

“DowBrands”). Under the terms of the agreement, S.C. Johnson will be required to divest DowBrands’ “Spray ‘n Wash,” “Spray ‘n Starch” and “Glass Plus” businesses to Reckitt & Colman, Inc. (“Reckitt & Colman”), the U.S. wholly-owned subsidiary of the British company, Reckitt & Colman plc. If the sale of these assets is not made to Reckitt & Colman, S.C. Johnson will be required to divest the Spray ‘n Wash, Spray ‘n Starch, and Glass Plus businesses, as well as DowBrands’ Urbana, Ohio manufacturing plant and DowBrands’ “Yes” laundry detergent, “Vivid” color-safe bleach, and oven cleaner businesses, to a Commission-approved buyer.

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 October 27, 1997, S.C. Johnson and DowBrands entered into Asset Purchase Agreements under which S.C. Johnson agreed to acquire the home care and home food management businesses of DowBrands for approximately \$1.125 billion. 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 markets for the research, development, manufacture and sale of soil and stain remover products and glass cleaner products.

Soil and stain removers are products used by consumers in conjunction with laundry detergent to remove specific and isolated stains from clothing. S.C. Johnson, which sells “SHOUT,” and DowBrands, which sells “Spray ‘n Wash,” are the two leading U.S. suppliers of soil and stain removers. S.C. Johnson, which sells “Windex,” and DowBrands, which sells “Glass Plus,” are also the two leading U.S. suppliers of glass cleaners, which are used by consumers to clean glass, mirrors and other surfaces.

The soil and stain remover and glass cleaner markets are highly concentrated, and the proposed acquisition would substantially increase concentration in each market. In the soil and stain remover market, the acquisition would result in an increase in the Herfindahl-Hirschmann Index (“HHI”) of 5,646 points, which is an increase of 2,730

points over the premerger HHI level. In the glass cleaner market, the post-merger HHI would be 4,920 points, which is an increase of 1,180 points over the premerger HHI level. By eliminating competition between the top two competitors in these highly concentrated markets, the proposed acquisition would allow S.C. Johnson to unilaterally exercise market power in each market, thereby increasing the likelihood that: (1) Soil and stain remover and glass cleaner customers would be forced to pay higher prices; (2) innovation in these markets would decrease; and (3) advertising and promotion in these markets would be reduced.

The relevant geographic market is the United States. It is unlikely that the competition eliminated by the proposed transaction would be replaced by foreign manufacturers of soil and stain removers and glass cleaners. Foreign manufacturers of these products are unable to compete effectively in the U.S. because they lack the necessary brand recognition among U.S. consumers and face substantial transportation costs, which make importing their products into the U.S. uneconomical.

In addition, new entry would not deter or counteract the anticompetitive effects likely to flow from the proposed transaction. A new entrant into either the soil and stain remover or glass cleaner market would need to undertake the difficult, expensive and time-consuming process of developing a competitive product, creating brand recognition among consumers, and establishing a viable distribution network. Because of the difficulty of accomplishing these tasks, new entry into either market could not be accomplished in a timely manner. Moreover, because of the high costs involved, it is not likely that new entry into either market would occur at all, even if prices were to increase substantially after the transaction.

The proposed Consent Order naming S.C. Johnson as respondent effectively remedies the acquisition’s anticompetitive effects in the soil and stain remover and glass cleaner markets by requiring S.C. Johnson to divest DowBrands’ Spray ‘n Wash, Spray ‘n Starch, and Glass Plus businesses to a third party. Pursuant to the Consent Agreement, S.C. Johnson is required to divest these businesses to Reckitt & Colman, no later than 10 business days from the date the Commission accepts this Agreement for public comment. In the event S.C. Johnson fails to divest to Reckitt & Colman, the Consent Agreement contains a “crown jewel” provision that requires S.C. Johnson to

divest DowBrands’ Spray ‘n Wash, Spray ‘n Starch, and Glass Plus businesses, as well as, at the acquirer’s option, DowBrands’ Urbana, Ohio manufacturing plant and DowBrands’ “Yes” laundry detergent, “Vivid” color-safe bleach, and oven cleaner businesses, within six months from the date S.C. Johnson signed the Consent Agreement. If S.C. Johnson fails to divest the crown jewel assets within this six-month time period, the Commission may appoint a trustee to divest these assets.

In order to provide the acquirer with DowBrands’ soil and stain remover and glass cleaner products during a transition period, the Consent Agreement requires S.C. Johnson, at the acquirer’s option, to provide to the acquirer a twelve-month supply of these products at cost. The Order also requires S.C. Johnson 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, every thirty (30) days thereafter until S.C. Johnson has completed the required divestiture and every ninety (90) days thereafter until S.C. Johnson has completed its obligations under the supply agreement.

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.

Donald S. Clark,
Secretary.

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DEPARTMENT OF DEFENSE

GENERAL SERVICES ADMINISTRATION

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

[OMB Control No. 9000-0135]

Submission for OMB Review; Comment Request Entitled Subcontractor Payments

AGENCIES: Department of Defense (DOD), General Services Administration (GSA), and National Aeronautics and Space Administration (NASA).

ACTION: Notice of request for an extension to an existing OMB clearance (9000-0135).

SUMMARY: Under the provisions of the Paperwork Reduction Act of 1995 (44

U.S.C. Chapter 35), the Federal Acquisition Regulation (FAR) Secretariat has submitted to the Office of Management and Budget (OMB) a request to review and approve an extension of a currently approved information collection requirement concerning Subcontractor Payments. A request for public comments was published at 62 FR 62760, November 25, 1997. No comments were received.

DATES: Comments may be submitted on or before March 5, 1998.

FOR FURTHER INFORMATION CONTACT: Jack O'Neill, Federal Acquisition Policy Division, GSA (202) 501-3856.

ADDRESSES: Comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, should be submitted to: FAR Desk Officer, OMB, Room 10102, NEOB, Washington, DC 20503, and a copy to the General Services Administration, FAR Secretariat, 1800 F Street, NW, Room 4037, Washington, DC 20405. Please cite OMB Control No. 9000-0135, Subcontractor Payments, in all correspondence.

SUPPLEMENTARY INFORMATION:

A. Purpose

Part 28 of the FAR contains guidance related to obtaining financial protection against damages under Government contracts (e.g., use of bonds, bid guarantees, insurance etc.). Part 52 contains the texts of solicitation provisions and contract clauses. These regulations implement a statutory requirement for information to be provided by Federal contractors relating to payment bonds furnished under construction contracts which are subject to the Miller Act (40 USC 270a-270d). This collection requirement is mandated by Section 806 of the National Defense Authorization Act for Fiscal Years 1992 and 1993 (Public Law 102-190), as amended by Section 2091 of the Federal Acquisition Streamlining Act of 1994 (Public Law 103-335). The clause at 52.228-12, Prospective Subcontractor Requests for Bonds, implements Section 806(a)(3) of Public Law 102-190, as amended, which specifies that, upon the request of a prospective subcontractor or supplier offering to furnish labor or material for the performance of a construction contract for which a payment bond has been furnished to the United States pursuant to the Miller Act, the contractor shall promptly provide a copy of such payment bond to the requestor.

In conjunction with performance bonds, payment bonds are used in Government construction contracts to

secure fulfillment of the contractor's obligations under the contract and to assure that the contractor makes all payments, as required by law, to persons furnishing labor or material in performance of the contract. This regulation provides prospective subcontractors and suppliers a copy of the payment bond furnished by the contractor to the Government for the performance of a Federal construction contract subject to the Miller Act. It is expected that prospective subcontractors and suppliers will use this information to determine whether to contract with that particular prime contractor. This information has been and will continue to be available from the Government. The requirement for contractors to provide a copy of the payment bond upon request to any prospective subcontractor or supplier under the Federal construction contract is contained in Section 806(a)(3) of Public Law 102-190, as amended by Sections 2091 and 8105 of Public Law 103-355.

B. Annual Reporting Burden

The annual reporting burden is estimated as follows: Respondents, 12,000; responses per respondent, 5; total annual responses, 60,000; preparation hours per response, .5; and total response burden hours, 30,000.

Obtaining Copies of Proposals: Requester may obtain a copy of the justification from the General Services Administration, FAR Secretariat (VRS), Room 4037, 1800 F Street, Washington, DC 20405, telephone (202) 501-4755. Please cite OMB Control No. 9000-0135, Subcontractor Payments, in all correspondence.

Dated: January 29, 1998.

Sharon A. Kiser,

FAR Secretariat.

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DEPARTMENT OF HEALTH AND HUMAN SERVICES

Centers for Disease Control and Prevention

[Announcement 98018]

State and Local Childhood Lead Poisoning Prevention Program and State Childhood Blood Lead Surveillance Program; Notice of Availability of Funds for Fiscal Year 1998

Introduction

The Centers for Disease Control and Prevention (CDC) announces the

availability of funds in fiscal year (FY) 1998 for new and competing continuation State and local childhood lead poisoning prevention (CLPP) programs, and State childhood blood lead surveillance (CBLS) programs.

The CDC is committed to achieving the health promotion and disease prevention objectives of "Healthy People 2000", a national activity to reduce morbidity and mortality and improve the quality of life. This announcement is related to the priority area of Environmental Health. (To order a copy of "Healthy People 2000", see the Where to Obtain Additional Information section.)

Authority

This program is authorized under sections 301(a), 317A and 317B of the Public Health Service Act [42 U.S.C. 241(a), 247b-1, and 247b-3], as amended. Program regulations are set forth in Title 42, Code of Federal Regulations, Part 51b.

Smoke-Free Workplace

The CDC strongly encourages all grant recipients to provide a smoke-free workplace and promote the non-use of all tobacco products, and Public Law 103-227, the Pro-Children Act of 1994, prohibits smoking in certain facilities that receive Federal funds in which education, library, day care, health care, and early childhood development services are provided to children.

Eligible Applicants

Eligible applicants for Part A: State and Local CLPP Programs

Eligible applicants are State health departments or other state health agencies or departments deemed most appropriate by the state to direct and coordinate the State's childhood lead poisoning prevention program.

Also eligible are agencies or units of local government that serve jurisdictional populations greater than 500,000. This eligibility includes health departments or other official organizational authority (agency or instrumentality) of the District of Columbia, the Commonwealth of Puerto Rico, any territory or possession of the United States, and all Indian tribes.

Applicants for local CLPP program grants from eligible units of local jurisdictions must either apply directly to CDC or apply as part of a statewide grant application. Local jurisdictions cannot submit applications directly to CDC and also apply as part of a statewide grant application.

Note: An organization described in section 501(c)(4) of the Internal Revenue Code of 1986 which engages in lobbying activities