

IN THE MATTER OF
GENERAL RAILWAY SIGNAL CO., ET AL.

MODIFYING ORDER IN REGARD TO ALLEGED VIOLATION OF THE FEDERAL
TRADE COMMISSION AND CLAYTON ACTS

Docket C-837. Consent Order, Sept. 24, 1964—Modifying Order, Dec. 10, 1987

The Federal Trade Commission has modified a 1964 consent order (66 F.T.C. 882) by permitting General Railway Signal Co. to engage in any conduct or enter any agreement that is ancillary to and reasonably necessary for the formation or operation of a joint venture that is lawful under the antitrust laws.

ORDER MODIFYING CONSENT
ORDER ISSUED SEPTEMBER 24, 1964

On August 12, 1987, General Railway Signal Company ("General Railway"), filed a "request to reopen proceeding and modify order" ("request"), pursuant to Section 2.51 of the Commission's Rules of Practice. The request asks the Commission to reopen the proceeding and modify the consent order issued September 24, 1964, ("the order") to permit General Railway to engage in any conduct or enter any agreement that is ancillary to and reasonably necessary for the formation or operation of a joint venture that is lawful under the anti-trust laws.

The Commission has previously considered the petition of American Standard Inc. ("American Standard"), successor to respondent Westinghouse Air Brake Co. ("WABCO"), which requested, among other things, that the Commission modify the order in Docket No. C-837 to permit American Standard to engage in lawful joint venture activity. On November 13, 1986, the Commission granted that request in the public interest, finding that American Standard had made an adequate showing that currently evolving technological and economic factors in the railroad signaling equipment and systems industry have created a competitive need for American Standard to participate in joint ventures to research, develop and produce integrated railroad systems and to bid for turnkey railroad projects.

After reviewing General Railway's Request and other relevant information, the Commission has concluded that it is in the public interest to modify the order to permit General Railway to engage in conduct that is ancillary to and reasonably necessary for the formation or operation of any joint venture that is lawful under the anti-trust laws. General Railway has made an adequate showing that the same industry conditions that warranted modification of the order to

permit American Standard to engage in lawful joint venture activity also warrant modification of the order to extend General Railway the same relief. The currently evolving technological and economic factors in the railroad signaling equipment and systems industry cited by General Railway, and previously cited by American Standard, have created a competitive need for General Railway to also participate in joint ventures to research, develop and produce integrated railroad systems and to bid for turnkey railroad projects. The order's present language, designed to restrain conduct that might facilitate collusive agreements, could be interpreted to prohibit otherwise lawful joint venture activity. It is in the public interest to modify the order to enable General Railway to participate in otherwise lawful joint venture activity because the competitive injury that General Railway will likely suffer if it cannot engage in such lawful activity is not outweighed by any need to retain the order in its current form.¹

Accordingly, *It is ordered*, That this matter be and it hereby is reopened and that the Commission's order issued on September 24, 1964, be and it hereby is modified to make the new subparagraph (4), which was previously added by the Commission on November 13, 1986, read as follows:

(4) Nothing contained in the foregoing paragraphs of the order shall be construed to prohibit respondents WABCO and General Railway Signal Company from engaging in any conduct or entering into any agreement that is ancillary to and reasonably necessary for the formation or operation of a joint venture that is lawful under the antitrust laws.

¹ The order's provisions are aimed at horizontal conduct and agreements. The order language prohibiting agreements with "any other person, persons or business entity not a party hereto" is limited by the existing exemption for any "bona fide offer, agreement or transaction with any other person, persons or business entity to purchase or sell railroad signaling and control systems or railroad signaling equipment at prices, terms or conditions of sale independently determined and offered and independently accepted." The new modification for lawful joint venture activities will be a further limitation. The "any other person . . . not a party hereto" language will, in practical effect, mean only vendors of signaling equipment or systems.

IN THE MATTER OF

WYOMING STATE BOARD OF CHIROPRACTIC EXAMINERS

CONSENT ORDER, ETC., IN REGARD TO ALLEGED VIOLATION OF SEC. 5 OF
THE FEDERAL TRADE COMMISSION ACT*Docket C-3221. Complaint, Jan. 13, 1988—Decision, Jan. 13, 1988*

This consent order requires, among other things, the Lander, Wyoming board, which has exclusive authority to license chiropractors in the state, to refrain from prohibiting, restricting, impeding or discouraging any person from advertising truthful, nondeceptive information made available by any licensed chiropractor. Respondent is prohibited from characterizing such advertising as unethical or unprofessional.

Appearances

For the Commission: *R. Norman Cramer, Jr.*

For the respondent: *Glenn R. Harrison, Wyoming State Board of Chiropractic Examiners, Lander, WY.*

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act, *as amended*, 15 U.S.C. Section 41 *et seq.*, and by virtue of the authority vested in it by said Act, the Federal Trade Commission, having reason to believe that the Wyoming State Board of Chiropractic Examiners has violated Section 5 of the Federal Trade Commission Act, and that a proceeding by it in respect thereof would be in the public interest, hereby issues this complaint, stating its charges as follows:

RESPONDENT

PARAGRAPH 1. Respondent Wyoming State Board of Chiropractic Examiners ("the Board") is organized, exists and transacts business under the laws of the State of Wyoming, with its principal office and place of business located at the office of Glenn R. Harrison, D.C., its Secretary-Treasurer, 550 Main Street, Lander, Wyoming. The Board is subject to the Commission's jurisdiction pursuant to Section 5 of the Federal Trade Commission Act.

PAR. 2. Membership on the Board is limited to practicing chiropractors. The Board is composed of three chiropractors, who are appointed by the governor to staggered three-year terms. Wyo. Stat. Sections 33-10-102, -103 (1977).

PAR. 3. All Board members must have practiced chiropractic con-