

**A. Federal Reserve Bank of Chicago**  
(Philip Jackson, Applications Officer)  
230 South LaSalle Street, Chicago,  
Illinois 60690-1413:

1. *Ambank Company, Inc.*, Sioux Center, Iowa; to engage *de novo* through its subsidiary Amlend Mortgage Services, Inc., Sioux Center, Iowa in real estate appraisal services pursuant to § 225.28(b)(2)(i) of the Board's Regulation Y.

Board of Governors of the Federal Reserve System, January 6, 1998.

**Jennifer J. Johnson,**

*Deputy Secretary of the Board.*

[FR Doc. 98-666 Filed 1-9-98; 8:45 am]

BILLING CODE 6210-01-F

## FEDERAL TRADE COMMISSION

[File No. 981-0081]

### TRW 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 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 March 13, 1998.

**ADDRESSES:** Comments should be directed to: FTC/Office of the Secretary, Room 159, 6th St. and Pa. Ave., N.W., Washington, D.C. 20580.

**FOR FURTHER INFORMATION CONTACT:** William Baer, Federal Trade Commission, 6th & Pennsylvania Ave., NW, H-374, Washington, DC 20580. (202) 326-2932. George S. Cary, Federal Trade Commission, 6th & Pennsylvania Ave., NW, H-374, Washington, DC 20580. (202) 326-3741.

**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 accompanying

complaint. An electronic copy of the full text of the consent agreement package can be obtained from the Commission Actions section of the FTC Home page (for December 24, 1997), 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, N.W., Washington, D.C. 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 a proposed Consent Order from TRW Inc. ("TRW"), under which TRW will be required to divest all of the assets relating to the provision of systems engineering and technical assistance ("SETA") services in support of the Department of Defense's Ballistic Missile Defense Organization ("BMDO").

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.

On November 20, 1997, TRW and BDM International Inc. ("BDM") entered into an Agreement and Plan of Merger whereby TRW will acquire all of the issued and outstanding common shares of BDM for approximately \$942 million. The proposed Complaint alleges that the 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, in the market for the research, development, manufacture and sales of a Ballistic Missile Defense System.

The United Missile Defense Corporation, a joint venture including TRW, is one of only two competitors for the Ballistic Missile Defense Organization's Lead Systems Integrator ("LSI") contract, and BDM is the Ballistic Missile Defense Organization's sole supplier of SETA services for the LSI program. In its capacity as SETA

contractor for the LSI program, BDM is charged with the responsibility for, among other things, developing technical and other specifications for the LSI procurement, assessing bid and other proposals submitted by the two competitors, and evaluating the cost and quality performance of the winning bidder. If the proposed acquisition takes place, TRW, one of the two LSI competitors, would become the LSI SETA contractor as well.

The proposed acquisition of BDM by TRW raises antitrust concerns in two areas. First, to perform the function of SETA contractor for the LSI program, it is necessary for BDM to obtain a great deal of highly competitively sensitive information from the two LSI competitors. If TRW acquires BDM, and thus becomes the SETA contractor, TRW will have access to this information from its only LSI program competitor. Access to this information may enable TRW to raise prices for the LSI contract by bidding less aggressively than it otherwise would. Second, if TRW assumes the role of LSI SETA contractor, it may be able to anticompetitively favor itself and disfavor its competitor in a variety of ways, such as setting unfair procurement specifications or submitting unfair performance evaluations.

The proposed Consent Order requires TRW to divest BDM's SETA services contract with the BMDO, including its SETA responsibilities for the LSI program, and all of BDM's assets associated with the performance of that contract, within one hundred and twenty (120) days from the date TRW consummates its proposed acquisition of BDM. The proposed Consent Order states that this divestiture shall be to an acquirer approved by the Commission and the Department of Defense. If TRW fails to divest the assets within one hundred and twenty (120) days from the date it consummates the proposed acquisition of BDM, a trustee may be appointed to accomplish the divestiture. An Agreement to Hold Separate signed by TRW provides that until BDM's SETA services contract is divested, BDM's SETA services business will be operated independently of TRW. The proposed Consent Order also requires TRW to provide technical assistance to the acquirer for a period of one (1) year, at the request of either the acquirer or the Ballistic Missile Defense Organization.

The Order also requires TRW to provide the Commission a report of compliance with the divestiture

provisions of the Order within thirty (30) days following the date the Order becomes final, and every thirty (30) days thereafter until TRW has completed the required divestiture.

The purpose of this analysis is to facilitate the 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.

**Donald S. Clark,**  
Secretary.

**Concurring Statement of Commissioner Mary L. Azcuenaga in TRW Inc./BDM, File No. 981 0081**

I agree with my colleagues that the final decision and order that the Commission accepts today for public comment properly addresses the anticompetitive implications of the proposed transaction. I concur in the Commission's action except to the extent that Paragraph II.B. of the proposed order makes the Department of Defense a participant with the Commission in giving antitrust approval to any divestiture proposed under Paragraph II.A. of the order.

As I said in my concurring statement in *Litton Industries, Inc./PRC*, File No. C-3656 (decision and order, May 7, 1996), with due deference to the Department of Defense and in full recognition that it has the power to decide with which firms it will contract for the provision of goods and services vital to the national security, no persuasive argument has been presented to suggest that the Department has or should have a role in deciding the competitive implications of a particular divestiture. In addition, no showing has been made that this case is unique, that national security issues or concerns relating to the integrity of the Ballistic Missile Defense Organization's Lead Systems Integrator Program, to the extent they may be affected by this order, could not have been addressed, as they apparently have been in other defense-related transactions,<sup>1</sup> without inclusion of the Department of Defense as a necessary participant in a decision committed by statute to the Commission.

The need to obtain technical assistance in reviewing commercial transactions in sophisticated markets is not uncommon. Nor should the Commission forget that national security is the province of the country's defense agencies. The Commission might well find it necessary to consult with the

Department of Defense both to assess the viability of a proposed buyer of the BDM assets to be divested and to ensure that a proposed transaction is not inconsistent with national security. I would have preferred, however, to accommodate that need in this case by means other than making the Department of Defense a partner with the Commission in interpreting and applying a final order of the Commission.

[FR Doc. 98-709 Filed 1-9-98; 8:45 am]

BILLING CODE 6750-01-M

**FEDERAL TRADE COMMISSION**

[File No. 931-0028]

**Urological Stone Surgeons, 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 March 13, 1998.

**ADDRESSES:** Comments should be directed to: FTC/Office of the Secretary, Room 159, 6th St. and Pa. Ave., N.W., Washington, D.C. 20580.

**FOR FURTHER INFORMATION CONTACT:** William Baer or Robert Leibenluft, FTC/H-374, Washington, D.C. 20580. (202) 326-2932 or 326-3688.

C. Steven Baker, Federal Trade Commission, Chicago Regional Office, 55 East Monroe St., Suite 1437, Chicago, IL. 60603. (312) 353-8156.

**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 January 6, 1998), on the World Wide Web, at "http://www.ftc.gov/os/actions/htm." A paper copy can be obtained from the FTC Public Reference Room, Room H-130, Sixth Street and Pennsylvania Avenue, N.W., Washington, D.C. 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 has accepted an agreement, subject to final approval, to a proposed consent order settling charges that Urological Stone Surgeons, Inc. ("USS"), Stone Centers of America, L.L.C. ("SCA"), and Urological Services, Ltd. ("USL") (doing business as Parkside Kidney Stone Center ("Parkside")), and Marc A. Rubenstein, M.D., and Donald M. Norris, M.D. (individually, and as officers, directors, and shareholders of USS, as shareholders of SCA, and as owners and officers of USL), violated Section 5 of the Federal Trade Commission Act by agreeing on prices to be charged for the physician services provided by urologists as part of performing lithotripsy.

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 review the agreement and the comments received, and will decide whether it should withdraw from the agreement and take other appropriate action or make final the agreement's proposed order.

The purpose of this analysis is to facilitate public comment on the proposed consent order. It is not intended to constitute an official interpretation of the agreement and proposed order, or to modify their terms in any way.

The proposed consent order has been entered into for settlement purposes only, and does not constitute an admission by USS, SCA, USL, Dr. Rubenstein, or Dr. Norris that the law has been violated as alleged in the complaint.

*The Complaint*

Extracorporeal shock wave lithotripsy ("lithotripsy") is a non-surgical alternative for treating kidney stones. It

<sup>1</sup> See Lockheed Corporation, C-3576, decision and order (May 9, 1995); see also ARKLA, Inc., 112 F.T.C. 509 (1989).