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ATTORNEY GENERAL SIGNS ANTITRUST COOPERATION AGREEMENT WITH ISRAEL

WASHINGTON, D.C. – Attorney General Janet Reno today signed an antitrust cooperation agreement with Israel, which will allow the antitrust agencies in the two countries to improve their law enforcement relationship with each other. The agreement, which was also signed by Federal Trade Commission Chairman Robert Pitofsky and Israeli Trade and Industry Minister Natan Sharansky, becomes effective after authorization by the Israeli Cabinet.

“This new agreement is the first step in developing a good working relationship between the antitrust agencies of the United States and Israel,” said Attorney General Janet Reno. “It is an important tool that will be used to protect consumers in both countries.”

The United States is Israel’s largest trading partner. The two countries signed a free trade agreement in 1985 which has enabled them to trade freely between each other. As a result of that agreement, two-way trade—particularly on high-technology items—has increased steadily, reaching a total of nearly \$16 billion in 1998.

The new agreement, which is similar to existing U.S. agreements with Canada and the European Union, contains provisions for enforcement cooperation and coordination, notification of enforcement actions that may affect the other country, conflict avoidance with respect to enforcement actions, and effective confidentiality protections.

“Together, these provisions provide a sound basis for enhanced cooperation in our mutual interest,” said Joel I. Klein, Assistant Attorney General in charge of the Antitrust Division. “We look forward to working more closely with our Israeli colleagues at a time when sound antitrust enforcement is a high priority in both the United States and Israel.”

Highlights of the new agreement include:

- The Parties acknowledge that it is in their mutual interest to cooperate in antitrust enforcement generally. In cooperative efforts, the Parties agree to exchange antitrust-related information, consistent with existing confidentiality constraints.

– In a “positive comity” provision, each Party agrees to give serious consideration to requests by the other Party to take appropriate antitrust enforcement action against anticompetitive conduct within the requested parties jurisdiction that adversely affects the requesting parties important interests.

– Each Party will notify the other of specific antitrust enforcement activities that affect the other Party. In order to minimize possible conflicts arising from enforcement actions, the Parties agree, during the course of enforcement activities, to give careful consideration to one another’s important interests.

– Each Party agrees to maintain the confidentiality of sensitive information provided by the other Party. And, as noted, statutorily-protected information may not be exchanged pursuant to the agreement.

Klein noted, “The Antitrust Division and the FTC are building a good working relationship with the Israeli Antitrust Authority, led by General Director David Tadmor. We look forward to a mutually beneficial relationship in the future, as economic relationships intensify between our countries.”

Today’ s agreement will not change existing law in either country and is not a comprehensive antitrust mutual assistance agreement of the sort authorized by the International Antitrust Enforcement Assistance Act of 1994.

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