

results, conclusions, or interpretations of any test, study, or research.

Paragraph IV of the proposed order would prohibit for any food, dietary supplement or drug the representation that the experience represented by any user testimonial or endorsement of the product represents the typical or ordinary experience of members of the public who use the food, dietary supplement or drug, unless: at the time it is made, respondents possess and rely upon competent and reliable scientific evidence that substantiates the representation; or respondents disclose in the same language as the predominant language that is used in the advertisement, clearly and prominently, and in close proximity to the endorsement or testimonial, either (1) what the generally expected results would be for users of the food, dietary supplement or drug, or (2) the limited applicability of the endorser's experience to what consumers may generally expect to achieve, that is, the consumers should not expect to experience similar results.

Part V and VI of the proposed order contain provisions permitting certain claims that are approved for labeling by the FDA, either under the Nutrition Labeling and Education Act, a tentative or final standard or under any new drug application approved by the FDA.

Part VII of the proposed order would require proposed respondents to disclose "THE PROGRAM YOU ARE WATCHING IS A PAID ADVERTISEMENT FOR [THE PRODUCT OR SERVICE]" in television advertisements fifteen (15) minutes in length or longer, and to disclose a similar audio message in radio advertisements of fifteen (15) minutes in length or longer.

Part VIII of the proposed order contains record keeping requirements for materials that substantiate, qualify, or contradict claims covered by the proposed order. Part IX of the proposed order requires distribution of a copy of the order to current and future officers and agents. Part X provides for Commission notification upon a change in the corporate respondent and Part XI requires Commission notification when the individual respondent changes his business or employment. Part XII requires the proposed respondents to keep and maintain all records demonstrating compliance with the terms and provisions of the order. Part XIII provides for the termination of the order after twenty years under certain circumstances.

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 in any way their terms.

By direction of the Commission.

Benjamin I. Berman,
Acting Secretary.

[FR Doc. 98-17935 Filed 7-6-98; 8:45 am]
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FEDERAL TRADE COMMISSION

[File No. 981-0211]

Sky Chefs, Inc., 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 September 8, 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: Phillip Broyles, FTC/S-2105, Washington, DC 20580. (202) 326-2805.

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 June 29, 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

I. Introduction

The Federal Trade Commission ("Commission") has accepted from Sky Chef, Inc., and its parents, Onex Corporation and Gerald W. Schwartz (collectively "Proposed Respondents") an Agreement Containing Consent Order ("Proposed Consent Order"). The Proposed Consent Order remedies the likely anticompetitive effects in the delivery of catering services to airlines at McCarran International Airport in Las Vegas, Nevada, that arise from the proposed acquisition of Ogden Aviation Food Services, Inc., by Proposed Respondents.

II. Description of the Parties and the Transaction

Sky Chefs, Inc., headquartered in Arlington, Texas, provides catering services to airlines in the United States and abroad. Its parent company, Onex Corporation, operates through a number of other subsidiaries that are involved in chain restaurant food service, electronics manufacturing, and other businesses. During 1997, Sky Chefs had total revenues of over \$1 billion.

Ogden Corporation, headquartered in New York, is a global company providing a wide range of services in the aviation, entertainment, and energy industries. Ogden's wholly-owned indirect subsidiary, Ogden Aviation Food Services, Inc., and its wholly-owned subsidiary, Ogden Aviation Food Services (ALC), Inc., operate 11 kitchens serving in-flight food to more than 85 airlines at a number of locations, including eight major U.S. airports. Revenues for in-flight catering in 1997 are reported at \$164 million.

On March 6, 1998, the parties signed a letter of intent contemplating that Sky Chefs, Inc., would purchase 100% of the voting common stock of Ogden Aviation Food Services, Inc., from Ogden Corporation. On May 7, 1998, the parties signed a stock purchase agreement that excluded the assets of Ogden's Las Vegas flight kitchen. On May 22, 1998, Ogden entered into an agreement to sell the Las Vegas flight kitchen to Dobbs International Services, Inc.

III. The Proposed Complaint and Consent Order

The Commission has entered into an agreement containing a Proposed Consent Order with Proposed Respondents in settlement of a proposed complaint alleging that the acquisition as originally proposed violates Section 5 of the Federal Trade Commission Act, 15 U.S.C. 45, and that consummation of the acquisition as originally proposed would violate Section 7 of the Clayton Act, 15 U.S.C. 18, and Section 5 of the Federal Trade Commission Act. The complaint alleges that the acquisition will lessen competition in the delivery of catering services to airlines at McCarran International Airport in Las Vegas, Nevada.

To remedy the alleged anticompetitive effects of proposed acquisition, the Proposed Consent Order prohibits Proposed Respondents, for ten (10) years after the consent order becomes final, from acquiring any concern that controls Ogden's Las Vegas catering operations without prior approval from the Commission. It also requires that, for ten (10) years, Proposed Respondents provide prior notice to the Commission before acquiring their only in-flight catering competitor at any airport in the United States.

Proposed Respondents are required to file annual compliance reports with the Commission for the next ten (10) years, with the first report due one year after the proposed order becomes final.

IV. Resolution of Antitrust Concerns

The Proposed Consent Order alleviates the alleged antitrust concerns arising from the acquisition in the delivery of catering services to airlines at McCarran International Airport in Las Vegas, Nevada.

In-flight caterers provide meals and beverages for consumption during aircraft flights. Catering services include the purchasing of food in accordance with airline specifications, preparation of meals, stocking of beverage carts, delivery of meals and carts to the aircraft, loading the galley, unloading of in-coming carts, utensils and trash, and cleaning and storage of carts and utensils.

Both Sky Chefs and Ogden provide in-flight catering services at McCarran International Airport in Las Vegas through their flight kitchens located at or near that airport. McCarran International Airport is a relevant antitrust geographic market because caterers at that airport could profitably raise prices by a small but significant and nontransitory amount without

losing enough sales to flight kitchens in other areas to make such an increase unprofitable. Airlines cannot economically turn to other areas to obtain their Las Vegas catering services because of additional costs and quality problems associated with flying food in from more distant sources.

Sky Chefs and Ogden are the only companies that sell catering services to airlines at McCarran International Airport. The acquisition as originally proposed would eliminate Sky Chefs and Ogden as independent competitors in the provision of in-flight catering services at McCarran International Airport. The acquisition also would increase the ability of the combined Sky Chefs/Ogden business unilaterally to raise prices and reduce the quality of catering services at McCarran International Airport. New entry would not be timely, likely or sufficient to defeat an anticompetitive price increase or quality reduction. An entrant would need to capture a large share of the catering business at McCarran International Airport in order to reach a viable scale of operation. Such new entry would entail substantial sunk costs.

To remedy the potential anticompetitive effects of the transaction as originally proposed, Proposed Respondents and Ogden amended their stock purchase agreement to exclude Ogden's in-flight catering assets serving the Las Vegas airport. Subsequently, Ogden sold its Las Vegas in-flight catering assets to Dobbs International Services. The Proposed Consent Order prohibits Proposed Respondents, for ten (10) years, from acquiring an interest in those assets.

V. Opportunity for Public Comments

The Proposed Consent Order has been placed on the public record for sixty (60) days for receipt 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 the order final.

The purpose of this analysis is to invite public comment on the Proposed Consent Order to aid the Commission in its determination of whether to make final the Proposed Consent Order. This analysis does not constitute an official interpretation of the Proposed Consent Order, nor is it intended to modify the

terms of the Proposed Consent Order in any way.

Benjamin I. Berman,

Acting Secretary.

[FR Doc. 98-17936 Filed 7-6-98; 8:45 am]

BILLING CODE 6750-01-M

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Agency for Health Care Policy and Research

Notice of Meeting

In accordance with section 10 (d) of the Federal Advisory Committee Act (5 U.S.C., Appendix 2) announcement is made of the following special emphasis panel scheduled to meet during the month of July 1998:

Name: Health Care Policy and Research Special Emphasis Panel.

Date and Time: July 10, 1998 8:30 a.m.

Place: Doubletree Hotel, 1750 Rockville Pike, Montrose Room, Rockville, Maryland 20852.

Open July 10, 8:30 a.m. to 9:00 a.m. Closed for remainder of meeting.

Purpose: This Panel is charged with conducting the initial review of grant applications requesting support for small research projects focused on the quality, appropriateness, and effectiveness of health care services and access to those services.

Agenda: The open session of the meeting on July 10, from 8:30 a.m. to 9:00 a.m. will be devoted to a business meeting covering administrative matters. During the closed session, the Panel will be reviewing and discussing grant applications. In accordance with the Federal Advisory Committee Act, section 10(d) of 5 U.S.C., Appendix 2 and 5 U.S.C., 552b (c)(6), the Administrator, Agency for Health Care Policy and Research, has made a formal determination that this latter session will be closed because the discussions are likely to reveal personal information concerning individuals associated with the grant applications. This information is exempt from mandatory disclosure.

Anyone wishing to obtain a roster of members, minutes of the meeting, or other relevant information should contact Jenny Griffith, Committee Management Officer, Agency for Health Care Policy and Research, Suite 400, 2101 East Jefferson Street, Rockville, Maryland 20852, Telephone (301) 594-1455 x 1036.

Agenda items for this meeting are subject to change as priorities dictate.

Dated: June 23, 1998.

John M. Eisenberg,

Administrator.

[FR Doc. 98-17924 Filed 7-6-98; 8:45 am]

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