

A A A A
A B
*In the Matter of Reed Elsevier NV, Reed Elsevier PLC,
Reed Elsevier Group plc, Reed Elsevier Inc., ChoicePoint Inc.,
ChoicePoint Services Inc., and ChoicePoint Government Services LLC
File No. 081-0133*

The Federal Trade Commission (“Commission”) has accepted, subject to final approval, an Agreement Containing Consent Orders (“Consent Agreement”) from Reed Elsevier NV, Reed Elsevier PLC, Reed Elsevier Group plc, and Reed Elsevier Inc. (collectively “Reed Elsevier”), and ChoicePoint Inc., ChoicePoint Services Inc., and ChoicePoint Government Services LLC (collectively “ChoicePoint”). The purpose of the proposed Consent Agreement is to remedy the anticompetitive effects that would otherwise result from Reed Elsevier’s proposed acquisition of ChoicePoint in the U.S. market for electronic public records services to law enforcement customers. Under the terms of the proposed Consent Agreement, Reed Elsevier and ChoicePoint are required to divest assets related to ChoicePoint’s AutoTrackXP and Consolidated Lead Evaluation and Reporting (“CLEAR”) electronic public records services.

The proposed Consent Agreement has been placed on the public record for thirty days to solicit comments from interested persons. Comments received during this period will become part of the public record. After thirty days, the Commission will again review the proposed Consent Agreement and the comments received, and will decide whether it should withdraw from the proposed Consent Agreement, modify it, or make it final.

Pursuant to an Agreement and Plan of Merger dated February 20, 2008, Reed Elsevier has agreed to acquire ChoicePoint for approximately \$4.1 billion (“Proposed Acquisition”). The Commission’s complaint alleges that the Proposed 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, by lessening competition in the market for electronic public record services sold to law enforcement customers in the United States. The proposed Consent Agreement would remedy the alleged violations by replacing the competition that would be lost in this market as a result of the Proposed Acquisition.

Reed Elsevier is a worldwide, leading information services provider and publisher with headquarters in London, Amsterdam, and New York. Reed Elsevier’s LexisNexis division provides information and risk management products and services to financial, business, law enforcement, and government customers. LexisNexis’s Risk and Information Analytics Group (“RIAG”) provides public records services and risk management and information analytics applications designed to assist customers in managing risk through fraud detection and

prevention, identity authentication and verification, and background screening. Reed Elsevier reported revenues of £4.6 billion (\$9.3 billion) for 2007.

ChoicePoint, headquartered in Alpharetta, Georgia, is a leading provider of a variety of services used by customers to manage economic risk. ChoicePoint has four primary service groups: Insurance Services, Screening and Authentication Services, Business Services, and Marketing Services. For 2007, ChoicePoint reported revenues of \$982 million.

Electronic public records encompasses a wide array of public and non-public records about individuals and businesses, including credit header data, criminal records, motor vehicle records, property records, and employment records. Electronic public records service providers such as LexisNexis and ChoicePoint compile these records, either by going directly to the source or by purchasing these records from third parties, and present them to end users via an online, web-based interface.

Law enforcement customers utilize electronic public records services as an investigatory tool in complex criminal investigations, such as combating terrorism, locating fugitives, and detecting illegal drug transactions. Unlike other consumers of electronic public records services, such as collections agencies who use these services for simple and discrete tasks such as locating an individual, law enforcement customers use electronic public records services to uncover previously unknown information and to generate leads in their investigations. Law enforcement customers, therefore, only work with electronic public records services providers with the most comprehensive, up-to-date, and accurate records available, as deficiencies in the underlying database could compromise the effectiveness of these services.

The anticompetitive implications of such a dramatic increase in concentration are buttressed by evidence of intense head-to-head competition that would be lost with the Proposed

customer service, billing support, and database and network maintenance for up to two years to enable West to compete against Reed Elsevier immediately following the divestiture. Second, the proposed Consent Agreement ensures that Reed Elsevier will maintain the viability and marketability of the AutoTrackXP and CLEAR assets prior to the divestiture. Finally, the proposed Consent Agreement allows the Commission to appoint an Interim Monitor to ensure that Reed Elsevier fulfills all of its obligations related to the divestiture of the assets.

In order to ensure that the Commission remains informed about the status of the AutoTrackXP and CLEAR assets pending divestiture, and about the efforts being made to accomplish the divestiture, the proposed Consent Agreement requires Reed Elsevier to file periodic reports with the Commission until the divestiture is accomplished.

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