three (3) hours of the event and transmitted in any manner to resellers and customers in the United States. The definition of "news transcripts" refers to the type of full-text verbatim news transcript service formerly marketed by Respondent under the name "the Federal News Reuter Transcript Service." News transcripts do not include news, information or data of the type generally included in Respondent's other news services which may incorporate some quotations or partial excerpts from government-related events.

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 service on a subscription basis.

П

It Is Ordered that Respondent, directly, indirectly, or through any corporate or other device, in or affecting commerce, as "commerce" is defined in the Federal Trade Commission Act, does 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 to divide markets or customers with respect to news transcripts.

Ш

It Is Further Ordered that Respondent, 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 Respondent and FNS that prevents Respondent from in any way competing with FNS 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, Respondent 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 FNS 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 Respondent from:

A. Purchasing a subscription for news transcripts from FNS for Respondent's own use but not for resale; and

B. Contracting with FNS for supplying FNS with Respondent's Daybook.

V

It Is Further Ordered that Respondent, 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 entering into, attempting to enter into, maintaining, enforcing, or attempting to enforce, any agreements or understandings (1) with any competitor in the production, distribution, or sale of news transcripts, that fix, establish, control, or maintain resale prices or resale price levels for news transcripts, or (2) with any purchaser or reseller of news transcripts which is directly or indirectly supplied by Respondent, that fix, establish, control, or maintain resale prices or resale price levels that such purchaser or reseller charges for news transcripts.

VI

It Is Further Ordered that Respondent shall:

A. Within thirty (30) days after the date this Order becomes final, distribute a copy of this Order and complaint to each of its officers and to each of its employees engaged in the production or sale of news transcripts.

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 Respondent require, file a verified written report with the Commission setting forth in detail the manner and form in which the Respondent has complied and is 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 Respondent such as dissolution, assignment or sale resulting in the emergence of a successor corporation, or the creation or dissolution or subsidiaries or any other change in Respondent which may affect compliance obligations arising out of the Order.

VII

It Is Further Ordered that this Order shall terminate twenty (20) years from the date this Order becomes final.

Analysis of Proposed Consent Order To Aid Public Comment

The Federal Trade Commission has accepted an agreement to a proposed consent order from Reuters America Inc. ("Reuters"), which is located in New York City.

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 Reuters 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.

The complaint alleges that from 1988 through May 1993, Reuters and Federal News Service Group, Inc. ("FNS"), the dominant sellers of news transcripts, directly competed with each other for customers. The news transcripts sold by Reuters were produced by News Transcripts Inc. ("NTI"), and Reuters had the exclusive right to market these news transcripts.

The complaint alleges that by May 1993, Reuters and FNS agreed that Reuters would not sell news transcripts to FNS's customers; Reuters would sell FNS-produced news transcripts; Reuters would not produce or sell any news transcripts that compete with FNS-produced news transcripts for the term of their supply agreement plus five years; and Reuters would sell news transcripts at or above the minimum price of \$500 per month.

The complaint further alleges that Reuters, in concert with FNS, induced NTI to cease producing news transcripts and not to compete with FNS. The complaint alleges that the effect of these agreements was to unreasonably restrain competition in the production and sale of news transcripts. The complaint alleges that after FNS became the sole producer of news transcripts, many customers of FNS received price increases.

The complaint also alleges that Reuters assisted FNS in obtaining a database reseller's agreement to raise the price of the reseller's news transcript database. The reseller raised its price to assure its contained supply of FNS-produced news transcripts.

Reuters has signed a proposed consent agreement that prohibits it from agreeing to or attempting to agree to allocate customers or divide markets with any provider of news transcripts. For a five year period, the proposed consent agreement also prohibits Reuters from entering into any agreements with FNS for the supply of news transcripts or for the purchase or sale of news transcript customer contracts or accounts. Additionally, the proposed consent agreement prohibits