

News Service, its subsidiaries, divisions, and groups and affiliates controlled by Federal News Service, its successors and assigns, and its directors, officers, employees, agents, and representatives; and Cortes W. Randell, an individual, his employees, agents, and representatives, and entities controlled by him.

B. "Reuters" means Reuters America Inc., its directors, officers, representatives, delegates, agents, employees, successors, assigns and its subsidiaries and their successors and assigns.

C. "News transcripts" mean fast turnaround verbatim transcripts of statements made by governmental officials or others covering a variety of news events or individual news events or parts thereof that are usually but not always produced within three (3) hours of the event and transmitted in any manner to resellers and customers in the United States. The definition of "news transcripts" does not include the "Daybook", a daily calendar of news events not containing news transcripts, which is sold by Reuters to FNS.

D. "News Transcript Provider" means any person or entity which produces news transcripts, by itself or through an arrangement by which a third party produces news transcripts exclusively for that person or entity, and markets and sells such news transcripts as a daily news service on a subscription basis.

## II

It Is Ordered that Respondents, directly, indirectly, or through any corporate or other device, in or affecting commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from entering into, attempting to enter into, or continuing or attempting to continue, any combination, agreement or understanding, either express or implied, with any News Transcript Provider to allocate or divide markets or customers with respect to news transcripts.

## III

It Is Further Ordered that Respondents, directly, indirectly, or through any corporate or other device, in or affecting commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from entering into, continuing, or renewing any agreement between Respondents and Reuters that prevents Reuters from in any way competing with Respondents for the production, marketing or sale of news transcripts.

## IV

It Is Further Ordered that for five (5) years from either the date this Order becomes final or July 31, 1995, whichever is later, Respondents directly or indirectly, or through any corporate or other device, in or affecting commerce, as "commerce" is defined in the Federal Trade Commission Act, do cease and desist from entering into, continuing, or renewing any agreements with Reuters providing for the supply of news transcripts or the purchase or sale of news transcript customer contracts or accounts.

Provided that nothing in this Order shall prohibit Respondents from:

A. Selling a subscription for news transcripts to Reuters for Reuters internal use but not for resale; and

B. Contracting with Reuters for Reuters to supply Respondents with Reuters' Daybook.

It Is Further Ordered that Respondents, directly or indirectly, or through any corporate or other device, in or affecting commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

A. Entering into, attempting to enter into, maintaining, enforcing, or attempting to enforce, any agreements or understandings with any competitor in the production, distribution, or sale of news transcripts, or any purchaser or reseller of news transcripts which is directly or indirectly supplied by Respondents, that fix, establish, control, or maintain resale prices or resale price levels for news transcripts; or

B. Requiring, coercing, or otherwise pressuring any competitor in the production, distribution or sale of news transcripts, or any purchaser or reseller of news transcripts which is directly or indirectly supplied by Respondents, to maintain, adopt, or adhere to any resale price or resale price level for news transcripts.

## VI

It Is Further Ordered that Respondents shall:

A. Within thirty (30) days after the date this Order becomes final, distribute a copy of this Order and complaint to each of their employees and news transcript resellers.

B. Within ninety (90) days after the date this Order becomes final, and annually thereafter for five (5) years on the anniversary of the date this Order becomes final, and at such other times as the Commission may, by written notice to the Respondents require, file a verified written report with the Commission setting forth in detail the

manner and form in which the Respondents have complied and are complying with this Order.

C. Maintain and make available to Commission staff for inspection and copying upon reasonable notice, records adequate to describe in detail any action taken in connection with the activities covered by this Order.

D. Notify the Commission at least thirty (30) days prior to any proposed change in the corporate Respondent such as dissolution, assignment or sale resulting in the emergence of a successor corporation, or the creation or dissolution of subsidiaries, or any other change in Respondents which may affect compliance obligations arising out of this Order.

## VII

It Is Further Ordered that this Order shall terminate as follows:

A. With respect to Federal News Service Group, Inc., this Order shall terminate twenty (20) years from the date this Order becomes final.

B. With respect to Cortes W. Randell, this Order shall terminate twenty (20) years from the date this Order becomes final, unless Cortes W. Randell totally ceases and does not resume his participation in the news transcript business in any capacity, in which case this Order shall terminate five (5) years from the date he ceased participating in the business.

## Analysis of Proposed Consent Order To Aid Public Comment

The Federal Trade Commission has accepted an agreement to a proposed consent order from Federal News Service Group, Inc. ("FNS"), which is located in Washington, DC, and its President, Cortes W. Randell.

The proposed consent order has been placed on the public record for sixty (60) days for reception of comments by interested persons. Comments received during this period will become part of the public record. After sixty (60) days, the Commission will again review the agreement and decide whether it should withdraw from the agreement or make final the agreement's proposed order.

The complaint alleges that FNS and Cortes Randell engaged in acts and practices that have unreasonably restrained competition in the news transcript business in violation of Section 5 of the Federal Trade Commission Act. News transcripts are fast turnaround verbatim transcripts of a variety of news events primarily involving the federal government. Cortes Randell is the President of FNS, and the complaint alleges that he formulated, directed, and controlled the alleged acts and practices of FNS.

The complaint alleges that before May 1993, FNS and Reuters America Inc. ("Reuters") directly competed with each other for news transcript customers. The news transcripts sold by Reuters were