August 29, 2006): The Commission approved a final consent order settling charges alleging that thirty competing association members acted unlawfully by agreeing to set the prices they would charge dental insurance plans, and by refusing to deal with plans that would not accept the collectively determined prices.

Realtors Association of Northeast Wisconsin, Inc.
(Final Order December 1, 2006): The Commission settled charges that Realtors Association of Northeast Wisconsin, Inc. adopted rules that withheld valuable benefits of the Multiple Listing Services (MLSs) they control from consumers who chose to enter into non-traditional listing contracts with real estate brokers. The consent order settling the FTC’s charges will prohibit Realtors Association of Northeast Wisconsin, Inc. from discriminating against non-traditional listing arrangements.

San Juan IPA
(Final Order June 30, 2005): San Juan IPA, Inc., a physicians’ independent practice association operating in northwestern New Mexico, agreed to settle Commission charges that it orchestrated and carried out agreements among its member doctors to set the price that they would accept from health plans, to bargain collectively to obtain the group’s desired price terms, and to refuse to deal with health plans except on collectively determined price terms. According to the complaint, the effect of this conduct was higher prices for medical services for the area’s consumers. The consent order prohibits the association from collectively negotiating with health plans on behalf of its physicians and from setting their terms of dealing with such purchasers. This consent involves 120 physicians who make up about 80 percent of the doctors practicing independently in the area of Farmington, New Mexico.

Southeastern New Mexico Physicians IPA
(Final Order August 6, 2004): A Roswell, New Mexico physicians’ association, Southeastern New Mexico Physicians IPA, settled charges that it and two of its employees entered into collective agreements among physician members on fees and refused to deal with health plans that did not accept the collective agreed-upon terms. According to the complaint, these practices increased the price of health care in the Roswell area. The consent order prohibits the IPA and its employees named in the consent from orchestrating agreements between physicians to negotiate with health insurance plans on behalf of any physician and deal or refuse to deal individually with any third party payer.
**South Georgia Health Partners, L.L.C.**
(Final Order October 31, 2003): A Georgia physician-hospital organization and its other associated physician groups settled charges that they entered into agreements to fix physician and hospital prices and refused to deal with insurance companies, except on collectively agreed-upon terms.

**Surgical Specialists of Yakima**
(Final Order November 11, 2003): The Surgical Specialists of Yakima, Cascade Surgical Partners, Inc., P.S. and Yakima Surgical Associates, P.S. settled charges that they jointly entered into agreements for their members to fix prices and terms for the provision of medical services when dealing with health care insurers.

**Tenet Healthcare Corporation**
(Final Order January 29, 2004): A consent order prohibits Frye Regional Medical Center, Inc., an acute care hospital in Hickory, North Carolina, and its parent company Tenet Healthcare Corporation from entering into any agreement to negotiate fees on behalf of any physician practicing in four North Carolina counties and from refusing to deal with insurance companies and other payers. Also refer to related administrative complaint issued to Piedmont Health Alliance. This settlement is the first case in which the Commission has named a hospital as a participant in an alleged physician price-fixing conspiracy.

**Union Oil Company of California**
(Final Order August 2, 2005): With an administrative complaint issued on March 4, 2003 the Commission charged that Union Oil Company of California (Unocal) made misleading statements concerning its emissions results for the production of “summer-time” gasoline mandated by the California Air Resources Board (CARB) for use March through October. According to the complaint, Unocal lead producers of the CARB gasoline to believe that its research was non-proprietary and in the public interest, while at the same time it failed to disclose that it had patent pending claims on the research results with the U.S. Patent and Trademark Office. As a result of the patent being allowed, Unocal is now in a position to enforce its patent rights – requiring companies that produce the “summer-time” CARB gasoline to pay substantial royalties to Unocal if they use the patented technology. An initial decision dismissing the complaint was filed on February 17, 2004.
A consent order settled the Commission’s monopolization complaint against Unocal. Under the terms of the settlement, Unocal will stop enforcing the relevant reformulated gasoline patents, which the Commission alleged could have imposed additional costs of over $500 million per year on California consumers. In addition, Unocal will release all relevant gasoline patents to the public.

**Valassis Communications, Inc.**
(Final Order April 28, 2006): Valassis, a leading producer of free-standing newspaper inserts (FSIs) in the United States, has settled charges that it attempted to collude with News America Marketing, its only FSI rival, to eliminate competition between the two companies. Under the consent order settling the FTC’s complaint, Valassis is barred from engaging in collusive agreements with other FSI publishers or attempting to collude with its competitors.
**Virginia Board of Funeral Directors and Embalmers**
(Final Order October 1, 2004): The Virginia Board of Funeral Directors and Embalmers settled charges that it prohibited Virginia funeral directors and service providers from engaging in truthful advertising to notify consumers of prices and discounts for funeral products and services. Under terms of the consent order, the Board is prohibited from engaging in such practices in the future and is required to amend its regulation prohibiting Board licensees from advertising funeral services including those services that can be contracted prior to the death of the person whose funeral is being planned.

**White Sands Health Care System, L.L.C.**
(Final Order January 11, 2005): A consent order settled charges that the White Sands Health Care System refused to deal with health care insurers that resisted the collectively negotiated prices set by its member physicians and nurse anesthetists. The complaint alleged that these practices increased costs for health care for consumers in the Alamogordo, New Mexico area. White Sands, a physician-hospital organization, consists of Alamogordo Physicians, an independent practice association; Gerald Champion Regional Medical Center, and 31 non-physician health care providers, including all five nurse anesthetists in the area.

**Williamsburg Area Association of Realtors, Inc.**
(Final Order December 1, 2006): The Commission settled charges that Williamsburg Area Association of Realtors, Inc. adopted rules that withheld valuable benefits of the Multiple Listing Services (MLSs) they control from consumers who chose to enter into non-traditional listing contracts with real estate brokers. The consent order settling the FTC’s charges will prohibit Williamsburg Area Association of Realtors, Inc. from discriminating against non-traditional listing arrangements.

### E. Administrative Complaints

**MiRealSource, Inc.**
(October 12, 2006): The Commission filed a Part 3 administrative complaint challenging a set of rules adopted by MiRealSource, Inc. to keep Exclusive Agency Listings from being listed on its MLS, as well as other rules that restricted competition in real estate brokerage services. The complaint alleges that the conduct was collusive and exclusionary, because in agreeing to keep non-traditional listings off the MLS or from public Web sites, the brokers enacting the rules were, in effect, agreeing among themselves to limit the manner in which they compete with one another, and withholding valuable benefits of the MLS from real estate brokers who did not go along. On February 5, 2007 the Commission approved a consent order for public comment settling the complaint. Under the terms of the proposed consent order, MiRealSource has agreed to abandon such collusive conduct and provide its services to all member brokers representing potential home sellers, regardless of the type of listing contract that they choose.

**RealComp II Ltd.**
(October 12, 2006): The Commission issued an administrative complaint charging Realcomp with violating Section 5 of the FTC Act by prohibiting information on Exclusive Agency (EA) Listings and other forms of nontraditional listings from being transmitted from the multiple listing service (MLS) it maintains to public real estate web sites. The complaint further alleged
that the conduct was collusive and exclusionary, because the brokers enacting the rules were essentially agreeing among themselves how to compete with one another, and were withholding the valuable benefits of the MLS from nontraditional real estate brokers. Commission staff is appealing the ALJ’s initial decision of December 13, 2007 dismissing the complaint, and the Commission will hear arguments in the case in the Spring of 2008.

F. Other

Public Documents/Policy Statements/Conferences

Enforcement Perspectives on the Noerr-Pennington Doctrine (November 2, 2006): The report provides enforcement perspectives on the Noerr-Pennington doctrine, which precludes enforcement of the antitrust laws against certain private acts that urge government action.

Commission Studies/Guidelines

Accounting for Laws That Apply Differently to the United States Postal Service and Its Private Competitors A Report by the Federal Trade Commission (January 16, 2008): This report identifies and quantifies – to the extent possible – the Postal Service’s economic burdens and advantages that exist due to its status as a federal government entity, as well as those benefits resulting from its postal and mailbox monopolies.


Broadband Connectivity Competition Policy, a Report by the Federal Trade Commission (June 27, 2007): The report identifies guiding principles that policy makers should consider in evaluating proposed regulations or legislation relating to broadband Internet access and network neutrality.

Competition in the Real Estate Brokerage Industry: A Report by the Federal Trade Commission and the U.S. Department of Justice (May 8, 2007): This report informs consumers and others involved in the industry about important competition issues involving residential real estate, including the impact of the Internet, the competitive structure of the real estate brokerage industry, and obstacles to a more competitive environment.

Antitrust Enforcement and Intellectual Property Rights: Promoting Innovation and Competition: A Report Issued By the U.S. Department of Justice and the Federal Trade Commission (April 17, 2007): This joint effort informs consumers, businesses, and intellectual property rights holders about the agencies’ competition views with respect to a wide range of activities involving intellectual property.

agreements filed with the Commission in fiscal year 2006 (ending September 30, 2006) by
generic and branded drug manufacturers.

**Municipal Provision of Wireless Internet: A Report of the Staff of the Federal Trade
Commission** (October 10, 2006): The report describes the various wireless Internet technologies
currently in use or under development, identifies a range of operating models that have been used
to provide or facilitate wireless Internet service, summarizes the major arguments for and against
municipal participation, and describes various types of legislative proposals related to municipal
Internet service.

**Investigation of Gasoline Price Manipulation and Post-Katrina Gasoline Price Increases: A
Report by the Federal Trade Commission** (May 22, 2006): The report details the results of an
intensive, Congressionally-mandated Commission investigation into whether gasoline prices
nationwide were “artificially manipulated by reducing refinery capacity or by any other form of
market manipulation or price gouging practices” and into gasoline pricing by refiners, large
wholesalers, and retailers in the aftermath of Hurricane Katrina.

**Agreements Filed With the Federal Trade Commission Under the Medicare Prescription
Drug, Improvement, and Modernization Act of 2003: Summary of Agreements Filed in Fiscal
Year 2005: A Report by the Bureau of Competition** (April 24, 2006): Summary of agreements
filed with the Commission in fiscal year 2006 (ending September 30, 2005) by generic and
branded drug manufacturers.

**Agreements Filed with the Federal Trade Commission under the Medicare Prescription Drug,
Improvement, and Modernization Act of 2003: Summary of Agreements Filed in FY 2004: A
Report by The Bureau of Competition** (January 7, 2005): Information regarding the 22
agreements that were filed with the Commission in fiscal year 2004.

**The Petroleum Industry: Mergers, Structural Change and Antitrust Enforcement: A Report of
the Staff of the Federal Trade Commission, Bureau of Economics** (August 2004): The staff
report describes the Commission’s merger enforcement actions in petroleum-related markets
during the past 20 years; provides an overview of industry trends in production and pricing;
provides an analysis of merger activity for the period 1985 through 2001; and examines trends at
specific industry levels: crude oil production and reserves; bulk transport of crude oil; refining;
bulk transport of refined products; and product terminals and gasoline marketing.

**Improving Health Care: A Dose of Competition: A Report by the Federal Trade Commission
and the Department of Justice** (July 23, 2004): Joint report to inform consumers, businesses,
and policy-makers on a range of issues affecting the cost, quality, and accessibility of health
care.

**Fulfilling the Original Vision: The FTC at 90** (April 2, 2004): Report highlights some of the
Commission’s accomplishments from the past year and outlines several goals to guide the
agency’s twin missions of competition and consumer protection.
Possible Anticompetitive Barriers to E-Commerce: Contact Lenses: A Report from the Staff of the Federal Trade Commission (March 29, 2004): The staff report concludes that e-commerce offers consumers greater choices and more convenience in the contact lens market.

Pharmaceutical Agreement Notification Filing Requirements (Effective January 7, 2004): Agreements between Brand-name and generic pharmaceutical companies regarding the manufacture, marketing, and sale of generic versions of brand-name drug products are required to be filed with the Commission and the Department of Justice, pursuant to Section 1112 of the Medicare Prescription Drug, Improvement, and Modernization Act of 2003.


To Promote Innovation: The Proper Balance of Competition and Patent Law and Policy, A Report by the Federal Trade Commission (October 2003): The report is the first of two reports about how to maintain that balance. The report concludes that questionable patents are a significant competitive concern and can harm innovation. The report makes recommendation to reduce the number of questionable patents that are issued and upheld.

Advisory Opinions

Kaiser Foundation Health Plan, Inc. Staff letter concerning the applicability of the Non-Profit Institutions Act to Kaiser’s planned purchase and use of discounted pharmaceuticals in providing health care services to persons covered under health benefits plans offered by self-insured employers.

Greater Rochester Independent Practice Association, Inc. Staff letter concerning a proposal by a physician association to negotiate contracts with payers in connection with its integrated services program (September 17, 2007).

MedSouth, Inc. Staff letter following up on the February 9, 2002 MedSouth, Inc. Staff Advisory Opinion (June 18, 2007).

St. John's Health System. Staff letter concerning the provision of pharmaceuticals by St. John's Regional Health Center, a non-profit hospital, to three hospital-owned pharmacy sites, under the Non-Profit Institutions Act (September 13, 2006).

Alpena Public Schools. Staff letter concerning a program to transfer pharmaceuticals at cost between a non-profit hospital and a non-profit public school system (June 16, 2006.)

Suburban Health Organization. Staff letter concerning the antitrust implications of a proposal to undertake a program involving partial integration among eight independent Suburban Health
Organization member hospitals and the 192 primary care physicians that, in total, they employ (March 28, 2006).

**North Mississippi Health Services.** Staff letter concerning the transfer of pharmaceuticals at cost by non-profit hospital to patients of non-profit clinic and hospice (August 16, 2005).

**Stevens Hospital, of Edmonds, Washington.** Staff letter concerning the Applicability of the Non-Profit Institutions Act Amendments to the Robinson-Patman Act to Stevens Proposed Pricing of Pharmaceuticals (April 18, 2005).

**Bristol-Myers Squibb.** Staff advised Bristol-Myers Squibb that its proposed settlement with Teva Pharmaceuticals USA, inc. does not raise issues under Section 5 of the Federal Trade Commission Act. (May 2004)

**Dunlap Memorial Hospital in Orville, Ohio.** Staff concluded that Dunlap’s provision of pharmaceuticals to the Viola Startzman Free Clinic falls within the scope of the Non-Profit Institutions Act. (January 9, 2004)

**Medical Group Management Association:** Letter from Jeffrey W. Brennan to Gerald Niederman. An association of medical practice administrators requested an opinion concerning its proposal to conduct and publish the results of a survey of physician practices. (November 3, 2003)

**Partlinx LLC.** Letter advising that FTC staff does not presently intend to recommend law enforcement action in connection with Partlinx’s proposed e-commerce joint venture. (October 10, 2003)

**Advocacy Filings**

**Comment of the Federal trade Commission** to the Standing Committee on Health, Education, and Social Services of the state of Alaska’s House of Representatives concerning health care competition, Alaska’s certificate of need (CON) laws, and House Bill 337 (H.B. 337), which would modify or repeal certain aspects of the state’s CON requirements.


**Comments of the Federal Trade Commission Staff** to the Puerto Rico House of Representatives Regarding Senate Bill 2190 Concerning Health Care Collective Bargaining (February 1, 2008)

Hoechst Marion Roussel, Inc., et al., Defendants-Appellees; and Barr Laboratories, Inc., Defendant-Appellee (January 29, 2008)

Comments of the Federal Trade Commission and Department of Justice to the Supreme Court of Hawaii Regarding Proposed Rules Governing the Practice of Law in Hawaii (January 29, 2008)

Comments of the Federal Trade Commission Staff before the Massachusetts Department of Public Health Concerning Proposed Regulation of Limited Service Clinics (October 2, 2007)

Comments of the Federal Trade Commission Staff before the Federal Energy Regulatory Commission Concerning Wholesale Competition in Regions with Organized Electric Markets (September 18, 2007)

Comments of the Federal Trade Commission Staff to S. Guy deLaup, Esq., President, Louisiana State Bar Association, Concerning Proposed Rules on Lawyer Advertising and Solicitation (August 14, 2007)

Comments of the Federal Trade Commission Staff to Councilmember Mary M. Cheh Concerning the District of Columbia Retail Station Act (June 12, 2007)

Joint Amicus Brief Filing with the U.S. Department of Justice In Re DDAVP Direct Purchaser Antitrust Litigation Concerning Direct Purchaser Suits to Recover Certain Damages Resulting from a Fraudulently Obtained Patent (May 8, 2007)

Comments of the Federal Trade Commission Staff to Mr. Carl E. Testo, Counsel, Rules Committee of the Superior Court, Concerning Proposed Rules on the Definition of the Practice of Law in Connecticut (May 2007)


Comments of the Federal Trade Commission and Department of Justice to the Hon. Helene E. Weinstein Concerning New York A.B. A01837 to Establish that Certain Real Estate Services May be Provided Only by Attorneys (April 30, 2007)


Comments of the Federal Trade Commission Staff before the Louisiana State Bar Association Rules of Professional Conduct Committee regarding proposed rules on lawyer advertising and solicitation (March 14, 2007).

Joint Amicus Brief Filing with the U.S. Department of Justice in Leegin Creative Leather Products, Inc., Petitioner, v. PSKS, Inc concerning vertical minimum resale price maintenance Agreements in the Supreme Court of the United States, On Writ of Certiorari to the United States Court of Appeals for the Fifth Circuit (Case No. 06-480) (January 22, 2007).


Comments of the Federal Trade Commission Staff to The Honorable Terry G. Kilgore Concerning Virginia House Bill No. 945 to regulate the contractual relationship between pharmacy benefit managers and both health benefit plans and pharmacies (October 2, 2006).

Comments of the Federal Trade Commission Staff before the Office of Court Administration of the New York State Unified Court System concerning proposed amendments to rules governing attorney advertisement (September 14, 2006).

Joint Amicus Brief Filing with the U.S. Department of Justice in Weyerhauser Co. v. Ross-Simmons Hardwood Lumber Co., Inc. concerning predatory bidding in the Supreme Court of the United States, On Writ of Certiorari to the United States Court of Appeals for the Ninth Circuit (Case No. 05-381) (August 25, 2006)

Joint Comments of the Federal Trade Commission and the Department of Justice to the Honorable Helene E. Weinstein Regarding New York A.B. A05596 to establish that certain services related to real estate transactions may be provided only by attorneys (June 21, 2006).


Joint Amicus Brief Filing with the U.S. Department of Justice in Weyerhauser Co. v. Ross-Simmons Hardwood Lumber Co., Inc. concerning predatory bidding in the Supreme Court (Case No.: 05-381) (May 31, 2006).

Comments of the Federal Trade Commission Staff before the Professional Ethics Committee of the State Bar of Texas concerning online attorney matching programs (May 26, 2006).
Comments of the Federal Trade Commission Staff to the Honorable Noble E. Ellington Concerning Louisiana S.B. 642 to define more clearly the type of seller that must be licensed as an auctioneer (May 26, 2006).

Comments of the Federal Trade Commission Staff before the Department of Commerce Patent and Trademark Office in the matter of changes to practice for continuing applications, requests for continued examination practice, and applications containing patentably indistinct claims (May 3, 2006).

Comments of the Federal Trade Commission Staff to the Honorable Paula Dockery concerning Florida Senate Bill 282, a bill to allow direct shipment of wine to Florida consumers from manufacturers inside or outside Florida (April 10, 2006).


Comments of the Federal Trade Commission Staff to The Honorable Eric D. Fingerhut concerning Ohio S.B. 179 to allow direct shipment of wine to Ohio consumers (March 22, 2006).

Comments of Staff of the Federal Trade Commission Bureau of Economics to file a comment with the Federal Communications Commission regarding the auction of advanced wireless services licenses (March 10, 2006).

Comments of the Federal Trade Commission Staff before the New Jersey Supreme Court Concerning Attorney Advertising (March 1, 2006).


Comments of Staff of the Federal Trade Commission to the Honorable Bill Seitz Concerning Ohio H.B. 306 to Amend the Operation of Wine Wholesale Franchises (December 12, 2005).

Federal Trade Commission Civil Remedies: Antitrust Modernization Commission (December 1, 2005).

Statutory Immunities and Exemptions: Antitrust Modernization Commission (December 1, 2005).


Joint Comments of the Federal Trade Commission and the Department of Justice to The Honorable Alan Sanborn Concerning Michigan H.B. 4849, Which Would Impose Minimum Service Requirements on Real Estate Brokers (October 18, 2005)

State Action Doctrine: Antitrust Modernization Commission (September 29, 2005).


Brief Amicus Curiae Texaco, Inc. v. Dagher et al. (Supreme Court (Case Nos. 04-805 and 04-814)). Concerning Whether an Agreement on Pricing Between Joint Venture Owners is a Per se Violation of the Sherman Act When the Owners do not Compete in those Products (May 31, 2005).

Joint Comments of the Federal Trade Commission and the Department of Justice to the Honorable Matt Blunt Concerning Missouri H.B. 174 to Impose Minimum Service Requirements on Real Estate Brokers (May 24, 2005).

Joint Comments of the Federal Trade Commission and the Department of Justice to the Alabama Senate Concerning Alabama H.B. 156 to Impose Minimum Service Requirements on Real Estate Brokers (May 12, 2005).

Joint Comments of the Federal Trade Commission and the Department of Justice before the Texas Real Estate Commission Concerning Proposed Amendments to 22 Tex. Admin Code § 535.2 to Impose Minimum Service Requirements on Real Estate Brokers (April 20, 2005)

Comments of Staff of the Federal Trade Commission  Bureau of Competition, Bureau of Economics and the Office of Policy Planning regarding three bills that the Virginia Assembly considered: HB 2518 - would loosen current restrictions on competition between commercial and independent optometrists; and HB 160 and SB 272 - would further impair competition between these groups of eye care professionals.  (March 9, 2005)

Comments of Staff of the Federal Trade Commission  Bureau of Competition, Bureau of Economics and the Office of Policy Planning to North Dakota State Senator Richard L. Brown concerning HB 1332 which might have the unintended consequences of increasing the price of pharmaceuticals within the state and ultimately decrease the number of North Dakotans with insurance coverage for pharmaceuticals.  (March 8, 2005)

Joint Amicus Brief Filing with the U.S. Department of Justice:  Empagran, S.A. v. Hoffmann-LaRoche, Ltd., No. 01-7115 (D.C. Cir.).  International cartels.  (February 18, 2005)

Brief Amicus Curiae  Teva Pharmaceuticals USA, Inc. v. Pfizer, Inc.  Case No. 04-1186 (Fed. Cir.)  Teva, in an effort to market its generic version of Pfizer’s Zoloft drug, sued Pfizer challenging the patent for Zoloft.  (February 11, 2005)

Joint Comments of the Federal Trade Commission and the Department of Justice to Chief Justice McFarland of the Kansas Supreme Court concerning the Unauthorized Practice of Law Committee of the Kansas Bar Association’s proposal to define the practice of law.  (February 4, 2005)

Joint Comments of the Federal Trade Commission and the Department of Justice urging the Massachusetts Bar Association to narrow or reject a proposal that would reduce competition between nonlawyers and lawyers to provide certain services.  (December 16, 2004)

Joint Comments of the Federal Trade Commission and the Department of Justice to The Honorable Paul Kujawski, Member of the Massachusetts House of Representatives, concerning the adoption of HB 180, a bill that would enable nonlawyers to compete with lawyers to perform certain real estate closing services.  (October 12, 2004)

Comments of Staff of the Federal Trade Commission to California Assembly Member Greg Aghazaian concerning a bill (AB 1960) that requires pharmacy benefit managers to disclose certain information to purchasers of their services.  (September 10, 2004)

Brief Amicus Curiae  Cleveland Bar Association v. CompManagement, Inc.  (Case No.: UPL 02-04)  Matter on appeal from a decision rendered by Ohio’s UPL Board finding that CompManagement, an actuarial firm, had engaged in the unauthorized practice of law through its representation of employers in workers’ compensation matters before the Ohio Industrial Commission.  (August 5, 2004)

Joint Brief Amicus Curiae Federal Trade Commission and the Department of Justice  Andrx Pharmaceuticals, Inc. v. Kroger Company, et al. (U.S. Court of Appeals for the Sixth Circuit)  Private antitrust matter concerning an interim settlement of a pharmaceutical patent infringement
case, in which the alleged infringer agreed not to market its product while the infringement litigation was pending. (July 16, 2004)

**Comments of the Federal Trade Commission** to the Federal Energy Regulatory Commission concerning revisions to the conditions under which FERC will permit electric utilities to sell wholesale power at market rather than regulated rates. (July 16, 2004)

**Comments of the Federal Trade Commission** to the Federal Energy Regulatory Commission concerning FERC’s policies governing electric utility procurement of wholesale electric supply from affiliated generators and through acquisition of affiliated, unregulated generation assets. (July 14, 2004)


**Joint Brief Amicus Curiae Federal Trade Commission and the Department of Justice** in Jackson Tennessee Hospital Co., No. 04-5387 (6th Cir.) Brief contends that the district court improperly concluded that Tennessee Hospital Co. and other defendants were exempt from antitrust enforcement under the state action doctrine. (June 4, 2004)

**Joint Brief Amicus Curiae Federal Trade Commission and the Department of Justice** in McMahon v. Advanced Title Services Company of West Virginia. The brief argues that allowing nonlawyers to compete with lawyers in the provision of real estate settlement services, including title searching, title reports, closings, and document deliveries, would benefit West Virginia consumers in a variety of ways. (May 25, 2004)

**Comments of the Staff of the Federal Trade Commission** Bureau of Competition, Bureau of Economics and the Office of Policy Planning to Rhode Island Attorney General Patrick C. Lynch and Deputy Senate Majority Leader Juan M. Pichardo on seven state bills that contain “freedom of choice” and “any willing provider” provisions for pharmaceutical sales. (April 12, 2004)

**Comments of the Staff of the Federal Trade Commission** Bureaus of Competition, Consumer Protection and Economics and the Office of Policy Planning provide comments on Maryland House Bill 795 which would permit corporate ownership of funeral homes. (April 6, 2004)

**Comments of the Staff of the Federal Trade Commission** Bureaus of Competition, Economics, Consumer Protection, the Northeast Regional Office and the Office of Policy Planning provided comments on three bills that would allow out-of-state vendors to ship wine directly to New York consumers if the vendors comply with certain regulatory requirements. (March 30, 2004)

**Comments of Staff of the Federal Trade Commission** Bureau of Competition, Bureau of Economics and the Office of Policy Planning to Kansas State Senator Les Donovan regarding Bill No. 2330 which would bar the “below-cost” sale of motor fuel. (March 16, 2004)

Joint Comments of the Federal Trade Commission and the Department of Justice on a draft of the proposed amendment to the Indiana Supreme Court Admissions & Discipline Rule regarding Unauthorized Practice of Law to the Indiana State Bar Association. (October 10, 2003)


Workshops/Hearings/Conferences

Single-Firm Conduct

Hearings on Single-Firm Conduct sponsored by the Commission and the Department of Justice. May 8, 2007: Conclusion

Hearings on Single-Firm Conduct sponsored by the Commission and the Department of Justice. May 1, 2007: Section 2 Policy Issues

Hearings on Single-Firm Conduct sponsored by the Commission and the Department of Justice. March 28, 2007: Remedies


Hearings on Single-Firm Conduct sponsored by the Commission and the Department of Justice. December 1, 2006: Misleading and Deceptive Conduct.


Hearings on Single-Firm Conduct sponsored by the Commission and the Department of Justice. July 10, 2006: Refusals to Deal.


Healthcare

Roundtable on The Economics of the Pharmaceutical Industry (October 20, 2006)
This Roundtable brought together academic economists, government economists and industry professionals to discuss a number of important topics including the economic impact of direct-to-consumer advertising, spillovers and mergers in pharmaceutical R&D, and the economic incentives for new drug development.

This quasi-academic conference, organized by Stanford health economist Dan Kessler, brought together academics and health policy makers for one day to examine the production of and use of health care market information by consumers and employers. It examined some effects of competition in promoting or retarding information use. Aspects of health care quality were also addressed. Seven papers were presented, and participation included government health care experts and employers.

Hearings on Healthcare and Competition Law and Policy sponsored by the Commission and the Department of Justice. September 24 - 26; and 30; October 1, 2003, Washington, DC.
- Physician Product and Market Definition
- Physician Information Sharing
- Physician IPAs - Patterns and Patterns of Integration - Messenger Model
- Physician Unionization; Group Purchasing Organizations
- International Perspectives on Health Care and Competition Law and Policy
- Medicare and Medicaid
• Remedies: Civil/Criminal

Intellectual Property and Patent Law

Ideals into Action: Implementing Reform of the Patent System  (April 15 - 16, 2004) The Commission, the National Academy of Sciences, and the Berkeley Center for Law and Technology sponsored a conference to address patent reform and how it might be implemented.

Town Meetings on Patent System Reform Three meetings in San Jose, California, February 18, 2005; Chicago, Illinois on March 4, 2005; and Boston, Massachusetts on March 18, 2005 to bring together government officials, business representatives, lawyers and other members of the patent community to discuss significant recommendations for patent reform made by the Commission, the National Academies’ Board on Science, Technology and Economic Policy, and the American Intellectual Property Law Association.

Other

Unilateral Effects Analysis and Litigation Workshop (February 12, 2008) The Federal Trade Commission hosted a public workshop on February 12, 2008, to examine the application of unilateral effects theory to mergers of firms that sell competing, but differentiated products. “Unilateral effects” as a formal theory of competitive harm was added to the joint FTC/DOJ Horizontal Merger Guidelines in 1992.

Grocery Store Antitrust: Historical Retrospective & Current Developments (May 24, 2007) This one-day conference looked at antitrust analysis of the grocery industry including both historical analysis and analysis of current methods.


Broadband Connectivity Competition Policy (February 13-14, 2007) The Federal Trade Commission held a public workshop on “Broadband Connectivity Competition Policy” bringing together experts from business, government, and the technology sector, consumer advocates, and academics to explore competition and consumer protection issues relating to broadband Internet access, including so-called “network neutrality.”

Roundtable on the Economics of Internet Auctions  (October 27, 2005) The Bureau of Economics held a Roundtable on The Economics of Internet Auctions bringing together academic economists, government economists and industry professionals to discuss competition, network effects, fraud, lemons problems, inference, and demand estimation.
**Competition Policy and the Real Estate Industry  (October 25, 2005)**
The Federal Trade Commission and the Department of Justice’s (DOJ) Antitrust Division hosted a joint workshop covering new and innovative brokerage business models, multiple listing services, and the implications of state-imposed minimum-service requirements.

**Oil Industry Merger Effects  (January 14, 2005)**
The public conference discussed two recent studies that focused on the price effects of mergers and concentration in the United States petroleum industry.

**90th Anniversary Symposium   (September 22 - 23, 2004)**
The Federal Trade Commission honored the agency’s 90th anniversary and featured over 50 participants, current Commissioners and other agency officials, as well as prominent academics and practitioners, many of whom are Federal Trade Commission alumnæ.

**IV. International Activities**

Cooperation with antitrust agencies abroad is a key component of the FTC=s competition enforcement agenda, resulting in closer collaboration on cross-border actions, and convergence toward internationally consistent consumer welfare-based competition policies. Through the Office of International Affairs, the FTC closely coordinates its efforts with antitrust agencies abroad to resolve cases of mutual concern, resulting in more effective review and enforcement of multijurisdictional mergers and suspected anticompetitive behavior. In the past year, the Commission coordinated its international efforts in its merger enforcement program in several cases including:

- **Google/DoubleClick.** In December 2007, the Commission closed its investigation of Google’s proposed $3.1 billion acquisition of internet advertising server DoubleClick Inc., concluding that the acquisition was unlikely to substantially lessen competition. While the Commission noted that the acquisition would not harm competition in the relevant market, it noted its potential impact on consumer privacy and issued a set of proposed behavioral marketing principles. FTC staff cooperated closely on the transaction with agency staff in Australia, Canada and the EU.

- **Owens Corning/St. Gobain.** The FTC worked closely with the European Commission, Canada’s Competition Bureau, and the Mexican Federal Competition Commission to resolve the proposed combination of Owens Corning and St. Gobain, which competed in markets for certain types of glass fibre reinforcements used in the construction, automotive, and electronics sectors. The FTC and EC both accepted consent agreements with the parties in October 2007.

Through OIA, the FTC continues to build bilateral connections through ongoing discussions and continuing case coordination both in the United States and abroad. OIA regularly communicates with our sister law enforcement partners abroad, including Canada, Mexico, the European Union (EU) and its members, Australia, Japan, and Korea on competition cases and policy matters. FTC staff held formal bilateral consultations with the EU and Japan,
and Chairman Majoras met with her counterparts from Brazil, the Russian Federation, and the United Kingdom. The FTC also continues to consult with colleagues from India and China, the world’s two most populous nations, as they develop and implement their antitrust laws. FTC senior staff, along with those from the DOJ Antitrust Division, visited both jurisdictions over the past year and provided valuable advice to their competition officials, including through a four-day merger training program for their Chinese colleagues.

OIA also uses its strong bilateral relationships to help develop consistent international competition policy with foreign agencies, many of which request Commission input on new competition policy matters. For example, during the past year, the FTC consulted with the EC regarding its review of its nonhorizontal merger guidelines and merger remedies guidelines, with the Japan Fair Trade Commission on its revised intellectual property guidelines, with the Korea Fair Trade Commission regarding proposed amendments to its enforcement decree concerning excessive pricing, and with Canada’s Competition Policy Review Panel concerning the relationship between competition and competitiveness. Through OIA, the FTC will continue to share its expertise when requested with its foreign competition counterparts.

Multilateral competition organizations provide valuable opportunities to promote international cooperation and for competition officials to share insights on law enforcement and policy initiatives. The FTC participates actively in several such organizations, including the International Competition Network (ICN), the Organization for Economic Cooperation and Development (OECD), the United Nations Conference on Trade and Development (UNCTAD), and the Asia-Pacific Economic Cooperation (APEC).

V. Competition Speeches

“Market Definition in Online Markets”, (February 1, 2008) Michael R. Baye, Director, Bureau of Economics. “Merger Analysis in High Technology Markets”, George Mason University School of Law


“Maintaining our Focus at the FTC: Recent Developments and Future Challenges in Protecting Consumers and Competition”, (November 15, 2007) Deborah Platt Majoras, Chairman. “Keynote Address, ABA Section of Antitrust Law 7th Annual Fall Forum”


“Convergence, Conflict, and Comity: The Search for Coherence in International Competition Policy” (September 27, 2007) Deborah Platt Majoras, Chairman. “34th Annual Conference on International Antitrust Law & Policy” New York City


“I say Monopoly, You say Dominance: The Continuing Divide on the Treatment of Dominant Firms, is it the Economics?” (September 8, 2007) Thomas Rosch, Commissioner. “International Bar Association, Antitrust Section Conference”, Florence, Italy

“Addressing Dominance under China’s Anti-Monopoly Law” (July 21, 2007) William Blumenthal, General Counsel. “Symposium on Abuse of Dominance: Theory and Practice” The Competition Law Center of the University of International Business and Economics and the State Administration for Industry and Commerce, Beijing, China


Discussant Comments on Exploitative Abuses under Article 82 EC (June 9, 2007) William Blumenthal, General Counsel. “Robert Schuman Centre of the European University Institute, Twelfth Annual Competition Law and Policy Workshop”, Florence, Italy


"The Role of Competition Analysis in Regulatory Decisions” (May 15, 2007) Deborah Platt Majoras, Chairman. AEI/Brookings Joint Center Workshop, Washington, D.C.


"The Rule of Law in Chicago and Around the Globe" (May 2, 2007) Deborah Platt Majoras, Chairman. “Jones Day Chicago Office 20th Anniversary Celebration”, Chicago, IL


“A New Direction for Antitrust at the Supreme Court?” (March 1, 2007) Thomas Rosch, Commissioner. Minnesota State Bar Antitrust Section Meeting in Minneapolis, MN.

“Navigating Between Dystopian Worlds on Network Neutrality, With Misery and Wretchedness on Each Side, Can We Find A Third Way?” (February 13, 2007) Jon
Leibowitz, Commissioner. FTC Broadband Connectivity Competition Policy Workshop, Washington D.C.

Keynote Address (February 13, 2007) Deborah Platt Majoras, Chairman. FTC Workshop on Broadband Connectivity Competition Policy, Washington, D.C.

“Update of Recent Enforcement Activities and Priorities” (February 2, 2007) Jeffrey Schmidt, Director, Bureau of Competition. 46th Annual Advanced Antitrust Seminar: Distribution & Marketing. Practicing Law Institute, New York, NY.

“Three Recent Competition Issues at the FTC” (January 5, 2007) Michael A. Salinger, Director, Bureau of Economics. Industrial Organization Society Session at the American Social Science Association Meetings, Chicago, IL.


“Remedies” (October 29, 2006) Jeffrey Schmidt, Director, Bureau of Competition. Esapience Conference in Como, Italy.

“Adoption of Trade Regulations in China, Scope and Effect: An American's View” (October 20, 2006) Pamela Jones Harbour, Commissioner. New York State Bar Association International Law and Practice Section Fall 2006 Meeting, Shanghai, China.


“Lessons from the Masters” (September 28, 2006) Deborah Platt Majoras, Chairman. ABA Antitrust Section Masters Program, Kiawah Island, SC.


“Perspectives on Three Recent Votes: The Closing of the Adelphia Communications Investigation, the Issuance of the Valassis Complaint & the Weyerhaeuser Amicus Brief” (July 6, 2006) Thomas Rosch, Commissioner. National Economic Research Associates, 2006 Antitrust & Trade Regulation Seminar, Santa Fe, NM.

“Antitrust Modernization Commission Remarks” (June 8, 2006) Thomas Rosch, Commissioner. ABA Antitrust Modernization Commission Conference, Georgetown University Law Center, Washington, D.C.


“Assessing Whether What We Know is So” (March 31, 2006) Michael A. Salinger, Director, Bureau of Economics Salinger. ABA, 54th Antitrust Law Spring Meeting, Washington D.C.

“Breakfast with the Bureau Directors” (March 31, 2006) Jeffrey Schmidt, Director, Bureau of Competition. 2006 American Bar Association 54th Antitrust Law Spring Meeting, Washington D.C.


“Moneyball and Price Gouging” (February 27, 2006) Michael A. Salinger, Director, Bureau of Economics. Boston Bar Association, Antitrust Committee, Boston, MA.

“Economic Competition” (February 1, 2006) Deborah Platt Majoras, Chairman. Mexican Judicial Training Seminar Mexico City, Mexico.

“Ranking Exclusionary Conduct” (November 15, 2005) Susan Creighton, Director, Bureau of Competition. Remarks delivered at the ABA Section of Antitrust Law Fall Forum, Washington, D.C.


“The Status of Convergence on Transatlantic Merger Policy” (October 27, 2005) William Blumenthal, General Counsel. Written version of opening remarks delivered before a panel on "Cross-Atlantic Perspectives on Antitrust Enforcement" at the Fall Meeting of the International Law Section of the American Bar Association, in Brussels.

“Following the Yellow Brick Road to a More Competitive Landscape” (October 25, 2005) Jon Leibowitz, Commissioner. Remarks before the FTC/DOJ Workshop on Competition Policy in the Real Estate Industry.

“Health Care” An Interview with Commissioner Thomas B. Leary (October 2005) Thomas B. Leary, Commissioner. This is an interview with Commissioner Leary conducted by the ABA Antitrust Section Health Care Committee Newsletter, published in the ABA's Antitrust Health Care Chronicle, Vol. 19, No. 3.

“Recognizing the Procompetitive Potential of Royalty Discussions in Standard Setting” (September 23, 2005) Deborah Platt Majoras, Chairman. Stanford University, Stanford, California.


Remarks to the 2005 ABA Annual Meeting (August 6, 2005) Deborah Platt Majoras, Chairman. Chicago, Illinois,


Keynote Address (April 19, 2005) Deborah Platt Majoras, Chairman. OECD Workshop on Dispute Resolution and Consumer Redress.


“State of the FTC” (March 28, 2005) Deborah Platt Majoras, Chairman, Washington, DC.


“Category Management” An Interview with FTC Commissioner Thomas B. Leary (Spring 2005) Thomas B. Leary, Commissioner. This is an interview with Commissioner Leary conducted by the ABA Section of Antitrust Law, Sherman Act Section 2 Committee, published in the Sherman Act Section 2 Committee's newsletter, Vol. III No. 2.


Steering Committee of the Antitrust and Consumer Law Section of the D.C. Bar (February 23, 2005) Deborah Platt Majoras, Chairman. Keynote Speaker, Washington, DC.

“Current Topics in Antitrust, Economics and Competition Policy” (February 8, 2005) Deborah Platt Majoras, Chairman and Susan Creighton, Director, Bureau of Competition. Keynote Speakers, Charles River Associates Program, Washington, DC.


“Recent Actions at the Federal Trade Commission” (January 18, 2005) Deborah Platt Majoras, Chairman. The Dallas Bar Association’s Antitrust and Trade Regulation Section, Dallas, Texas.


“Looking Forward: Merger and Other Policy Initiatives at the FTC” (November 18, 2004) Deborah Platt Majoras, Chairman. ABA Antitrust Section Fall Forum, Washington, DC.


“Presenting Your Case to the FTC and DOJ - The Keys to Success”  (October 1, 2004) Pamela Jones Harbour, Commissioner.  ABA Antitrust Section 2004 Antitrust Masters Course, Atlanta, Georgia.

ABA Antitrust Section 2004 Antitrust Masters Course  (September 30, 2004) Deborah Platt Majoras, Chairman.  Atlanta, Georgia.


Report from the Bureau of Competition  (April 2, 2004) Barry Nigro, Deputy Director, Bureau of Competition.  52nd Annual ABA Antitrust Section Spring Meeting.


VI. Statistics

A. Fiscal Year 2008 (October 1, 2007 through February 29, 2008)

Part II Consent Agreements Accepted for Comment - 6
Merger and Joint Ventures – 4
Kyphon Inc./Disc-O-Technical Technologies Ltd.
Compagnie de Saint-Gobain/Owens Corning
Schering-Plough Corp/AkzoNobel
Great Atlantic & Pacific Tea Company/Pathmark Stores, Inc.

Nonmergers - 2
Multiple Listing Service, Inc.
Negotiated Data Solutions, LLC

Merger Transactions Abandoned - 1

Total Merger and Nonmerger Enforcement - 7
B. Fiscal Year 2007

Part II Consent Agreements Accepted for Comment - 25

Mergers and Joint Ventures – 14

The Boeing Company / Lockheed Martin Corp
Thermo Electron/Fisher Scientific
Barr Pharmaceuticals/Actavis Group/PLIVA
Watson Pharmaceuticals, Inc/Andrx
Service Corp. International / Alderwoods
Johnson & Johnson/Pfizer
General Dynamics OTS (Aerospace), inc. / SNC Technologies Inc.
Hospira, Inc./Mayne Pharma Limited
Kind Morgan Inc.
Actavis Group hf./Alan P. Cohen
Eckerd Drugs Inc/Rite Aid Corporation/Brooks Pharmacy, Inc./Jean Coutu
Jarden Corporation/K2, Inc
Fresenius AG/American Renal Association
Merck KGaA/Mylan Laboratories, Inc. and Mylan Pharmaceuticals, Inc.

Nonmergers - 9

IRES MLS for Northern Colorado
Monmouth County Association of Realtors
Realtors Association of Northeast Wisconsin, Inc.
Williamsburg Area Association of Realtors, Inc.
Northern New England Real Estate Network, Inc.
Advocate Health Partners
Missouri Board of Embalmers and Funeral Directors
Motor Oil Importers of Puerto Rico
Colegio de Optometras de Puerto Rico

Preliminary Injunctions Authorized - 3

Equitable Resources, Inc.
Giant Industries Inc./Western Refining
Whole Foods Market Inc./Wild Oats Markets Inc.

Administrative Complaints Issued - 5

Nonmergers - 2

MiRealSource, Inc.
RealComp II Ltd.

Mergers and Joint Ventures – 1

Equitable Resources, Inc.
Giant Industries Inc./Western Refining
Whole Foods Market Inc./Wild Oats Markets Inc.

Merger Transactions Abandoned - 5
Total Merger and Nonmerger Enforcement - 33

Note: In FY 2007 the Commission authorized both a PI and an Administrative Complaint in matters 0610140 - Equitable Resources/Dominion, 0610259 - Giant Industries/ Western refining and 0710114 Whole Foods/Wild Oats. For reporting purposes, however, these matters are only counted once as enforcement actions do avoid double counting.
C. Fiscal Year 2006

Part II Consent Agreements Accepted for Comment - 14

Mergers and Joint Ventures – 9
DaVita Inc./Gambro Healthcare, Inc.
Johnson & Johnson/Guidant Corporation
Teva Pharmaceutical Industries Ltd / Ivax Corporation
Allegran / Inamed Corporation
Fresenius AG/Renal Care Group
Boston Scientific Corp / Guidant Corp
Hologic, Inc./Fischer Imaging
Linde/BOC
EPCO/TEPPCO

Nonmergers - 5
Health Care Alliance of Laredo, L.C.
Valassis Communications, Inc.
Austin Board of Realtors
Puerto Rico Association of Endodontists, Corp.
New Century Health Quality Alliance, Inc.

Permanent Injunctions Authorized - 1
Warner Chilcott/Barr Laboratories

Merger Transactions Abandoned - 7

Total Merger and Nonmerger Enforcement - 22
D. Fiscal Year 2005

Part II Consent Agreements Accepted for Comment - 13

Mergers and Joint Ventures - 9
Cemex S.A. de C.V./RMC Group, PLC
Cytec Industries Inc./UCB S.A.
Genzyme Corporation/ILEX Oncology, Inc.
Occidental Chemical Corporation/Vulcan Materials Company
Chevron Texaco Corporation/Unocal Corporation
Valero L.P./Kaneb Services LLC
Novartis AG/Eon Labs, Inc.
Penn National Gaming, Inc./Argosy Gaming Company
The Procter & Gamble Company/The Gillette Company

Nonmergers - 4
Preferred Health Services
New Millennium Orthopedics LLC
San Juan IPA
Partners Health Network, Inc.

Preliminary Injunctions Authorized - 1
U.S. Restaurant Properties, Inc./Aloha Petroleum Corp

Civil Penalty Actions Filed - 2
Scott R. Sacane
Blockbuster, Inc./Hollywood Entertainment Corporation

Merger Transactions Abandoned - 4

Total Merger and Nonmerger Enforcement
(Includes 2 civil penalty actions) - 20
E. Fiscal Year 2004

Part III Administrative Complaints - 2

Mergers and Joint Ventures - 1
Evanston Northwestern Healthcare Corporation/Highland Park Hospital
Arch Coal, Inc./Triton Coal Company (Note: Preliminary Injunction Authorized During Fiscal Year - case counted under Preliminary Injunctions Authorized)

Nonmergers - 1
Piedmont Health Alliance, Inc.

Part II Consent Agreements Accepted for Comment

Mergers and Joint Ventures - 10
GenCorp Inc./Atlantic Research Corporation
General Electric Company/Agfa-Gevaert N.V.
L’Air Liquide SA/Messer Griesheim GmbH
Itron, Inc./Schlumberger Electric, Inc.
Sanofi-Synthélabo/Aventis, S.A.
Cephalon, Inc./Cima Labs, Inc.
General Electric Company/InVision Technologies, Inc.
Buckeye Partners, L.P./Shell Oil Company
Midstream Partners, L.P./Shell Oil Company
Enterprise Products Partners L.P./GulfTerra Energy Partners L.P.

Nonmergers - 7
New Hampshire Motor Transport Association
Memorial Hermann Health Network Providers
Tenet Healthcare Corporation
Southeastern New Mexico Physicians IPA
Clark County, Washington Attorneys
Virginia Board of Funeral Directors and Embalmers
White Sands Health Care System, LLC
E. Fiscal Year 2004
(continued)

Civil Penalty Actions Filed - 2
RHI AG
William H. Gates III

Preliminary Injunctions Authorized - 1
Arch Coal, Inc./Triton Coal Company

Permanent Injunctions Authorized - 1
Alpharma, Inc. and Perrigo Company

Merger Transactions Abandoned - 3

Total Merger and Nonmerger Enforcement
(Includes 2 civil penalty actions) - 26