was lodged with the United States District Court for the District of New Hampshire in the action captioned *United States* v. *CVS Corporation, et al.*, D.N.H., Civil No. 01–314–B. The proposed Consent Decree will resolve the claims of the United States, the State of New Hampshire, the City of Somersworth, and the General Electric Company under the Comprehensive Environmental Response, Compensation, and Liability Act (''CERCLA''), 42 U.S.C. 9601, *et seq.,* against (a) Samuel S. Mathews, (b) Facemate PL/GF, Inc., Facemate Corporation, Great Falls Bleachery and Dye Works, a division of Haffenreffer & Co., Inc., Haffenreffer & Co., Inc., Pond Lily Great Falls Company, Haffenreffer (New Hampshire), Inc., Great Falls Bleachery & Dye Works, Pond Lily Company, and Great Northern Industries, Inc. (collectively, the ''Facemate Companies''), (c) CVS Corporation and CVS New York, Inc., (d) Natalie Gardner, as Administratrix of the Estate of Fred Tanzer, and Ethlyne Golub, as an individual and as Executrix of the Estate of Burton Golub, and (e) Ron Currier's Hilltop Chevrolet, Inc., and Ronald A Currier, relating to the Somersworth Landfill Site.

Pursuant to the Consent Decree, these defendants have agreed to reimburse to the United States a total of $197,612 for past and oversight costs incurred and to be incurred by the EPA at the Somersworth Landfill Site and to pay a total of $1,119,796 in contribution to the City of Somersworth and the General Electric Company, the parties that are implementing the remedial design and remedial action at the Site pursuant to a previous Consent Decree entered in *United States* v. *City of Somersworth, et al.,* D.N.H., Civil Action No. 96–46–JD, in 1996.

The Department of Justice will receive for a period of thirty (30) days from the date of publication of this Notice comments relating to the proposed Consent Decree as to Settling Defendants 2. Any comments should be addressed to the Assistant Attorney General of the Environment and Natural Resources Division, U.S. Department of Justice, P.O. Box 7611, Washington, DC 20044–7611, and should reference the following case name and number: *United States* v. *CVS Corporation, et. al.,* Civil Action No. 01–314–B, D.J. # 90–11–3–1311/1. In addition, because the Consent Decree as to Settling Defendants 2 includes covenants not to sue the Settling Defendants 2 under Section 7003 of the Resource Conservation and Recovery Act, 42 U.S.C. 6973, the United States will provide an opportunity for a public meeting in the affected area, if requested within the thirty (30) day public comment period. *See* 42 U.S.C. § 6973(d).

The proposed Consent Decree as to Settling Defendants 2 may be examined at the Office of the United States Attorney, District of New Hampshire, 55 Pleasant Street, Concord, New Hampshire 03301, c/o Gretchen Witt, Esq., (603) 225–1552, or at the Region One office of the U.S. Environmental Protection Agency, One Congress St., Boston, MA 02203, c/o Robert Phocas, Esq., (617) 918–1758. A copy of the proposed Consent Decree as to Settling Defendants 2 may also be obtained by mail from the Consent Decree Library, P.O. Box 7611, U.S. Department of Justice, Washington, DC 20044–7611, c/o Peggy Fenlon-Gore, (202) 514–5245. In requesting a copy, please enclose a check in the amount of $10.00 (25 cents per page reproduction cost) payable to the Consent Decree Library.

Bruce S. Gelber,

Chief, Environmental Enforcement Section, Environment and Natural Resources Division.

[FR Doc. 01–21642 Filed 8–27–01; 8:45 am]

BILLING CODE 4410–15–M

DEPARTMENT OF JUSTICE

United States v. Premdor Inc., Premdor U.S. Holdings, Inc., International Paper Company, and Masonite Corporation; Proposed Final Judgment and Competitive Impact Statement

Notice is hereby given pursuant to the Antitrust Procedures and Penalties Act, 15 U.S.C. §§ 16(b)–(h), that a proposed Final Judgment, Hold Separate Stipulation and Order, and Competitive Impact Statement were filed with the U.S. District Court for the District of Columbia in *United States* v. *Premdor Inc., Premdor U.S. Holdings, Inc., International Paper Company, and Masonite Corporation,* Civ. Action No. 1:01CV01696. On August 3, 2001, the United States filed a Complaint alleging that Premdor Inc.'s acquisition of Masonite Corporation and related assets would violate section 7 of the Clayton Act, 15 U.S.C. 18. The proposed Final Judgment, filed the same time as the Complaint, requires defendants to divest Masonite Corporation's doorskin manufacturing facility located in Towanda, Pennsylvania.Copies of the Complaint, proposed Final Judgment, Hold Separate Stipulation and Order, and Competitive Impact Statement are available for inspection at the U.S. Department of Justice, Antitrust Division, 325 Seventh Street, NW., Room 215, Washington, DC 20530 (telephone: 202–514–2481), and at the Clerk's Office of the United States District Court for the District of Columbia, Washington, DC.

Public comment is invited within 60 days of the date of this notice. Such comments, and responses thereto, will be published in the **Federal Register** and filed with the Court. Comments should be directed to J. Robert Kramer II, Chief, Litigation II Section, Antitrust Division, U.S. Department of Justice, 1401 H Street, NW., Suite 3000, Washington, DC 20530 (telephone: 202–307–0924).

Mary Jean Moltenbrey,

Director of Civil NonMerger Enforcement.

UNITED STATES DISTRICT COURT FOR THE DISTRICT OF COLUMBIA

United States of America, Plaintiff, v. Premdor Inc., 1600 Britannia Road East, Mississauga, Ontario, Canada L4W 1J2; Premdor U.S. Holdings Inc., One North Dale Mabry Highway, Suite 950, Tampa, Florida 33609; International Paper Company, 400 Atlantic Street, Stamford, Connecticut 06921; and Masonite Corporation, 1 South Wacker Drive, Chicago, Illinois 60606; Defendants.

[Civil No.: 01 1696]

Hold Separate Stipulation and Order

It is hereby stipulated and agreed by and between the undersigned parties, subject to approval and entry by the Court, that:

I. Definitions

As used in this Hold Separate Stipulation and Order:

A. ''Acquirer'' or ''Acquirers'' means the entity or entities to whom the Towanda Facility is divested.

B. ''Premdor'' means defendant Premdor Inc., a Canadian corporation with its headquarters in Mississauga, Ontario, Canada, its successors and assigns, and its subsidiaries, divisions, groups, affiliates, partnerships and joint ventures, and their directors, officers, managers, agents, and employees.

C. ''Premdor U.S.'' means defendant Premdor U.S. Holdings, Inc., a Florida corporation and a wholly owned subsidiary of Premdor with its headquarters in Tampa, Florida, its successors and assigns, and its subsidiaries, divisions, groups, affiliates, partnerships and joint ventures, and their directors, officers, managers, agents, and employees.

D. ''IP'' means defendant International Paper Company, a New York corporation with its headquarters in Stamford, Connecticut, its successors and assigns, and its subsidiaries, divisions, groups, affiliates,

partnerships and joint ventures, and their directors, officers, managers, agents, and employees.

E. ''Masonite'' means defendant Masonite Corporation, a Delaware corporation and a wholly owned subsidiary of IP with its headquarters in Chicago, Illinois, its successors and assigns, and its subsidiaries, divisions, groups, affiliates, partnerships and joint ventures, and their directors, officers, managers, agents, and employees.

F. ''Doorskin'' means the facing components used in the manufacture of an interior flush door; two doorskins are required for each door—one for the front facing and one for the rear facing of the door.

G. ''Molded Doorskin'' means a hardboard doorskin made from a fibrous mat that has been molded under extreme pressure and at a high temperature into a raised panel design.

H. ''Proprietary Premdor Product'' means any product manufactured by Masonite in which Premodor has an ownership interest and which Masonite has agreed in writing not to sell to anyone other than Premdor.

I. ''Towanda Facility'' means Masonite's Molded Doorskin production facility located in Towanda, Pennsylvania including:

(1) All tangible assets that comprise the Towanda Facility, including research and development activities, all manufacturing equipment, tooling and fixed assets, personal property, inventory, materials, supplies, components, parts, designs and other tangible property or assets used at the Towanda Facility (provided, however, that all manufacturing equipment, tooling and fixed assets, personal property, inventory, materials, supplies, components, parts, designs and other tangible property or assets used exclusively in the production of any Proprietary Premdor Product are excluded from the provisions of this subparagraph); all licenses, permits and authorizations issued by any governmental organization relating to the Towanda Facility; all contracts, teaming arrangements, agreements (including supply agreements), leases, commitments, certifications, and understandings relating to the Towanda Facility (provided, however, that any contracts, teaming arrangements, agreements (including supply agreements), leases, commitments, certifications, and understandings between Masonite and/or IP and Premdor and/or Premdor U.S. are excluded from this subparagraph); all lists, contracts, accounts, and credit records of customers (provided, however, that any contracts, accounts, and credit records relating exclusively to Premdor and/or Premdor U.S. are excluded from this subparagraph); all repair, performance, and Towanda Facility records and all other records relating to the Towanda Facility; and

(2) Any and all intangible assets used in the development, production, servicing and sale of Molded Doorskins at the Towanda Facility, including, but not limited to: (a) Subject to the right of Premdor and Premdor U.S., for 180 days from the date of the consummation of the divestiture pursuant to Section IV or VI of the proposed Final Judgment, to use up any Premdor co-branded packaging or promotional material, exclusive use of the CraftMaster, Canterbury, Carmelle, Carolina, Carrera, Caspian, Castille, Classique, Clermont, Colonist, Harvest, Canyon, Corinth, Coventry, Cremona, Hakuju, Maletero, Mesa, Morning Sun, Natural Trugrain Harvest, and Trugrain Natural brand names and all other intellectual property rights used in connection with the production of Molded Doorskins at the Towanda Facility, including all blueprints and engineering drawings needed for the manufacture of dies used in the Molded Doorskin presses at the Towanda facility; (b) all information, documents and computer records, relating to the production, sales, marketing or distribution of any products sold under any of the brand names identified in section I(2)(a), including all files relating to purchasers (other than Premdor and Premdor U.S.) of Molded Doorskins or doors manufactured with Molded Doorskins; (c) with respect to all other intellectual property rights currently used or currently planned to be used in connection with the production of Molded Doorskins at both the Towanda Facility and other nondivested Molded Doorskin production facilities, a transferable license; (d) all existing licenses and sublicenses relating exclusively to the Towanda Facility; (e) a transferable sublicense, exclusive in the Acquirer(s) of the Towanda Facility, to all other existing license and sublicenses relating to the Towanda Facility; and (f) all research or market evaluations relating exclusively to the Towanda Facility or to customers and copies of all other research market evaluations or information relating to plans for, improvements or updates to, or product line extensions of Masonite's Molded Doorskin business in existence as of the date the Towanda Facility is divested. Intellectual property rights comprise, but are not limited to, patents, licenses and sublicenses, technical information, copyrights, trademarks, trade names, service marks, service names, computer software and related documentation, know-how, trade secrets, drawings, blueprints, designs, design protocols, specifications for parts and devices, safety procedures for the handling of materials and substances, quality assurance and control procedures, design tools and simulation capability, all manuals and technical information provided to employees, customers, supplies, agents, or licensees, and all research data concerning historic and current research and development efforts relating to Masonite's Molded Doorskin business including, but not limited to, designs of experiments and the results of successful and unsuccessful designs and experiments. Intellectual property rights do not include rights to the ''Masonite'' brand name or to any Proprietary Premdor Product.

(3) The Towanda Facility does not include IP corporate documents, intellectual property owned by IP or other materials regularly maintained at IP headquarters that were not part of the Purchase Agreement.

J. ''The North American Molded Products Business'' means Masonite's Molded Doorskin business, including:

(1) Production facilities located in Towanda, Pennsylvania and Laurel Mississippi, and all tangible assets that comprise the Towanda Facility and the Laurel Facility, including research and development activities, all manufacturing equipment, tooling and fixed assets, personal property, inventory, materials, supplies, and components, parts, design and other tangible property or assets used at the Towanda Facility and the Laurel Facility (provided, however, that all manufacturing equipment, tooling and fixed assets, personal property, and inventory, materials, supplies, components, parts, designs and other tangible property or assets used exclusively in the production of any Property Premdor Product are excluded from the provisions of this subparagraph); all licenses, permits and authorizations issued by any governmental organization relating to the Towanda Facility and the Laurel Facility; all contracts, teaming arrangements, agreements (including supply agreements), leases, commitments, certifications, and understandings relating to the Towanda Facility and the Laurel Facility (provided, however, that any contracts, terming arrangements, agreements (including supply agreements), leases, commitments, certifications, and understandings between Masonite and/or IP and Premdor and/or Premdor U.S.

are excluded from this subparagraph); all lists, contracts, accounts, and credit records of customers (provided, however, that any contracts, accounts, and credit records relating exclusively to Premdor and/or Premdor U.S. are excluded from this subparagraph); all repair, performance, and Towanda Facility and Laurel Facility records and all other records relating to the Towanda Facility and the Laurel Facility.

(2) Any and all intangible assets used in the development, production, servicing and sale of Molded Doorskins at the Towanda Facility and the Laurel Facility, including, but not limited to: (a) Subject to the right of Premdor and Premdor U.S., for 180 days from the date of the consummation of the divestiture pursuant to Section IV or VI of the proposed Final Judgment, to use up any Premdor co-branded packaging or promotional material, and CraftMaster, Canterbury, Carmelle, Carolina, Carrera, Caspian, Castille, Clermont, Colonist, Harvest, Canyon, Corinth, Coventry, Cremona, Hakuju, Maletero, Mesa, Morning Sun, Natural, Trugrain Harvest, and Trugrain Natural brand names and all other intellectual property rights used in connection with the production of Molded Doorskin at the Towanda Facility and the Laurel Facility; (b) all existing licenses and sublicenses relating exclusively to the Towanda Facility and the Laurel Facility; and (c) all research, market evaluations or information relating to plans for; improvements or updates to, or product line extensions of Masonite's Molded Doorskin business. Intellectual property rights comprise, but are not limited to, patents, licenses and sublicenses, technical information, copyrights, trademarks, trade names, service marks, service names, computer software and related documentation, know-how, trade secrets, drawings, blueprints, designs, design protocols, specifications for parts and devices, safety procedures for the handling of materials and substances, quality assurance and control procedures, design tools and simulation capability, and manuals and technical information provided to employees, customers, suppliers, agents, or licenses, and all research data concerning historic and current research and development efforts relating to Masonite's Molded Doorskin business including, but not limited to, designs of experiments and the results of successful and unsuccessful designs and experiments. Intellectual property rights to not include rights to any Property Premdor Product; and,

(3) The Illinois Corporate Offices, the Research Center and the Sales and Marketing Offices of Masonite, including all information maintained at these locations, all written and electronic records and files of these locations, and all tangible and intangible property and assets located at them, with the exception of such information, records, files and property that do not concern the production, sale, marketing, or distribution of Molded Doorskin or doors manufactured with Molded Doorskins in North America.

(4) The North American Molded Products Business does not include IP corporate documents, intellectual property owned by IP or other materials regularly maintained at IP headquarters that were not part of the Purchase Agreement.

K. ''Purchase Agreement'' means the Purchase Agreement by and among IP, Premdor and Premdor U.S. dated as of September 30, 2000 and includes all associated schedules and any subsequent modifications to revisions of that agreement.

II. Objectives

The proposed Final Judgment filed in this case is meant to ensure defendants' promote divestiture of the Towanda Facility for the purpose of establishing a viable competitor in the Molded Doorskin business in order to remedy the effects that the United States alleges would otherwise result from Premdor's acquisition of the Masonite business IP. This Hold Separate Stipulation and Order ensures, prior to such divestitures, that the Towanda facility and the North American Molded Products Business remain independent, economically viable, and ongoing business concerns that will remain independent and uninfluenced by Premdor's acquisition of the Masonite business of IP, and that competition is maintained during the pendency of the ordered divestitures.

III. Jurisdiction and Venue

The Court has jurisdiction over the subject matter of this action and over each of the parties hereto, and venue of this action in proper in the United States District Court for the District of Columbia.

IV. Compliance With and Entry of Final Judgment

A. Each defendant, upon signing his Hold Separate Stipulation and Order, thereby stipulates that a Final Judgment in the form attached hereto as Exhibit A may be filed with and entered by the Court, upon the motion of any party or upon the Court's own motion, at any time after compliance with the requirements of the Antitrust Procedures and Penalties Act (15 U.S.C. § 16), and without further notice to any party or other proceedings, provided that the United States has not withdrawn its consent, which it may do at any time before the entry of the proposed Final Judgment by serving notice thereof on defendants and by filing that notice with the Court.

B. Each defendant, upon signing his Hold Separate Stipulation and Order, thereby stipulates that it shall abide by and comply with the applicable provisions of the proposed Final Judgment, pending the Judgment's entry by the Court, or until expiration of time for all appeals of any Court ruling declining entry of the proposed Final Judgment, and shall, from the date of the signing of this Stipulation by the parties, comply with all the applicable terms and provisions of the proposed Final Judgment as though the same were in full force and effect as an order of the Court.

C. Each defendant, upon signing this Hold Separate Stipulation and Order, thereby stipulates that it shall not consummate the transaction sought to be enjoined by the Complaint herein before the Court has signed this Hold Separate Stipulation and Order, and before each defendant has signed this Stipulation.

D. This Stipulation shall apply with equal force and effect to any amended proposed Final Judgment agreed upon in writing by the parties and submitted to the Court.

E. In the event (1) the United States has withdrawn its consent, as provided in Section IV(A) above, or (2) the proposed Final Judgment is not entered pursuant to this Stipulation, the time has expired for all appeals of any Court ruling declining entry of the proposed Final Judgment, and the Court has not otherwise ordered continued compliance with the terms and provisions of the proposed Final Judgment, then the parties are released from all further obligations under this Stipulation, and the making of this Stipulation shall be without prejudice to any party in this or any other proceeding.

F. Defendants represent that the divestitures ordered in the proposed Final Judgment can and will be made, and that defendants will later raise no claim of mistake, hardship or difficulty of compliance as grounds for asking the Court to modify any of the provisions contained therein.

V. Hold Separate Provisions

Until the divestiture required by the proposed Final Judgment has been accomplished, and subject to the provisions of Section VI of this Order:

A. Defendants shall preserve, maintain, and operate the North American Molded Products Business as an independent, ongoing, economically viable competitive business, with management, research, design, development, production, promotions, marketing, sales and operations of such assets held entirely separate, distinct and apart from those of the defendants' other operations. Defendants Premdor and Premdor U.S. shall not coordinate the production, marketing, or terms of sale of any products with those produced by or sold by the North American Molded Products Business, except to the extent necessary to sell Molded Doorskins to Premdor or Premdor U.S. Within twenty (20) days after the entry of the Hold Separate Stipulation and Order, defendants will inform the United States of the steps defendants have taken to comply with this Hold Separate Stipulation and Order.

B. Defendants shall take all steps necessary to ensure that (1) the North American Molded Products Business will be maintained and operated as an independent, ongoing, economically viable and active competitor in the Molded Doorskin industry; (2) the management of the North American Molded Products Business facility will not be influenced by defendants; and (3) the books, records, competitively sensitive sales, marketing and pricing information, and decision-making concerning research, development, marketing, production, distribution or sales of products by or under any of the North American Molded Products Business will be kept separate and apart from the other operations of defendants.

C. Defendants shall use all reasonable efforts to maintain the research, development, sales and revenues of the products produced by or sold by the North American Molded Products Business, and shall maintain at 2001 levels all promotional, advertising, sales, technical assistance, marketing and merchandising support for the Towanda Facility.

D. Defendants shall provide sufficient working capital and lines and sources of credit to continue to maintain the North American Molded Products Business as economically viable and competitive, ongoing business, consistent with the requirements of Section V(A) and (B).

E. Defendants shall take all steps necessary to ensure that the Towanda Facility is fully maintained in operable condition at no less than its current capacity and sales, and shall maintain and adhere to normal repair and maintenance schedules for the Towanda Facility.

F. Defendants shall not, except as stated in the Purchase Agreement or as part of a divestiture approved by the United States in accordance with the terms of the proposed Final Judgment, remove, sell, lease, assign, transfer, pledge or otherwise dispose of any asset of the North American Molded Products Business, subject to the provisions of Section VI of this Order. Except as stated in the Purchase Agreement, defendants shall not remove originals or make copies of any of the information, records, files or property of the North American Molded Products Business, other than the regular course of business, and defendants shall not permit review or disclosure of such information, records, files or property to defendants Premdor or Premdor U.S., provided, however, that Premdor and Premdor U.S. may have access to such information, records, files or property to the extent necessary to comply with the provisions of the Final Judgment and this Order, to obtain and maintain financing to consummate the transactions stated in the Purchase Agreement, and to make any disclosure mandated under the securities laws of the United States or Canada. Premdor and Premdor U.S. shall provide the monitoring trustee, if any, appointed under the proposed Final Judgment timely notice identifying: (1) Which, if any, Premdor or Premdor U.S. employees have been given access to any of the information, records, files or property of the North American Molded Products Business; (2) the information, records, files or property of the North American Molded Products Business to which such employees have been given access; and (3) the reason for such access. In no event shall employees of Premodor and Premdor U.S. with direct responsibility for sales and marketing have access to any of the information, records, files or property of the North American Molded Products Business.

G. Defendants shall maintain, in accordance with sound accounting principles, separate, accurate and complete financial ledgers, books and records that report on a periodic basis, such as the last business day of every month, consistent with past practices, the assets, liabilities, expenses, revenues and income of the North American Molded Products Business.

H. Defendants shall take no action that would jeopardize, delay or implede the sale of the Towanda Facility.

I. Defendants' employees with primary responsibility for the research, design, development, promotion, distribution, sale, and operation of the North American Molded Products Business shall not be transferred or reassigned to other ares within the company except for transfer bids initiated by employees pursuant to defendants' regular, established job posting policy. Defendants shall provide the United States with ten (10) calendar days notice of such transfer.

J. Prior to consummation of their transaction, defendants shall appoint Peter Heist to oversee and to be responsible for defendants' compliance with this section. Peter Heist shall have complete managerial responsibility for the North American Molded Products Business, subject to the provisions of the proposed Final Judgment. In the event such person is unable to perform his duties, defendants shall appoint, subject to the approval of the Untied States, a replacement within ten (10) working days. Should a replacement acceptable to the Untied States not be appointed within this time period, the United States shall appoint a replacement.

K. Defendants shall take no action that would interfere with the ability of any trustee appointed pursuant to the proposed Final Judgment to monitor each defendant's compliance with the terms of the proposed Final Judgment and this Hold Separate Stipulation and Order applicable to it, or to complete the divestitures pursuant to the proposed Final Judgment to an Acquirer or Acquirers acceptable to the United States.

L. This Hold Separate Stipulation and Order shall remain in effect until consummation of the divestitures required by the proposed Final Judgment or until further order of the Court.

VI. Partition Plan

A. Defendants may present to the Department of Justice a plan within twenty-eight (28) days of this Order to partition from the Masonite business the Towanda Facility and any other assets of the North American Molded Products Business that are necessary to create a viable Molded Doorskin business. In the event the Department of Justice rejects the partition plan or in the event that the defendants do not submit a partition plan, defendants are ordered and directed to hold separate the North American Molded Products Business until the divestiture of the Towanda Facility is complete. Acceptance of the partition plan is in the sole discretion of the Department of Justice. If the

Department of Justice approves the partition plan submitted by defendants, Premdor U.S. can take control of the North American Molded Products Business with the exception of the Towanda Facility.

B. Premdor and Pemdor U.S. shall ensure to the satisfaction of the Department of Justice that the operations of the Towanda Facility shall not be disrupted.

Respectfully submitted,

For Plaintiff United States of America
J. Brady Dugar, Esq.,
Virginia Bar No.: 31685, United States Department of Justice, Antitrust Division, Litigation II Section, 1401 H Street, N.W., Suite 300, Washington, D.C. 20530, (202) 616–5125.

For Defendants Premdor, Inc., and Premdor U.S. Holding Inc.
Keith D. Shugarman, Esq.,
D.C. Bar No.: 416534, Goodwin Procter LLP, 1717 Pennsylvania Avenue, N.W., Washington, D.C. 20006, (202) 974–1020.

International Paper Company and Masonite Corporation
James R. Loftis III, Esq.
D.C. Bar No.: 25627
Danielle K. Moskowitz, Esq.,
D.C. Bar No.: 452132, Gibson, Dunn & Crutcher LLP, 1050 Connecticut Avenue, N.W., Washington, D.C. 20036–5307, (202) 955–8500

Order

It Is So Ordered by the Court, this _____ day of _____, 2001.

_____
United States District Judge

Final Judgment

Whereas, plaintiff, United States of America, filed its Complaint on August 3, 2001, plaintiff and defendants, Premdor Inc. (''Premdor''), Premdor U.S. Holdings, Inc. (''Premdor U.S.''), International Paper Company (''IP''), and Masonite Corporation (''Masonite''), by their respective attorneys, have consented to the entry of this Final Judgment without trial or adjudication of any issue of fact or law, and without this Final Judgment constituting any evidence against or admission by any party regarding any issued of fact or law;

And Whereas, defendants agree to be bound by the provisions of this Final Judgment pending its approval by the Court;

And Whereas, the essence of this Final Judgment is the prompt and certain divestiture of certain rights or assets by the defendants to assure that competition is not substantially lessened;

And Whereas, plaintiff requires defendants to make certain divestitures for the purpose of remedying the loss of competition alleged in the complaint;

And Whereas, defendants Premdor and Premdor U.S. have represented to the United States that the divestitures required below can and will be made, and defendants IP and Masonite have represented that as of the time of signing the stipulation to the entry of this Final Judgment, the divestiture required below can and will be made, and each defendant agrees that it will later raise no claim of hardship or difficulty as grounds for asking the Court to modify any of the divestiture provisions contained below;

Now Therefore, before any testimony is taken, without trial or adjudication of any issue of fact or law, and upon consent of the parties, it is *Ordered, Adjudged and Decreed*:

I. Jurisdiction

This Court has jurisdiction over the subject matter of and each of the parties to this action. The Complaint states a claim upon which relief may be granted against defendants under section 7 of the Clayton Act, as amended (15 U.S.C. 18).

II. Definitions

As used in this Final Judgment:

A. ''Acquirer'' or ''Acquirers'' means the entity or entities to whom the Towanda Facility is divested.

B. ''Premdor'' means defendant Premdor Inc., a Canadian corporation with its headquarters in Mississauga, Ontario, Canada, its successors and assigns, and its subsidiaries, divisions, groups, affiliates, partnerships and joint ventures, and their directors, officers, managers, agents, and employees.

C. ''Premdor U.S.'' means defendant Premdor U.S. Holdings, Inc., a Florida corporation and a wholly owned subsidiary of Premdor with its headquarters in Tampa, Florida, its successors and assigns, and its subsidiaries, divisions, groups, affiliates, partnerships and joint ventures, and their directors, officers, managers, agents, and employees.

D. ''IP'' means defendant International Paper Company, a New York corporation with its headquarters in Stamford, Connecticut, its successors and assigns, and its subsidiaries, divisions, groups, affiliates, partnerships and joint ventures, and their directors, officers, managers, agents, and employees.

E. ''Masonite'' means defendant Masonite Corporation, a Delaware corporation and a wholly owned subsidiary of IP with its headquarters in Chicago, Illinois, its successors and assigns, and its subsidiaries, divisions, groups, affiliates, partnerships and joint ventures, and their directors, officers, managers, agents, and employees.

F. ''Doorskin'' means the facing components used in the manufacture of an interior flush door; two doorskins are required for each door—one for the front facing and one for the rear facing of the door.

G. ''Molded Doorskin'' means a hardboard doorskin made from a fibrous mat that has been molded under extreme pressure and at a high temperature into a raised panel design.

H. ''Proprietary Premdor Product'' means any product manufactured by Masonite in which Premdor has an ownership interest and which Masonite has agreed in writing not to sell to anyone other than Premdor.

I. ''Towanda Facility'' means Masonite's Molded Doorskin production facility located in Towanda, Pennsylvania including:

(l) All tangible assets that comprise the Towanda Facility, including research and development activities, all manufacturing equipment, tooling and fixed assets, personal property, inventory, materials, supplies, components, parts, designs and other tangible property or assets used at the Towanda Facility (provided, however, that all manufacturing equipment, tooling and fixed assets, personal property, inventory, materials, supplies, components, parts, designs and other tangible property or assets used exclusively in the production of any Proprietary Premdor Product are excluded from the provisions of this subparagraph); all licenses, permits and authorizations issued by any governmental organization relating to the Towanda Facility; all contracts, teaming arrangements, agreements (including supply agreements), leases, commitments, certifications, and understandings relating to the Towanda Facility (provided, however, that any contracts, teaming arrangements, agreements (including supply agreements), leases, commitments, certifications, and understandings between Masonite and/or IP and Premdor and/or Premdor U.S. are excluded from this subparagraph); all lists, contracts, accounts, and credit records of customers (provided, however, that any contracts, accounts, and credit records relating exclusively to Premdor and/or Premdor U.S. are excluded from this subparagraph); all repair, performance, and Towanda Facility records and all other records relating to the Towanda Facility; and

(2) Any and all intangible assets used in the development, production, servicing and sale of Molded Doorskins at the Towanda Facility, including, but

not limited to: (a) Subject to the right of Premdor and Premdor U.S. for 180 days from the date of the consummation of the divestiture pursuant to Section IV or VI of this Final Judgment, to use up any Premdor co-branded packaging or promotional material, exclusive use of the CraftMaster, Canterbury, Carmelle, Carolina, Carrera, Caspian, Castille, Classique, Clermont, Colonist, Harvest, Canyon, Corinth, Coventry, Cremona, Hakuju, Maletero, Mesa, Morning Sun, Natural, Trugrain Harvest, and Trugrain Natural brand names and all other intellectual property rights used in connection with the production of Molded Doorskins at the Towanda Facility, including all blueprints and engineering drawings needed for the manufacture of dies used in the Molded Doorskin presses at the Towanda Facility; (b) all information, documents and computer records, relating to the production, sales, marketing or distribution of any products sold under any of the brand names identified in section I(2)(a), including all files relating to purchasers (other than Premdor and Premdor U.S.) of Molded Doorskins or doors manufactured with Molded Doorskins; (c) with respect to all other intellectual property rights currently used or currently planned to be used in connection with the production of Molded Doorskins at both the Towanda Facility and other nondivested Molded Doorskin production facilities, a transferable license; (d) all existing licenses and sublicenses relating exclusively to the Towanda Facility; (e) a transferable sublicense, exclusive in the Acquirer(s) of the Towanda Facility, to all other existing licenses and sublicenses relating to the Towanda Facility; and (f) all research or market evaluations relating exclusively to the Towanda Facility or to customers and copies of all other research, market evaluations or information relating to plans for, improvements or updates to, or product line extensions of Masonite's Molded Doorskin business in existence as of the date the Towanda Facility is divested Intellectual property rights comprise, but are not limited to, patents, licenses and sublicenses, technical information, copyrights, trademarks, trade names, service marks, service names, computer software and related documentation, know-how, trade secrets, drawings, blueprints, designs, design protocols, specifications for parts and devices, safety procedures for the handling of materials and substances, quality assurance and control procedures, design tools and simulation capability, all manuals and technical information provided to employees, customers, suppliers, agents, or licensees, and all research data concerning historic and current research and development efforts relating to Masonite's Molded Doorskin business including, but not limited to, designs of experiments and the results of successful and unsuccessful designs and experiments. Intellectual property rights do not include rights to the ''Masonite'' brand name or to any Proprietary Premdor Product.

(3) The Towanda Facility does not include IP corporate documents, intellectual property owned by IP or other materials regularly maintained at IP headquarters that were not part of the Purchase Agreement.

J. ''The North American Molded Products Business'' means Masonite's Molded Doorskin business, including:

(1) Production facilities located in Towanda. Pennsylvania and Laurel Mississippi, and all tangible assets that comprise the Towanda Facility and the Laurel Facility, including research and development activities, all manufacturing equipment, tooling and fixed assets, personal property, inventory, materials, supplies, components, parts, designs and other tangible property or assets used at the Towanda Facility and the Laurel Facility (provided, however, that all manufacturing equipment, tooling and fixed assets, personal property, inventory, materials, supplies, components, parts, designs and other tangible property or assets used exclusively in the production of any Proprietary Premdor Product are excluded from the provisions of this subparagraph); all licenses, permits and authorizations issued by any governmental organization relating to the Towanda Facility and the Laurel Facility; all contracts, teaming arrangements, agreements (including supply agreements), leases, commitments, certifications, and understandings relating to the Towanda Facility and the Laurel Facility (provided, however, that any contracts, teaming arrangements, agreements (including supply agreements), leases, commitments, certifications, and understandings between Masonite and/or IP and Premdor and/or Premdor U.S. are excluded from this subparagraph); all lists, contracts, accounts, and credit records of customers (provided, however, that any contracts, accounts, and credit records relating exclusively to Premdor and/or Premdor U.S. are excluded from this subparagraph); all repair, performance, and Towanda Facility and Laurel Facility records and all other records relating to the Towanda Facility and the Laurel Facility;

(2) Any and all intangible assets used in the development, production, servicing and sale of Molded Doorskins at the Towanda Facility and the Laurel Facility, including, but not limited to: (a) Subject to the right of Premdor and Premdor U.S., for 180 days from the date of the consummation of the divestiture pursuant to Section IV or VI of this Final Judgment, to use up any Premdor co-branded packaging or promotional material, the CraftMaster, Canterbury, Carmelle, Carolina, Carrera, Caspian, Castille, Classique, Clermont, Colonist, Harvest, Canyon, Corinth, Coventry, Cremona, Hakuju, Maletero, Mesa, Morning Sun, Natural, Trugrain Harvest, and Trugrain Natural brand names and all other intellectual property rights used in connection with the production of Molded Doorskins at the Towanda Facility and the Laurel Facility; (b) all existing licenses and sublicenses relating exclusively to the Towanda Facility and the Laurel Facility; and (c) all research, market evaluations or information relating to plans for, improvements or updates to, or product line extensions of Masonite's Molded Doorskin business. Intellectual property rights comprise, but are not limited to, patents, licenses and sublicenses, technical information, copyrights, trademarks, trade names, service marks, service names, computer software and related documentation, know-how, trade secrets, drawings, blueprints, designs, design protocols, specifications for parts and devices, safety procedures for the handling of materials and substances, quality assurance and control procedures, design tools and simulation capability, all manuals and technical information provided to employees, customers, suppliers, agents, or licensees, and all research data concerning historic and current research and development efforts relating to Masonite's Molded Doorskin business including, but not limited to, designs of experiments and the results of successful and unsuccessful designs and experiments. Intellectual property rights do not include rights to any Proprietary Premdor Product; and,

(3) The Illinois Corporate Offices, the Research Center and the Sales and Marketing Offices of Masonite, including all information maintained at these locations, all written and electronic records and files of these locations, and all tangible and intangible property and assets located at them, with the exception of such information, records, files and property that do not concern the production, sale,

marketing, or distribution of Molded Doorskins or doors manufactured with Molded Doorskins in North America.

(4) The North American Molded Products Business does not include IP corporate documents, intellectual property owned by IP or other materials regularly maintained at IP headquarters that were not part of the Purchase Agreement.

K. ''Purchase Agreement'' means the Purchase Agreement by and among IP, Premdor and Premdor U.S. dated as of September 30, 2000 and includes all associated schedules and any subsequent modifications to or revisions of that agreement.

III. Applicability

A. This Final Judgment applies to Premdor, Premdor U.S., IP, and Masonite, as defined above, and to all other persons in active concert or participation with any of them who receive actual notice of this Final Judgment by personal service or otherwise.

B. Defendants shall require, as a condition of the sale of other disposition of all or substantially all of their assets or of lesser business units that include the Towanda Facility, that the purchaser agrees to be bound by the provisions of this Final Judgment, provided, however, that defendants need not obtain such an agreement from the Acquirer(s).

IV. Divestiture

A. Defendants are ordered and directed within (a) the earlier of (1) *one hundred-fifty (150)* calendar days after the filing of the Compliant in this matter, of (2) *one hundred-twenty (120)* calendar days after the closing of the transaction in the Purchase Agreement, or, if later, (b) five (5) calendar days after the entry of the Final Judgment, to:

(1) Divest the Towanda Facility in manner consistent with this Final Judgment as a viable, ongoing business to Acquirers acceptable to the United States in its sole discretion;

(2) At the option of the Acquirer(s) enter an agreement to supply, for a maximum period of 12 months from the date of the consummation of a divestiture pursuant to Section IV or Section VI of this Final Judgment, at a price not greater than the cost of production, any reasonably necessary number of the dies used by Masonite to produce the full range of Molded Doorskins designs and sizes that Masonite has the ability to produce as of the date of the consummation of a divestiture pursuant to Section IV or Section VI of this Final Judgment.

(3) At the option of the Acquirer(s), enter into and agreement to supply, for as maximum period of 12 months from the date of the consummation of a divestiture pursuant to Section IV or Section VI of this Final Judgment, reasonable levels of transitional and manufacturing start-up support that will enable the Acquirer(s) to produce Molded Doorskins.

B. The United States, in its sole discretion, may extend the time period for the divestiture two additional periods of time, not to exceed thirty (3) calendar days each, and shall notify the Court in such circumstances. Defendants agree to use their best efforts to divest the Towanda Facility as expeditiously as possible.

C. In accomplishing the divestiture ordered by this Final Judgment, defendants promptly shall make known, by usual and customary means, the availability of the Towanda Facility. Defendants shall inform any person making inquiry regarding a possible purchase of the Towanda Facility that it is being divested pursuant to this Final Judgment and provide that person with a copy of this Final Judgment. Defendants shall offer to furnish to all prospective Acquirers, subject to customary confidentiality assurances, all information and documents relating to the Towanda Facility customarily provided in a due diligence process except: (1) such information or documents subject to the attorney-client or work-product privileges, and (2) such information or documents consisting solely of information relating to purchases by Premdor and Premdor U.S. Defendants shall make available such information to the United States at the same time that such information is made available to any other person.

D. Defendants shall provide the Acquirer(s) and the United States information relating to any IP or Masonite personnel involved in the research, design, production, operation, development, marketing, and sale of Molded Doorskins to enable the Acquirer(s) to make offers of employment. Defendants will not interfere with any negotiations by the Acquirer(s) to make offers of employment. Defendants will not interfere with any negotiations by the Acquirer(s) to employ any person whose primary responsibility is the research, design, production, operation, development, marketing or sale of Molded Doorskins. Defendants are prohibited from soliciting or making any offers or counteroffers of employment to any employee of the North American Molded Products Business except with respect to: (1) personnel at or with responsibility for the Laurel Facility; (2) personnel at the West Chicago research and development facility.

E. Defendants, or if the transaction contemplated in the Purchase Agreement has closed, defendant Premdor shall permit prospective Acquirers of the Towanda Facility to have reasonable access to personnel and to make inspections of the physical facilities of the Towanda Facility; access to any and all environmental, zoning, and other permit documents and information; and access to any and all financial, operations, or other documents and information customarily provided as part of a due diligence process (except such information or documents subject to the attorney-client or work-product privileges or consisting solely of information relating to purchases by Premdor and/or Premdor U.S.).

F. Defendants shall warrant to the Acquirer(s) of the Towanda Facility that each asset will be operational on the date of sale.

G. Defendants warrant that they have the authority to convey all intellectual property described in Section II.I under the definition of Towanda Facility free and clear of any encumbrances, contractual commitments or obligations to third parties.

H. Defendants shall not take any action that will impede in any way the permitting, operation, or divestiture of the Towanda Facility.

I. Defendants shall not take any action that will impede or exclude their customers from buying Molded Doorskins produced by the Acquirer(s) of the Towanda Facility for two years from the date of the consummation of the divestiture pursuant to Section IV or VI of this Final Judgment.

J. Defendants shall not take any action that will impede or exclude their customers from selling doors manufactured with Molded Doorskins produced by the Acquirer(s) of the Towanda Facility for two years from the date of the consummation of the divestiture pursuant to Section IV or VI of this Final Judgment.

K. Defendants shall warrant to the Acquirer(s) of the Towanda Facility that there are no material defects in the environmental, zoning or other permits pertaining to the operation of each assets, and that following the sale of the Towanda Facility, defendants will not undertake, directly or indirectly, any challenges to the environmental, zoning or other permits relating to the operation of the Towanda Facility.

L. Unless the United States otherwise consents in writing, the divestiture pursuant to Section IV, or by trustee appointed pursuant to Section VI, of

this Final Judgment, shall include the entire Towanda Facility, and shall be accomplished in such a way as to satisfy the United States, in its sole discretion, that the Towanda Facility can and will be used by the Acquirer(s) as part of a viable, ongoing Molded Doorskin business. The divestiture, whether pursuant to Section IV or Section VI of this Final Judgment.

(1) Shall be made to an Acquirer (or Acquirers) that, in the United Stat's sole judgment, has the intent and capability (including the necessary managerial, operational, technical and financial capability) of competing effectively in the manufacture and sale of Molded Doorskins; and

(2) Shall be accomplished so as to satisfy the United States, in its sole discretion, than none of the terms of any agreement between an Acquirer (or Acquirers) and any of the defendants gives any of the defendants the ability unreasonably to raise the Acquirer's costs, to lower the Acquirer's efficiency, or otherwise to interfere in the ability of the Acquirer(s) to compete effectively.

V. Appointment of Monitoring Trustee

A. Immediately upon the filing of this Final Judgment, the United States may, in its sole discretion, appoint a monitoring trustee, subject to approval by the Court.

B. The trustee shall have the power and authority to monitor defendants' compliance with the terms of this Final Judgment and the Hold Separate Stipulation and Order entered by this Court and shall have such powers as this Court deems appropriate. Subject to Section V(C) of this Final Judgment, the monitoring trustee may hire at the cost and expense of defendant Premdor any consultants, accountants, attorneys, or other persons, who shall be solely accountable to the monitoring trustee, reasonably necessary in the monitoring trustee's judgment.

C. Defendants shall not object to actions taken by the monitoring trustee in fulfillment of the monitoring trustee's responsibilities under any Order of this Court on any ground other than the monitoring trustee's malfeasance. Any such objections by defendants must be conveyed in writing to the United States and the monitoring trustee within ten (10) calendar days after the action taken by the monitoring trustee giving rise to the defendants' objection.

D. The monitoring trustee shall serve at the cost and expense of defendant Premdor, on such terms and conditions as the plaintiff approves. The compensation of the monitoring trustee and any consultants, accountants, attorneys, and other persons retained by the monitoring trustee shall be on reasonable and customary terms commensurate with the individuals experience and responsibilities.

E. The monitoring trustee shall have no responsibility or obligation for the operation of defendants' businesses.

F. Defendants shall use their best efforts to assist the monitoring trustee in monitoring defendants' compliance with their individual obligations under this Final Judgment and under the Hold Separate Stipulation and Order. The monitoring trustee and any consultants, accountants, attorneys, and other persons retained by the monitoring trustee shall have full and complete access to the personnel, books, records, and facilities of the North American Molded Products Business, subject to reasonable protection for trade secret or other confidential research, development, or commercial information or any applicable privileges. Defendants shall take no action to interfere with or to impede the monitoring trustee's accomplishment of its responsibilities.

G. After its appointment, the monitoring trustee shall file monthly reports with the United States and the Court setting forth the defendants' efforts to comply with their individual obligations under this Final Judgment and under the Hold Separate Stipulation and Order. To the extent such reports contain information that the trustee deems confidential, such reports shall not be filed in the public docket of the Court.

H. The monitoring trustee shall serve until the divestiture of the Towanda Facility is finalized pursuant to either Section IV or Section VI of this Final Judgment.

VI. Appointment of a Trustee To Effect the Divestiture

A. If the Towanda Facility has not been divested within the time period specified in Section IV(A), defendants shall notify the United States of that fact in writing. If a monitoring trustee has been appointed under Section V of this Final Judgment, the monitoring trustee shall immediately assume the sole power and authority to effect the divestiture of the Towanda Facility. If a monitoring trustee has not been appointed, upon application of the United States, the Court shall appoint a trustee selected by the United States and approved by the Court to effect the divestiture of the Towanda Facility.

B. Upon the appointment of a trustee and expiration of the time specified in Section IV(A) of this Final Judgment, only the trustee shall have the right to sell the Towanda Facility. The trustee shall have the power and authority to accomplish the divestiture to an Acquirer or Acquirers acceptable to the United States at such price and on such terms as are then obtainable upon reasonable efforts by the trustee, subject to the provisions of Sections IV, VI, and VII of this Final Judgment, and shall have such other powers as this Court deems appropriate. Subject to Section VI(C) of this Final Judgment, the trustee may hire at the cost and expense of defendant Premdor, any investment bankers, attorneys, or other agents, who shall be solely accountable to the trustee, reasonably necessary in the trustee's judgment to assist in the divestiture.

C. Defendants shall not object to a sale by the trustee on any ground other than the trustee's malfeasance. Any such objections by defendants must be conveyed in writing to the United States and the trustee within ten (10) calendar days after the trustee has provided the notice required under Section VII.

D. The trustee shall serve at the cost and expense of defendant Premdor, on such terms and conditions as the plaintiff approves, and shall account for all monies derived from the sale of the assets sold by the trustee and all costs and expenses so incurred. Upon receipt of such monies, the trustee shall place the monies in an interest bearing account. After approval by the Court of the trustee's accounting, including fees for its services and those of any professionals and agents retained by the trustee, all remaining money, including accrued interest, shall be paid to defendants and the trust shall then be terminated. The compensation of the trustee and any professionals and agents retained by the trustee shall be reasonable and based on a fee arrangement providing the trustee with an incentive based on the price and terms of the divestiture and the speed with which it is accomplished, but timeliness is paramount.

E. Defendants shall use their best efforts to assist the trustee in accomplishing the required divestiture. The trustee and any consultants, account's, attorneys, and other persons retained by the trustee shall have full and complete access to the personnel, books, records, and facilities of the business to be divested, and defendants shall develop financial and other information relevant to such business as the trustee may reasonably request, subject to reasonable protection for trade secret or other confidential research, development, or commercial information or any applicable privileges. Provided, however, that the trustee shall not make available to

prospective Acquirers any such information or documents consisting solely of information relating to purchases by Premdor and Premdor U.S. Defendants shall take no action to interfere with or to impede the trustee's accomplishment of its responsibilities.

F. After its appointment, the trustee shall file monthly reports with the United States and the Court setting forth the trustee's efforts to accomplish the divestiture ordered under this Final Judgment. To the extent such reports contain information that the trustee deems confidential, such reports shall not be filed in the public docket of the Court. Such reports shall include the name, address, and telephone number of each person who, during the preceding month, made an offer to acquire, expressed an interest in acquiring, entered into negotiations to acquire, or was contacted or made an inquiry about acquiring, any interest in the Towanda Facility, and shall describe in detail each contact with any such person. The trustee shall maintain fully records of all efforts made to divest the Towanda Facility.

G. If the trustee has not accomplished such divestiture within six months after its becomes responsible for selling the Towanda Facility, the trustee shall promptly file with the Court a report setting forth (1) the trustee's efforts to accomplish the required divestiture, (2) the reasons, in the trustee's judgment, why the required divestiture has not been accomplished, and (3) the trustee's recommendations. To the extent such reports contain information that the trustee deems confidential, such reports shall not be filed in the public docket of the Court. The trustee shall at the same time furnish such report to the plaintiff who shall have the right to make additional recommendations consistent with the purpose of the trust. The Court thereafter shall enter such orders as it shall deem appropriate to carry out the purpose of the Final Judgment, which may, if necessary, include extending the trust and the term of the trustee's appointment by a period requested by the United States.

VII. Notice of Proposed Divestiture

A. Within two (2) business days following execution of a definitive divestiture agreement, defendants or the trustee, whichever is then responsible for effecting the divestiture required herein, shall notify the United States of any proposed divestiture required by Section IV or VI of this Final Judgment. If the trustee is responsible, it shall similarly notify defendants. The notice shall set forth the details of the proposed divestiture and list the name, address, and telephone number of each person not previously identified who offered or expressed an interest in or desire to acquire any ownership interest in the Towanda Facility, together with full details of the same.

B. Within fifteen (15) calendar days of receipt by the United States of such notice, the United States may request from defendants, the proposal Acquirer(s), any other third party, or the trustee if applicable additional information concerning the proposed divestiture, the proposed Acquirer(s), and any other potential Acquirer. Defendants and the trustee shall furnish any additional information requested within fifteen (15) calendar days of the receipt of the request, unless the parties shall otherwise agree.

C. Within thirty (30) calendar days after receipt of the notice or within twenty (20) calendar days after the United States has been provided the additional information requested from defendants, the proposed Acquirer(s), any third party and the trustee, whichever is later, the United States shall provide written notice to defendants and the trustee, if there is one, stating whether or not it objects to the proposed divestiture. If the United States provides written notice that it does not object, the divestiture may be consummated, subject only to defendants limited right to object to the sale under Section VI(C) of this Final Judgment. Absent written notice that the United States does not object to the proposed Acquirer(s) or upon objection by the United States, a divestiture proposed under Section IV or Section VI shall not be consummated. Upon objection by defendants under Section VI(C), a divestiture proposed under Section VI shall not be consummated unless approved by the Court.

VIII. Financing

Defendants shall not finance all or any part of any purchase made pursuant to Section IV or VI of this Final Judgment.

IX. Hold Separate

Until the divestiture required by this Final Judgment has been accomplished, defendants shall take all steps necessary to comply with their individual obligations under the Hold Separate Stipulation and Order entered by this Court. Defendants shall take no action that would jeopardize the divestiture order by this Court.

X. Affidavits

A. Within twenty (20) calendar days of the filing of the Complaint in this matter, and every thirty (30) calendar days thereafter until the divestiture has been completed under Section IV or VI, defendants, or if the transaction contemplated in the Purchase Agreement has closed, defendant Premdor shall deliver to the United States an affidavit as to the fact and manner of its compliance with Section IV or VI of this Final Judgment. Each such affidavit shall include the name, address, and telephone number of each person who, during the preceding thirty days, made an offer to acquire, expressed an interest in acquiring, entered into negotiations to acquire, or was contacted or made an inquiry about acquiring, any interest in the Towanda Facility, and shall describe in detail each contact with any such person during that period. Each such affidavit shall also include a description of the efforts defendants have taken to solicit buyers for the Towanda Facility, and to provide required information to prospective Acquirers, including the limitations, if any, on such information. Assuming the information set forth in the affidavit is true and complete, any objection by the United States to information provided by defendants, including limitation on information, shall be made within fourteen (14) days of receipt of such affidavit.

B. Within twenty (20) calendar days of the filing of the Complaint in this matter, defendants shall deliver to the United States an affidavit that describes in reasonable detail all actions defendants have taken and all steps defendants have implemented on an ongoing basis to comply with Section IX of this Final Judgment. Defendants shall deliver to the United States an affidavit describing any changes to the efforts and actions outlined in defendants' earlier affidavits filed pursuant to this section within fifteen (15) calendar days after the change is implemented.

C. Defendants shall individually keep all records of each of their individual efforts made to preserve and divest the Towanda Facility until one year after such divestiture has been completed.

XI. Compliance Inspection

A. For the purposes of determining or securing compliance with this Final Judgment, or of determining whether the Final Judgment should be modified or vacated, and subject to any legally recognized privilege, from time to time duly authorized representatives of the United States Department of Justice, including consultants and other persons retained by the United States, shall, upon written request of a duly authorized representative of the Assistant Attorney General in charge of the Antitrust Division, and on

reasonable notice to defendants, be permitted.

(1) Access during defendants' office hours to inspect and copy, or at plaintiff's option, to require defendants provide copies of, all books, ledgers, accounts, records and documents in the possession, custody, or control of defendants, relating to any matters contained in this Final Judgment, and

(2) To interview, either informally or on the record, defendants' officers, employees, or agents, who may have their individual counsel present, regarding such matters. The interviews shall be subject to the reasonable convenience of the interviewee and without restraint or interference by defendants.

B. Upon the written request of a duly authorized representative of the Assistant Attorney General in charge of the Antitrust Division, defendants shall submit written reports, under oath if requested, relating to any of the matters contained in this Final Judgment as may be requested.

C. No information or documents obtained by the means provided in this section shall be divulged by the United States to any person other than an authorized representative of the executive branch of the United States, except in the course of legal proceedings to which the United States is a party (including grand jury proceedings), or for the purpose of securing compliance with this Final Judgment, or as otherwise required by law.

D. If at the time information or documents are furnished by defendants to the United States, defendants represent and identify in writing the material in any such information or documents to which a claim of protection may be asserted under Rule 26(c)(7) of the Federal Rules of Civil Procedure, defendants mark each pertinent page of such material. ''Subject to claim of protection under Rule 26(c)(7) of the Federal Rules of Civil Procedure,'' then the United States shall give defendants ten (10) calendar days notice prior to divulging such material in any legal proceeding (other than a grand jury proceeding).

XII. No Reacquisition

Defendants may not reacquire any part of the Towanda Facility during the term of this Final Judgment.

XIII. Retention of Jurisdiction

This Court retains jurisdiction to enable any party to this Final Judgment to apply to this Court at any time for further orders and directions as may be necessary or appropriate to carry out or construe this Final Judgment, to modify any of its provisions, to enforce compliance, and to punish violations of its provisions.

XIV. Expiration of Final Judgment

Unless this Court grants an extension, this Final Judgment shall expire ten years from the date of its entry.

XV. Public Interest Determination

Entry of this Final Judgment is in the public interest.

Dated:_____, 2001

Court approval subject to procedures of the Antitrust Procedures and Penalties Act, 15 U.S.C. 16

_____

United States District Judge

Competitive Impacts Statement

The United States, pursuant to the Antitrust Procedures and Penalties Act (''APPA''), 15 U.S.C. 16(b)–(h), files this Competitive Impact Statement relating to the proposed Final Judgment submitted for entry in this civil antitrust proceeding.

1. Nature and Purpose of This Proceeding

On August 3, 2001, the United States filed a Compliant alleging that the proposed acquisition of the Masonite business of International Paper Company (''IP'') by Premdor Inc. (''Premdor'') would substantially lessen competition in violation of section 7 of the Clayton Act, as amended, 15 U.S.C. 18. The Compliant alleges that Premdor and IP, through its subsidiary Masonite Corporation (''Masonite''), are two of the three largest firms involved in the production of interior molded doors. As alleged in the Complaint, the transaction will substantially lessen competition in the development, manufacture and sale of interior molded doorskins and interior molded doors in the United States, thereby harming consumers. Accordingly, the Complaint seeks among other things: (1) a judgment that the proposed acquisition would violate Section 7 of the Clayton Act; and (2) permanent injunctive relief that would prevent defendants from carrying out the acquisition or otherwise combining their businesses or assets.

At the same time the Complaint was filed, the United States also filed a proposed settlement that would permit Premdor to acquire the Masonite business, provided that Premdor divests its Towanda, Pennsylvania doorskin manufacturing facility, along with intellectual property, research capabilities and other assets needed to be a viable doorskin manufacturer. The settlement consists of proposed Final Judgment and a Hold Separate Stipulation and Order.

The proposed Final Judgment orders defendants to divest the Towanda facility to an acquirer approved by the United States. Defendants must complete the divestiture with 150 calendar days after the filing of the Complaint in this matter, or within 120 calendar days after the closing of Premdor's acquisition of the Masonite business, whichever is earlier. If defendants do not complete the divestiture within the prescribed time, then, under the terms of the proposed Final Judgment, this Court will appoint a trustee to sell the Towanda facility.

The Hold Separate Stipulation and Order and the proposed Final Judgment require defendants to preserve, maintain and continue to operate the North American operations of the Masonite business as an independent, ongoing, economically viable competitive business, with the management, sales and operations held separate from Premdor's other operations. The Hold Separate Stipulation and Order allows the defendants to submit to the United States a plan for partitioning the Towanda facility from the remainder of Masonite's North American operations. If the defendants submit a partition plan that is acceptable to the United States, then, after the transaction closes, Premdor can take control of all of Masonite's North American operations other than the Towanda facility and any other partitioned assets. The partitioned assets must continue to be held separate until they are divested to a suitable acquirer.

The United States and defendants have stipulated that the proposed Final Judgment may be entered after compliance with the APPA. Entry of the proposed Final Judgment would terminate this action, except that this Court would retain jurisdiction to construe, modify or enforce the provisions of the proposed Final Judgment and to punish violations thereof.

II. Description of the Events Giving Rise to the Alleged Violation of the Antitrust Laws

A. The Defendants

1. Premdor

Premdor is a Canadian corporation with its corporate headquarters and principal place of business in Mississauga, Ontario, Canada. Premdor produces interior and exterior doors. Its line of wood doors includes molded, louvered and custom-made commercial and architectural doors. Premdor is the largest manufacturer and merchandises of interior molded doors in the world. It manufactures, merchandises and sells

interior molded doors to distributors, wholesalers, home centers and building-supply dealers across Canada, the United States, Mexico, Europe, Asia and the Middle East. Sale of interior molded doors in the United States accounted for about 23 percent of Premdor's total 2000 sales of approximately $1.29 billion. Premdor also holds a 48.5 percent equity stake in Firbramold, S.A. (''Fibramold''), a Chilean manufacturer of interior molded doorskins. Fibramold is a Chilean closed corporation owned by Premdor, Forestal Terranova S.A., and Citifor (Chile) Holdings Limitada. Premdor is Fibramold's only significant interior molded doorskin customer in the United States.

2. Premdor U.S. Holdings, Inc. (''Premdor U.S.'')

Premdor U.S. a wholly owned subsidiary of Premdor, is a Florida corporation with its corporate headquarters and principal place of business in Tampa, Florida. Premdor U.S. owns Premdor's U.S. facilities involved in the manufacture and sale of doors.

3. IP

IP is a New York corporation with its corporate headquarters and principal place of business in Stamford, Connecticut. Its businesses include printing paper, packaging, distribution, chemical and petroleum products and building materials. IP operates in nearly fifty countries and exports its products to more than 130 nations. In 2000, IP reported net sales of approximately $28.2 billion.

4. Masonite

Masonite, a wholly owned subsidiary of IP, is a Delaware corporation with its corporate headquarters and principal place of business in Chicago, Illinois. Masonite is one of the world's largest manufacturers of fiberboard, which is processed into a variety of products, including molded doorskins. Masonite manufacturers interior molded doorskins in the United States at plants in Laurel, Mississippi and Towanda, Pennsylvania. Masonite sells interior molded doorskins to all of the non-vertically door manufacturers in the United States. In 2000, Masonite reported total sales of approximately $465 million, approximately half of which was generated through sales of interior molded doorskins.

B. The Proposed Acquisition

On or about September 30, 2000, IP, Premdor and Premdor U.S. entered into a purchase agreement whereby Premdor, through Premdor U.S., agreed to purchase IP's Masonite business. Premdor U.S. agreed to purchase 100 percent of the shares of Masonite, International Paper Masonite Holding Company Ltd. and Pintu Acquisition Company, Inc., as well as certain other assets and intellectual property rights. The purchase price for the transaction is approximately $500 million, subject to post-closing adjustments.

C. The Competitive Effects of the Acquisition

1. The Interior Molded Doorskin and Interior Molded Door Markets

As alleged in the Complaint, a doorskin is the component which makes up the front and back of the flush door; two doorskins are required for each flush door. These are several varieties of doorskins—a molded doorskin is formed from a fibrous mat that is molded into a raised panel design in a press under extreme pressure and at high temperatures. Molded doorskins are designed to provide the appearance of solid wood doors at a much lower price. A molded doorskin is the largest input cost of a molded door, comprising up to 70 percent of the cost of manufacturing a molded door. The Complaint alleges that the sale of interior molded doorskin in the United States for use in manufacturing interior molded doors is a relevant product market within the meaning of section 7 of the Clayton Act.

The Complaint also alleges that the sale of interior molded doors in the United States is a relevant product market within the meaning of section 7 of the Clayton Act. Interior molded doors are a type of flush door used primarily in residential construction and remodeling for closets, rooms, and hallways. Other types of flush doors include those made with hardboard and veneered doorskin. Both hardboard and veneered doorskins are flat, unlike a molded doorskin which has a raised panel design. The Complaint alleges that hardboard and veneered doors are not substitutes for molded doors, as they are used in different applications than molded doors. Moreover, changes in price of molded doors have, in the past, had no impact on the demand for hardboard or veneered doors.

2. Anticompetitive Consequences of the Acquisition

The markets for interior molded doorskin (the ''upstream market'') and for interior molded doors (the ''downstream market'') are closely connected—interior molded doorskins are the primary input in the manufacture of interior molded doors. There are only two major competitors in each market, one of which is a vertically integrated firm, not to party to this action (hereinafter the ''non-party firm''), that therefore competes in both markets. Masonite presently is the largest competitor in the interior molded doorskin market and is not vertically integrated into the interior molded door market. Premdor is one of two players in the interior molded doors market and is a small, but significant, participant in the interior molded doorskin market. The proposed transaction, therefore, would combine two competitors in the interior molded doorskin market and result in the combined Premdor/Masonite firm being vertically integrated into both the interior molded doorskin and interior molded door markets. In 2000, Masonite and the non-party firm manufactured the vast majority of all doorskins used to manufacture interior molded doors in the United States. Masonite sell its doorskins to non-vertically integrated door manufacturers, and Premdor is Masonite's largest purchaser of interior molded doorskins. Premdor also participates in the interior molded doorskin market through its joint venture, Fibramold. The non-party firm uses the vast majority of its interior molded doorskin production in the production of its own molded doors; the rest of its interior molded doorskin production is sold to non-vertically integrated door manufacturers. There are also a number of small doorskin manufacturers that sell interior molded doorskins in the United States, however, none of these sells even one percent of the interior molded doorskins sold in the United States.

Premdor is the world's largest producer of interior molded doors. In 2000, Premdor sold over 40 percent of all interior molded doors sold in the United States. Premdor's principal competitor in the downstream interior molded door market is the non-party firm. The approximately nine smaller, non-vertically integrated door manufacturers each sells five percent or less of the interior molded doors sold in the United States. The non-integrated door manufacturers in the United States purchase almost all of their interior molded doorskin from either Masonite or the non-party firm.

But for several impediments to coordination that result from the current structure of the upstream and downstream markets, the markets for interior molded doorskins and interior molded doors sold to U.S. consumers would be more conducive to anticompetitive coordination of output and price by the market participants.

Despite the high concentration and homogeneous products of these markets—characteristics that tend to make coordination possible—the evidence developed in the investigation of the proposed transaction revealed at least four significant factors in the current structure of these markets that make coordination less likely. Based upon the evidence specific to this case, including documents obtained from the defendants, each of these factors would be lessened or eliminated if the proposed transaction were consummated.

The most significant impediment to coordination is Premdor's potential expansion in the interior molded doorskin market. Due to the substantial volume of interior molded doorskins that it uses, Premdor could become a more significant producer by expanding further into the production of doorskins. If Masonite and the non-party firm were to coordinate, their increased doorskin prices would harm Premdor, giving it an incentive to expand significantly its output of doorskins, which would disrupt the coordination between Masonite and the non-party firm.

As the Compliant alleges, In 1998, Premdor purchased a 48.5 percent equity interest in Fibramold. Following that investment, Premdor began using some of its internally produced molded doorskins in the manufacture of interior molded doors sold in the United States. Recognizing Premdor's potential to expand significantly its participation in the U.S. market for doorskin production, Masonite began negotiating lower interior molded doorskin prices for Premdor. In March 1999, Premdor, Masonite and LP signed a strategic Alliance agreement in which Masonite agreed to lower the price of interior molded doorskins sold to Premdor in exchange for Premdor's agreement, *inter alia,* to certain volume commitments. The Strategic Alliance, which has stated term of five years, gives Premdor an incentive in the form of lower prices to refrain from further vertical integration—if either party decides to further vertically integrate, the other party may terminate the agreement on ninety days notice.

After Masonite began lowering its interior molded doorskin prices to Premdor pursuant to the Strategic Alliance, Masonite also began lowering its prices to the other interior molded door manufacturers. Under the current market structure, Masonite has an incentive to keep the other door manufacturers competitive with Premdor to maintain a broader customer base. If Premdor were to acquire Masonite, the price-constraining effect of Premdor's potential expansion in the interior molded doorskin market would be eliminated.

In addition, Masonite acts as a significant competitive constraint in the interior molded door market. Premdor and the non-party firm have an incentive to attempt to coordinate pricing by reducing output. Coordination would reduce the output of interior molded doors, and lead to higher door prices. However, such an output reduction would also reduce the output of interior molded doorskins sold in the United States, harming Masonite. Thus, Masonite would have an incentive to disrupt such coordination through increased sales to the other non-vertically integrated door manufacturers. After the proposed transaction, a vertically integrated Premdor/Masonite combination will not have the same incentive to defeat coordination in the interior molded door market by increasing sales to the non-integrated door manufacturers since the combined company would be competing against those door manufacturers, and would benefit from an increase in the prices of interior molded doors.

The non-party firm acts as a significant competitive constraint in both the upstream and downstream markets. Documentary evidence obtained from the defendants suggests that the non-party firm, as a fully vertically integrated manufacturer, has certain cost advantages over Masonite and Premdor that it has used to lower prices to build market share. This differing cost structure among the dominant firms is an impediment to coordination. The evidence from the defendants suggests that post-acquisition, the cost structures of the two vertically integrated firms would be more closely aligned, decreasing the opportunity for the non-party firm to increase its market share profitably through lower prices, and thus increasing the non-party firm's incentive to coordinate with the combined Premdor/Masonite. In fact, Masonite recognized that the non-party firm's incentive to gain market share by lowering price would diminish if it faced a strong, integrated competitor.

Finally, the asymmetries of information available to the firms about the upstream and downstream markets impede coordination. Masonite specializes in interior molded doorskin production, whereas its most significant competitor, the non-party firm, competes in both the interior molded doorskin and interior molded door markets. The differences in vertical integration between the two firms create information asymmetries that would make it difficult for the firms to monitor and punish deviations from attempted coordination on the terms of sale of interior molded doorskins. For example, since the non-party firm uses internally most of the doorskins it produces, Masonite lacks an ability to observe a market price for the non-party firm's doorskins and the number of doorskins that it produces. Similarly, since Masonite does not sell in the downstream market, it lacks information about the non-party firm's production and pricing in the interior molded door market. Moreover, despite the Strategic Alliance between Premdor and Masonite, there are significant gaps in the information each party has about the market in which the other party participates. The proposed acquisition would eliminate much of the information uncertainty by adding Premdor's downstream market information to Masonite's upstream market information, enhancing the combined firm's ability to detect deviations by the on-party firm on any coordinated price increase

It is unlikely that the non-vertically integrated molded door manufacturers would be able to expand their output to defeat any anticompetitive coordination between the two vertically integrated firms post-acquisition. Each of these manufacturers is dependent on Masonite or the non-party firm for the majority of its molded doorskins. Since molded doorskins represent up to 70 percent of the cost of producing a molded door, post-acquisition the two vertically integrated firms could weaken their downstream rivals by raising their molded doorskin prices.

Entry into the U.S. interior molded doorskin market is unlikely to be timely, likely or sufficient to prevent the exercise of market power that the two dominant, vertically-integrated firms would be able to collectively exercise following the merger. While several foreign interior molded doorskin producers have limited sales in North America, they collectively lack the capacity, quality and reliability to disrupt a coordinated effort to restrict output of interior molded doorskins, and ultimately, doors.

Finally, any merger-specific efficiencies that may be generated by the transaction are outweighed by the likely anticompetitive effects. While vertical integration may allow the combined Premdor/Masonite to lower the cost of producing interior molded doors, Premdor and Masonite can obtain the benefits of vertical integration without also enhancing the likelihood of coordination in the relevant markets by

allowing Premdor to acquire a portion of Masonite. The proposed Final Judgment allows Premdor to acquire Masonite's interior molded doorskin production facilities in Laurel, Mississippi and Carrick-on-Shannon Ireland, giving Premdor sufficient capacity to supply all of its current requirements. However, the proposed Final Judgment also requires the divestiture of Masonite's Towanda Facility, which will create an independent manufacturer of interior molded doorskins that will impede the combined Premdor/Masonite's ability to coordinate with the non-party firm.

III. Explanation of the Proposed Final Judgment

The proposed Final Judgment requires Premdor to divest the Towanda Facility to a purchaser, approved by the United States, that can compete effectively in the interior molded doorskin market, and thereby remedy the anticompetitive effects alleged in the Complaint Specifically, the proposed Final Judgment requires Premdor to divest the assets related to the production of molded doorskins at the Towanda Facility: including the Towanda plant; the exclusive right world-wide to the ''CraftMaster'' name; the exclusive right world-wide to the molded doorskin design names (i.e. Colonist, Classique, etc.); a license to all of the research and development, and other intellectual property related to the manufacture and sale of molded doorskins; the Towanda customer list; and the right to hire Masonite's sales, marketing and distribution employees, as well as the employees of the Towanda Facility and certain other employees. This will allow the purchaser of the Towanda Facility to manufacture and sell all of the designs and sizes of interior molded doorskins that Masonite currently sells in the United States. The proposed Final Judgment also gives the acquirer of the Towanda Facility the option to enter into transitional agreements for up to twelve months for the supply of dies needed to manufacture interior molded doorskins, as well as for services required to run the Towanda Facility.

Defendants must use their best efforts to divest the Towanda Facility as expeditiously as possible. The proposed Final Judgment provides that the Towanda Facility be divested in such a way as to satisfy the United States, in its sole discretion, that the acquirer can and will use the assets as part of a viable, ongoing business.

The proposed Final Judgment allows for the appointment of a trustee to monitor defendants' compliance with the terms of the proposed Final Judgment and the Hold Separate Stipulation and Order. If the defendants are unable to divest the Towanda Facility in the time allowed, the Final Judgment also allows for the appointment of a trustee to effect the divestiture. If a trustee is appointed, the proposed Final Judgment provides that defendants must cooperate fully with the trustee and defendant Premdor must pay all of the trustee's costs and expenses. Any trustee appointed to effect the divestiture will have his or her compensation structured to provide an incentive for the trustee based on the price and terms of the divestiture and the speed with which it is accomplished. After any trustee appointment becomes effective, the trustee will file monthly reports with the United States and this Court setting forth either the defendants' or the trustee's efforts, whichever is applicable, to accomplish the required divestiture.

IV. Remedies Available to Potential Private Litigants

Section 4 of the Clayton Act, 15 U.S.C. 15, provides that any person who has been injured as a result of conduct prohibited by the antitrust laws may bring suit in federal district court to recover three times the damages the person has suffered, as well as the costs of bringing a lawsuit and reasonable attorneys' fees. Entry of the proposed Final Judgment will neither impair nor assist the bringing of any private antitrust damage action. Under the provisions of section 5(a) of the Clayton Act, 15 U.S.C. 16(a), the proposed Final Judgment has no effect as *prima facie* evidence in any subsequent private lawsuit that may be brought against defendants.

V. Procedures Available for Modification of the Proposed Final Judgment

The parties have stipulated that the proposed Final Judgment may be entered by this Court after compliance with the provisions of the APPA, provided that the United States has not withdrawn its consent. The APPA conditions entry of the decree upon this Court's determination that the proposed Final Judgment is in the public interest.

The APPA provides a period of at least sixty (60) days preceding the effective date of the proposed Final Judgment within which any person may submit to the United States written comments regarding the proposed Final Judgment. Any person who wishes to comment should do so within sixty (60) days of the date of publication of this Competitive Impact Statement in the **Federal Register.** The United States will evaluate and respond to the comments. All comments will be given due consideration by the Department of Justice, which remains free to withdraw its consent to the proposed Final Judgment at any time prior to entry. The comments and the response of the United States will be filed with this Court and published in the **Federal Register.** Written comments should be submitted to: J. Robert Kramer II, Chief, Litigation II Section, Antitrust Division, United States Department of Justice, 1401 H Street, N.W., Suite 3000, Washington, DC 20530.

The proposed Final Judgment provides that this Court retains jurisdiction over this action, and the parties may apply to this Court for any order necessary or appropriate for the modification, interpretation, or enforcement of the Final Judgment.

VI. Alternatives to the Proposed Final Judgment

The United States considered, as an alternative to the proposed Final Judgment, a full trial on the merits against defendants. The United States is satisfied, however, that the divestiture of the Towanda Facility, and other relief contained in the proposed Final Judgment will establish, preserve and ensure a viable competitor in the relevant markets identified by the United States. Thus, the United States is convinced that the proposed Final Judgment, once implemented by the Court, will prevent Premdor's acquisition of the Masonite business of IP from having adverse competitive effects.

VII. Standard of Review Under the APPA for Proposed Final Judgment

The APPA requires that proposed consent judgments in antitrust cases brought by the United States be subject to a sixty (60) day comment period, after which the court shall determine whether entry of the proposed Final Judgment is ''in the public interest.'' In making that determination, the court *may* consider—

(1) the competitive impact of such judgment, including termination of alleged violations, provisions for enforcement and modification, duration or relief sought, anticipated effects of alternative remedies actually considered, and any other considerations bearing upon the adequacy of such judgment.

(2) the impact of entry of such judgment upon the public generally and individuals alleging specific injury from the violations set forth in the complaint including consideration of the public benefit, if any, to be derived from a determination of the issues at trial.

15 U.S.C. 16(e) (emphasis added). As the Court of Appeals for the District of Columbia has held, the APPA permits a court to consider, among other things, the relationship between the remedy secured and the specific allegations set forth in the government's complaint, whether the decree is sufficiently clear, whether enforcement mechanisms are sufficient, and whether the decree may positively harm third parties. *See United States* v. *Microsoft Corp.,* 56 F. 3d 1448. 1458–62 (DC Cir. 1995).

In conducting this inquiry, ''the Court is nowhere compelled to go to trail or to engage in extended proceedings which might have the effect of vitiating the benefits of prompt and less costly settlement through the consent decree process.'' [1] Rather,

> absent a showing of corrupt failure of the government to discharge its duty, the Court, in making its public interest finding, should * * * carefully consider the explanations of the government in the competitive impact statement and its responses to comments in order to determine whether those explanations are reasonable under the circumstances.[2]

Accordingly, with respect to the adequacy of the relief secured by the decree, a court may not ''engate in an unrestricted evaluation of what relief would best serve the public.'' *United States* v. *BNS, Inc.,* 858 F.2d 456, 462–63 (9th Cir. 1988), *quoting United States* v. *Bechtel Corp.,* 648 F.2d 660, 666 (9th Cir.), *cert. denied,* 454 U.S. 1083 (1981); *see also Microsoft,* 56 F.3d at 1458. Precedent requires that

> [t]he balancing of competing social and political interests affected by a proposed antitrust consent decree must be left, in the first instance, to the discretion of the Attorney General. The court's role in protecting the public interest is one of insuring that the government has not breached its duty to the public in consenting to the decree. The court is required to determine not whether a particular decree is the one that will best serve society, but whether the settlement is ''*within the reaches of the public interest.*'' More elaborate requirements might undermine the effectiveness of antitrust enforcement by consent decree.[3]

The proposed Final Judgment, therefore, should not be reviewed under a standard of whether it is certain to eliminate every anticompetitive effect of a particular practice or whether it mandates certainty of free competition in the future. Court approval of a final judgment requires a standard more flexible and less strict than the standard required for a finding of liability. A ''proposed decree must be approved even if it falls short of the remedy the court would impose on its own, as long as it falls within the range of acceptability or is within the reaches of public interest.'' [4]

Moreover, the court's role under the APPA is limited to reviewing the remedy in relationship to the violations that the United States alleges in its Complaint, and does not authorize the court to ''construct [its] own hypothetical case and then evaluate the decree against that case.'' *Microsoft,* 56 F.3d at 1459. Since the ''court's authority to review the decree depends entirely on the government's exercising its prosecutorial discretion by bringing a case in the first place.'' it follows that the court ''is only authorized to review the decree itself,'' and not to ''effectively redraft the complaint'' to inquire into other matters that the United States might have but did not pursue.

VIII. Determinative Documents

There are no determinative materials or documents within the meaning of the APPA that were considered by the United States in formulating the proposed Final Judgment.

Dated: August 3, 2001, Washington, DC.

Respectfully submitted,

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[1] 119 Cong. Rec. 24,598 (1973). *See United States* v. *Gillette Co.,* 406 F. Supp. 713, 715 (D. Mass. 1975). A ''public interest'' determination can be made properly on the basis of the Competitive Impact Statement and Response to Comments filed pursuant to the APPA. Although the APPA authorizes the use of additional procedures, those procedures are discretionary (15 U.S.C. 16(f)). A court need not invoke any of them unless it believes that the comments have raised significant issues and that further proceedings would aid the court in resolving those issues. *See* H.R. Rep. No. 93–1463, 93rd Cong. 2d Sess. 8–9 (1974), *reprinted in* 1974 U.S.C.C.A.N. 6535, 6538.

[2] *United States* v. *Mid-American Dairymen, Inc.,* 1977–1 Trade Cas. (CCH) ¶ 61,508, at 71,980 (W.D. Mo. 1977), see also *United States* v. *Loew's Inc.,* 783 F. Supp. 211, 214 (S.D.N.Y. 1992); *United States* v, *Columbia Artists Mgmt., Inc.,* 662 F. Supp. 865, 870 (S.D.N.Y. 1987).

[3] *United States* v. *Bechtel Corp.,* 648 F.2d at 666 (citations omitted) (emphasis added); see *United States* v. *BNS, Inc.,* 858 F. 2d at 463, *United States* v. *National Broadcasting Co.,* 449 F. Supp. 1127, 1143 (C.D. Cal. 1978); *United States* v. *Gillette Co.,* 406 F. Supp. at 716. *See also United States* v. *American Cyanamid Co.,* 719 F.2d 558, 565 (2d Cir. 1983), *cert. denied,* 465 U.S. 1101 (1984).

[4] *United States* v. *American Tel. & Tel. Co.,* 552 F. Supp. 131, 151 (D.D.C. 1982) (*quoting Gillette,* 406 F. Supp. at 716), *aff'd sub nom. Maryland* v. *United States,* 460 U.S. 1001 (1983); *United States* v. *Alcan Aluminum, Ltd.,* 605 F. Supp. 619, 622 (W.D. Ky. 1985); *United States* v. *Carrols Dev. Corp.,* 454 F. Supp. 1215, 1222 (N.D.N.Y. 1979).

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DEPARTMENT OF JUSTICE

Antitrust Division

Notice Pursuant to the National Cooperative Research and Production Act of 1993—Test and Diagnostics Consortium, Inc.

Notice is hereby given that, on July 23, 2001, pursuant to Section 6(a) of the National Cooperative Research and Production Act of 1993, 15 U.S.C. 4301 *et. seq.* (''the Act''), Test and Diagnostics Consortium, Inc. (''TDC'') has filed written notifications simultaneously with the Attorney General and the Federal Trade Commission disclosing changes in its membership status. The notifications were filed for the purpose of extending the Act's provisions limiting the recovery of antitrust plaintiffs to actual damages under specified circumstances. Specifically, AverStar, Inc., Burlington, MA; Boeing, Inc., Seattle, WA; Geotest-Marvin Test Systems, Inc., Santa Ana, CA; Hamilton Software, Inc., Santa Rosa, CA; Honeywell International, Inc., Morristown, NJ; Hughes Space & Communication Company, El Segundo, CA; Instant Knowledge, Inc., Charlottesville, VA; MAC Panel, High Point, NC; Sandia National Laboratories, Albuquerque, NM; Support Systems Associates, Inc., Melbourne, FL; TYX Corporation, Reston, VA; Tern Technology, Inc., Hauppauge, NY; TestMart, Inc., San Bruno, CA; Transportation Technology Center, Inc., Pueblo, CO; and WinSoft, Inc., Santa Ana, CA have been added as parties to this venture.

No other changes have been made in either the membership or planned activity of the group research project. Membership in this group research project remains open, and TDC intends to file additional written notification disclosing all changes in membership.

On November 12, 1999, TDC filed its original notification pursuant to Section 6(a) of the Act. The Department of Justice published a notice in the **Federal Register** pursuant to Section 6(b) of the Act on June 21, 2000 (65 FR 38579).

The last notification was filed with the Department on March 1, 2000. A notice was published in the **Federal**