

the Board of Governors. Interested persons may express their views in writing on the standards enumerated in the BHC Act (12 U.S.C. 1842(c)). If the proposal also involves the acquisition of a nonbanking company, the review also includes whether the acquisition of the nonbanking company complies with the standards in section 4 of the BHC Act (12 U.S.C. 1843). Unless otherwise noted, nonbanking activities will be conducted throughout the United States. Additional information on all bank holding companies may be obtained from the National Information Center website at www.ffiec.gov/nic/.

Unless otherwise noted, comments regarding each of these applications must be received at the Reserve Bank indicated or the offices of the Board of Governors not later than September 6, 2002.

A. Federal Reserve Bank of Kansas City (Susan Zubradt, Assistant Vice President) 925 Grand Avenue, Kansas City, Missouri 64198-0001:

1. *Morrill Bancshares, Inc.*, Sabetha, Kansas; to acquire and merge with Morrill & Janes Bancshares, Inc., Hiawatha, Kansas, Onaga Bancshares Inc., Merriam, Kansas; and thereby acquire shares of Morrill & Janes Bank & Trust Co., Hiawatha, Kansas; The First National Bank of Onaga, Onaga, Kansas; Century Capital Financial, Inc., Kilgore, Texas; Century Capital Financial - Delaware, Inc., Wilmington, Delaware; and City National Bank, Kilgore, Texas.

In connection with this application, Applicant also has applied to acquire FBC Financial Corporation, Claremore, Oklahoma, and thereby indirectly acquire 1st Bank Oklahoma, Claremore, Oklahoma, and thereby engage in operating a savings association, pursuant to § 225.28(b)(4)(ii) of Regulation Y.

In addition, Applicant also has applied to engage *de novo* through First Trust Company of Onaga, Onaga, Oklahoma, in trust company functions, pursuant to § 225.28(b)(5) of Regulation Y.

Board of Governors of the Federal Reserve System, August 7, 2002.

Robert deV. Frierson,

Deputy Secretary of the Board.

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FEDERAL TRADE COMMISSION

[File No. 012 3240]

Microsoft Corporation; Analysis to Aid Public Comment

AGENCY: Federal Trade Commission.

ACTION: Proposed consent agreement.

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 September 9, 2002.

ADDRESSES: Comments filed in paper form should be directed to: FTC/Office of the Secretary, Room 159-H, 600 Pennsylvania Avenue, NW., Washington, DC 20580. Comments filed in electronic form should be directed to: consentagreement@ftc.gov, as prescribed below.

FOR FURTHER INFORMATION CONTACT: J. Howard Beales, III, FTC, Bureau of Consumer Protection, 600 Pennsylvania Avenue, NW., Washington, DC 20580, (202) 326-3240.

SUPPLEMENTARY INFORMATION: Pursuant to section 6(f) of the Federal Trade Commission Act, 38 Stat. 721, 15 U.S.C. 46(f) 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 August 8, 2002), on the World Wide Web, at "<http://www.ftc.gov/os/2002/08/index.htm>." A paper copy can be obtained from the FTC Public Reference Room, Room 130-H, 600 Pennsylvania Avenue, NW., Washington, DC 20580, either in person or by calling (202) 326-2222.

Public comments are invited, and may be filed with the Commission in either paper or electronic form. Comments filed in paper form should be directed to: FTC/Office of the Secretary, Room 159-H, 600 Pennsylvania Avenue, NW., Washington, DC 20580. If a comment contains nonpublic information, it must be filed in paper form, and the first page of the document must be clearly labeled "confidential." Comments that do not contain any nonpublic information may

instead be filed in electronic form (in ASCII format, WordPerfect, or Microsoft Word) as part of or as an attachment to e-mail messages directed to the following e-mail box:

consentagreement@ftc.gov. Such comments 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 containing a consent order from Microsoft Corporation ("Microsoft").

The proposed consent order has been placed on the public record for thirty (30) days for receipt of comments by interested persons. Comments received during this period will become part of the public record. After thirty (30) days, the Comments received, and will decide whether it should withdraw from the agreement and take appropriate action or make final the agreement's proposed order.

Microsoft develops, manufactures, license, and supports a myriad of software products, sells hardware devices, provides consulting services, trains and certified system developers, and offers a variety of online services. This matter concerns allegedly false or misleading representations made in connection with three related Microsoft services: the Passport Single Sign-In service ("Passport"); Passport Express Purchase (generally referred to as "Passport Wallet"); and Kids Passport (referred to collectively as the "Passport services"). Passport is an online authentication service that allows consumers to sign in at multiple Web sites with a single username and password. Passport Wallet and Kids Passport are add-on services that provide online purchasing and parental consent services.

The Commission's proposed complaint alleges that Microsoft misrepresented:

(1) that it maintained a high level of online security by employing sufficient measures reasonable and appropriate under the circumstances to maintain and protect the privacy and confidentiality of personal information obtained from or about consumers in connection with the Passport and Passport Wallet services;

(2) that purchase made at a Passport Express Purchase site with Passport Wallet are safer or more secure than purchases made at the same Passport

Express Purchase site without using the Passport Wallet;

(3) that Passport did not collect any personally identifiable information other than that described in its privacy policy, when, in fact, Passport collected, and maintained for a limited period of time, a personally identifiable record of the sites to which a Passport user signed in, along with the dates and times of sign in, which customer service representatives linked to a user's name in order to respond to a user's request for service; and

(4) that the Kids Passport service provides parents with control over the information their children could provide to participating Passport sites and the use of that information by such sites.

The proposed consent order applies to the collection and storage of personal information from or about consumers in connection with the advertising, marketing, promotion, offering for sale, or sale of Passport, Kids Passport, Passport Wallet, any substantially similar product or service, or any multisite online authentication service. It contains provisions designed to prevent Microsoft from engaging in practices similar to those alleged in the complaint in the future.

Specifically, Part I of the proposed order prohibits misrepresentations regarding Microsoft's information practices, including:

- what personal information is collected from or about consumers;
- the extent to which respondent's product or service will maintain, protect or enhance the privacy, confidentiality, or security of any personally identifiable information collected from or about consumers.

- the steps respondent will take with respect to personal information it has collected in the event that it changes the terms of the privacy policy in effect at the time the information was collected;
- the extent to which the service

allows parents to control what information their children can provide to participating sites or the use of that information by such sites; and

- any other matter regarding the collection, use, or disclosure of personally identifiable information.

Part II of the proposed order requires Microsoft to establish and maintain a comprehensive information security program in writing that is reasonably designed to protect the security, confidentiality, and integrity of personal information collected from or about consumers. The security program must contain administrative, technical, and physical safeguards appropriate to Microsoft's size and complexity, the

nature and scope of its activities, and the sensitivity of the personal information collected from or about consumers. Specifically, the order requires Microsoft to:

- designate an employee or employees to coordinate and be accountable for the information security program;

- identify material internal and external risks to the security, confidentiality, and integrity of customer information that could result in the unauthorized disclosure, misuse, alteration, destruction, or other compromise of such information, and assess the sufficiency of any safeguards in place to control these risks. At a minimum, this risk assessment will include consideration of risks in each area of relevant operation, including: (1) employee training and management; (2) information systems, including network and software design, information processing, storage, transmission and disposal; and (3) prevention, detection, and response to attacks, intrusions, or other systems failures;

- design and implement reasonable safeguards to control the risks identified through risk assessment, and regularly test or monitor the effectiveness of the safeguards' key controls, systems, and procedures; and

- evaluate and adjust its information security program in light of the results of testing and monitoring, any material changes to its operations or business arrangements, or any other circumstances that Microsoft knows or has reason to know may have a material impact on its information security program.

Part III of the proposed order requires that Microsoft obtain within one year, and on a biannual basis thereafter, an assessment and report from a qualified, objective, independent third-party professional, using procedures and standards generally accepted in the profession, certifying that: (1) Microsoft has in place a security program that provides protections that meet or exceed the protections required by Part II of this order; and (2) Microsoft's security program is operating with sufficient effectiveness to provide reasonable assurance that the security, confidentiality, and integrity of consumer's personal information has been protected.

Parts IV through VII of the proposed order are reporting and compliance provisions. Part IV requires Microsoft's retention of materials relating to its privacy and security representations and to its compliance with the order's information security program. Part V requires dissemination of the order now

and in the future to persons with responsibilities relating to the subject matter of the order. Part VI ensures notification to the FTC of changes in corporate status. Part VII mandates compliance reports within sixty (60) days after service of the order and at such other times as the Federal Trade Commission may require. Part VII is a provision "sunsetting" the order after twenty (20) years, with certain exceptions.

The purpose of this analysis is to facilitate public comment on the proposed order. It is not intended to constitute an official interpretation of the agreement and proposed order or to modify their terms in any way.

By direction of the Commission.

C. Landis Plummer,
Acting Secretary.

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DEPARTMENT OF HEALTH AND HUMAN SERVICES

Centers for Disease Control and Prevention

[30DAY-42-02]

Agency Forms Undergoing Paperwork Reduction Act Review

The Centers for Disease Control and Prevention (CDC) publishes a list of information collection requests under review by the Office of Management and Budget (OMB) in compliance with the Paperwork Reduction Act (44 U.S.C. Chapter 35). To request a copy of these requests, call the CDC Reports Clearance Officer at (404) 498-1210. Send written comments to CDC, Desk Officer, Human Resources and Housing Branch, New Executive Office Building, Room 10235, Washington, DC 20503. Written comments should be received within 30 days of this notice.

Proposed Project: Joint Canadian U.S. Survey of Health (CUJHS)—New—National Center for Health Statistics (NCHS), Centers for Disease Control and Prevention (CDC). CUJHS is a one-time collaborative effort of Statistics Canada and the U.S. National Center for Health Statistics to conduct a telephone survey in both countries using the same questionnaire. Approximately 3,000 adults will be interviewed in Canada and 5,000 adults in the U.S. The questionnaire will cover chronic health conditions, functional status and limitations, smoking, height and weight, cancer screening, access to health care, and demographics. The project will be jointly funded with each agency