

UNITED STATES OF AMERICA  
FEDERAL TRADE COMMISSION

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In the Matter of )  
 )  
North Texas Specialty Physicians, )  
Respondent )  
 )  
\_\_\_\_\_ )

Docket No. 9312

**DECLARATION OF JOHN H. LOVELADY IN SUPPORT OF NON-PARTY  
PACIFICARE OF TEXAS, INC.’S MOTION FOR IN CAMERA TREATMENT  
OF CERTAIN DESIGNATED HEARING EXHIBITS**

I, John H. Lovelady, declare and state as follows:

- 1. I am Vice President of Network

with those individuals requiring the knowledge contained within the document or the subject of the testimony. Additionally, each such document and portion of deposition testimony has, upon production in this case, been designated “Confidential” or “Restricted Confidential, Attorney Eyes Only” pursuant to the Protective Order entered October 16, 2003.

4. Each of the documents and portions of deposition testimony identified in PacifiCare’s Motion Requesting In Camera Treatment of Certain Designated Hearing Exhibits and listed in Attachment A contains highly sensitive information relating to the prices and terms at which PacifiCare contracts for healthcare services. The public disclosure of any of this critically sensitive information would be highly detrimental to PacifiCare as it would provide both the healthcare providers with whom PacifiCare does or may contract and PacifiCare’s competitors with sensitive pricing and contracting terms, causing serious and irreparable harm to PacifiCare resulting in significant loss of business advantage.

5. Documents and deposition testimony containing information relevant to the prices and terms at which PacifiCare contracts for healthcare services are important to PacifiCare’s business, competitiveness and profitability. Were a competitor to know with certainty (as opposed to unverified belief) the pricing and contracting terms of PacifiCare, PacifiCare’s competitors would have gained an advantage at the expense of PacifiCare. Moreover, healthcare providers armed with PacifiCare’s pricing and contracting information could use it to their advantage in future negotiations with PacifiCare.

6. The documents and deposition testimony for which PacifiCare