

## 7. Other Business

Federal Communications Commission.

William F. Caton,

*Acting Secretary.*

[FR Doc. 96-4183 Filed 2-23-96; 8:45 am]

BILLING CODE 6712-01-M

**FEDERAL TRADE COMMISSION**

[File No. 961 0022]

**Litton Industries, Inc.; Consent Agreement With Analysis to Aid Public Comment**

AGENCY: Federal Trade Commission.

ACTION: Consent agreement.

**SUMMARY:** This Consent Agreement, accepted subject to final Commission approval, settles alleged violations of federal law prohibiting unfair or deceptive acts or practices and unfair methods of competition arising from Litton's proposed acquisition of all of the voting securities of PRC Inc., in a transaction valued at approximately \$425 million. The proposed complaint alleges that the acquisition, if consummated, would violate Section 7 of the Clayton Act, as amended, and Section 5 of the Federal Trade Commission Act, as amended, in the market for the research, development, manufacture and sale of Aegis destroyers for the United States Department of the Navy. The proposed consent order would, among other things, require Litton to divest all of the assets relating to the provision of systems engineering and technical assistance services ("SETA Services") in support of the U.S. Department of the Navy's Aegis destroyer program. In addition, Litton has signed an Interim Agreement providing that the terms of the Consent Agreement will become effective immediately.

**DATES:** Comments must be received on or before April 26, 1996.

**ADDRESSES:** Comments should be directed to: FTC/Office of the Secretary, Room H-159, Sixth Street and Pennsylvania Avenue, NW., Washington, DC 20580.

**FOR FURTHER INFORMATION CONTACT:** Ann B. Malester, FTC/S-2308, Washington, DC 20580 (202) 326-2682.

**SUPPLEMENTARY INFORMATION:** Pursuant to Section 6(f) of the Federal Trade Commission Act, 38 Stat. 721, 15 U.S.C. 46, and Section 2.34 of the Commission's Rules of Practice (16 CFR 2.34), notice is hereby given that the following consent agreement containing a consent order to cease and desist, having been filed with and accepted,

subject to final approval, by the Commission, has been placed on the public record for a period of sixty (60) days. Public comment is invited. Such comments or views will be considered by the Commission and will be available for inspection and copying at its principal office in accordance with Section 4.9(b)(6)(ii) of the Commission's Rules of Practice (16 CFR 4.9(b)(6)(ii)).

In the Matter of: Litton Industries, Inc., a corporation. File No. 961-0022.

**Agreement Containing Consent Order**

The Federal Trade Commission ("Commission"), having initiated an investigation of the proposed acquisition by Litton Industries, Inc. ("Litton") of PRC Inc. ("PRC"), and it now appearing that Litton, hereinafter sometimes referred to as "Proposed Respondent," is willing to enter into an agreement containing an order to divest certain assets, and providing for certain other relief:

It is hereby agreed by and between Proposed Respondent Litton, by its duly authorized officers and attorneys, and counsel for the Commission that:

1. Proposed Respondent Litton is a corporation organized, existing, and doing business under and by virtue of the laws of the state of Delaware with its principal executive offices located at 21240 Burbank Boulevard, Woodland Hills, California, 91367-6675.

2. Proposed Respondent admits all the jurisdictional facts set forth in the draft of complaint here attached.

3. Proposed Respondent waives:

- any further procedural steps;
- the requirement that the Commission's decision contain a statement of findings of fact and conclusions of law;

c. all rights to seek judicial review or otherwise to challenge or contest the validity of the order entered pursuant to this agreement; and

d. any claims under the Equal Access to Justice Act.

4. Proposed Respondent shall submit, within thirty (30) days of the date this Agreement is signed by Proposed Respondent, an initial compliance report, as contemplated by Rules 2.33 and 4.9(b)(7) of the Commission's Rules of Practice and Procedure, 16 CFR 2.33 and 4.9(b)(7), duly signed by the Proposed Respondent, setting forth in precise detail the manner in which Proposed Respondent will comply with Paragraphs II and III of the proposed consent order, when and if entered. Among other things, the report shall include a full and complete description of the efforts planned or underway to comply with the terms and conditions of the proposed order, including:

(1) a list of the firms to which Proposed Respondent (i) has offered, and (ii) intends to offer, the SETA Services Operations;

(2) the actions, procedures and directives Litton will employ to comply with Paragraphs II.G., II.H., II.I., and III of the proposed consent order.

5. This agreement shall not become part of the public record of the proceeding unless and until it is accepted by the Commission. If this agreement is accepted by the Commission it, together with the draft of complaint contemplated thereby, will be placed on the public record for a period of sixty (60) days and information in respect thereto publicly released. The Commission thereafter may either withdraw its acceptance of this agreement and so notify the Proposed Respondent, in which event it will take such action as it may consider appropriate, or issue and serve its complaint (in such form as the circumstances may require) and decision, in disposition of the proceeding.

6. This agreement is for settlement purposes only and does not constitute an admission by Proposed Respondent that the law has been violated as alleged in the draft of complaint here attached, or that the facts as alleged in the draft complaint, other than jurisdictional facts, are true.

7. This agreement contemplates that, if it is accepted by the Commission, and if such acceptance is not subsequently withdrawn by the Commission pursuant to the provisions of Section 2.34 of the Commission's Rules, the Commission may, without further notice to Proposed Respondent, (1) issue its complaint corresponding in form and substance with the draft of complaint here attached and its decision containing the following order to divest in disposition of the proceeding, and (2) make information public with respect thereto. When so entered, the order shall have the same force and effect and may be altered, modified, or set aside in the same manner and within the same time provided by statute for other orders. The order shall become final upon service. Delivery by the U.S. Postal Service of the complaint and decision containing the agreed-to order to Proposed Respondent shall constitute service. Proposed Respondent waives any right it may have to any other manner of service. The complaint may be used in construing the terms of the order, and no agreement, understanding, representation, or interpretation not contained in the order or the agreement may be used to vary or contradict the terms of the order.

8. Proposed Respondent has read the proposed complaint and order contemplated hereby. Proposed Respondent understands that once the order has been issued, it will be required to file one or more compliance reports showing that it has fully complied with the order. Proposed Respondent further understands it may be liable for civil penalties in the amount provided by law for each violation of the order after it becomes final. By signing this Agreement, Proposed Respondent represents that the relief contemplated by this Agreement can be accomplished.

Order

I

*It is ordered* that, as used in this order, the following definitions shall apply:

A. "Respondent" or "Litton" means Litton Industries, Inc., its directors, officers, employees, agents and representatives, predecessors, successors and assigns; its subsidiaries, divisions, groups and affiliates controlled by Litton, and their respective directors, officers, employees, agents and representatives, successors, and assigns.

B. "Ingalls" means Ingalls Shipbuilding, Inc., a subsidiary of Litton, with its principal place of business at 100 W. River Road, Pascagoula, Mississippi, 39568-0149, which is engaged in, among other things, the research, development, manufacture and sale of Aegis destroyers to the United States Department of the Navy, and its subsidiaries, divisions, groups and affiliates controlled by Ingalls, and their respective directors, officers, employees, agents and representatives, successors and assigns.

C. "Bath Iron Works" means Bath Iron Works Corporation, a subsidiary of General Dynamics Corporation, with its principal place of business at 700 Washington Street, Bath, Maine, 04530, which is engaged in, among other things, the research, development, manufacture and sale of Aegis destroyers to the United States Department of the Navy, and its subsidiaries, divisions, groups and affiliates controlled by Bath Iron Works, and their respective directors, officers, employees, agents and representatives, successors and assigns.

D. "PRC" means PRC Inc., a Delaware corporation with its principal place of business at 1500 Planning Research Boulevard, McLean, Virginia, 22102, which is engaged in, among other things, the provision of SETA Services

to the United States Department of the Navy in support of the Aegis destroyer shipbuilding program, its directors, officers, employees, agents and representatives, predecessors, successors and assigns; its subsidiaries, divisions, groups and affiliates controlled by PRC, and their respective directors, officers, employees, agents and representatives, successors, and assigns.

E. "Commission" means the Federal Trade Commission.

F. "Acquisition" means Litton's acquisition of all of the voting securities of PRC pursuant to a Stock Purchase Agreement dated December 13, 1995.

G. "SETA Services Operations" means all assets, properties, business and goodwill, tangible and intangible, held by PRC and used in the provision of SETA Services to the United States Department of the Navy under contract N00024-94-C-6430, including, without limitation, the following:

1. all rights, obligations and interests in contract N00024-94-C-6430 between the Naval Sea Systems Command and PRC;

2. all customer lists, vendor lists, catalogs, sales promotion literature, advertising materials, research materials, financial information, technical information, management information and systems, software, software licenses, inventions, trade secrets, intellectual property, patents, technology, know-how, specifications, designs, drawings, processes and quality control data;

3. all rights, title and interests in and to owned or leased real property, together with appurtenances, licenses and permits;

4. all rights, title and interests in and to the contracts entered into in the ordinary course of business with customers (together with associated bid and performance bonds), suppliers, sales representatives, distributors, agents, personal property lessors, personal property lessees, licensors, licensees, consignors and consignees;

5. all rights under warranties and guarantees, express or implied;

6. all books, records, and files;

7. all data developed, prepared, received, stored or maintained under contract N00024-94-C-6430 or any predecessor contract or subcontract to support the Aegis shipbuilding program, including the Aegis technical library; and

8. all items of prepaid expense.

H. "SETA Services" means systems engineering and technical assistance services provided by PRC to the United States Department of the Navy in

support of the Aegis destroyer shipbuilding program.

I. "Non-public Aegis Information" means any information not in the public domain furnished by Ingalls or Bath Iron Works or any other company to PRC in its capacity as provider of SETA Services under contract N00024-94-C-6430 and any predecessor contract.

II

*It is further ordered* That:

A. Litton shall divest, absolutely and in good faith, within ninety (90) days of the date Litton signs this order, the SETA Services Operations, and shall also divest such additional ancillary PRC assets as are necessary to assure the continued ability of the acquirer to provide SETA Services.

B. Litton shall divest the SETA Services Operations only to an acquirer that receives the prior approval of the Commission and of the United States Department of the Navy, and only in a manner that receives the prior approval of the Commission. The purpose of the divestiture is to ensure the continued provision of SETA Services in the same manner as provided by PRC at the time of the proposed divestiture, at no increased cost to the United States Department of the Navy, and to remedy the lessening of competition alleged in the Commission's complaint.

C. Pending divestiture of the SETA Services Operations, Litton shall take such actions as are necessary to ensure the continued provision of SETA Services, and to maintain the viability and marketability of the assets used to provide SETA Services, and to prevent the destruction, removal, wasting, deterioration or impairment of the assets used to provide SETA Services, and to prevent the disclosure of Non-public Aegis Information.

D. Upon reasonable notice from the acquirer or from the United States Department of the Navy to respondent, respondent shall provide such technical assistance to the acquirer as is reasonably necessary to enable the acquirer to provide SETA Services in substantially the same manner and quality as provided by PRC prior to divestiture. Such assistance shall include reasonable consultation with knowledgeable employees and training at the acquirer's facility for a period of time sufficient to satisfy the acquirer's management that its personnel are appropriately trained in the skills necessary to perform the SETA Services Operations. Respondent shall convey all know-how necessary to perform the SETA Services Operations in substantially the same manner and quality employed or achieved by PRC

prior to divestiture. However, respondent shall not be required to continue providing such assistance for more than one (1) year from the date of the divestiture. Respondent shall charge the acquirer at a rate no more than its own costs for providing such technical assistance.

E. At the time of the execution of a purchase agreement between Litton and a proposed acquirer of the SETA Services Operations, Litton shall provide the acquirer with a complete list of all current full-time, non-clerical, salaried employees of PRC engaged in the provision of SETA Services on the date of the purchase agreement. Such list shall state each such individual's name, position, address, telephone number, and a description of the duties of and work performed by the individual in connection with the SETA Services Operations.

F. Litton shall provide the proposed acquirer with an opportunity to inspect the personnel files and other documentation relating to the individuals identified in Paragraph II.E. of this order to the extent permissible under applicable laws. For a period of six (6) months following the divestiture, Litton shall further provide the acquirer with an opportunity to interview such individuals and negotiate employment contracts with them.

G. Litton shall provide all current employees identified in Paragraph II.E. of this order with financial incentives to continue in their employment positions pending divestiture of the SETA Services Operations, and to accept employment with the acquirer at the time of the divestiture. Such incentives shall include continuation of all employee benefits offered by Litton until the date of the divestiture, and vesting of all pension benefits.

H. For a period of two (2) years commencing on the date of the individual's employment by the acquirer, Litton shall not rehire any of the individuals identified in Paragraph II.E. of this order who accept employment with the acquirer.

I. Prior to divestiture, Litton shall not transfer any of the individuals identified in Paragraph II.E. of this order whose employment responsibilities involve access to Non-public Aegis Information from SETA Services Operations to any other positions.

### III

#### *It is further ordered That:*

A. Respondent shall not, absent the prior written consent of the proprietor of Non-Public Aegis Information, provide, disclose, or otherwise make

available to Ingalls or any other entity any Non-Public Aegis Information.

B. PRC shall use any Non-Public Aegis Information only in its capacity as provider of technical assistance to the acquirer, pursuant to Paragraph II.D. of this Order, unless PRC obtains the prior written consent of the proprietor of the Non-Public Aegis Information.

### IV

#### *It is further ordered That:*

A. If Litton has not divested, absolutely and in good faith, and with the prior approval of the Commission and the United States Department of the Navy, the SETA Services Operations within ninety (90) days of the date Litton signs this order, the Commission may appoint a trustee to divest the SETA Services Operations. In the event that the Commission or the Attorney General brings an action pursuant to section 5(l) of the Federal Trade Commission Act, 15 U.S.C. 45(l), or any other statute enforced by the Commission, Litton shall consent to the appointment of a trustee in such action. Neither the appointment of a trustee nor a decision not to appoint a trustee under this Paragraph IV shall preclude the Commission or the Attorney General from seeking civil penalties or any other relief available to it, including a court-appointed trustee, pursuant to section 5(l) of the Federal Trade Commission Act, or any other statute enforced by the Commission, for any failure by Litton to comply with this order.

B. If a trustee is appointed by the Commission or a court pursuant to Paragraph IV.A., Litton shall consent to the following terms and conditions regarding the trustee's powers, duties, authority, and responsibilities:

1. The Commission shall select the trustee, subject to the consent of Litton, which consent shall not be unreasonably withheld. The trustee shall be a person with experience and expertise in acquisitions and divestitures. If Litton has not opposed, in writing, including the reasons for opposing, the selection of any proposed trustee within ten (10) days after notice by the staff of the Commission to Litton of the identity of any proposed trustee, Litton shall be deemed to have consented to the selection of the proposed trustee.

2. Subject to the prior approval of the Commission, the trustee shall have the exclusive power and authority to divest the SETA Services Operations.

3. Within ten (10) days after appointment of the trustee, Litton shall execute a trust agreement that, subject to the prior approval of the Commission and, in the case of a court-appointed

trustee, of the court, transfers to the trustee all rights and powers necessary to permit the trustee to effect the divestiture required by this order.

4. The trustee shall have twelve (12) months from the date the Commission approves the trust agreement described in Paragraph IV.B.3. to accomplish the divestiture, which shall be subject to the prior approval of the Commission and of the United States Department of the Navy. If, however, at the end of the twelve month period, the trustee has submitted a plan of divestiture or believes that divestiture can be achieved within a reasonable time, the divestiture period may be extended by the Commission, or, in the case of a court-appointed trustee, by the court; provided, however, the Commission may extend this period only two (2) times.

5. The trustee shall have full and complete access to the personnel, books, records and facilities related to the SETA Services Operations, or to any other relevant information, as the trustee may request. Litton shall develop such financial or other information as the trustee may request and shall cooperate with the trustee. Litton shall take no action to interfere with or impede the trustee's accomplishment of the divestiture. Any delays in divestiture caused by Litton shall extend the time for divestiture under this Paragraph in an amount equal to the delay, as determined by the Commission or, for a court-appointed trustee, by the court.

6. The trustee shall use his or her best efforts to negotiate the most favorable price and terms available in each contract that is submitted to the Commission and to the United States Department of the Navy, subject to Litton's absolute and unconditional obligation to divest at no minimum price. The divestiture shall be made in the manner and to the acquirer as set out in Paragraph II of this order, provided, however, if the trustee receives bona fide offers from more than one acquiring entity, and if the Commission and the United States Department of the Navy determine to approve more than one such acquiring entity, the trustee shall divest the SETA Services Operations to the acquiring entity or entities selected by Litton from among those approved by the Commission and the United States Department of the Navy.

7. The trustee shall serve at the cost and expense of Litton, without bond or other security unless paid for by Litton, on such reasonable and customary terms and conditions as the Commission or a court may set. The trustee shall have

the authority to employ, at the cost and expense of Litton, such consultants, accountants, attorneys, investment bankers, business brokers, appraisers, and other representatives and assistants as are necessary to carry out the trustee's duties and responsibilities. The trustee shall account for all monies derived from the divestiture and all expenses incurred. After approval by the Commission and, in the case of a court-appointed trustee, by the court, of the account of the trustee, including fees for his or her services, all remaining monies shall be paid at the direction of Litton, and the trustee's power shall be terminated. The trustee's compensation shall be based at least in significant part on a commission arrangement contingent on the trustee's divesting the SETA Services Operations.

8. Litton shall indemnify the trustee and hold the trustee harmless against any losses, claims, damages, liabilities, or expenses arising out of, or in connection with, the performance of the trustee's duties, including all reasonable fees of counsel and other expenses incurred in connection with the preparation for, or defense of any claim, whether or not resulting in any liability, except to the extent that such liabilities, losses, damages, claims, or expenses result from misfeasance, gross negligence, willful or wanton acts, or bad faith by the trustee.

9. If the trustee ceases to act or fails to act diligently, a substitute trustee shall be appointed in the same manner as provided in Paragraph IV.A. of this order.

10. The Commission or, in the case of a court-appointed trustee, the court, may on its own initiative or at the request of the trustee issue such additional orders or directions as may be necessary or appropriate to accomplish the divestiture required by this order.

11. The trustee shall have no obligation or authority to operate or maintain the SETA Services Operations.

12. The trustee shall also divest such additional ancillary assets and businesses and effect such arrangements as are necessary to assure the marketability, viability and competitiveness of the SETA Services Operations.

13. The trustee shall report in writing to Litton and the Commission every sixty (60) days concerning the trustee's efforts to accomplish divestiture.

V

*It is further ordered* That Respondents shall comply with all terms of the Interim Agreement, attached to this order and made a part hereof as

Appendix I. Said Interim Agreement shall continue in effect until the provisions in Paragraphs II and III are complied with or until such other time as is stated in said Interim Agreement.

VI

*It is further ordered* That within thirty (30) days after the date this order becomes final and every thirty (30) days thereafter until Litton has fully complied with Paragraph II and IV of this order, Litton shall submit to the Commission a verified written report setting forth in detail the manner and form in which it intends to comply, is complying, and has complied with Paragraphs II and IV of this order. Litton shall include in its compliance reports, among other things that are required from time to time, a full description of the efforts being made to comply with Paragraphs II and IV including a description of all substantive contacts or negotiations for the divestiture required by this order, including the identity of all parties contacted. Litton shall include in its compliance reports copies of all written communications to and from such parties, all internal memoranda, and all reports and recommendations concerning the divestiture.

VII

*It is further ordered* That, for the purpose of determining or securing compliance with this order, Litton shall permit any duly authorized representatives of the Commission:

A. Access, during office hours and in the presence of counsel, to inspect and copy all books, ledgers, accounts, correspondence, memoranda and other records and documents in the possession or under the control of Litton, relating to any matters contained in this order; and

B. Upon five (5) days' notice to Litton, and without restraint or interference from Litton, to interview officers, directors, or employees of Litton, who may have counsel present, regarding any such matters.

VIII

*It is further ordered* That until Litton has completed all of its obligations under this order, Litton shall notify the Commission at least thirty (30) days prior to any proposed change in the Respondent such as dissolution, assignment, sale resulting in the emergence of a successor corporation, or the creation or dissolution of subsidiaries or any other change in the corporation that may affect compliance obligations arising out of the order.

IX

*It is further ordered* That, notwithstanding any other provision of this Order, this Order shall terminate ten (10) years from the date this Order becomes final.

Appendix I

In the Matter of: Litton Industries, Inc., a corporation. File No. 961-0022.

*Interim Agreement*

This Interim Agreement is by and between Litton Industries, Inc. ("Litton"), a corporation organized and existing under the laws of the State of Delaware, and the Federal Trade Commission (the "Commission"), an independent agency of the United States Government, established under the Federal Trade Commission Act of 1914, 15 U.S.C. 41, *et seq.*

*Premises*

Whereas, Litton has proposed to acquire one hundred percent of the voting securities of PRC Inc., a subsidiary of Black & Decker Corporation; and

Whereas, the Commission is now investigating the proposed acquisition to determine if it would violate any of the statutes the Commission enforces; and

Whereas, if the Commission accepts the Agreement Containing Consent Order ("Consent Agreement"), the Commission will place it on the public record for a period of at least sixty (60) days and subsequently may either withdraw such acceptance or issue and serve its Complaint and decision in disposition of the proceeding pursuant to the provisions of Section 2.34 of the Commission's Rules; and

Whereas, the Commission is concerned that if an understanding is not reached, preserving competition during the period prior to the final issuance of the Consent Agreement by the Commission (after the 60-day public notice period), there may be interim competitive harm and divestiture or other relief resulting from a proceeding challenging the legality of the proposed acquisition might not be possible, or might be less than an effective remedy; and

Whereas, Litton entering into this Interim Agreement shall in no way be construed as an admission by Litton that the proposed acquisition constitutes a violation of any statute; and

Whereas, Litton understands that no act or transaction contemplated by this Interim Agreement shall be deemed immune or exempt from the provisions of the antitrust laws or the Federal Trade Commission Act by reason of

anything contained in this Interim Agreement.

Now, Therefore, Litton agrees, upon the understanding that the Commission has not yet determined whether the proposed acquisition will be challenged, and in consideration of the Commission's agreement that, at the time it accepts the Consent Agreement for public comment, it will grant early termination of the Hart-Scott-Rodino waiting period, as follows:

1. Litton agrees to execute and be bound by the terms of the Order contained in the Consent Agreement, as if it were final, from the date Litton signs the Consent Agreement.

2. Litton agrees to deliver, within three (3) days of the date the Consent Agreement is accepted for public comment by the Commission, a copy of the Consent Agreement and a copy of this Interim Agreement to the United States Department of Defense and to General Dynamics Corporation.

3. Litton agrees to submit, within thirty (30) days of the date the Consent Agreement is signed by Litton, an initial report, pursuant to Section 2.33 of the Commission's Rules, signed by Litton setting forth in detail the manner in which Litton will comply with Paragraphs II and III of the Consent Agreement.

4. Litton agrees that, from the date Litton signs the Consent Agreement until the first of the dates listed in subparagraphs 4.a and 4.b, it will comply with the provisions of this Interim Agreement:

a. Ten (10) business days after the Commission withdraws its acceptance of the Consent Agreement pursuant to the provisions of Section 2.34 of the Commission's Rules;

b. The date the Commission finally issues its Complaint and its Decision and Order.

5. Litton waives all rights to contest the validity of this Interim Agreement.

6. For the purpose of determining or securing compliance with this Interim Agreement, subject to any legally recognized privilege and applicable United States Government national security requirements, and upon written request, and on reasonable notice, to Litton made to its principal office, Litton shall permit any duly authorized representative or representatives of the Commission:

a. Access during the office hours of Litton and in the presence of counsel to inspect and copy all books, ledgers, accounts, correspondence, memoranda, and other records and documents in the possession or under the control of Litton relating to compliance with this Interim Agreement; and

b. Upon five (5) days' notice to Litton and without restraint or interference from it, to interview officers, directors, or employees of Litton, who may have counsel present, regarding any such matters.

7. This Interim Agreement shall not be binding until accepted by the Commission.

#### Analysis of Proposed Consent Order To Aid Public Comment

The Federal Trade Commission ("Commission") has accepted subject to final approval an agreement containing a proposed Consent Order from Litton Industries, Inc. ("Litton"), under which Litton will be required to divest all of the assets relating to the provision of systems engineering and technical assistance services ("SETA Services") in support of the United States Department of the Navy's Aegis destroyer program. In addition, Litton has signed an Interim Agreement providing that the terms of the Consent Agreement will become effective immediately.

The proposed Consent Order has been placed on the public record for sixty (60) days for reception of comments by interested persons. Comments received during this period will become part of the public record. After sixty (60) days, the Commission will again review the proposed Consent Order and the comments received, and will decide whether it should withdraw from the proposed Consent Order or make final the proposed Order.

Pursuant to a Stock Purchase Agreement dated December 13, 1995, Litton proposed to acquire all of the voting securities of PRC Inc., in a transaction valued at approximately \$425 million. The proposed Complaint alleges that the acquisition, if consummated, would violate Section 7 of the Clayton Act, as amended, 15 U.S.C. 18, and Section 5 of the Federal Trade Commission Act, as amended, 15 U.S.C. 45, in the market for the research, development, manufacture and sale of Aegis destroyers for the United States Department of the Navy.

Litton is one of only two manufacturers of the Aegis destroyer, and PRC is the Navy's sole supplier of SETA Services for the Aegis program. In its capacity as SETA contractor for the Aegis program, PRC is charged with the responsibility for, among other things, developing technical and other specifications for Aegis destroyer procurements, assessing bid and other proposals submitted by the two Aegis destroyer manufacturers, and evaluating the cost and quality performance of the two Aegis destroyer producers. If the proposed acquisition takes place, Litton,

one of the two Aegis destroyer manufacturers, would become the Aegis SETA contractor as well.

The proposed acquisition of PRC by Litton raises antitrust concerns in two areas. First, to perform the function of SETA contractor for the Aegis program, it is necessary for PRC to obtain a great deal of highly competitively sensitive information, including detailed cost data, from the two Aegis destroyer manufacturers, Litton and General Dynamics. If Litton acquires PRC, and thus becomes the SETA contractor, Litton will have access to this information from its only Aegis destroyer competitor, General Dynamics. Access to this information may enable Litton to raise Aegis destroyer prices by bidding less aggressively than it otherwise would. Second, if Litton assumes the role of Aegis SETA contractor, it may be able to anticompetitively favor itself and disfavor General Dynamics in a variety of ways, such as setting unfair procurement specifications or submitting unfair performance evaluations.

The proposed Consent Order requires Litton to divest PRC's SETA contract for the Aegis program, and all of PRC's assets associated with the performance of that contract, within ninety (90) days of the date Litton signed the Consent Order. The proposed Consent Order states that this divestiture shall be to an acquirer approved by the Commission and the United States Department of the Navy. If Litton fails to divest the assets within ninety (90) days, a trustee may be appointed to accomplish the divestiture. The proposed Consent Order also requires Litton to provide technical assistance to the acquirer for a period of one (1) year, at the request of the United States Department of the Navy or of the acquirer.

The Order also requires Litton to provide the Commission a report of compliance with the divestiture provisions of the Order within thirty (30) days following the date the Order becomes final, and every thirty (30) days thereafter until Litton has completed the required divestiture.

The purpose of this analysis is to facilitate the public comment on the proposed Order, and it is not intended to constitute an official interpretation of the agreement and proposed Order or to modify in any way their terms.

By direction of the Commission.  
Donald S. Clark,  
Secretary.

Concurring Statement of Commissioner  
Mary L. Azcuenaga, Litton Industries/  
PRC, File No. 961 0022

I agree with my colleagues that the consent agreement that the Commission accepts today for purposes of soliciting public comment properly addresses the anticompetitive implications of the proposed transaction. I concur in the Commission's action except to the extent that Paragraph II.B. of the proposed order makes the Department of the Navy a participant with the Commission in giving antitrust approval to any divestiture proposed under Paragraph II.A. of the order.

With due deference to the Department of Defense and in full recognition that the Department of the Navy has the power to decide with which firms it will contract for the provision of goods and services vital to the national security, no persuasive argument has been presented to suggest that the Navy has or should have a role in deciding the competitive implications of a particular divestiture. In addition, no showing has been made that this case is unique, that national security issues or concerns relating to the integrity of the AEGIS destroyer program, to the extent they may be affected by this order, could not have been addressed, as they apparently have been in other defense-related transactions,<sup>1</sup> without inclusion of the Department of the Navy as a necessary participant in a decision committed by statute to the Commission.

The need to obtain technical assistance in reviewing commercial transactions in sophisticated markets is not uncommon. Nor should the Commission forget that national security is the province of the country's defense agencies. The Commission might well find it necessary to consult with the Department of the Navy both to assess the viability of a proposed buyer of the PRC assets to be divested and to ensure that a proposed transaction is not inconsistent with national security. I would have preferred, however, to accommodate that need in this case by means other than making the Department of the Navy a partner with the Commission in interpreting and applying a final order of the Commission.

[FR Doc. 96-4186 Filed 2-23-96; 8:45 am]

BILLING CODE 6750-01-M

## DEPARTMENT OF HEALTH AND HUMAN SERVICES

### Centers for Disease Control and Prevention

#### Advisory Committee for Injury Prevention and Control: Meeting

In accordance with section 10(a)(2) of the Federal Advisory Committee Act (Pub. L. 92-463), the Centers for Disease Control and Prevention (CDC) announces the following committee meeting.

*Name:* Advisory Committee for Injury Prevention and Control (ACIPC).

*Times and Dates:* 1 p.m.-4 p.m., March 18, 1996. 8:30-3:30 p.m., March 19, 1996.

*Place:* Wyndham Garden Hotel-Buckhead, 3340 Peachtree Road, NE, Atlanta, Georgia 30326.

*Status:* Closed: 1-2 p.m., March 18, 1996, and 8:30-9 a.m., March 19, 1996; Open: 2-4 p.m., March 18, 1996, and 9 a.m.-3:30 p.m., March 19, 1996.

*Purpose:* The Committee will continue to make recommendations on policy, strategy, objectives, and priorities including the balance and mix of intramural and extramural research; advise on the implementation of a national plan for inquiry prevention and control, the development of new technologies and their application; and review progress toward injury prevention and control.

*Matters to be Discussed:* The meeting will convene in closed session from 1-2 p.m. on March 18, 1996. The purpose of this closed session is for the Science and Program Review Work Group to consider Injury Control Research Center grant applications recommended for further consideration by the CDC Injury Research Grant Review Committee. On March 19, 1996, from 8:30 a.m. to 9 a.m., the meeting will convene in closed session in order for the full Committee to vote on a funding recommendation. These portions of the meeting will be closed to the public in accordance with provisions set forth in section 552(c) (4) and (6) title 5 U.S.C., and the Determination of the Associate Director for Management and Operations, CDC, pursuant to Public Law 92-463. Following the closed session of the Work Group, there will be discussions on future grant program announcements, ad hoc committee reports, and updates on further progress on standing Work Group issues. Following the closed session of the full Committee, the Committee will discuss (1) an update from the Director, National Center for Injury Prevention and Control (NCIPC); (2) biomechanics and injury control; (3) reports from the Family and Intimate Violence Subcommittee and the Science and Program Review Work Group; and (4) updates on injury issues from other Federal agencies.

Agenda items are subject to change as priorities dictate.

*Contact Person for More Information:* Mr. Thomas A. Bartenfeld, Acting Executive Secretary, ACIPC, NCIPC, CDC, 4770 Buford Highway, NE, M/S K60, Atlanta, Georgia 30341-3724, telephone 770/488-4230.

Dated: February 15, 1996.

Carolyn J. Russell,  
Director, Management Analysis and Services  
Office, Centers for Disease Control and  
Prevention (CDC).

[FR Doc. 96-4239 Filed 2-23-96; 8:45 am]

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#### Advisory Committee for Injury Prevention and Control (ACIPC): Family and Intimate Violence Prevention Subcommittee: Meeting

In accordance with section 10(a)(2) of the Federal Advisory Committee Act (Pub. L. 92-463), the Centers for Disease Control and Prevention (CDC) announces the following subcommittee meeting.

*Name:* ACIPC Family and Intimate Violence Prevention Subcommittee.

*Time and Date:* 9 a.m.-11:45 a.m., March 18, 1996.

*Place:* Wyndham Garden Hotel-Buckhead, 3340 Peachtree Road, NE, Atlanta, Georgia 30326.

*Status:* Open to the public, limited only by the space available.

*Purpose:* To provide and make recommendations to ACIPC and the Director, National Center for Injury Prevention and Control (NCIPC), regarding feasible goals for prevention and control of family and intimate violence. The Subcommittee makes recommendations regarding policies, strategies, objectives and priorities; and advises on the development of a national plan for family and intimate violence and the development of new technologies and their subsequent application.

*Matters to be Discussed:* The Subcommittee will discuss the funding of community-based and extramural research projects as well as discuss the Subcommittee's role on issues related to charter renewal.

Agenda items are subject to change as priorities dictate.

*Contact Person for More Information:* Ms. Denise Johnson, Acting Team Leader, Family and Intimate Violence Prevention Team, Division of Violence Prevention, NCIPC, CDC, 4770 Buford Highway, NE, M/S K60, Atlanta, Georgia 30341-3724, telephone 770/488-4410.

Dated: February 15, 1996.

Carolyn J. Russell,  
Director, Management Analysis and Services  
Office, Centers for Disease Control and  
Prevention (CDC).

[FR Doc. 96-4238 Filed 2-23-96; 8:45 am]

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#### Request for Nominations of Candidates to Serve on the National Vaccine Advisory Committee, Department of Health and Human Services

The Public Health Service (PHS) is soliciting nominations for possible

<sup>1</sup> See Lockheed Corporation, C-3576, decision and order (May 9, 1995); See also ARKLA, Inc., 112 F.T.C. 509 (1989).