

copying at its principal office in accordance with Section 4.9(b)(6)(ii) of the Commission's Rules of Practice (16 CFR 4.9(b)(6)(ii)).

### Analysis of Proposed Consent Order To Aid Public Comment

The Federal Trade Commission ("the Commission") has accepted, subject to final approval, an agreement from Nine West Group Inc. ("Nine West") to a proposed consent order. The agreement settles charges by the Commission that Nine West violated Section 5 of the Federal Trade Commission Act by entering into vertical agreements that restricted retail price competition in the sale of women's shoes. Nine West is a major manufacturer and seller of women's shoes and sells shoes under the "Easy Spirit," "Enzo Angiolini," "Bandolino," cK/Calvin Klein, "Pappagallo," "Selby," "Amalfi," "Calico," "Evan-Picone," "Westies," "Capezio," "Joyce," and "9 & Co." labels. Jones Apparel Group, Inc., purchased Nine West in July of 1999, and is a signatory to the consent agreement, but none of the conduct alleged in the complaint occurred after the purchase.

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

The purpose of this analysis is to invite public comment on the proposed order. This analysis is not intended to constitute an official interpretation of the agreement and proposed order or to modify their terms in any way. Further, the proposed consent order has been entered into for settlement purposes only and does not constitute an admission by Nine West that the law has been violated as alleged in the complaint.

### The Complaint

Nine West Group is a Delaware corporation with its principal place of business in White Plains, New York. Nine West sells women's footwear to retail outlets throughout the United States, including many of the nation's largest department stores.

The complaint alleges that beginning in January 1988 and continuing until at least July 31, 1999, Nine West entered into agreements with certain retailers that fixed, raised, and stabilized retail prices to consumers. Nine West adopted pricing policies that determine which

shoes the retailer could not discount or promote outside of specified times. Nine West did not merely announce these policies and terminate a retailer that did not adhere to them, which would have been lawful, but instead Nine West sought agreement from these dealers on future pricing. For example, Nine West suspended shipments and said it would resume them only if the dealer promised not to violate the policy again. Nine West also coerced compliance by threatening to withhold discounts or advertising funds if the dealer refused to comply with a pricing policy. Retailers communicated to Nine West that they would adhere to the pricing policies.

### The Proposed Consent Order

The proposed consent order is designed to prevent Nine West from agreeing with its dealers to set prices. Paragraph II of the order prohibits Nine West from fixing, controlling, or maintaining the retail price of women's footwear. It also prohibits Nine West from coercing or pressuring any dealer to maintain, adopt, or adhere to any resale price. Nine West also may not secure or attempt to secure commitments or assurances from any dealer concerning resale prices. Finally, Paragraph II prohibits Nine West, for a period of ten years, from notifying a dealer in advance that the dealer is subject to a temporary suspension of supply (e.g., no shoes shipped for six months) or a partial suspension (e.g., no orders of Easy Spirit loafers) if the dealer sells Nine West shoes below a designated price.

Paragraph III of the order requires that for a period of five years from the date on which the order becomes final, Nine West shall clearly and conspicuously include a statement on any list, advertising, book, catalogue, or promotional material where it has suggested any resale price for any Nine West product to any dealer. The required statement explains that while Nine West may suggest resale prices for its products, dealers remain free to determine on their own the prices at which they will sell and advertise Nine West's products.

Paragraph IV of the order requires Nine West to mail a letter (see attachment A) to its retailers with a copy of the Commission's order. The letter states that while Nine West may send materials to them with suggested retail prices, they are free to sell and advertise at a price they choose.

Paragraph V requires that the same letter with a copy of the Commission's order be sent to new employees of Nine West.

Paragraph VI of the order requires Nine West to notify the Commission at least thirty days prior to any proposed

changes in the corporation, such as dissolution or sale. Paragraph VII consists of standard Commission reporting and compliance procedures. Finally, Paragraph VIII contains a standard "sunset provision," under which the terms of the order terminate twenty years after the date of issuance.

By direction of the Commission.

**Donald S. Clark,**  
Secretary.

### Statement of Commissioners Orson Swindle and Thomas B. Leary

We have voted to accept the consent agreement for public comment because we have reason to believe that the conduct engaged in by Nine West falls outside the limited zone of protection afforded by the *Colgate* doctrine,<sup>1</sup> and thus is per se illegal under current law. We do not mean to indicate agreement, however, with the artificial analysis mandated by the *Colgate* doctrine or with the overboard per se condemnation resale price maintenance ("RPM"), which the *Colgate* doctrine mitigates to some degree.

We do not know what conclusion we might have reached had Nine West's behavior been analyzed under the rule of reason, because that question did not arise. Nevertheless, one can easily posit instances of minimum RPM that involve a mixture of procompetitive and anticompetitive effects, like any other vertical restraint, and undercut the continuing validity of the per se rule against the practice. Several years ago, the Supreme Court took the beneficial step of reexamining the overruling the doctrine that condemned maximum RPM as per se illegal.<sup>2</sup> When an appropriate case arises, we believe that the Court should continue this healthy trend by reassessing the even hoarier per se treatment of minimum RPM.<sup>3</sup>

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BILLING CODE 6750-01-M

### FEDERAL TRADE COMMISSION

[File No. 971-0117]

### Wisconsin Chiropractic Association, et al.; Analysis to Aid Public Comment

**AGENCY:** Federal Trade Commission.

**ACTION:** Proposed consent agreement.

<sup>1</sup> *United States v. Colgate & Co.*, 250 U.S. 300 (1919).

<sup>2</sup> *State Oil Co. v. Khan*, 522 U.S. 3 (1997), overruling *Albrecht v. Herald Co.*, 390 U.S. 145 (1968).

<sup>3</sup> *Dr. Miles Medical Co. v. John D. Park & Sons Co.*, 220 U.S. 373 (1911).

**SUMMARY:** The consent agreement in this matter settles alleged violations of federal law prohibiting unfair or deceptive acts or practices or unfair methods of competition. The attached Analysis to Aid Public Comment describes both the allegations in the draft complaint that accompanies the consent agreement and the terms of the consent order—embodied in the consent agreement—that would settle these allegations.

**DATES:** Comments must be received on or before April 6, 2000.

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

**FOR FURTHER INFORMATION CONTACT:** C. Steven Baker or Nicholas Franczyk, Federal Trade Commission, Midwest Region, 55 E. Monroe St., Suite 1860, Chicago, IL 60603-5701. (312) 960-5633.

**SUPPLEMENTARY INFORMATION:** Pursuant to Section 6(f) of the Federal Trade Commission Act, 38 Stat. 721, 15 U.S.C. 46 and Section 2.34 of the Commission's Rules of Practice (16 CFR 2.34), notice is hereby given that the above-captioned consent agreement containing a consent order to cease and desist, having been filed with and accepted, subject to final approval, by the Commission, has been placed on the public record for a period of thirty (30) days. The following Analysis to Aid Public Comment describes the terms of the consent agreement, and the allegations in the complaint. An electronic copy of the full text of the consent agreement package can be obtained from the FTC Home Page (for March 7, 2000), on the World Wide Web, at "<http://www.ftc.gov/ftc/formal.htm>." A paper copy can be obtained from the FTC Public Reference Room, Room H-130, 600 Pennsylvania Avenue, NW, Washington, DC 20580, either in person or by calling (202) 326-3627.

Public comment is invited. Comments should be directed to: FTC/Office of the Secretary, Room 159, 600 Pennsylvania Ave., NW Washington, DC 20580. Two paper copies of each comment should be filed, and should be accompanied, if possible, by a 3½ inch diskette containing an electronic copy of the comment. Such comments or views will be considered by the Commission and will be available for inspection and copying at its principal office in accordance with Section 4.9(b)(6)(ii) of the Commission's Rules of Practice (16 CFR 4.9(b)(6)(ii)).

### Analysis of Proposed Consent Order to Aid Public Comment

The Federal Trade Commission has accepted, subject to final approval, an agreement from the Wisconsin Chiropractic Association ("WCA") and its executive director, Russell A. Leonard, to a proposed consent order. The agreement settles charges by the Federal Trade Commission that the WCA and Mr. Leonard have violated Section 5 of the Federal Trade Commission Act by conspiring with some of the WCA's members and others to fix prices for chiropractic services and to boycott third-party payers to obtain higher reimbursement rates for services. The proposed consent order has been placed on the public record for thirty days for reception of comments by interested persons. Comments received during this period will become part of the public record. After thirty days, the Commission will review the agreement and the comments received, and will decide whether it should withdraw from the agreement or make the agreement and proposed order final.

The purpose of this analysis is to facilitate public comment on the proposed order. The analysis is not intended to constitute an official interpretation of the agreement and proposed order or to modify in any way their terms. Further, the proposed consent order has been entered into for settlement purposes only and does not constitute an admission by the WCA or Mr. Leonard that the law has been violated as alleged in the complaint.

### The Complaint

The WCA is a professional trade association of chiropractors with its principal place of business in Madison, Wisconsin. The WCA has approximately 900 chiropractor members. A substantial majority of the chiropractors licensed to practice in the state of Wisconsin are members of the WCA. The WCA exists and operates in substantial part for the pecuniary benefit of its members. Mr. Leonard is, and during the time period addressed by the allegations of the complaint was, the executive director of the WCA.

Professional services performed by chiropractors include, among other things, spinal and extra spinal manipulations. Prior to January 1, 1997, chiropractors generally billed for these services using a single billing code regardless of the number of regions adjusted. Osteopathic physicians performing manipulation treatments, by contrast, had been using multiple codes to bill based on the number of regions of the body adjusted. Beginning in

January 1997, the federal government and private insurance companies began accepting four new codes for chiropractic manipulations. The new chiropractic manipulative treatment ("CMT") codes reflected more detailed or precise descriptions of the manipulation services and allowed chiropractors, like osteopathic physicians, to bill based on the number of regions adjusted.

Beginning in late 1996, shortly after the new CMT codes were announced, the WCA, acting through its executive director Mr. Leonard, orchestrated an agreement among its members to raise fees for chiropractic manipulation services. In late 1996 and continuing into early 1997, the WCA conducted training seminars on the new codes for members in localities throughout the state. The WCA urged chiropractors not to make any decisions on their fees under the new codes before attending one of these meetings. During the meetings, Mr. Leonard told the chiropractors that the new CMT codes provided them with a unique opportunity to increase their fees. Mr. Leonard advised members that it was important that the new codes for chiropractic manipulation were priced properly, and that the WCA's view was that proper pricing was at the same level that osteopathic physicians billed for spinal manipulation services. He provided detailed data on current osteopathic pricing, and encouraged chiropractors to raise their prices to the osteopathic levels.

At the meetings Mr. Leonard assured members that if they all raised their rates, third-party payers would not reject or reduce these higher charges for the new codes. Under the "UCR" ("usual, customary, and reasonable rate") system of reimbursement that was in general use in Wisconsin's health care industry, price increases by a significant number of chiropractors would raise the UCR level and thereby result in higher reimbursement for chiropractic services. On the other hand, if other members did not raise their prices, UCR levels would not rise, the chiropractor would not receive higher reimbursement, and he or she would be identified to patients as an "outlier" whose fees were far higher than other chiropractors. Each chiropractor's action in conformity with the WCA's pronouncement would be aided by knowledge that other members were taking similar action. Many members left the WCA local meetings with the understanding that they and others at the meeting would raise their prices in accordance with the WCA's request. After the new codes took effect,

Mr. Leonard surveyed member pricing in certain localities, and reported back to members that chiropractors in these areas had succeeded in raising reimbursement levels.

As a result of these actions by the WCA and Mr. Leonard, many chiropractors raised their fees to the osteopathic levels. Other chiropractors increased their fees substantially more than they had in previous years. Overall, the effect of these actions was to raise the prices that consumers pay for chiropractic services.

In furtherance of the WCA's efforts to raise chiropractic fees, the WCA and Mr. Leonard regularly provided fee surveys to the WCA's members. At times, these fee surveys reflected insufficiently aggregated data, thus effectively identifying current prices by individual chiropractic offices. Fee survey data were also furnished in connection with boycotts of managed care plans.

In March 1997, the WCA and Mr. Leonard organized a boycott by WCA members of MultiPlan, a preferred provider network. At a board meeting, the WCA directors on Mr. Leonard's recommendation agreed to reject, and to encourage their fellow chiropractors to reject, MultiPlan's proposed contract amendments and new fee schedule. Mr. Leonard recommended that chiropractors demand a fee schedule reflecting 85% of market price, and provided survey data that showed current average charges throughout the state. At training seminars held in early April 1997, Mr. Leonard criticized MultiPlan's proposed amendments and fee schedule, encouraged chiropractors to discuss the contract with others in their area, and reminded them that if enough chiropractors rejected the contract, MultiPlan would be forced to renegotiate the terms. Soon thereafter many of the chiropractic members of the WCA submitted letters of termination to MultiPlan.

Mr. Leonard routinely reviewed managed care contract offers to the WCA's members and circulated to the WCA's membership memoranda containing adverse comments about these plans' fee schedules for the new CMT codes. In his comments, Mr. Leonard frequently encouraged chiropractors to negotiate higher fees with the plans, and advised them to exchange all information they received with other chiropractors in their area. In so doing, Mr. Leonard reminded the WCA's members that they would be more successful in their fee negotiations with third-party payers if the members continued to negotiate on a united front. In addition, Mr. Leonard, again acting in his capacity as executive director of the

WCA, told third-party payers that they should be paying chiropractors the same amount that osteopaths are paid for manipulation services, encouraged third-party payers to agree to pay specific sums certain or to calculate fees in a manner proposed by the WCA, and called third-party payers to follow up on complaints of low reimbursement that he encouraged and received from individual WCA members.

The WCA's member have not integrated their practices in any economically significant way, nor have they created any efficiencies that might justify this conduct. The purpose of this conduct was to secure higher fees and reimbursement. The WCA's actions harmed consumers by increasing the prices for chiropractic services and depriving consumers of the benefits of competition among chiropractors.

#### **The Proposed Consent Order**

The proposed consent order is designed to prevent the illegal concerted action alleged in the complaint. Paragraphs II and III of the proposed order contain the key provisions. These two paragraphs are almost identical in their coverage, except that Paragraph II applies to the WCA and Paragraph III applies to Mr. Leonard. Paragraphs II.A and III.A prohibit the WCA and Mr. Leonard from fixing prices for any chiropractic goods or services (or, in the case of Mr. Leonard, any health care goods or services). The broader category including "any health care goods or services" is needed should Mr. Leonard obtain employment with another health care entity outside the chiropractic field.

Paragraphs II.B and III.B prohibit the WCA and Mr. Leonard from creating, suggesting, or endorsing any proposed fees or conversion factors for any health care goods or services. Here, the WCA is also subject to the broader category of "any health care goods or services" since the allegations in the complaint include the WCA's endorsement of osteopathic fee schedules.

Paragraphs II.C and III.C prohibit the WCA and Mr. Leonard from engaging in negotiations on behalf of any chiropractor or group of chiropractors (or, in the case of Mr. Leonard, any provider or group of providers). In addition, this paragraph prohibits them from orchestrating concerted refusals to deal.

Paragraphs II.D and III.D prohibit the WCA and Mr. Leonard from urging or recommending that any chiropractor (or, in the case of Leonard, any provider) accept or not accept any term or condition of any participation agreement. Paragraphs II.E and III.E

prohibit the WCA and Mr. Leonard from soliciting or communicating any chiropractor's (or, in the case of Leonard, any provider's) views, decisions or intentions concerning any participation agreement.

Pursuant to Paragraphs II.F and III.F, the WCA and Mr. Leonard are prohibited from organizing or participating in any meeting or discussion where they expect chiropractors (providers) will discuss intentions concerning participation in any health plans. In addition, these paragraphs prohibit the WCA and Mr. Leonard from continuing any meeting where any person makes such a communication unless the person is ejected from the meeting. Finally, this paragraph requires that the WCA and Mr. Leonard terminate any meeting where two or more persons make such communications.

Paragraphs II.G and III.G ban the WCA and Mr. Leonard from initiating, originating, developing, publishing, or circulating any fee survey for any health care goods or services for a period of two years after the date that the order becomes final, or until December 31, 2001, whichever is earlier. The two-year ban on fee surveys is necessitated by the gross misuse of fee surveys alleged in the complaint. In addition, for five years thereafter, Paragraphs II.H and III.H prohibit the WCA and Mr. Leonard from conducting or distributing any fee survey unless: (1) The data collection and analysis are managed by a third party; (2) the raw fee survey data is retained by the third party and not made available to the respondents; (3) any information that is shared among or is available to providers is more than three months old; and (4) there are at least five providers reporting data upon which each disseminated statistic is based, no individual provider's data represents more than 25 percent on a weighted basis of that statistic, and any information disseminated is sufficiently aggregated that it would not allow respondents or any other recipients to identify the prices charged or compensation paid by any particular provider. These requirements are identical to the requirements found in the safe harbor provisions of the Statements of Antitrust Enforcement Policy in Health Care, Statement 5 on Providers' Collective Provision of Fee-Related Information to Purchasers of Health Care Services, issued jointly by the FTC and the Department of Justice on August 18, 1996 (4 Trade Reg. Rep. (CCH) ¶ 13,153 at 20,809).

Paragraphs II.I and III.I prohibit the WCA and Mr. Leonard from encouraging, advising or pressuring any

person to engage in any action that would be prohibited if the person were subject to the order.

Paragraphs II and III contain provisos allowing the WCA and Mr. Leonard to exercise their First Amendment petitioning rights and to solicit competition-restricting government action where protected under the Noerr-Pennington doctrine. In addition, Paragraph III contains a proviso allowing Mr. Leonard to engage in certain acts otherwise prohibited by the order providing he is acting as an agent, employee, or representative exclusively for a single provider or payer.

Paragraph IV. requires that the WCA maintain copies of: (1) All documents distributed at meetings and seminars; (2) all fee surveys and a record of their distribution; and (3) all documents relating to any subject that is covered by any provision in the order. Paragraph V. requires that the WCA provide copies of the complaint and order: (1) To all current and future officers, directors, and members; (2) to all current and future agents, representatives, and employees whose activities are affected by the order, or who have responsibilities with respect to the subject matter of the order; and (3) to the third-party payers set forth in Appendix B to the order.

Paragraph VI. requires that the WCA notify the Commission of any change in its corporate structure that may affect compliance obligations. Similarly, Paragraph VII. requires that Mr. Leonard notify the Commission of any change in his employment and would require him to provide copies of the complaint and consent order to any new employer for which his new duties and responsibilities are subject to any provisions in the order.

Paragraphs VIII. and IX. consist of standard Commission reporting and compliance procedures. Finally, Paragraph X. contains a standard twenty-year "sunset" provision under which the terms of the order terminate twenty years after the date of issuance.

By direction of the Commission.

**Donald S. Clark,**  
*Secretary.*

[FR Doc. 00-6045 Filed 3-10-00; 8:45 am]

**BILLING CODE 6750-01-M**

## GENERAL SERVICES ADMINISTRATION

### Regulation and Program Development Division; Cancellation of a Standard Form

**AGENCY:** Federal Supply Service,  
General Services Administration.

## **ACTION:** Notice.

**SUMMARY:** This notice announces the General Services Administration's intent to cancel the following Standard form because of low user demand:

SF 1203, U.S. Government Billing of Lading-Privately Owned Personal Property (7-part snapout version) (identified by NSN 7540-01-082-0589). The 7-part continuous feed version of this form is still available from FSS.

## **FOR FURTHER INFORMATION CONTACT:**

General Services Administration, Form Management, (202) 501-0581.

**DATES:** Effective March 13, 2000.

Dated: February 28, 2000.

**Barbara M. Williams,**  
*Deputy Standard and Optional Forms  
Management Officer.*

[FR Doc. 00-6084 Filed 3-10-00; 8:45 am]

**BILLING CODE 6820-34-M**

## DEPARTMENT OF HEALTH AND HUMAN SERVICES

### Office of the Secretary

#### Agency Information Collection Activities; Proposed Collections; Comment Request

The Department of Health and Human Services, Office of the secretary will periodically publish summaries of proposed information collections projects and solicit the public comments in compliance with the requirements of Section 3506 (c)(2)(A) of the Paperwork Reduction Act of 1995. To request more information on the project or to obtain a copy of the information collection plans and instruments, call the OS Reports Clearance Officer on (202) 690-6207.

Comments are invited on: (a) Whether the proposed collection of information is necessary for the proper performance of the functions of the agency, including whether the information shall have practical utility; (b) the accuracy of the agency's estimate of the burden of the proposed collection of information; (c) ways to enhance the quality, utility and clarity of the information to be collected and (d) ways to minimize the burden of the collection of information on respondents, including through the use of automated collection techniques or other forms of information technology.

#### Proposed Projects 1. Evaluation of the BodyWise Eating

#### Disorder Initiative—NEW

A primary goal of the BodyWise Eating Disorder Initiative is to provide information to and motivate middle

school staff to improve understanding and knowledge of eating disorder issues affecting preadolescents. The Office on Women's Health is proposing an evaluation of this initiative to look for changes in school practices and awareness regarding eating disorder issues. The evaluation will also seek information on how the bodyWise materials are being used and their strengths and weaknesses. The study design features a pre-test/post-test model with questionnaires being completed by a sample of middle school staff. Burden Information for Pre-test—Number of Respondents: 357; Burden per Response: 30 minutes; Burden for Pre-test: 179 hours—Burden Information for Post-test—Number of Respondents: 322; Burden per Response: 30 minutes; Burden for post-test: 161 hours—Total Burden: 340 hours.

Send comments to Cynthia Agnes Bauer, OS Reports Clearance Officers, Room 503H, Humphrey Building, 200 Independence Avenue S.W., Washington DC, 20201. Written comments should be received within 60 days of this notice.

Dated: March 3, 2000.

**Dennis P. Williams,**

*Deputy Assistant Secretary, Budget.*

[FR Doc. 00-5972 Filed 3-10-00; 8:45 am]

**BILLING CODE 4150-04-M**

## DEPARTMENT OF HEALTH AND HUMAN SERVICES

### Office of the Secretary

#### Agency Information Collection Activities; Submission for OMB Review; Comment Request

The Department of Health and Human Services, Office of the Secretary publishes a list of information collections it has submitted to the Office of Management and Budget (OMB) for clearance in compliance with the Paperwork Reduction Act of 1995 (44 U.S.C. Chapter 35) and CFR 1320.5. The following are those information collections recently submitted to OMB.

1. Financial Summary of Obligation and Expenditure of Block Grant Funds (45 CFR 96.30). Public Law 101-510 amended 31 U.S.C. Chapter 15 to provide that, by the end of the fifth fiscal year after the fiscal year in which the Federal government obligated the funds, the account will be canceled. If valid charges to a canceled account are presented after cancellation, they may be honored only by charging them to a current appropriation account, not to exceed an amount equal to 1 percent of