

801.1(a)(2)

August 5, 2000

VIA FACSIMILE 202-326-2624

Michael B. Veme  
Premerger Notification Office  
Bureau of Competition  
Room 303  
Federal Trade Commission  
6th Street and Pennsylvania Avenue, N.W.  
Washington, D.C. 20580

Re: Hart-Scott-Rodino Filing

Dear Mr. Veme:

This letter is to confirm our understanding of Rule § 801.1(a)(2), as issued by the FTC under the Hart-Scott Rodino Antitrust Improvements Act of 1976 (the "HSR Act"), which reads, in part, as follows:

Provided, however, that the term "entity" shall not include . . . the United States, any of the States thereof, or any political subdivision or agency of either (other than a corporation engaged in commerce).

In our recent telephone conversations, you explained that, under Rule §801.1(a)(2), a political subdivision or governmental agency is never an "entity," even if in corporate form. You further explained that the phrase "corporations engaged in commerce" refers to corporations owned by political subdivisions or agencies, but not the political subdivisions or agencies themselves.

Accordingly, because an agency or political subdivision (even if in corporate form) is never an entity within the meaning of FTC Rule §801.1(a)(2), an acquisition directly by or from a political subdivision or governmental agency is not subject to the premerger notification filing requirements under the HSR Act.

Thank you for your time and consideration.

Very truly yours,

AGREE - A CORPORATION CONTROLLED BY AN AGENCY, WHICH ITSELF IS NOT AN AGENCY, IS AN ENTITY. AN AGENCY WHICH IS A CORPORATION IS NOT.

\*\* TOTAL PAGE.02 \*\*

*Michael B. Veme*  
8/9/00