

**FEDERAL TRADE COMMISSION**

**Study to Assess the Effectiveness of Commission Divestiture Orders Information Collection Requirement**

**AGENCY:** Federal Trade Commission.  
**ACTION:** Proposed collection; comment request.

**SUMMARY:** The FTC invites comments on the proposed information collection requests as required by the Paperwork Reduction Act of 1995.

**SUPPLEMENTARY INFORMATION:** Section 3506 of the Paperwork Reduction Act of 1995 (44 U.S.C. Chapter 35) requires that the Office of Management and Budget (OMB) provide interested Federal agencies and the public an early opportunity to comment on information collection requests. The FTC publishes this notice containing proposed information collection requests prior to submission of this request to OMB.

The FTC is soliciting public comments on the proposed collection of information. The FTC is especially interested in comments from members of the public and affected agencies concerning the proposed collection of information to: (1) Evaluate whether the proposed collection of information is necessary for the proper performance of the functions of the agency, including

whether the information will have practical utility, (2) Evaluate the accuracy of the agency's estimate of the burden of the proposed collection of information, including the validity of the methodology and assumptions used, (3) Enhance the quality, utility, and clarity of the information to be collected, and (4) Minimize the burden of the collection of information on those who are to respond, including through the use of appropriate automated, electronic, mechanical or other technological collection techniques or other forms of information technology, e.g., permitting electronic submission of responses.

*Title:* Study of the Effectiveness of the Commission's divestiture orders.

*Type of review:* New.

*Frequency:* Once.

*Affected public:* Businesses.

*Reporting and Recordkeeping Hour*

*Burden:*

*Responses:* Approximately 410.

*Burden Hours:* Approximately 1,000.

*Abstract:* This study is designed to assist the Commission in evaluating the effectiveness of its merger enforcement actions. Specifically, the study will inform the Commission about whether to modify its current divestiture procedures so as to make divestitures more timely and effective. The study includes some collection of information

from the public by means of telephone interviews, requests for documents, and a limited questionnaire. All interviews will be conducted on a voluntary basis. All information will be collected on a voluntary basis.

Comments submitted in response to this notice will be summarized and/or included in the request for OMB approval of the study. They also will become a matter of public record.

**DATES:** Comments on the proposed study must be submitted on or before December 30, 1996.

**ADDRESSES:** Written comments should be addressed to Elaine W. Crockett, Federal Trade Commission, 6th Street & Pennsylvania Avenue, NW, Room 598, Washington, DC 20580. Requests for copies of the proposed information requirements should be addressed to: Kenneth Davidson, Compliance Division, Bureau of Competition, Federal Trade Commission, Washington, DC 20580.

**FOR FURTHER INFORMATION CONTACT:** Kenneth Davidson, Compliance Division, Bureau of Competition, Federal Trade Commission, Washington, D.C. 20580 (202) 326-2863.

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

**Questionnaire**

Specification Number 1: In the chart below, provide annual net sales in dollars and units of [describe the product] for five years beginning the year before the [description of the divestiture]. Describe the units used. Describe how "net sales" were calculated. If the company's fiscal year is not the calendar year, describe the company's fiscal year and provide the data requested for the company's fiscal year closest to the calendar year requested. If requested data are not available, provide estimated data and describe the basis upon which the estimates were made.

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Annual net sales (\$\$\$)					
Annual net sales (units)					

<sup>1</sup> Company's fiscal year the year before the divestiture occurred.

<sup>2</sup> Company's fiscal year the year the divestiture occurred.

Specification Number Two: Provide interim and annual income statements and balance sheets for the divested assets for each of five years beginning the year before [describe the divestiture] occurred. If such statements were not produced in the course of business for the divested assets then provide these statements for the smallest business unit that contains said assets that were produced in the course of business.

**Outline of Questions for Buyer of Assets to be Divested**

**1. The Divestiture Process**

- a. How were you made aware of the order and the divestiture?
- b. Terms of the sales purchase agreement/lease
- c. Difficulties
- d. Did you get everything you were entitled to under the order and the sales purchase agreement, e.g. technical assistance, supply agreement, all assets.

- e. Did you get everything you expected to get under the order? The sales purchase agreement?
  - f. When did the divestiture actually occur?
  - g. Continuing relationship with respondent?
  - h. How did the divestiture fit into your business?
- 2. The Operation of the Assets**
- a. Have you ever operated the assets to make [product]
  - b. How quickly were you able to get

- into the market?
  - c. Current operation in the market
  - d. Market data
  - e. Market changes from time of acquisition until the present
- 3. Acquirer's Assessment of Divestiture/ Order.**

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