



Office of the Secretary

UNITED STATES OF AMERICA  
Federal Trade Commission  
WASHINGTON, D.C. 20580

April 29, 2014

Re: *In the Matter of Service Corporation International and Stewart Enterprises, Inc.*  
*Docket No. C-4423, File No. 131-0163*

The Federal Trade Commission (“FTC”) received public comments regarding the proposed Decision and Order (“Order”) accepted for public comment by the FTC in the above-captioned matter. The vast majority of comments filed express concerns that the Order does not adequately restore competition in the market for Jewish funeral services in the greater Washington, D.C., area. The Commission has placed these comments on the public record pursuant to Rule 4.9(b)(6)(ii) of the Commission’s Rules of Practice, 16 C.F.R. § 4.9(b)(6)(ii), and they have been given careful review.

On December 23, 2013, Service Corporation International (“SCI”) acquired substantially all of the assets of Stewart Enterprises, Inc. (“Stewart”). Under the terms of the Consent Agreement, SCI and Stewart agreed to divest 53 funeral homes in 29 local funeral services markets and 38 cemeteries in 30 local cemetery services markets to acquirers who receive the approval of the Commission. The Commission’s Order in this matter is designed to ensure that the acquisition of Stewart’s assets by SCI does not result in a substantial lessening of price or non-price competition in funeral or cemetery services in any geographic area impacted by the acquisition.

In the greater Washington, D.C. area, consisting of the District of Columbia and the Maryland suburbs, the Commission found that the acquisition would reduce the number of significant providers of Jewish funeral services from three to two. Customers of Jewish funeral services are unlikely to substitute other funeral services for Jewish funeral services in response to a small but significant increase in price. Jewish funeral services involve specific customs with specific facility requirements. For example, facilities require an entrance with 24-hour access and a “tahara room” for the traditional washing of the body. The proposed Order requires Respondents to divest the Edward Sagel Funeral Direction funeral home (“Sagel”) to a Commission-approved acquirer to resolve the Commission’s competitive concerns in the market for Jewish funeral services in the greater Washington, D.C. area.

Many of the commenters expressed generalized concerns about whether the Sagel divestiture would restore competition to pre-acquisition levels. Some commenters specifically noted that Sagel was dependent on Danzansky-Goldberg Memorial Chapels, Inc. (“Danzansky”), for a chapel and other adequate facilities necessary to prepare the deceased for burial. Although not required by the Order, SCI plans to sell Danzansky to the acquirer of the Sagel facility. The sale of Sagel and Danzansky, both SCI facilities pre-acquisition, effectively addresses any concerns regarding the sufficiency of the Sagel divestiture alone.

After considering the entire evidentiary record, including all submitted comments, the Commission has determined that the public interest would best be served by issuing the Decision and Order in final form. A copy of the final Decision and Order and other relevant material are available from the Commission's website at <http://www.ftc.gov>.

It helps the Commission's analysis to hear from a variety of sources in its work on antitrust and consumer protection issues, and we appreciate the public's interest in this matter.

By direction of the Commission, Commissioner McSweeney not participating.

Donald S. Clark  
Secretary