

Secretary, Room 159, 600 Pennsylvania Ave., NW, Washington, DC 20580. Two paper copies of each comment should be filed, and should be accompanied, if possible, by 3½ inch diskette containing an electronic copy of the comment. 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)).

Analysis of Proposed Consent Order To Aid Public Comment

The Federal Trade Commission has accepted, subject to final approval, an agreement containing a consent order from respondents Shell Oil Company and Shell Chemical Company (collectively, "Shell").

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 agreement and the comments received and will decide whether it should withdraw from the agreement or make final the agreement's proposed order.

Shell has manufactured, tested, advertised, and sold gasoline additives to its trade customers for inclusion in aftermarket fuel system treatment products that they, in turn, sold to the public. The Commission's proposed complaint alleges that by providing its trade customers with allegedly deceptive advertising and promotional materials, as well as with making allegedly false or misleading representations to them about test data, Shell provided the means and instrumentalities to its trade customers to deceive the public. The Commission's proposed complaint alleges the Shell made unsubstantiated representations that Shell gasoline additives significantly improve engine power and acceleration in motor vehicles generally. The complaint also challenges as unsubstantiated the representations that Shell gasoline additives are superior to other fuel system additives in improving engine power and acceleration. The complaint also challenges as false or misleading Shell's representations that scientific tests prove that Shell gasoline additives (a) significantly improve engine power and acceleration, and (b) are superior to other fuel system treatments in improving engine power and acceleration.

Furthermore, the proposed complaint alleges that in reporting test results to its trade customers in regard to tests Shell conducted on its additives and in regard

to tests Shell conducted on its customer's aftermarket fuel additive products which contained Shell's additives, Shell made false or misleading representations that such test results (a) constitute scientific proof that Shell gasoline additives and its customer's products that contain Shell additives, significantly improve engine power and acceleration, and (b) constitute scientific proof that Shell gasoline additives, and its customers products that contain Shell additives, are superior to other fuel system additives in improving engine power and acceleration.

The proposed consent order contains provisions designed to prevent respondents from engaging in similar acts and practices in the future.

Part I of the proposed order prohibits respondents claiming that any of their fuel additive products or ingredients improves power or acceleration, or is superior to other products in this regard, unless the claim is substantiated by competent and reliable scientific evidence. It also requires respondents to have substantiation for any representation concerning the performance, benefits, efficacy, attributes or use of any fuel additive product or ingredient.

Part II of the proposed order prohibits respondents from misrepresenting the existence, contents, validity, results, conclusion, or interpretations of any test, study or research done on any fuel additive product or ingredient.

Part III of the proposed order requires respondents to mail copies of the Commission's complaint and order to each trade customer that purchased the fuel additive product or ingredient involved in this matter.

Part IV of the proposed order requires respondents to maintain copies of all materials relied upon in making any representation covered by this order.

Part V of the proposed order requires respondents to distribute copies of the order to its operating divisions and to various officers, agents and employees of respondents.

Part VI of the proposed order requires respondents to notify the Commission of any changes in corporate structure that might affect compliance with the order.

Part VII of the proposed order requires respondents to file with the Commission one or more reports detailing compliance with the order.

Part VIII of the proposed order is a "sunset" provision, dictating that the order will terminate twenty years from the date it is issued or twenty years after a complaint is filed in federal court, by either the United States or the FTC, alleging any violation of the order.

The purpose of this analysis is to facilitate public comment on the proposed order. 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.

Benjamin I. Berman,
Acting Secretary.

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FEDERAL TRADE COMMISSION

[File No. 981 0030]

Ceridian Corporation; Analysis To Aid Public Comment

AGENCY: Federal Trade Commission.

ACTION: Proposed consent agreement.

SUMMARY: The consent agreement in this matter settles alleged violations of federal law prohibiting unfair or deceptive acts or practices or unfair methods of competition. The attached Analysis to Aid Public Comment describes both the allegations in the draft complaint that accompanies the consent agreement and the terms of the consent order—embodied in the consent agreement—that would settle these allegations.

DATES: Comments must be received on or before December 13, 1999.

ADDRESSES: Comments should be directed to: FTC/Office of the Secretary, Room 159, 600 Pennsylvania Ave., NW, Washington, DC 20580.

FOR FURTHER INFORMATION CONTACT: Michael Moiseyev, FTC/S-2308, 600 Pennsylvania Ave., NW, 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 above-captioned 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. The following Analysis to Aid Public Comment describes the terms of the consent agreement, and the allegations in the complaint. An electronic copy of the full text of the consent agreement package can be obtained from the FTC Home Page (for September 29, 1999), on the World Wide Web, at "http://www.ftc.gov/os/actions97.htm." A paper copy can be obtained from the FTC Public Reference Room, Room H-

130, 600 Pennsylvania Avenue, NW, Washington, DC 20580, either in person or by calling (202) 326-3627.

Public comment is invited. Comments should be directed to: FTC/Office of the Secretary, Room 159, 600 Pennsylvania, Ave., NW, Washington, DC 20580. Two paper copies of each comment should be filed, and should be accompanied, if possible, by a 3½ inch diskette containing an electronic copy of the comment. 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 (26 CFR 4.9(b)(6)(ii)).

Analysis of Proposed Consent Order To Aid Public Comment

The Federal Trade Commission ("Commission") has accepted, subject to public comment, an agreement containing a proposed Consent Order from Ceridian Corporation ("Ceridian"), which is designed to remedy the anticompetitive effects resulting from Ceridian's acquisitions of NTS Corporation and Trender Corporation. Under the terms of the agreement, Ceridian will grant licenses to providers of truck stop fuel desk automation systems to process transactions originated by Ceridian's fleet cards, and will grant licenses to fleet card issuers to have their cards processed through Ceridian's Trender fuel desk automation system.

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 an asset exchange agreement executed in January, 1998, Ceridian, through its wholly owned subsidiary Comdata Network, Inc. ("Comdata"), acquired substantially all of the assets of NTS. In March, 1995, Comdata Holdings Corporation, a subsidiary of Ceridian, acquired Trender Corporation. Because the price of Trender was below \$15 million, it was not reportable under the Hart-Scott-Rodino Antitrust Improvements Act. The proposed Complaint alleges that these two acquisitions violated 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

provision of fleet card services to over-the-road trucking companies and the market for truck stop fuel desk automation systems.

Fleet Card Services for Over-the-Road Trucking Companies

The services provided by fleet card issuers are of critical importance to over-the-road trucking companies. Fleet cards physically resemble traditional credit cards in that they are plastic laminated cards with embossed numbers on the front and a magnetic stripe on the back. Fleet cards are similar to traditional credit cards in that they provide a means by which cardholders can make purchases at retail locations that accept the card. Fleet cards issued on behalf of trucking companies provide additional services that go beyond the capabilities of traditional credit cards, allowing trucking companies to control the type, volume and frequency of their drivers' purchases, and capture important information relating to the transactions, such as drivers' odometer readings and vehicle identification numbers. Because of the specialized features of these fleet cards, traditional credit cards and other types of fleet cards are not acceptable substitutes. Comdata is the largest provider of fleet card services to over-the-road trucking companies in the United States. At the time Ceridian acquired NTS, NTS and Comdata were substantial, actual competitors in that market.

Fuel Purchase Desk Automation Systems

Fuel purchase desk automation systems are the means by which most truck stops process fleet card transactions. Fuel purchase desk automation systems used by truck stops can process multiple card issuers' fleet cards with a single device, thereby minimizing the physical space truck stops must allocate to point of sale ("POS") equipment and the training required for fuel purchase desk attendants. Such systems report transactions data and other information to the fleet card issuer, process the approval or rejections of requested transactions, and interface with fueling pumps. Comdata's fuel purchase desk automation system, Trender, is the dominant means by which truck stops process fleet card transactions.

Fleet cards and fuel purchase desk automation systems are complementary products, and both products exhibit strong network effects. Demand for a fleet card rises with the number of truck stops that accept the card, which in turn depends on the number of fuel purchase

desk automation systems that accept the card. Similarly, demand for a fuel purchase desk automation system rises with the number of fleet cards that can use the system. Effective entry into either market alleged in the complaint would be difficult, time consuming and unlikely to be successful without access to a substantial portion of the other market.

Effects of the Acquisitions

The acquisitions of NTS and Trender resulted in Comdata's having a dominant position in both the fleet card services market and the fuel purchase desk automation systems market. In addition, the acquisitions raised barriers to entry in both markets, because effective entry into either market now requires Comdata's acquiescence. In the absence of the two acquisitions, Comdata would have had strong incentives to ensure that its fleet card was accepted on as many fuel purchase desk automation systems as possible, and Trender would have maximized its value by accepting as many fleet cards as possible, and Trender would have maximized its value by accepting as many fleet cards as possible. With the acquisitions, however, these incentives became skewed: Comdata now must consider the impact on its Trender system of allowing a competing fuel purchase desk automation system to process its card, and the impact on its fleet card business of allowing a rival fleet card to be processed on the Trender system.

The market for the provision of fleet card services for over-the-road trucking companies is highly concentrated. Comdata controls the majority of that market and, with its acquisition of NTS, is more than five times larger than its nearest competitor. At the time of its acquisition, NTS was Comdata's closest competitor in the market for fleet card services for over-the-road trucking companies. The market for fuel purchase desk automation systems is also highly concentrated. At the time of its acquisition by Comdata, Trender was the leading supplier of truck stop fuel purchase desk automation systems in the United States. Trender remains the nation's leading supplier of truck stop fuel purchase desk automation systems.

Ceridian's acquisitions of NTS and Trender have given Comdata the power to control new entry into, and expansion by incumbent providers in, both the market for the provision of fleet card services to over-the-road trucking companies and the market for truck stop fuel purchase desk automation systems. By acquiring Trender, Comdata gained control of the predominant means by

which fleet cards are processed by truck stops. Comdata therefore has the ability to preclude or delay new entry into the fleet card market, and to discipline or disadvantage new entrants or incumbent providers of fleet cards who seek to compete effectively with Comdata, by denying them access to Trendar's POS system or by granting access only on discriminatory terms. The investigation revealed evidence that Comdata has delayed or denied some fleet card competitors access to Trendar and Comdata has increased the fees to other firms for Trendar access. Similarly, by acquiring NTS, Comdata enhanced its control over the means by which over-the-road trucking companies purchase fuel.

In addition, both acquisitions increased the difficulty of entry into the fuel purchase desk automated system market. Comdata can defend Trendar's dominant position in that market by denying new entrants access to the fleet card protocols needed to process Comdata and NTS cards, or by granting access only on discriminatory terms. The investigation revealed evidence that Comdata has sought to impede entry. Given Comdata's dominance in the fleet card market, truck stop operators are unlikely to accept a POS system that cannot process Comdata's fleet cards. Because of the complementary nature of the fleet card and fuel purchase desk automation systems products, a new entrant that is unable to secure access to Comdata's products would have to enter both markets simultaneously. Such entry would be time consuming and costly, and is much less likely to be successful.

The Proposed Consent Order

While litigation with a goal of forcing the divestiture of NTS and Trendar was an alternative considered by the Commission, the proposed Consent Order effectively remedies the competitive effects of the two acquisitions without the delay and expenditure of resources that would be incurred with litigation. The proposed Consent Order requires Ceridian to grant fleet card issuers access to Comdata's Trendar fuel purchase desk automation system, and to grant fuel purchase desk automation suppliers the right to process Comdata's fleet cards. While access to the Trendar network and the NTS card could also have been accomplished through divestiture, the Commission concluded that divestiture was not necessary to resolve the competitive concerns raised by the two transactions, in part because numerous firms have indicated that they intend to take advantage of the terms of the

proposed Consent Order to enter or expand their presence in the two markets.

In order to remedy the concerns in the fleet card services market, the Consent Order requires Comdata, for a period of three years, to grant a ten-year license to effect transactions on the Trendar system to any company providing, or seeking to provide, fleet card services. The order requires Comdata to refer any requests for such a license to a third-party developer approved by the Commission, that will perform all programming or other services necessary to enable the licensee to process transactions on the Trendar system. Once such programming services are completed by the third-party developer, Comdata is required to promptly disseminate the software to all truck stops on the Trendar network. Comdata is further required to provide licensees with equal access to any upgrades or modifications to the Trendar system, and is prohibited from basing any transaction fees charged to truck stops for processing the Comdata card, as well as access to the Comdata card, on whether such truck stops accept any other firm's fleet cards.

In order to remedy concerns in the fuel purchase desk automation systems market, the Consent Order requires Comdata, for a period of three years, to grant a ten-year license to all incumbent suppliers of fuel purchase desk automation systems, and to the first three new system providers that request a license. The license awarded to new system providers shall be transferable, ensuring that if a better positioned entrant emerges in the future, it will be able to acquire a license.

In order to qualify for a license, new system providers must meet certain established criteria. Under the Consent Order, Comdata is required to promptly provide all licensees with all information or assistance necessary to enable the licensee to effect Comdata card transactions in a manner comparable to the way in which those transactions are processed on the Trendar system. The Order permits Comdata to certify that a licensee's system is capable of processing Comdata card transactions using criteria set forth in the Consent Order, and, if Comdata denies such certification, it must provide a complete enumeration for the reasons for such denial. The Order further requires Comdata to grant licensees complete and equal access to all Comdata card functions, upgrades and new developments. Finally, the Order provides that Comdata may not discriminate against any supplier of fuel purchase desk automation systems by

charging transaction fees to truck stops that are based on which fuel purchase desk automation system the truck stop uses.

The Consent Order contains additional provisions that are designed to prevent the flow of confidential information obtained from Comdata's competitors between Comdata's fleet card and fuel purchase desk automation system businesses. Under the Order, Comdata is prohibited from providing any non-public information obtained from fuel purchase desk automation system providers to its Trendar business. Likewise, the Order prohibits Comdata from providing any non-public information obtained from fleet card issuers to its Comdata card business.

In order to ensure Comdata's compliance with the terms of the Order, the Commission is allowed to appoint a trustee to monitor any disputes, claims or controversies arising under the Order. The order specifically permits the monitor-trustee to prepare a report for the Commission relating to any failure by Comdata to certify either a fuel purchase desk automation system or a new fleet card and any failure by the third-party developer to provide programming and certification services to fleet card issuers in a timely manner. The trustee is also permitted, where appropriate, to report to the Commission regarding Ceridian's compliance with the Order.

The purpose of this analysis is to facilitate 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 their terms in any way.

By direction of the Commission.

Benjamin I. Berman,

Acting Secretary.

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FEDERAL TRADE COMMISSION

[File No. 982 3046]

Conopco, Inc; Analysis To Aid Public Comment

AGENCY: Federal Trade Commission.

ACTION: Proposed consent agreement.

SUMMARY: The consent agreement in this matter settles alleged violations of federal law prohibiting unfair or deceptive acts or practices or unfair methods of competition. The attached Analysis to Aid Public Comment describes both the allegations in the draft complaint that accompanies the consent agreement and the terms of the