

implements the Bank Protection Act of 1968. (Note that the final rule revising Regulation H adopted by the Board on July 7, 1998, incorporates the provisions of Regulation P into Regulation H and rescinds Regulation P effective October 1, 1998 (63 FR 37629).) Each state member bank must develop and implement a written security program and maintain it in the bank's records. There is no formal reporting form and the information is not submitted to the Federal Reserve.

3. *Report title:* Annual Report on Status of Disposition of Assets Acquired in Satisfaction of Debts Previously Contracted

Agency form number: FR 4006
OMB Control number: 7100-0129
Frequency: annual

Reporters: bank holding companies
Annual reporting hours: 3,000

Estimated average hours per response:

5

Number of respondents: 600

Small businesses are affected.

General description of report: This information collection is mandatory (12 U.S.C. 1842(a), 1843(c)(2), and 1844(c)) and may be given confidential treatment upon request (5 U.S.C. 552(b)(4)).

Abstract: Bank holding companies that have acquired assets or shares through foreclosure in the ordinary course of collecting a debt previously contracted are required to submit the report for assets or shares that have been held beyond two years from the acquisition date. The report does not have a required format; bank holding companies submit the information in a letter. The letter contains information on the progress made to dispose of such assets or shares and allows the bank holding company to request an extension of time for holding such assets or shares.

4. *Report title:* Notice of Branch Closure

Agency form number: FR 4031
OMB Control number: 7100-0264
Frequency: on occasion

Reporters: state member banks
Annual reporting hours: 783

Estimated average hours per response: reporting: 2; disclosure: 1; recordkeeping: 8

Number of respondents: reporting and disclosure: 226; recordkeeping: 13
Small businesses are affected.

General description of report: This information collection is mandatory (12 U.S.C. 1831r-1) and may be given confidential treatment upon request (5 U.S.C. 552(b)(4)).

Abstract: These reporting, recordkeeping, and disclosure requirements regarding the closing of any branch of an insured depository institution are imposed by section 228

of the Federal Deposit Insurance Corporation Improvement Act of 1991. There is no reporting form associated with the reporting portion of this information collection; state member banks notify the Federal Reserve by letter prior to closing a branch. The Federal Reserve uses the information to fulfill its statutory obligation to supervise state member banks.

5. *Report title:* Survey to Obtain Information on the Relevant Market in Individual Merger Cases

Agency form number: FR 2060
OMB Control number: 7100-0232
Frequency: on occasion

Reporters: small businesses and consumers

Annual reporting hours: 55

Estimated average hours per response: 10 minutes for small businesses, 6 minutes for consumers

Number of respondents: 25 small businesses and 50 consumers per survey
Small businesses are affected.

General description of report: This information collection is voluntary (12 U.S.C. 1817(j), 1828(c), and 1841 *et seq.*) and is given confidential treatment (5 U.S.C. 552(b)(4) and (b)(6)).

Abstract: This telephone survey is designed to determine from what sources small businesses and consumers obtain financial services. The information is needed for specific merger and acquisition applications to determine relevant banking markets in the analysis of local market competition.

Final approval under OMB delegated authority of the implementation of the following report:

1. *Report title:* Selected Balance Sheet Items for Discount Window Borrowers

Agency form number: FR 2046
OMB Control number: 7100-0289
Frequency: on occasion

Reporters: depository institutions
Annual reporting hours: 3,091

Estimated average hours per response: .75 hours for adjustment or extended credit borrowers; .25 hours for seasonal credit borrowers

Number of respondents: 424
adjustment credit borrowers and 316 seasonal credit borrowers, based on 1996 borrowing. There was no extended credit borrowing during 1996, which was representative of most recent years. Small businesses are affected.

General description of report: This information collection is mandatory (12 U.S.C. §§ 347b and 248(a)(2) and (i)) and is given confidential treatment (5 U.S.C. 552(b)(4)).

Abstract: The Federal Reserve's Regulation A, "Extensions of Credit by Federal Reserve Banks," (12 CFR 201) requires that Reserve Banks review balance sheet data in order to guard

against inappropriate discount window borrowing situations. Currently, borrowers are requested to report certain balance sheet data for a period that encompasses the dates of borrowing. There is considerable variation across Districts in the specific data elements collected, in the time periods for which data are requested, and in the formats in which data are reported. The FR 2046 report standardizes these aspects of data collection across Reserve Banks.

The Federal Reserve received two comments on the FR 2046 proposal. Two Reserve Banks submitted letters in support of the proposal.

Board of Governors of the Federal Reserve System, August 20, 1998.

Jennifer J. Johnson,

Secretary of the Board.

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FEDERAL TRADE COMMISSION

[File No. 971-0007]

Exxon Corporation, et al.; 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 October 26, 1998.

ADDRESSES: Comments should be directed to: FTC/Office of the Secretary, Room 159, 6th St. and Pa. Ave., NW., Washington, DC 20580.

FOR FURTHER INFORMATION CONTACT: William Baer or Joseph Krauss, FTC/H-374, Washington, DC 20580. (202) 326-2932 or 326-2713.

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 August 20, 1998), 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, Sixth Street and Pennsylvania Avenue, NW., Washington, DC 20580, either in person or by calling (202) 326-3627. 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)).

Analysis of Proposed Consent Order To Aid Public Comment

The Federal Trade Commission ("Commission") has accepted, subject to final approval, an Agreement Containing Consent Order ("Agreement") from Exxon Corporation ("Exxon"), and from The Shell Petroleum Company Limited and Shell Oil 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.

Both Exxon and Shell develop, manufacture, market and sell additives used in the production of fuels and lubricants, including viscosity index improvers used in lubricants for crankcase applications ("motor oil" and "engine oil".) Viscosity index improvers ("VII") (also known as "viscosity modifiers") are added to motor oil to improve the ability of the motor oil to flow properly. The viscosity of a fluid is its internal resistance to flow; the higher the viscosity, the more resistance to flow. The viscosity of lubricating oil is affected by temperature, higher temperatures lowering the viscosity. Motor oil must have sufficient viscosity to adhere to the internal surfaces of the engine even after the engine temperature rises and reduces the oil's viscosity. Motor oil must also have low enough viscosity to flow through the engine when the engine is cold, particularly in winter weather. Viscosity index improvers give motor oil the ability to have the appropriate high viscosity at high temperatures and the

appropriate low viscosity at low temperatures.

The market for the viscosity index improvers in North America is highly concentrated. Exxon and Shell collectively account for over one-half of the sales of VII for use in motor oil in North America.

On July 10, 1996, Exxon and Shell announced an intention to form a joint venture to own and operate their businesses engaged in the development, manufacture, marketing and sale of additives used in the production of fuels and lubricants (the "Joint Venture"). Among other products, the Joint Venture proposed to include the portions of the businesses of Exxon and Shell that are in the viscosity index improver business.

The Proposed Complaint

The proposed complaint alleges that the proposed acquisition may substantially lessen competition in the development, manufacture, marketing and sale of viscosity index improvers. The proposed complaint also alleges that North America is the relevant geographic market for evaluating the Joint Venture's effect on the viscosity index improver market.

The proposed complaint alleges that Exxon and Shell account for over one-half of the sales of VII in the relevant market. The complaint further alleges that the proposed transaction would increase the likelihood of or facilitate collusion or coordinated interaction between the Joint Venture and the remaining competitors in viscosity index improvers.

The proposed complaint alleges that entry into the alleged market would not be timely, likely, and sufficient to deter or offset the adverse effects of the Joint Venture on competition in these markets. Entry into the market for viscosity index improvers requires developing a viscosity index improver that meets industry standards. This is difficult and time consuming and takes over two years. Entry into the market for viscosity index improvers also requires that the entrant either build a plant to manufacture synthetic rubber or find an operating plant that will supply the new entrant synthetic rubber that can be used for viscosity index improver for motor oil. The proposed complaint alleges that building a new manufacturing facility for the production of synthetic rubber of the type that can be used in the production of VII would take over two years and that there are few, if any, producers of synthetic rubber of the types that can be used for VII that could supply a new entrant.

The Proposed Order

The proposed Order would remedy the alleged violation by preserving the competition that would otherwise be lost as a result of the formation of the Joint Venture, by requiring the sale of Exxon's viscosity index improver business to a Commission-approved buyer prior to consummation of the Joint Venture or within 6 months of signing the Agreement. Exxon has come forward with a prospective purchaser, Chevron Chemical Company LLC ("Chevron"), a subsidiary of Chevron Oil Company. The Oronite division of Chevron already develops, manufactures, markets and sells lubricant additives. Exxon and Chevron have negotiated an agreement of sale. Under the proposed order, Exxon may either proceed to sell its viscosity index improver business to Oronite, including in the sale those assets that Oronite and Exxon have negotiated, or sell to another buyer that the Commission approves. If Exxon sells to another buyer, it must include in the sale the assets enumerated in the proposed Order. Another buyer that, unlike Chevron, does not have a division already producing additives for lubricants may need assets that are part of Exxon's viscosity index improver business that Chevron did not need.

Under the proposed Order, Exxon may complete the proposed divestiture to Chevron and then consummate the Joint Venture with Shell once the Commission has accepted the Agreement. If Exxon completes the sale to Chevron before the proposed Order is made final, the proposed Order requires that Exxon rescind the sale to Oronite if the Commission determines after the public comment period that the proposed sale to Oronite is not appropriate relief. In such a situation, if Exxon and Shell have consummated the Joint Venture, the proposed Order requires that the assets then be held under a hold separate agreement until they can be divested. If the divestiture is not completed within six months of the date the parties signed the Agreement, then the Commission may appoint a trustee to effect the sale of the assets.

The proposed Order does not require the sale of a plant to manufacture synthetic rubber to make viscosity index improvers. It does require that if Exxon sells to a party other than Oronite, it provides the purchaser a supply of synthetic rubber. Moreover, if Exxon completes the proposed sale to Chevron, Exxon may not sell its synthetic rubber for viscosity index improver applications to parties other than

Chevron, except to the extent that Exxon's proposed sales agreement with Chevron would permit such sales. Finally, the proposed Order contains a firewall provision prohibiting the transfer of competitively sensitive information from Chevron, through Exxon, to the Joint Venture or to Shell.

The purpose of this analysis is to facilitate public comment on the proposed Order. This analysis is not intended to constitute an official interpretation of the Agreement or the proposed Order or in any way to modify the terms of the Agreement or the proposed Order.

By direction of the Commission.

Donald S. Clark,
Secretary.

[FR Doc. 98-22893 Filed 8-25-98; 8:45 am]

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DEPARTMENT OF HEALTH AND HUMAN SERVICES

Administration for Children and Families

Statement of Organization, Functions and Delegations of Authority

This Notice amends Part K of the Statement of Organization, Functions, and Delegations of Authority of the Department of Health and Human Services (DHHS), Administration for Children and Families (ACF) as follows: Chapter KT, Office of Legislative Affairs and Budget (OLAB), (63 FR 83), as last amended, January 2, 1998. This restructuring of the Office of Legislative Affairs and Budget establishes three divisions within the Office to improve its efficiency and effectiveness.

This Chapter is amended as follows:

Delete Chapter KT, "The Office of Legislative Affairs and Budget," in its entirety and replace with the following:

Office of Legislative Affairs and Budget (OLAB)

- KT.00 Mission
- KT.10 Organization
- KT.20 Functions

KT.00 Mission. The Office of Legislative Affairs and Budget (OLAB) provides leadership in the development of legislation, budget, and policy, ensuring consistency in these areas among ACF program and staff offices, and with ACF and the Department's vision and goals. It advises the Assistant Secretary for Children and Families on all policy and programmatic matters which substantially impact the agency's legislative program, budget development, budget execution and

regulatory agenda. The Office serves as the primary contact for the Department, the Executive Branch, and the Congress on all legislative, budget development, and regulatory activities.

KT.10 Organization. The Office of Legislative Affairs and Budget is headed by a Director, who reports to the Assistant Secretary for Children and Families. The Office is organized as follows:

- Office of the Director (KTA).
- Division of Legislative and Regulatory Affairs (KTB).
- Division of Budget Formulation and Policy (KTC).
- Division of Budget Execution and Forecasting (KTD).

KT.20 Functions. A. The Office of the Director provides direction and executive leadership to the Office of Legislative Affairs and Budget in administering its responsibilities. It serves as the principal advisor to the Assistant Secretary for Children and Families on all policy and programmatic matters which substantially impact on legislative affairs, budget development, budget execution and the regulatory agenda. It represents the Assistant Secretary on budget, policy and legislative matters and serves as the primary ACF contact for the Department, the Executive Branch and Congress on these activities.

B. The Division of Legislative and Regulatory Affairs serves as the focal point for congressional liaison in ACF; provides guidance to the Assistant Secretary for Children and Families and senior ACF staff on congressional activities and relations; manages the preparation of testimony and briefings; negotiates clearance of testimony; monitors hearings and other congressional activities which affect ACF programs; and responds to congressional inquiries.

The Division manages the ACF legislative planning cycle and the development of Reports to Congress; reviews and analyzes a wide range of congressional policy documents including: legislative proposals, pending legislation, and bill reports; solicits and synthesizes internal ACF comments on such documents; negotiates legislative policy positions with the Department and the Executive Branch; and reviews other policy significant documents to ensure consistency with statutory and congressional intent and the agency legislative agenda.

The Division manages the ACF regulatory development process; negotiates regulatory policy positions with the Department and the Executive Branch; and provides guidance to ACF

program and staff components on policy and programmatic matters related to the regulatory development process.

C. The Division of Budget Formulation and Policy manages the development and presentation of ACF's budget; provides guidance to ACF program and staff components in preparing material in support of budget development; provides guidance to the Assistant Secretary for Children and Families and senior program staff on policy and programmatic matters which substantially impact the budget development process; and negotiates budget issues with the Department and the Executive Branch.

The Division manages the preparation of testimony and briefings for budget related hearings; negotiates clearance of testimony; monitors budget-related hearings and other congressional activities which affect the ACF budget; and responds to congressional inquiries on the budget.

The Division reviews and analyzes other policy significant documents to ensure consistency with ACF's budget, vision and goals.

D. The Division of Budget Execution and Forecasting manages the preparation of a comprehensive administrative (salaries and expenses) budget for ACF; provides guidance to the Assistant Secretary for Children and Families and senior ACF staff on all aspects of the agency's administrative budget; provides guidance to ACF program and staff components in preparing material in support of the administrative budget and tracking and reconciling expenditures throughout the fiscal year to ensure appropriate fiscal accountability and prudent spending patterns.

The Division designs and develops budget estimating modes and procedures to project future program costs in order to influence decision-making regarding ACF program budgets and policy; evaluates on a continuing basis complex national budget issues to assess overall impact on immediate, foreseeable, and long-range program direction; provides guidance to the Assistant Secretary for Children and Families and senior ACF staff on budget forecasts for all major ACF programs; negotiates budget forecasting issues with the Department and the Executive Branch; and responds to Congressional Budget Office, Congressional Research Service and general congressional inquiries regarding ACF budget projections.