

UNITED STATES OF AMERICA
BEFORE FEDERAL TRADE COMMISSION

COMMISSIONERS: Robert Pitofsky, Chairman
Mary L. Azcuenaga
Janet D. Steiger
Roscoe B. Starek, III
Christine A. Varney

In the Matter of
Reuters America Inc.,
a corporation.

)
)
)
) DOCKET NO. C-3632
)
) DECISION AND
) ORDER
)

The Federal Trade Commission having initiated an investigation of certain acts and practices of the respondent named in the caption hereof, and the respondent having been furnished thereafter with a copy of a draft of complaint which the Bureau of Competition proposed to present to the Commission for its consideration and which, if issued by the Commission, would charge the respondent with violation of the Federal Trade Commission Act; and

The respondent, its attorney, and counsel for the Commission having thereafter executed an agreement containing a consent order, an admission by respondent of all the jurisdictional facts set forth in the aforesaid draft of complaint, a statement that the signing of said agreement is for settlement purposes only and does not constitute an admission by respondent that the law has been violated as alleged in such complaint, and waivers and other provisions as required by the Commission's Rules; and

The Commission having thereafter considered the matter and having determined that it had reason to believe that the respondent has violated the said Act, and that a complaint should issue stating its charges in that respect, and having thereupon accepted the executed consent agreement and placed such agreement on the public record for a period of sixty (60) days, now in further conformity with the procedure described in § 2.34 of its Rules, the Commission hereby issues its complaint, makes the following jurisdictional findings and enters the following order:

1. Respondent Reuters America Inc. ("Reuters") is a corporation organized, existing and doing business under and by virtue of the laws of the State of Delaware, with its offices and principal place of business located at 1700 Broadway, New York, New York 10019.

2. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the respondent, and the proceeding is in the public interest.

ORDER

I.

IT IS ORDERED that, as used in this Order, the following definitions shall apply:

A. "Respondent" means Reuters America Inc., its subsidiaries, divisions, and groups and affiliates controlled by Reuters America Inc., its successors and assigns, and its directors, officers, employees, agents, and representatives.

B. "FNS" means Federal News Service Group, Inc., its directors, officers, representatives, delegates, agents, employees, successors, assigns and its subsidiaries and their successors and assigns; and Federal News Service, its directors, officers, representatives, delegates, agents, employees, successors, assigns and its subsidiaries and their successors and assigns.

C. "News transcripts" mean full-text fast turnaround verbatim transcripts of government-related events 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" 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.

II.

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, 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 or divide markets or customers with respect to news transcripts.

III.

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 of subsidiaries or any other change in Respondent which may affect compliance obligations arising out of this Order.

VII.

IT IS FURTHER ORDERED that this Order shall terminate on December 18, 2015.

By the Commission.


Donald S. Clark
Secretary

ISSUED: December 18, 1995

[SEAL]