is Pharmacia's Camptosar, which is indicated as a second-line treatment for colorectal cancer, and is being tested for non-SCLC.

The proposed merger is likely to create anticompetitive effects in the topoisomerase I inhibitor market by potentially eliminating one of the few research and development efforts in this area. As a result of the merger, the combined entity could unilaterally delay, terminate or otherwise fail to develop the GI147211C topoisomerase I inhibitor, resulting in less product innovation, fewer choices, and higher prices for consumers.

The Consent Agreement effectively remedies the anticompetitive effects in the market for topoisomerase I inhibitors for the treatment of certain cancers by requiring Glaxo to assign all relevant GI147211C intellectual property to Gilead and to relinquish its reversionary rights to Gilead's drug. Thus, the Consent Agreement eliminates Glaxo's ability to regain control over GI147211C, a drug likely to compete against SB's Hycamptin in combating ovarian, non-SCLC, colorectal, and other solid tumor cancers.

Drugs for the Treatment of Irritable Bowel Syndrome

Irritable bowel syndrome (''IBS'') is not well understood and often has been labeled as several different conditions, including irritable colon and spastic colon. People with IBS experience varying symptoms, with some sufferers experiencing symptoms of diarrhea, others constipation, and still others a mix of both. The symptoms of IBS may include cramping, abdominal pain and other forms of abdominal discomfort. Seventy percent of IBS sufferers are women. IBS is estimated to affect up to 15% of the U.S. population.

Glaxo currently owns a drug called Lotronex for the treatment of IBS. Though effective in treating IBS sufferers, Lotronex was recently taken off the market by Glaxo because of concerns about serious side effects in some patients, but Glaxo continues to conduct clinical trials for Lotronex. Lotronex is the only FDA-approved drug for the treatment of IBS. SB currently does not have a drug in this market, but has an option to acquire and market renzapride, a drug being developed by Alizyme Therapeutics plc for the treatment of IBS. Alizyme's renzapride drug is about 2–3 years from being on the market. In addition to the Alizyme/SB renzapride development effort, only two other drugs for IBS are in clinical development; thus, timely entry will not occur to deter or counteract the likely anticompetitive effects of the proposed merger.

The proposed merger likely would eliminate one of the few research and development efforts on drugs to treat IBS. As a result of the merger, Glaxo SmithKline would likely delay, terminate or otherwise fail to develop renzapride which would compete against Lotronex, resulting in less product innovation, and consequently, fewer product choices, and higher prices for consumers.

The Consent Agreement effectively remedies the anticompetitive effects in the market for drugs to treat IBS by requiring SB to assign all relevant intellectual property rights to Alizyme and to relinquish all options in renzapride, thus removing any possible influence over Alizyme's development of an IBS drug that is likely to compete directly against Glaxo's Lotronex.

Triptan Drugs for the Treatment of Migraine Headaches

Glaxo is the leading seller of triptan drugs for the treatment of migraine headaches with its two triptan migraine drugs—Immitrex (sumatriptan succinate) and Amerge (naratriptan hydrochloride). SB has a reversionary interest in another triptan drug for migraines—SB209509 (frovatriptan)—which is being developed by Vernalis Ltd. The only other approved migraine drugs in the triptan class are Maxalt (rizatriptan benzoate) from Merck and Zomig (zolmitriptan) from Astra Zeneca. Vernalis expects to submit final data to the FDA by the end of 2000, and hopes to launch its frovatriptan drug in the second half of 2001.

In addition to the SB/Vernalis frovatriptan effort, only two other triptan drugs for migraine are in clinical development and are well behind the SB/Vernalis efforts. Thus, timely entry will not occur to deter or counteract the likely anticompetitive effects of the proposed merger.

The proposer merger likely would eliminate one of the few research and development efforts on triptan drugs to treat migraines. As a result of the merger, Glaxo SmithKline would likely delay, terminate or otherwise fail to develop frovatriptan which would compete against Glaxo's Immitrex and Amerge, resulting in less product innovation, and consequently, fewer product choices and higher prices for consumers.

To resolve the merger's anticompetitive effects in this market, SB renegotiated its agreement with Vernalis, assigning all relevant intellectual property to Vernalis and relinquishing its options in frovatriptan, which likely will compete directly against Glaxo's Immitrex and Amerge.

The Consent Agreement also allows the Commission to appoint a Monitor Trustee to ensure Glaxo SmithKline's compliance with all of the requirements of the Order. In addition, the Commission may appoint a Divestiture Trustee in the event that Glaxo SmithKline fails to divest all of the assets required to be divested. Finally, the Consent Agreement imposes reporting requirements on Glaxo SmithKline until such time as it has fully complied with all of the provisions of the Order.

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

By direction of the Commission.

Donald S. Clark,

Secretary.

[FR Doc. 00–33029 Filed 12–27–00; 8:45 am]

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FEDERAL TRADE COMMISSION

[File No. 001 0215; Docket No. C–3987]

Philip Morris Companies, Inc., and Nabisco Holdings Corp.; 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 January 8, 2001.

ADDRESSES: Comments should be directed to: FTC/Office of the Secretary, Room H–159, 600 Pennsylvania Avenue, NW., Washington, DC 20580.

FOR FURTHER INFORMATION CONTACT: Richard Parker or Joseph Brownman, FTC/H–374, 600 Pennsylvania Avenue, NW., Washington DC 20580. (202) 326–2574 or (202) 326–2605.

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 thirty (30) 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 December 7, 2000), on the World Wide Web, at ''http://www.ftc.gov/os/2000/12/index.htm.'' A paper copy can be obtained from the FTC Public Reference Room, Room H–130, 600 Pennsylvania Avenue, NW., Washington, DC 20580, either in person or by calling (202) 326–3627.

Public comment is invited. Comments should be directed to: FTC/Office of the Secretary, Room 159, 600 Pennsylvania Avenue, NW., Washington, DC 20580. Two paper copies of each comment should be filed, and should be accompanied, if possible, by a 3½ inch diskette containing an electronic copy of the comment. 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 To Aid Public Comment on the Provisionally Accepted Consent Order

I. Introduction

The Federal Trade Commission (''Commission'') has accepted for public comment from Philip Morris Companies, Inc. (''Philip Morris'') and Nabisco Holdings Corp. (''Nabisco) an Agreement Containing Consent Orders (''Proposed Consent Order). Philip Morris and Nabisco (''Proposed Respondents) have also reviewed a Draft Complaint that the Commission contemplates issuing. The Commission and the Proposed Respondents have also agreed to an Order to Maintain Assets that requires the Proposed Respondents to maintain the competitive viability of certain assets pending divestiture. The Proposed Consent Order will remedy the likely anticompetitive effects in five relevant product markets arising from the proposed acquisition by Philip Morris of Nabisco.

II. Parties and Transaction

Proposed Respondent Philip Morris is a Virginia corporation with its headquarters and principal place of business at 120 Park Avenue, New York, New York 10017–5592. In 1999, Philip Morris had total worldwide sales of approximately $79 billion, and total United States sales of approximately $48 billion. Philip Morris, through its Kraft Foods Inc. subsidiary, is the nation's largest food and beverage company.

Proposed Respondent Nabisco is a Delaware corporation with its headquarters and principal place of business located at 7 Campus Drive, Parsippany, New Jersey 07054–0311. In 1999, Nabisco had total worldwide sales of approximately $8.3 billion, and total United States sales of approximately $5.9 billion. Nabisco is the nation's seventh largest food and beverage company.

On June 25, 2000, Philip Morris and Nabisco entered into an agreement for Philip Morris to acquire Nabisco. The value of the transaction is approximately $19.4 billion.

III. Proposed Complaint

According to the Draft Complaint that the Commission intends to issue, Philip Morris, through its Kraft Foods subsidiary, and Nabisco compete in the United States to sell and distribute (a) dry-mix gelatin, (b) dry-mix pudding, (c) no-bake desserts, (d) baking powder, and (e) intense mints.

The Commission is concerned that the proposed acquisition would eliminate substantial competition between Philip Morris and Nabisco, and increase concentration substantially, in each relevant market, and result in higher prices. The Commission stated it has reason to believe that the proposed acquisition would have anticompetitive effects and violate Section 7 of the Clayton Act and Section 5 of the Federal Trade Commission Act.

IV. Competitive Concerns

A. Dry-Mix Gelatin Market

Total United States sales of all dry-mix gelatin dessert products are about $212 million. In this market, Philip Morris, through its Jell-O brand, is the largest competitor with about an 86% share, and Nabisco, through its Royal brand, has about a 6% share. After the acquisition, Philip Morris will control approximately 92% of all dry-mix gelatin sales. The proposed acquisition will increase the Herfindahl-Hirschman Index (''HHI''), the customary measure of industry concentration, in the dry-mix gelatin market by more than 1000 points, and result in a market concentration of over 8400 points.

B. Dry-Mix Pudding Market

Total United States sales of all dry-mix pudding dessert products are about $202 million. In this market, Philip Morris, through its Jell-O brand, is the largest competitor with about an 82% share, and Nabisco, through its Royal and My-T-Fine brands, has about a 9% share. After the acquisition, Philip Morris will control approximately 91% of all dry-mix pudding sales. The proposed acquisition will increase the HHI by more than 1400 points and result in a market concentration of over 8300 points.

C. No-Bake Desserts Market

Total United States sales of all no-bake dessert products are about $56 million. In this market, Philip Morris, through its Jell-O brand, is the largest competitor with about a 90% share, and Nabisco, through its Royal brand, has about a 6% share. After the acquisition, Philip Morris will control approximately 96% of all no-bake dessert sales. The proposed acquisition will increase the HHI by more than 1000 points, and result in a market concentration of over 9200 points.

D. Baking Powder Market

Total United States sales of all baking powder products are about $29 million. In this market, Philip Morris, through its Calumet brand, has about a 27% share, and Nabisco, with its Davis and Fleischmann's brands, has about a 17% share. After the acquisition, Philip Morris will control approximately 44% of all United States baking powder sales. The proposed acquisition will increase the HHI by more than 900 points and result in market concentration of more than 4800 points.

E. Intense Mints Market

Total United States sales of all intense mints products are about $250 million. In this market, Philip Morris, through its Altoids brand, has about a 60% share, and Nabisco, with its Ice Breakers and Cool Blast brands, has about a 15% share. After the acquisition, Philip Morris will control approximately 75% of all United States intense mints sales. The proposed acquisition would increase the HHI by approximately 1800 points and result in market concentration of more than 5800 points.

V. The Consent Order

The Proposed Consent Order, if finally issued by the Commission, would settle all of the charges alleged in the Commission's Draft Complaint. Under the terms of the Proposed Consent Order, Philip Morris and Nabisco will be required to divest the

Nabisco dry-mix desserts and baking powder businesses to The Jel Sert Company and the intense mints business, together with related Ice Breakers gum and Breath Savers mint businesses, to Hershey Foods Corporation.

Philip Morris and Nabisco will be required to complete the required divestitures within ten (10) business days from the date they consummate their proposed acquisition. In the event Philip Morris and Nabisco do not complete the required divestitures in the time allowed, procedures for the appointment of a trustee to sell the assets have been agreed to and will be triggered. The Proposed Consent Order empowers the trustee to sell such additional ancillary assets as may be necessary to assure the marketability, viability, and competitiveness of the businesses that are required to be divested.

Accompanying the Proposed Consent Order is an Order to Maintain Assets. This order requires Philip Morris and Nabisco to preserve and maintain the competitive viability of all of the assets required to be divested in order to insure that the competitive value of these assets will be maintained after the merger but before the assets are actually divested.

VI. Opportunity for Public Comment

This Proposed Consent Order has been placed on the public record for thirty (30) days for receipt of comments from interested persons. Comments received during this period will become part of the public record. After the thirty (30) days, the Commission will again review the Proposed Consent Order and the comments received, and will decide whether it should withdraw from the agreement or make final the Consent Order in the agreement.

By accepting the Proposed Consent Order subject to final approval, the Commission anticipates that the competitive problems alleged in the Draft Complaint will be resolved. The purpose of this analysis is to invite and facilitate public comment concerning the Proposed Consent order. It is not intended to constitute an official interpretation of the Proposed Consent Order, nor is it intended to modify the terms of the orders in any way.

By direction of the Commission.

Donald S. Clark,

Secretary.

[FR Doc. 00–33197 Filed 12–27–00; 8:45 am]

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FEDERAL TRADE COMMISSION

[File No. 001–0197]

The Valspar Corporation; 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 January 18, 2001.

ADDRESSES: Comments should be directed to: FTC/Office of the Secretary, Room H–159, 600 Pennsylvania Avenue, NW., Washington, DC 20580.

FOR FURTHER INFORMATION CONTACT: Christina R. Perez, FTC/H–374, 600 Pennsylvania Avenue, NW., Washington, DC 20580. (202) 326–2048.

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 thirty (30) 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 December 19, 2000), on the World Wide Web, at ''http://www.ftc.gov/os/2000/12/index.htm.'' A paper copy can be obtained from the FTC Public Reference Room, Room H–130, 600 Pennsylvania Avenue, NW., Washington, DC 20580, either in person or by calling (202) 326–3627.

Public comment is invited. Comments should be directed to: FTC/Office of the Secretary, Room H–159, 600 Pennsylvania Avenue, NW., Washington, DC 20580. Two paper copies of each comment should be filed, and should be accompanied, if possible, by a 3½ inch diskette containing an electronic copy of the comment. 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 Agreement Containing Consent Order To Aid Public Comment

The Federal Trade Commission (''Commission'') has accepted, subject to final approval, an Agreement Containing Consent Order (''Consent Agreement'') from Valspar Corporation (''Valspar''), which is designed to remedy the anticompetitive effects resulting from Valspar's acquisition of Lilly Industries, Inc. (''Lilly''). Under the terms of the agreement, within ten days of the date the Consent Agreement is placed on the public record, Valspar will be required to divest its mirror coatings business, which is comprised of silver, tin and copper solutions, mirror backing paint, and any other coating researched, developed, manufactured or sold by Valspar that is used in the production of a mirror, to Spraylat Corporation. Should Valspar fail to do so, the Commission may appoint a trustee to divest the mirror coatings business.

The proposed Consent Agreement has been placed on the public record for thirty (30) days for reception of comments by interested persons. Comments received during this period will become part of the public record. After thirty (30) 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 or make final the Decision & Order.

Pursuant to an Asset Purchase Agreement dated June 23, 2000, Valspar has agreed to acquire Lilly for approximately $762 million. The Commission's 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 silver solutions, tin solutions, copper solutions and mirror backing paint.

Valspar and Lilly are the two leading suppliers of silver, tin and copper solutions (''mirror solutions'') in the United States and two of three suppliers of mirror backing paint in the United States. Five basic inputs are needed to make a mirror: glass, a tin solution, a silver solution, a copper solution, and mirror backing paint. Most mirrors are made by placing clean pieces of glass flat on a conveyor belt, which moves the glass through the various stations where the solutions and paint are applied to