



Federal Trade Commission
Bureau of Competition



Department of Justice
Antitrust Division

Annual Report to Congress Fiscal Year 2000

**Pursuant to Subsection (j) of Section 7A of the Clayton Act
Hart-Scott-Rodino Antitrust Improvements Act of 1976
(Twenty-Third Report)**

Robert Pitofsky
Chairman
Federal Trade Commission

John M. Nannes
Acting Assistant Attorney General
Antitrust Division

INTRODUCTION

Merger activity remained strong and as a result, the antitrust enforcement agencies concluded another extremely active year, receiving a record high of 4,926 HSR filings in fiscal year 2000.¹ (See Figure 1 below). This represents about a 6.1 percent increase from the 4,642 filing transactions reported in 1999, and a 222.1 percent increase in the 1,529 transactions reported in fiscal year 1991.²

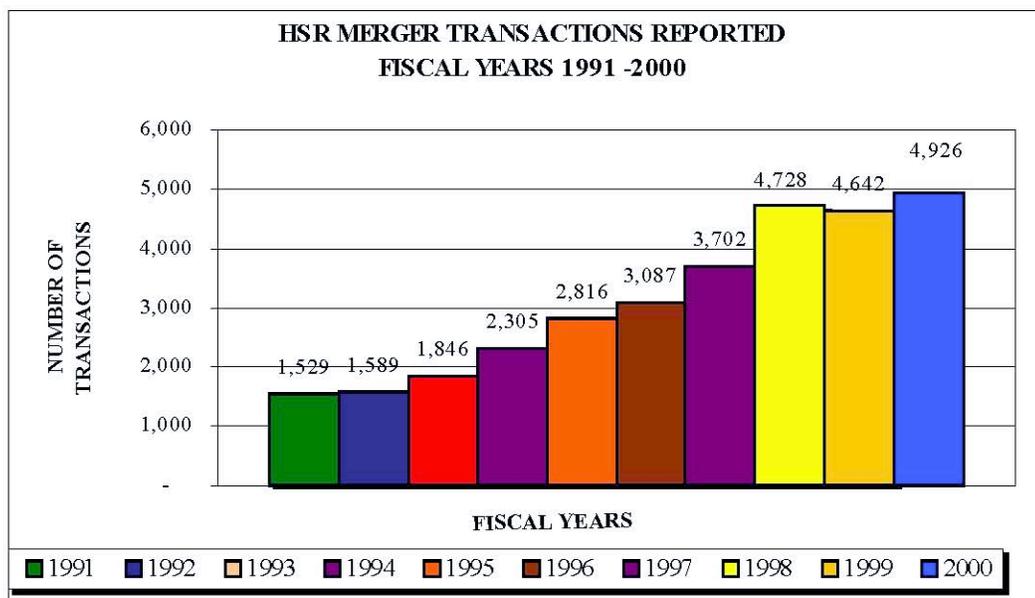


Figure 1

The Hart-Scott-Rodino (“HSR”) Act,³ together with Section 13(b) of the Federal Trade Commission Act and Section 15 of the Clayton Act, gives the Federal Trade Commission (the “Commission”) and the Antitrust Division of the Department of Justice (the “Antitrust Division” or “Division”) the opportunity to obtain effective preliminary relief against anticompetitive mergers and to prevent interim harm to competition and consumers. The premerger program was instrumental in detecting transactions that were the subject of the numerous enforcement actions brought in fiscal year 2000 to protect consumers -- individuals, businesses, and government -- against anticompetitive mergers. The Commission challenged 32 transactions, leading to 18 consent orders, nine abandoned transactions, and five preliminary injunction proceedings authorized, including *BP Amoco p.l.c. and Atlantic*

¹ This increase in filings is short-lived. Legislation that raised the size-of-transaction threshold from \$15 million to \$50 million and made other changes to the filing requirements took effect February 1, 2001. See Pub. L. No. 106-553, 114 Stat. 2762. A dramatic decline in the number of filings is expected in FY 2001.

² See Appendix A.

³ Because the amendments were enacted and took effect after the end of FY 2000, the HSR Act as described in this Report is the Section 7A of the Clayton Act prior to those amendments.

*Richfield Company*⁴ which would have created the largest U.S. oil producer and refiner and resulted in significantly reduced competition in the exploration and production of Alaska North Slope crude oil. The Antitrust Division challenged 48 transactions – 18 of these challenges were resolved by consent decrees, 29 transactions were either restructured or abandoned after the Antitrust Division sued or informed the parties that it intended to sue, including the merger of Worldcom, Inc. and Sprint Corporation⁵ which would have reduced competition in many of the nation’s most important telecommunications services markets, and one was litigated in district court and won by the Division.

Despite the increased activity, the agencies continued their efforts to minimize the enforcement burden on business. While the number of merger investigations was at a record high, both the percentage and the number of transactions resulting in requests for additional information from merging parties (“second requests”) declined, and the percentage and number of early termination requests granted increased.⁶

In addition to the Commission’s and the Antitrust Division’s review of a record number of filings in fiscal year 2000, the Commission’s Premerger Notification Office (“PNO”) continued to respond to thousands of telephone calls seeking information concerning the reportability of transactions under the HSR Act and the details involved in completing and filing premerger notification forms. The HSR website⁷ has enhanced the PNO’s efficiency by improving access to information necessary to the notification process. The website, expanded in fiscal year 2000, includes such information as the premerger notification filing form and instructions, the HSR Statement of Basis and Purpose, the PNO Sourcebook, the premerger rules, formal interpretations of the rules, filing fee instructions, grants of early termination, information regarding HSR events, procedures for submitting post-consummation filings, tips for completing the Notification and Report Form, frequently asked questions regarding the HSR filing requirements, and other useful information.

BACKGROUND

Section 201 of the Hart-Scott-Rodino Antitrust Improvements Act of 1976, Pub. L. No. 94-435, amended the Clayton Act by adding a new Section 7A, 15 U.S.C. §18a (“the Act”). Subsection (j) of Section 7A provides:

⁴ See *infra* p. 20.

⁵ See *infra* p. 17.

⁶ See Appendix A.

⁷ www.ftc.gov/bc/hsr/

Beginning not later than January 1, 1978, the Federal Trade Commission, with the concurrence of the Assistant Attorney General, shall annually report to Congress on the operation of this section. Such report shall include an assessment of the effects of this section, of the effects, purpose, and the need for any rule promulgated pursuant thereto, and any recommendations for revisions of this section.

This is the twenty-third annual report to Congress pursuant to this provision. It covers fiscal year 2000 -- October 1, 1999 through September 30, 2000.

In general, the Act requires that certain proposed acquisitions of voting stock or assets must be reported to the Commission and the Antitrust Division prior to consummation. The parties must then wait a specified period, usually 30 days (15 days in the case of a cash tender offer or a bankruptcy sale), before they may complete the transaction. Whether a particular acquisition is subject to these requirements depends upon the value of the acquisition and the size of the parties as measured by their sales and assets. Small acquisitions, acquisitions involving small parties, and other classes of acquisitions that are less likely to raise antitrust concerns are excluded from the Act's coverage.

The primary purpose of the statutory scheme, as the legislative history makes clear, is to provide the antitrust enforcement agencies with the opportunity to review mergers and acquisitions before they occur. The premerger notification program, with its filing and waiting period requirements, provides the agencies with both the time and the information necessary to conduct this antitrust review. Much of the information for a preliminary antitrust evaluation is included in the notification filed with the agencies by the parties to the proposed transactions and thus is immediately available for review during the waiting period.

However, if either agency determines during the waiting period that further inquiry is necessary, it is authorized by Section 7A(e) of the Clayton Act to request additional information or documentary materials from both of the parties to a reported transaction (a "second request"). A second request extends the waiting period for a specified period⁸ after all parties have complied with the request (or, in the case of a tender offer or a bankruptcy sale, after the acquiring person complies). This additional time provides the reviewing agency with the opportunity to analyze the information and to take appropriate action before the transaction is consummated. If the reviewing agency believes that a proposed transaction may substantially lessen competition, it may seek an injunction in federal district court to prohibit consummation of the transaction.

⁸ The waiting period was extended until 20 days after second request compliance (10 days in the case of a cash tender offer or a bankruptcy sale) during the time period covered by this report. Under the statutory changes cited in footnote 1, this waiting period extension was increased to 30 days for most transactions. The 10-day waiting period extension for cash tender offers and bankruptcies remained the same.

The Commission promulgated final rules implementing the premerger notification program with the concurrence of the Assistant Attorney General on July 31, 1978. At that time, a comprehensive Statement of Basis and Purpose was also published containing a section-by-section analysis of the rules and an item-by-item analysis of the Premerger Notification and Report Form. The program became effective on September 5, 1978. During the twenty-three years that the rules have been in effect, the Commission, with the concurrence of the Assistant Attorney General, has amended the rules and the Form on several occasions to improve the program's effectiveness and to lessen the burden of complying with the rules.⁹

STATISTICAL PROFILE OF THE PREMERGER NOTIFICATION PROGRAM

The appendices to this report provide a statistical summary of the operation of the premerger notification program. Appendix A shows, for a ten-year period, the number of transactions reported,¹⁰ the number of filings received, the number of merger investigations in which second requests were issued, and the number of transactions in which requests for early termination of the waiting period were received, granted, and not granted. Appendix A also shows for fiscal years 1991 through 2000 the number of transactions in which second requests could have been issued, as well as the percentage of transactions in which second requests were issued. Appendix B provides a month-by-month comparison of the number of transactions reported and the number of filings received for fiscal years 1991 through 2000.

The statistics set out in these appendices show that the number of transactions reported in FY 2000 increased approximately 6.1 percent from the number of transactions reported in FY 1999. In FY 2000, 4,926 transactions were reported, while 4,642 were reported in FY 1999. The statistics in Appendix A show that the number of merger investigations in which second requests were issued in FY 2000 decreased approximately 11.8 percent from the number of merger investigations in which second request were issued in FY 1999. Second requests were issued in 98 merger investigations in FY 2000, while second requests were issued in 111 merger investigations in FY 1999.

⁹ 43 Fed. Reg. 3443 (August 4, 1978); 43 Fed. Reg. 36053 (August 15, 1978); 44 Fed. Reg. (November 21, 1979); 45 Fed. Reg. 14205 (March 5, 1980); 48 Fed. Reg. 34427 (July 29, 1983); 50 Fed. Reg. 46633; 51 Fed. Reg. 10368 (March 26, 1986); 52 Fed. Reg. 7066 (March 6, 1987); 52 Fed. Reg. 20058 (May 29, 1987); 54 Fed. Reg. 214251 (May 18, 1989); 55 Fed. Reg. 31371 (August 2, 1990); 60 Fed. Reg. 40704 (August 9, 1995); 61 Fed. Reg. 13666 (March 28, 1996); 63 Fed. Reg. 34592 (June 25, 1998).

¹⁰ The term "transaction", as used in Appendices A and B, and Exhibit A to this report, does not refer only to separate mergers or acquisitions. A particular merger, joint venture or acquisition may be structured such that it involves more than one transaction. For example, cash tender offers, options to acquire voting securities from the issuer, or options to acquire voting securities from someone other than the issuer, may result in multiple acquiring or acquired persons that necessitate separate HSR transaction numbers to track the filing parties and waiting periods.

PERCENTAGE OF TRANSACTIONS RESULTING
IN SECOND REQUEST

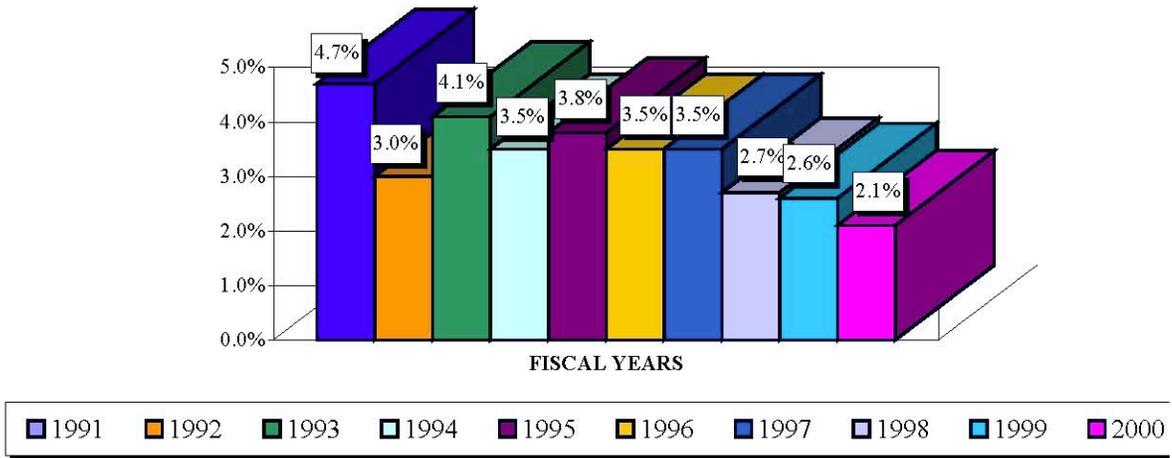


Figure 2

The statistics in Appendix A also show that in recent years, early termination was requested in the majority of transactions. In FY 2000, early termination was requested in 87.8 percent (4,324) of the transactions reported while in FY 1999 it was requested in 88.5 (4,110) percent of the transactions reported. The percentage of requests granted out of the total requested increased from 75.5 percent in fiscal year 1999 to 81.3 percent in fiscal year 2000.

Statistical tables (Tables I through XI) in Exhibit A contain information about the agencies' enforcement interest in transactions reported in FY 2000. The tables provide, for various statistical breakdowns, the number and percentage of transactions in which clearances to investigate were granted by one antitrust agency to the other and the number of merger investigations in which second requests were issued. Table III of Exhibit A shows that, in FY 2000, clearance was granted to one or the other of the agencies for the purpose of conducting an initial investigation in 7.1 percent of the total number of transactions in which a second request could have been issued.

The tables also provide the number of transactions based on the dollar value of transactions reported and the reporting threshold indicated in the notification report. The total dollar value of reported transactions has risen dramatically during the last seven years from less than \$375 billion to about \$3 trillion.

The tables provide the number of transactions based on the industry group 2-digit SIC code in which the acquiring person or the acquired entity derived revenue. Figure 3 illustrates the percentage of reportable transactions within industry groups for FY 2000 based on the acquired entity's operations.

**PERCENTAGE OF TRANSACTIONS BY
INDUSTRY GROUP OF ACQUIRED ENTITY
FISCAL YEAR 2000**

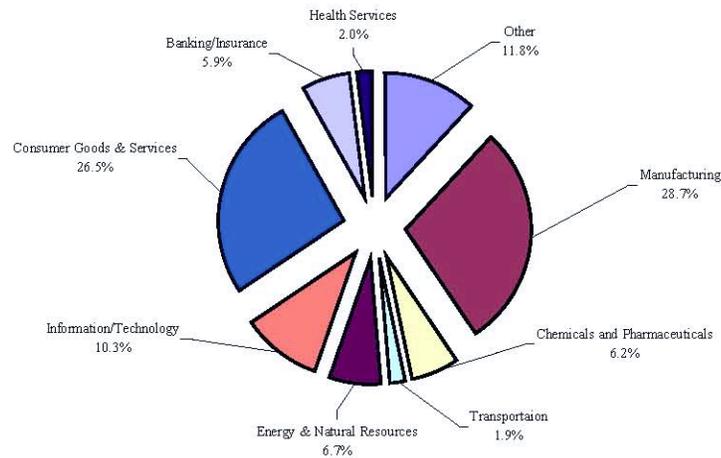


Figure 3

**DEVELOPMENTS IN FISCAL YEAR 2000 RELATING TO COMPLIANCE
WITH THE PREMERGER NOTIFICATION RULES AND PROCEDURES**

1. Compliance

The Commission and the Department of Justice continued to monitor compliance with the premerger notification program's filing requirements and initiated a number of compliance investigations in FY 2000. The agencies monitor compliance through a variety of methods, including the review of newspapers and industry publications for announcements of transactions that may not have been reported in accordance with the requirements of the Act. In addition, industry sources, such as competitors, customers and suppliers, and interested members of the public provide the agencies with information about transactions and possible violations of the filing requirements. Under Section 7A(g)(1) of the Act, any person that fails to comply with the Act's notification and waiting requirements is liable for a civil penalty of up to \$11,000 for each day the violation continues.¹¹

¹¹ Effective November 20, 1996, dollar amounts specified in civil monetary penalty provisions within the Commission's jurisdiction were adjusted for inflation in accordance with the Debt Collection Improvement Act of 1996, Pub. L. No. 104-134 (April 26, 1996). The adjustments included, in part, an increase from \$10,000 to \$11,000 for each day during which a person is in violation under Section 7A(g)(1), 15 U.S.C. 18a(g)(1). 61 Fed. Reg. 54548 (October 21, 1996), corrected at 61 Fed. Reg. 55840 (October 29, 1996).

2. Formal Interpretations of the Rules

In FY 2000, the Commission's Premerger Notification Office, with the concurrence of the Assistant Attorney General, issued one formal interpretation of the premerger notification rules.

Amendments to the HSR Act made by the Gramm-Leach-Bliley Act¹²

Formal Interpretation 17¹³ describes the PNO's position regarding certain "mixed" transactions that may occur under the Gramm-Leach-Bliley Act ("GLB Act"), enacted on November 12, 1999, that have some portions subject to advance competitive review by a banking agency and other non-bank portions that are not subject to such review. Under the GLB Act, bank holding companies and banks are allowed to affiliate with companies that participate in financial services markets that were previously off limits to such entities. The HSR Act exempts from HSR premerger antitrust review certain classes of acquisitions that require premerger competitive review by a specialized regulatory agency. Formal Interpretation 17 confirms that the PNO's longstanding treatment of mixed transactions is to be applied to transactions involving the banking industry. Under the Interpretation, the non-bank portion of such a transaction is subject to the reporting requirements of the HSR Act regardless of whether the non-bank business is housed in an affiliate of a financial holding company or a financial subsidiary of a bank.

3. New Procedures for Requests for Additional Information

During April 2000, the Commission and the Division each announced a series of new procedures and initiatives to improve the handling of second requests issued by the Commission and the Division during HSR premerger investigations. The adopted procedures provide that all second requests will get centralized high level review prior to issuance. Agency staff will convene a conference with the parties promptly following the issuance of the second request to discuss the competitive issues raised by the proposed transaction and will provide a quick turn-around on the parties' requests for modifications of the second request to afford the parties greater opportunities for more efficient and better-directed records searches. In addition, the agencies announced that they would be implementing new procedures for appealing second request issues when second request modification issues are not resolved with agency staff.

¹² Pub. L. No. 106-102 (November 12, 1999).

¹³ 65 Fed. Reg. 17880 (April 5, 2000).

MERGER ENFORCEMENT ACTIVITY DURING FISCAL YEAR 2000¹⁴

1. Department of Justice

The Antitrust Division challenged 48 merger transactions that it concluded could lessen competition if allowed to proceed as proposed during FY 2000. In 21 of the transactions, the Antitrust Division filed a complaint in U.S. District Court. Eighteen of these cases were settled by consent decree, two transactions were abandoned after filing of the complaint and one case was litigated in district court and won.

In the other 27 challenges during FY 2000, the Antitrust Division informed the parties to a proposed transaction that it would file suit challenging the transaction unless the parties restructured the proposal to avoid competitive problems or abandoned the transaction altogether.¹⁵ In 16 instances, the parties restructured the proposed transactions, and in 11

¹⁴ All cases in this report were not necessarily reportable under the premerger notification program. Because of provisions regarding the confidentiality of the information obtained pursuant to the Act, it would be inappropriate to identify which cases were initiated under the program.

¹⁵ In 11 instances, the Department of Justice issued press releases: December 6, 1999 --Joint venture between Bell Atlantic Corporation and Vodafone AirTouch Plc (wireless mobile telephones); December 8, 1999 -- Zions Bancorporation and First Security Corporation -- Utah and Idaho banks (business banking services); January 24, 2000 -- Centura Banks Inc. and Triangle Bancorp Inc. merger -- North Carolina banks (business banking services); March 30, 2000 -- Hearst's Corporation proposed acquisition of the San Francisco Chronicle (newspapers); May 22, 2000 -- Wells Fargo & Company's merger with First Commerce Bancshares Inc. -- Nebraska banks (business banking services); June 21, 2000 -- Old National Bank merger with Permanent Bank -- Evansville, Indiana banks (business banking services); July 14, 2000 -- Entercom Communications Corporation's proposed acquisition of KCFX-FM, KQRC-FM, KCIY-FM and KXTR-FM from Sinclair Broadcast Group (Kansas radio stations); July 18, 2000 --Citadel Communications Corporation's proposed acquisition of WTCF-FM and WHNN-FM from Liggett Broadcast Inc. (Michigan radio stations); August 1, 2000 -- Allied Waste Industries Inc.'s acquisition of Waste Management Inc.'s Waste Collection and Disposal assets in Mississippi and Ohio (refuse systems); August 15, 2000--NBT Bancorp Inc. and BSB Bancorp Inc. bank merger -- New York banks (business banking services); September 14, 2000 -- Wells Fargo & Company's acquisition of First Security Corporation -- New Mexico, Nevada, Utah, and Idaho banks (business banking services).

In addition to the 11 in which it issued press releases, the Department of Justice in 16 instances informed the parties that their proposed acquisition was likely to have anticompetitive effects: proposed acquisition of Kvaerner AsA by A. Ahlstrom Corporation (paper industries machinery); acquisition of Delta and Pine Land Company, Inc. by Monsanto (cotton seeds); Wells Fargo's proposed acquisition of First Place Financial Corporation -- New Mexico and Colorado banks (business banking services); acquisition of WICS-TV and WICD-TV from Sinclair Broadcast Group by Hicks, Muse, Tate & Furst Equity Fund III, L.P. (television stations in Champaign-Springfield-Decatur, Illinois); merger of Burlington Northern Santa Fe and Canadian National Railway Co.; BB&T's acquisition of One Valley Bancorp -- Virginia banks (business banking services); Cumulus Broadcasting's acquisition from Mustang Broadcasting of three radio stations (Grand Junction, CO radio market); Allegheny Power System, Inc.'s proposed acquisition of DQE (electric utility services); Tri-State Generation and Transmission Association merger with Public Service Company of New Mexico (electric utility services); proposed acquisition of Third Wave Technologies, Inc. by PE Corporation (PE Biosystems Group); proposed acquisition of Dime Bancorp and the Dime Savings Bank of New York by North Fork Bancorporation -- NY

instances, the parties abandoned the proposed transactions.

In *United States v. Harsco Corporation, Pandrol Jackson Limited and Pandrol Jackson, Inc.*,¹⁶ the Division challenged Harsco Corporation's \$89 million acquisition of certain assets of Pandrol Jackson Inc. and Pandrol Jackson Limited. The complaint alleged that the acquisition, as originally structured, would substantially lessen competition in the switch and crossing and transit grinding equipment market. Switch and crossing grinders and transit grinders are machines designed to restore the tracks of railroads and transit systems to their original shapes and are used to repair deformations caused by the rubbing of train wheels on rails used in railroad track switches, railroad track crossings and transit systems. Harsco and Pandrol were the only two manufacturers of switch and crossing and transit grinding equipment and the only two providers of railroad switch and crossing grinding services in North America. A proposed consent decree settling the suit was filed simultaneously with the complaint. Under the terms of the decree, Harsco was required to divest the Pandrol switch and crossing and transit grinding assets. The Court entered the consent decree on March 8, 2000.

In *United States v. Compuware Corporation and Viasoft, Inc.*,¹⁷ the Division sued to block Compuware Corporation's acquisition of Viasoft Inc. The Division alleged that the acquisition would have reduced competition significantly in the markets for two types of software products for mainframe computers: testing and debugging software, which is used to check for errors as program code is written and used in production to fix code in the event of a processing failure; and fault management software, which detects and diagnoses the errors that cause a processing failure. The complaint alleged that Compuware is the world's dominant producer of both mainframe testing and debugging software and mainframe fault management software. It also alleged that Viasoft is Compuware's closest rival in the market for testing and debugging software and that Viasoft is a recent entrant in the market for fault management software, with a promising product that should enable it to become a significant competitor to Compuware. With the trial scheduled to begin April 3, 2000, Compuware and Viasoft agreed to terminate their proposed merger on January 19, 2000.

banks (business banking services); Firststar Corporation's acquisition of Mercantile Bancorporation -- Iowa/Illinois banks (business banking services); proposed acquisition of Z-Spanish Media Corporation by Entravision Communication Corporation (Spanish television); proposed joint venture between Transportacion Maritima Mexicana, S.A. de C.V. and Stolt-Nielsen, S.A. (chemical tankers); proposed merger between Alcan Aluminum, Pechiney and ALGROUP (aluminum); Healthon/WebMD Corporation's strategic agreements with IDX Systems Corporation and ChannelHealth, Inc. (electronic data interchange; physician practice management systems; internet portals for consumer healthcare and internet-based healthcare service).

¹⁶ *United States v. Harsco Corporation, Pandrol Jackson Limited and Pandrol Jackson Inc.*, C.V. No. 1:99CV02706 (D.D.C. filed October 14, 1999).

¹⁷ *United States v. Compuware Corporation and Viasoft, Inc.*, C.V. No. 1:99CV02884 (D.D.C. filed October 29, 1999).

In *United States v. Fiat S.p.A., Fiat Acquisition Corporation, New Holland N.V., New Holland North America, Inc. & Case Corporation*,¹⁸ the Division challenged the \$4.3 billion acquisition by New Holland of Case Corporation. The complaint alleged that the acquisition, as originally structured, would have likely resulted in higher prices, lower quality and less innovation for farmers and other purchasers in the approximately \$1.5 billion market for agricultural tractors and in the \$250 million hay tools markets. A proposed consent decree settling the suit was filed simultaneously with the complaint. Under the terms of the decree, New Holland was required to sell its four-wheel-drive tractor business (the Versatile line) and its large two-wheel-drive agricultural tractor business (the Genesis line). In addition, Case was required to sell its interest in Hay and Forage Industries (HFI), a joint venture that produces hay tools, such as large and small square balers, and self-propelled windrowers. The consent decree was entered by the Court on March 17, 2000.

In *United States v. Alcoa Inc., ACX Technologies, Inc. and Golden Aluminum Company*,¹⁹ the Division challenged Alcoa Inc.'s \$41 million acquisition of Golden Aluminum Company from ACX Technologies, Inc. The complaint alleged that the transaction, as originally structured, would have increased Alcoa's ability to raise prices, reduce quality and decrease production of aluminum can lid stock through the elimination of a low-cost competitor in a highly concentrated industry. Alcoa controlled over 50 percent of the aluminum can lid stock market in North America, and Golden was one of only four other companies that manufactured lid stock in North America. Lid stock is aluminum sheet that is used by can manufacturers to make the ends, tabs, and lids of food and beverage cans. A proposed consent decree settling the suit was filed simultaneously with the complaint. The decree required Alcoa to divest Golden's Fort Lupton, Colorado manufacturing facility in order to preserve competition in the \$1.6 billion market for the manufacture and sale of aluminum can lid stock. The consent decree was entered by the Court on June 30, 2000.

In *United States v. AlliedSignal Inc. and Honeywell, Inc.*,²⁰ the Division challenged the \$16 billion merger between AlliedSignal Inc. and Honeywell, Inc. The complaint alleged that the acquisition, as originally structured, would substantially lessen competition in four product areas -- traffic alert and collision avoidance systems; search and surveillance weather radar; reaction and momentum wheels; and inertial systems -- resulting in higher prices and lower quality for these products. A traffic alert and collision avoidance system is an avionics product that reduces the potential for mid-air collisions between aircraft by identifying a

¹⁸ *United States v. Fiat S.p.A., Fiat Acquisition Corporation, New Holland N.V., New Holland North America, Inc. and Case Corporation*, C.V. No. 1:99CV02927 (D.D.C. filed November 4, 1999).

¹⁹ *United States v. Alcoa Inc., ACX Technologies, Inc. and Golden Aluminum Company*, C.V. No. 1:99CV02943 (D.D.C. filed November 5, 1999).

²⁰ *United States v. AlliedSignal Inc. and Honeywell Inc.*, C.V. No. 1:99CV02959 (D.D.C. filed November 8, 1999).

collision threat and advising the pilot how to avoid it. The search and surveillance weather radar, a type of radar often used on helicopters during rescue missions, predicts inclement weather and allows the pilot to locate small objects, such as a boat or an oil drilling rig, during poor weather conditions. Reaction and momentum wheels are mechanical devices that move and stabilize satellites by spinning and generating a force to produce rotation. Inertial systems measure an object's velocity, position, and rate of rotation in order to calculate the object's position and heading. Inertial systems employ sophisticated components and technologies, including: micro-electro-mechanical systems ("MEMS"); fiber optic gyroscopes ("FOGs"); ring laser gyroscopes ("RLGs"), or mechanical rate gyroscopes ("MRGs"). In each of the identified product areas, the proposed merger would have left at most two or three major competitors. A proposed consent decree settling the suit was filed simultaneously with the complaint. The decree required AlliedSignal and Honeywell to divest significant portions of their avionics businesses. In particular, AlliedSignal was to divest its search and surveillance weather radar business in Olathe, Kansas; its space and navigation business in Teterboro, New Jersey, which produces RLGs, FOGs, and reaction and momentum wheels; its MRG business in Cheshire, Connecticut and a related repair business in Newark, Ohio; its MEMS business (based on a technology known as microSCIRAS) in Redmond, Washington, and related MEMS licenses. Also, Honeywell must divest its traffic alert and collision avoidance systems business located in Glendale, Arizona. The consent decree was entered by the Court on March 22, 2000.

In *United States v. CBS Corporation, Infinity Broadcasting Corporation and Outdoor Systems, Inc.*,²¹ the Division challenged the \$8.3 billion acquisition of Outdoor Systems, Inc. by CBS Corporation/Infinity Broadcasting Corporation. The complaint alleged that the acquisition, as originally structured, would substantially lessen competition in the out-of-home advertising market -- billboards, subway displays, and signs that appear on the sides of buses and bus shelters -- in three geographic markets -- New York, New York, New Orleans, Louisiana and Phoenix, Arizona. Infinity Broadcasting and Outdoor Systems were head-to-head competitors, and, for many advertisers, each other's closest competitor. Thus, the acquisition would have given the parties a dominant share of the out-of-home advertising market. A proposed consent decree settling the suit was filed simultaneously with the complaint. Under the terms of the decree, the parties were required to divest certain advertising displays in the three geographic markets mentioned above. The consent decree required Infinity Broadcasting and Outdoor Systems to sell a package of advertising displays in New York City generating revenues equal to at least \$25.3 million, which constituted Outdoor Systems' billboard advertising business. In addition, the companies were required to divest either Outdoor Systems' bus shelter advertising or its subway advertising operations, if they were still selling both types of advertising in February 2000. In New Orleans, the merging parties were required to divest Infinity Broadcasting's entire bus advertising

²¹ *United States v. CBS Corporation, Infinity Broadcasting Corporation and Outdoor Systems, Inc.*, C.V. No. 1:99CV03212 (D.D.C. filed December 6, 1999).

operations. In Phoenix, the merging parties were required to divest either Infinity Broadcasting's bus advertising operations or a package of out-of-home advertising displays generating the same amount of revenues. The divestitures must be at least equal to Infinity Broadcasting's out-of-home advertising sales in both New Orleans and Phoenix. The consent decree was entered by the Court on June 7, 2000.

In *United States v. Miller Industries, Inc., Miller Industries Towing Equipment, Inc., and Chevron, Inc.*,²² the Division challenged Miller's acquisitions of two competitors -- Vulcan Equipment, Inc. and Chevron, Inc. Miller Industries acquired Vulcan Equipment in September 1996 for Miller stock valued at approximately \$8.2 million and Chevron in December 1997 for \$10 million. The complaint alleged that the acquisitions lessened competition in the design, manufacture, and sale of light-duty tow trucks and car carriers, substantially increased Miller Industries' ownership of valuable patent rights, and eliminated two competitors that offered customers products with different and competitively significant technology. Miller Industries is the nation's largest supplier of light-duty tow trucks and light-duty car carriers, the two main types of towing and recovery vehicles used to recover and transport disabled cars and light trucks. Miller Industries designs, manufactures, and markets many well-known brands of light-duty tow trucks and light-duty car carriers, including those carrying the Century, Vulcan, Chevron, Holmes, Challenger, and Champion brands. Both Vulcan and Chevron had successfully developed and marketed valuable innovations in product design for towing and recovery vehicles, and offered tow trucks and car carriers with valuable patented features. Prior to the acquisition, Miller and Vulcan used much of the same patented technology pursuant to licensing agreements. A proposed consent decree settling the suit was filed simultaneously with the complaint. The decree required Miller Industries to license important technology used in towing and recovery vehicles. Specifically, the decree required Miller Industries to grant licenses under five key patents and also to notify the Division prior to acquiring any interest in a competitor, or related assets or patents, with a value over \$5 million. The consent decree was entered by the Court on December 12, 2000.

In *United States v. The Earthgrains Company, Specialty Foods Corporation and Metz Holdings, Inc.*,²³ the Division challenged the \$625 million acquisition of Metz Holdings, Inc. by The Earthgrains Company. The complaint alleged that the acquisition, as originally structured, would substantially lessen competition in the sale of white pan bread, which is commonly used for sandwiches, in Des Moines, Iowa, Kansas City, Missouri, and Omaha, Nebraska, as well as in surrounding areas in Iowa, Kansas, Missouri, Nebraska and Illinois. Earthgrains and Metz competed directly in the production, marketing, and sale of white pan bread, and were two of only a small number of companies selling white pan bread in those

²² *United States v. Miller Industries, Inc., Miller Industries Towing Equipment, Inc. and Chevron, Inc.*, C.V. No. 1:00CV00305 (D.D.C. filed February 17, 2000).

²³ *United States v. The Earthgrains Company, Specialty Foods Corporation and Metz Holdings, Inc.*, C.V. No. 00C 1687 (N.D. Ill. filed March 20, 2000).

markets. The acquisition would have reduced the number of white pan bread competitors from three to two in Kansas City, Omaha and surrounding areas, and from four to three in Des Moines and surrounding areas. A proposed consent decree settling the suit was filed simultaneously with the complaint. Under the terms of the decree, Earthgrains must divest its Colonial brand and Metz's Taystee brand of white pan bread. The decree also permits the Division to require the companies to divest Earthgrain's Des Moines bakery and other assets related to the distribution of white bread in the area. The consent decree was entered by the Court on July 3, 2000.

In *United States v. Dairy Farmers of America, Inc., Societe De Diffusion Internationale Agro-Alimentaire and SODIAAL North America Corporation*,²⁴ the Division challenged Dairy Farmers of America, Inc.'s \$36 million acquisition of SODIAAL North America Corporation. The complaint alleged that the acquisition would substantially lessen competition in the sale of branded butter sold at retail outlets in the New York and Philadelphia metropolitan areas. The merger would have resulted in the two remaining firms -- Dairy Farmers of America and Land O'Lakes -- accounting for nearly 100 percent of the sales of branded stick and branded whipped butter in the Philadelphia and New York areas. Unlike SODIAAL, both Dairy Farmers of America and Land O' Lakes are agricultural cooperatives that could "federate" under the Capper-Volstead Act, which authorizes agricultural producers to collectively process, prepare for market, handle, and market their products without fear of antitrust challenge. The United States District Court in Philadelphia on March 31, 2000, issued an order that temporarily blocked the transaction. Thereafter, a proposed consent decree was filed on May 18, 2000, settling the suit. The consent decree prohibits coordination by Dairy Farmers of America with Land O' Lakes, and prohibits Dairy Farmers of America from sharing competitively sensitive information relating to branded butter with Land O' Lakes. In addition, the decree prohibits Dairy Farmers of America from agreeing directly or indirectly with Land O' Lakes to charge Dairy Farmers of America's newly created butter subsidiary, Butter LLC, discriminatory prices for cream, milk or butter. The consent decree was entered by the Court on November 3, 2000.

In *United States v. Alcoa Inc. and Reynolds Metals Company*,²⁵ the Division challenged the acquisition by Alcoa Inc. of Reynolds Metals Company combining two of the world's largest aluminum companies. The complaint alleged that the proposed \$5 billion merger would have substantially lessened competition in the refining and sale of smelter grade alumina ("SGA") and chemical grade alumina ("CGA"). Alumina refineries produce these two types of alumina, a powder refined from bauxite ore. SGA is a critical input in the production of aluminum metal, which is used to produce such products as aluminum foil,

²⁴ *United States v. Dairy Farmers of America, Inc., Societe De Diffusion Internationale Agro-Alimentaire and Sodiaal North America Corporation*, C.V. No. CN00-CV-1663 (E.D. Pa. filed March 31, 2000).

²⁵ *United States v. Alcoa Inc. and Reynolds Metals Company*, C.V. No. 1:00CV00954 (D.D.C. filed May 3, 2000).

beverage cans, building materials, and aircraft skin. CGA is used in the production of numerous industrial and consumer products, such as detergents, counter tops, and flame retardants. The acquisition of Reynolds by Alcoa, as originally proposed, would have resulted in higher prices to aluminum manufacturers and their customers, as well as to consumers who purchase products containing alumina. A proposed consent decree settling the suit was filed simultaneously with the complaint. Under the terms of the decree, Alcoa was required to divest Reynolds' controlling interest in the Worsley refinery, which is located in Western Australia's Darling Range. Worsley is one of the world's lowest cost alumina refineries. The decree also required Reynolds to divest Reynolds' Corpus Christi, Texas, refinery, which produces SGA and CGA in the United States. Without the proposed divestitures, Alcoa would have owned or controlled approximately 38 percent of the world market for SGA. In CGA, Alcoa would have held approximately 59 percent of the North American market. In both markets, the merger would have increased concentration significantly. The European Commission also announced that it required the companies to make certain divestitures, including the sale of Reynolds' refining operation in Stade, Germany. The Division consulted extensively with competition authorities in the EC during the course of their review of the proposed merger. The consent decree is awaiting entry by the Court.

In *United States v. Allied Waste Industries, Inc. and Superior Services, Inc.*,²⁶ the Division challenged an \$80 million exchange of waste collection and disposal assets between Allied Waste Industries, Inc. and Superior Services, Inc. The complaint alleged that the asset exchange, as originally structured, would have substantially lessened competition in the waste collection industry in Milwaukee, Wisconsin and Mansfield, Ohio, and in the waste disposal industry in Leeper, Pennsylvania, resulting in higher prices for waste collection and disposal in those areas. Waste collection and disposal firms, like Allied and Superior, contract to collect municipal solid waste (trash and garbage) from residential and commercial customers. They transport the waste to disposal facilities such as landfills, incinerators, and transfer stations, which process and legally dispose of waste for a fee. Allied and Superior are two of only three major competitors providing waste collection services in Milwaukee, and they are the only two significant waste collection firms in Mansfield. In addition, they are the only two operators of landfills in the Leeper area. A proposed consent decree settling the suit was filed simultaneously with the complaint. Under the terms of the decree, Superior was required to divest commercial waste collection operations and transfer stations in Milwaukee and Mansfield. Superior also agreed to abandon its purchase of Allied's landfill in Leeper. The consent decree was entered by the Court on December 11, 2000.

In *United States v. AT&T Corp. and MediaOne Group, Inc.*,²⁷ the Division challenged

²⁶ *United States v. Allied Waste Industries, Inc. and Superior Services, Inc.*, C.V. No. 1:00CV01067 (D.D.C. May 12, 2000).

²⁷ *United States v. AT&T Corp. and MediaOne Group, Inc.*, C.V. No. 1:00CV01176 (D.D.C. filed May 25, 2000).

the proposed acquisition by AT&T Corp. of MediaOne Group, Inc. The complaint charged that the combination of AT&T's interests in Excite@Home, the largest producer of broadband Internet access, and MediaOne's interests in Road Runner, the second largest such provider, would substantially lessen competition in the aggregation, promotion and distribution of broadband content. Broadband Internet access permits users to transmit and receive data at much greater speeds than are possible through "narrowband" access over ordinary telephone lines. According to the complaint, Excite@Home, in which AT&T owned a substantial equity interest and had voting control, and Road Runner, in which MediaOne held a significant equity and management interest, served a significant majority of the nation's residential broadband Internet users. A proposed consent decree settling the suit was filed simultaneously with the complaint. Under the terms of the decree, AT&T agreed to divest its interest in Road Runner. Under the decree, AT&T must exit the Road Runner joint venture no later than December 31, 2001, and earlier if other relevant owners of Road Runner agree to an earlier departure. AT&T will be permitted to retain Road Runner assets used exclusively to provide cable modem service and broadband service to MediaOne customers. In addition, AT&T was required to obtain prior approval from the Department before entering into certain types of agreements with Time Warner or with America Online (AOL). The consent decree was entered by the Court on September 26, 2000.

In *United States v. Franklin Electric Co., Inc., United Dominion Industries Limited and United Dominion Industries, Inc.*,²⁸ the Division sued to block the proposed joint venture between Franklin Electric Co., Inc. and United Dominion Industries (UDI) the only two producers of submersible turbine pumps (STPs) for gasoline service stations in the United States. Located in the underground gasoline storage tanks at service stations, STPs pump the gasoline up through the piping system to the above-ground islands containing the dispensers that ultimately enable the delivery of gasoline to the vehicle. The complaint alleged that the Franklin Electric and United Dominion joint venture would eliminate competition and create a monopoly in the STP market, thus enabling the joint venture to raise prices and reduce quality and service. United Dominion, which has approximately a 60 percent market share, sells STPs under the brand name Red Jacket, through its subsidiary The Marley Company. Franklin Electric, which sells STPs under the brand name "FE Petro" through its subsidiary FE Petro, had approximately a 40 percent market share. The joint venture would have combined the assets of FE Petro and The Marley Company into a joint entity 75 percent owned by Franklin Electric and 25 percent owned by United Dominion. On August 30, 2000, after a trial, the Court granted the government's request for a permanent injunction prohibiting the acquisition. The Court subsequently awarded the Division \$102,455.17 in costs.

In *United States v. Allied Waste Industries, Inc. and Republic Services, Inc.*,²⁹ the

²⁸ *United States v. Franklin Electric Co., Inc., United Dominion Industries Limited and United Dominion Industries, Inc.*, C.V. No. 00C 034C (W.D. Wis. filed May 31, 2000).

²⁹ *United States v. Allied Waste Industries, Inc. and Republic Services, Inc.*, C.V. No. 1:00CV1469 (D.D.C. filed June 21, 2000).

Division challenged a multi-million dollar exchange of assets between Allied Waste Industries, Inc. and Republic Services, Inc. The complaint alleged that the acquisition, as originally structured, would have substantially lessened competition in waste collection or disposal services in 15 markets in Florida, Georgia, Indiana, Kentucky, New Jersey, New York, Ohio, Tennessee and Virginia. A proposed consent decree settling the suit was filed simultaneously with the complaint. Under the terms of the decree, Allied and Republic agreed to sell waste collection and disposal assets and agreed to contract modifications affecting those 15 metropolitan areas. In each of these markets, Allied and Republic are two of only a few significant firms, and in some areas the only two firms, providing commercial waste hauling, roll-off waste hauling, or municipal solid waste disposal services. Commercial waste hauling is the collection and transportation of trash and garbage stored in small metal containers or dumpsters, generally by specialized front-end load trucks, from establishments such as office and apartment buildings and retail businesses. Roll-off waste hauling is the collection and transportation of large disposal containers holding larger volumes or bulkier items of waste from sources such as construction sites and industrial plants. The consent decree is awaiting entry by the Court.

In *United States v. JDS Uniphase Corporation and E-TEK Dynamics, Inc.*,³⁰ the Division challenged the proposed \$15 billion acquisition of E-TEK Dynamics, Inc. by JDS Uniphase Corporation. The complaint alleged that the acquisition, as originally structured, would have likely resulted in a reduction of supply or increased prices for dense wavelength division multiplexers (“DWDMs”), used in fiber optic systems to transmit voice, data and multi-media over long distances. DWDMs enable the simultaneous transmission of multiple channels on a single strand of fiber, increasing a network’s total transmission capacity. The parties competed to sell DWDMs to telecommunication equipment manufacturers that incorporate the DWDMs into fiber optic systems and then sell those systems to telecommunications carriers. The proposed transaction would have resulted in the combined company accounting for approximately 70 percent of the world market for DWDMs with 16 or fewer channels. In addition, alternative sources to JDS and E-TEK for DWDMs have been producing at or near their capacity, in significant part because of restrictions in their access to thin film filters, which are critical components of DWDMs. Thin film filters are made in a vacuum chamber by coating pieces of polished glass with thin alternating layers of material. The complaint alleged that E-TEK’s in-house production and supply contracts with several thin film filter vendors, together with JDS’s in-house production, would have resulted in the two companies controlling approximately 80% of the world’s output of thin film filters. A proposed consent decree settling the suit was filed simultaneously with the complaint. The decree prohibits the merged firm from enforcing its rights of first refusal on thin film filters manufactured by merchant suppliers, prohibits the merged firm from enforcing its contractual rights of repayment for money E-TEK advanced to those merchant suppliers and prohibits the

³⁰ *United States v. JDS Uniphase Corporation and E-TEK Dynamics, Inc.*, C.V. No. C 00 2227 (THE) (N.D.Cal. filed June 22, 2000).

merged firm from enforcing its security interests in coating chambers on the premises of those merchant suppliers. The consent decree was entered by the Court on October 5, 2000.

In *United States v. Worldcom, Inc. and Sprint Corporation*,³¹ the Division sued on June 27, 2000 to block the merger of Worldcom, Inc. and Sprint Corporation, alleging that the deal would have reduced competition in many of the nation's most important telecommunications services and would have resulted in higher prices for millions of consumers and businesses. The proposed merger, between two of the three largest U.S. telecommunications companies, was the largest merger challenged by the Justice Department. In the residential long distance telephone markets and several other telecommunications markets, WorldCom and Sprint are the only substantial competitors to AT&T and to each other. Each has constructed national and international fiber optic networks and developed sophisticated systems for handling millions of customer accounts, hired and trained large workforces capable of providing a variety of high-quality telecommunications services to customers throughout the nation, and invested billions of dollars over many years to establish widely known and trusted brands. According to the complaint, the proposed merger would have violated the antitrust laws by reducing competition in many of the nation's most important telecommunications markets: long distance services sold to residential customers in the U.S.; Internet backbone services providing top-level connectivity throughout the U.S.; international long distance services between the U.S. and more than 50 foreign countries; international private line services between the U.S. and more than 60 foreign countries; data network services to large business customers in the U.S.; and custom network services for very large businesses in the U.S. On July 13, 2000, the parties abandoned the merger.

In *United States v. Ingersoll-Dresser Pump Company, Ingersoll-Rand Company and Flowserve Corporation*,³² the Division challenged the \$775 million acquisition of Ingersoll-Dresser Pump Company ("IDP") by Flowserve Corporation and simultaneously filed a proposed consent decree settling the suit. According to the complaint, the acquisition, as originally proposed, would have likely resulted in higher prices for API 610 pumps and power plant pumps used in the United States. API 610 pumps are specialized, highly engineered pumps that perform critical functions in an oil refinery, including the movement of erosive, hot and flammable petroleum-based liquids under high pressure. Power plant pumps are also specialized and highly engineered, and are used in the steam cycle of a power plant. The pumps, which cost between \$20,000 and \$500,000, are sold through a bidding process. For most bids, there are only three or four credible competitors, and Flowserve and IDP are two of them. The decree required Flowserve, one of the world's largest manufacturers of pumps and related products and services, and IDP to license eight lines of pumps to a firm that will

³¹ *United States v. WorldCom, Inc. and Sprint Corporation*, C.V. No. 1:00CV01526 (D.D.C. filed June 27, 2000).

³² *United States v. Ingersoll-Dresser Pump Company, Ingersoll-Rand Company and Flowserve Corporation*, C.V. No. 1:00CV01818 (D.D.C. filed July 28, 2000).

manufacture the pumps and compete with Flowserve for sales to oil refineries and power plants in the United States. In addition, Flowserve must divest its manufacturing plant in Tulsa, Oklahoma, as well as IDP's service centers in Batavia, Illinois and La Mirada, California. The consent decree was entered by the Court on January 24, 2001.

In *United States v. L'Oreal USA, Inc., L'Oreal S.A. and Carson, Inc.*,³³ the Division challenged the \$79 million acquisition of Carson, Inc. by L'Oreal. The complaint alleged that, as originally structured, the transaction would have resulted in L'Oreal controlling about 50 percent of retail sales for women's hair relaxer kits in the United States, and three of the top five selling brands, thus significantly decreasing competition in this market. Hair relaxer kits are beauty products used to straighten naturally curly hair. A proposed consent decree settling the suit was filed simultaneously with the complaint. The decree required L'Oreal and Carson to divest Carson's Gentle Treatment and Ultra Sheen brands and certain related assets. The consent decree is awaiting entry by the Court.

In *United States v. Clear Channel Communications, Inc. and AMFM Inc.*,³⁴ the Division challenged the proposed \$23.8 billion merger between Clear Channel Communications, Inc. and AMFM, Inc. on August 29, 2000. The complaint alleged that the transaction, as originally proposed, would have resulted in higher prices and lower quality for radio and billboard advertisers. A proposed consent decree settling the suit was filed simultaneously with the complaint. Under the decree and an agreement that the Division had announced on July 20, 2000, the parties were required to sell 99 radio stations in 27 markets -- the largest radio divestiture ever and the largest radio transaction ever to be reviewed by the Antitrust Division. The value of the divestitures required was approximately \$3.4 billion. In addition, the parties were required to sell AMFM's partial ownership interest in Lamar Advertising Company, and relinquish two seats on Lamar's board of directors to alleviate concerns of higher prices and lower quality services for billboard advertisers. The consent decree is awaiting entry by the Court.

In *United States v. SBC Communications Inc. and BellSouth Corporation*,³⁵ the Division challenged the proposed wireless business joint venture between BellSouth Corporation and SBC Communications Inc. The complaint alleged that the SBC/BellSouth joint venture, as originally structured, would have significantly increased concentration in 16 markets for wireless mobile telephone services and would have created higher prices, reduced

³³ *United States v. L'Oreal USA, Inc., L'Oreal S.A. and Carson, Inc.*, C.V. No. 1:00CV01848 (D.D.C. filed July 31, 2000).

³⁴ *United States v. Clear Channel Communications, Inc. and AMFM Inc.*, C.V. No. 1:00CV02063 (D.D.C. filed August 29, 2000).

³⁵ *United States v. SBC Communications Inc. and BellSouth Corporation*, C.V. No. 1:00CV02073 (D.D.C. filed August 30, 2000).

quality and quantity of service and led to fewer network improvements. A proposed consent decree settling the suit was filed simultaneously with the complaint. Under the terms of the decree, SBC and BellSouth are required to divest their interest in one of the two overlapping wireless businesses that they own either in whole or in part in the 16 affected markets, including the major metropolitan areas of Los Angeles, Indianapolis, New Orleans and Baton Rouge, which have populations of more than 20 million. The divestitures involve both metropolitan statistical areas (“MSAs”) and rural service areas (“RSAs”). MSAs are the 306 areas in the U.S. defined by the Federal Government that are used by the Federal Communications Commission (“FCC”) to license cellular systems in urban areas. RSAs are the 428 areas defined by the FCC that are used for licensing cellular systems in the rural regions of the U.S. outside the MSAs. The consent decree was entered by the Court on December 29, 2000.

In *United States v. Republic Services, Inc. and Allied Waste Industries, Inc.*,³⁶ the Division challenged a \$55 million acquisition of Allied Waste Industries, Inc. assets by Republic Services, Inc. The complaint alleged that the acquisition would have substantially lessened competition in the waste collection industry in Akron/Canton, Ohio resulting in higher prices for consumers. Republic and Allied were two of four major competitors providing waste collection services in Akron/Canton. A proposed consent decree settling the suit was filed simultaneously with the complaint. The decree requires Republic to sell its Akron/Canton, Ohio small container commercial waste collection assets. The consent decree was entered by the Court on January 18, 2001.

During fiscal year 2000, the Division investigated 10 bank merger transactions for which divestiture was required prior to or concurrently with the acquisition. A “not significantly adverse” letter conditioned upon a letter agreement between the parties and the Division was sent to the appropriate bank regulatory agency in all 10 instances. In addition, four “not significantly adverse” letters conditioned upon a letter agreement between the parties and the Division regarding non-divestiture commitments were sent to the appropriate bank regulatory agency.³⁷ In one other bank merger transaction involving only the sale of deposits,

³⁶ *United States v. Republic Services, Inc. and Allied Waste Industries, Inc.*, C.V. No. 1:00CV02311 (D.D.C. filed September 27, 2000).

³⁷ The 14 letters were: November 22, 1999 letter to the Board of Governors regarding the application by Wells Fargo Corporation, San Francisco, CA, to acquire Texas Bancshares, Inc., San Antonio, TX; December 1, 1999 letter to the Board of Governors regarding the application by South Branch Valley Bancorp, Moorefield, WV, to acquire Potomac Valley Bank, Petersburg, WV; December 8, 1999 letter to the Board of Governors regarding the application by First Security Corporation, Salt Lake City, UT, to acquire Zions Bancorporation, Salt Lake City, UT; December 16, 1999 letter to the Board of Governors regarding the application by Wells Fargo & Company, San Francisco, CA, to acquire First Place Financial Corporation, Farmington, NM; January 24, 2000 letter to Board of Governors regarding the application by Centura Bank, Inc., Rocky Mount, NC, to acquire Triangle Bancorp, Raleigh, NC; February 14, 2000 letter to the Federal Deposit Insurance Corporation regarding the application by Virgin Islands Community Bank (VICB) to acquire the seven U.S. Virgin Islands branches of Chase Manhattan Bank; May 8, 2000 letter to the Board of Governors regarding the application by

an agreement was reached with the parties obviating the need for a conditional letter.³⁸

2. Federal Trade Commission

The Commission challenged 32 transactions that it concluded would lessen competition if allowed to proceed as proposed during FY 2000, leading to 18 consent agreements for public comment, and nine filings withdrawn. In five matters the Commission authorized staff to seek injunctive relief, all of which were filed in district court. In three of these filed cases, the parties abandoned the transactions, in one case the parties negotiated a consent agreement with the Commission, and one case is pending in the Court of Appeals.

In *BP Amoco p.l.c./Atlantic Richfield Company*,³⁹ the Commission filed for a preliminary injunction alleging that the proposed \$27 billion merger of BP Amoco and Atlantic Richfield Company (“ARCO”) would lessen competition in the exploration and production of Alaska North Slope (“ANS”) crude oil and its sale to West Coast refineries, and in the market for pipeline and storage facilities in Cushing, Oklahoma, thereby raising prices for crude oil used to produce gasoline and other petroleum products throughout North America. According to the complaint, the merger would create the third-largest private petroleum company in the world and the largest US oil producer and refiner. The merger would combine companies that are by far the two largest producers of crude oil on the North Slope of Alaska, the two largest suppliers of ANS crude oil to refineries in California and Washington that depend on Alaskan crude oil for a substantial portion of their supply, and the two most successful competitors in bidding for exploration leases on the North Slope. Combined, BP Amoco and ARCO also would have a dominant interest in the oil pipeline and storage facilities that serve the crude oil marketing center in Cushing, Oklahoma. Subsequently, the parties agreed to seek adjournment of the federal court proceedings and

BB&T Corporation, Winston-Salem, NC, to acquire One Valley Bancorp, Charleston, WV; May 22, 2000 letter to the Board of Governors regarding the application by Wells Fargo & Company, San Francisco, CA, to acquire First Commerce Bancshares, Inc., Lincoln, NE; June 20, 2000 letter to the Comptroller of the Currency regarding the application by Old National Bank, Lawrenceville, IL, to acquire Permanent Bank, Evansville, IN; July 28, 2000 letter to the Board of Governors regarding the application by Westamerica Bancorporation, San Rafael, CA, to acquire First Counties Bank, Clearlake, CA; August 15, 2000 letter to the Comptroller of the Currency regarding the application by NBT Bank, Norwich, NY, to acquire BSB Bank, Binghamton, NY; August 15, 2000 letter to the Comptroller of the Currency regarding the application by First Citizens Bank, Mansfield, PA, to acquire six branches from Sovereign Bank, Wyomissing, PA; August 1, 2000 letter to the Board of Governors regarding the Application by Fleet Boston Corporation, Boston, MA, to acquire North Fork Bancorporation, Melville, NY; September 14, 2000 letter to the Board of Governors regarding the application by Wells Fargo & Company, San Francisco, CA, to acquire First Security Corporation, Salt Lake, UT.

³⁸ Bank of Lancaster to acquire two branches of First Virginia Bank Falls Church in Northumberland County, VA and one branch of First Virginia Bank Hampton Roads in Lancaster County, VA.

³⁹ Federal Trade Commission v. BP Amoco p.l.c. and Atlantic Richfield Company, Civ. No. C00416 (SI) (USDC ND Cal., filed February 4, 2000). Docket No. C-3938 (issued August 29, 2000).

negotiated a consent agreement with the Commission. Under the order, BP Amoco was required to divest all of ARCO's assets relating to oil production on Alaska's North Slope to Phillips Petroleum Company or another Commission-approved purchaser.

In *Kroger Company/Winn-Dixie*,⁴⁰ the Commission filed for a preliminary injunction alleging that the proposed acquisition by Kroger of 74 Winn-Dixie supermarkets in Texas and Oklahoma would lessen supermarket competition in several markets in Texas. According to the complaint, about half of the stores are in metropolitan Fort Worth, where Winn-Dixie and Kroger are the second and third largest supermarket chains, respectively. The combined Kroger/Winn-Dixie presence in Fort Worth would account for 33 percent of all supermarket sales within the market, leading to the likelihood of competitive harm to consumers. The smaller markets outside Fort Worth are even more highly concentrated, where the merged companies would be poised to become the largest and second largest chains in several markets. By eliminating the direct competition between Kroger and Winn-Dixie, the proposed acquisition would have also eliminated the need for future competition between the two chains, both of which appeared to have aggressive growth strategies in the Fort Worth area. New stores operated by competing firms were not expected to open in sufficient numbers to defeat Kroger's ability to exercise market power after the proposed transaction was completed. The parties subsequently abandoned the transaction.

In *Swedish Match AB/National Tobacco Company, L.P.*,⁴¹ the Commission filed for a preliminary injunction alleging that the proposed acquisition of the assets of National Tobacco by Swedish Match would lessen competition in the loose leaf chewing tobacco market in the United States. According to the complaint, Swedish Match, which sells under the "Red Man" and other brands, and National Tobacco, which sells under the "Beech Nut" and other brands, are the first and third largest sellers of loose leaf chewing tobacco in the United States. The proposed transaction would reduce the number of major competitors in the loose leaf chewing tobacco market from three to two and increase Swedish Match's market share to about 60 percent of sales. The acquisition would allow Swedish Match to increase prices unilaterally, and would increase the likelihood of coordination among the firms remaining in the market. The Court granted the Commission's request for a preliminary injunction, followed by the Commission's issuance of an administrative complaint. The parties subsequently abandoned the transaction.

In *H.J. Heinz Company/Milnot Holding Corporation*,⁴² the Commission filed for a preliminary injunction alleging that the proposed acquisition by Heinz of Milnot, owner of

⁴⁰ Federal Trade Commission v. Kroger Company and Winn-Dixie Stores, Inc., Civ. No. 3-00CV1196-R (USDC ND Tex., filed June 2, 2000).

⁴¹ Federal Trade Commission v. Swedish Match North America, Inc. and National Tobacco Company, L.P., Civil No. 1:00CV01501 (TFH) (USDC DofC, filed June 23, 2000).

⁴² Federal Trade Commission v. H.J. Heinz Company and Milnot Holding Corporation, Civ. No. 00-

Beech-Nut Nutrition Corporation, would lessen competition in the manufacture and sale of prepared baby food within the United States. According to the complaint, Heinz and Beech-Nut are the nation's second and third largest producers of prepared baby food. This acquisition would reduce the number of competitors in the baby food market from three to two, thereby creating a duopoly and increasing the likelihood of coordinated anticompetitive interaction and actual or tacit collusion between the two remaining firms. It would also eliminate substantial head-to-head competition between Heinz and Beech-Nut, and would eliminate Beech-Nut as a substantial, independent and competitive force in the market. The Commission's request for a preliminary injunction was denied. The Commission subsequently sought an emergency stay from the Court of Appeals, which enjoined the transaction, pending its ruling on the Commission's appeal.

In *Conso International Corporation/McCall Pattern Company*,⁴³ the Commission filed for a preliminary injunction alleging that the proposed acquisition of McCall by Conso would reduce competition in the market for home sewing patterns. According to the complaint, Conso, owner of the Simplicity brand, is the largest sewing pattern company in the United States and McCall is one of the three leading domestic manufacturers of home sewing patterns. The proposed transaction would reduce the number of significant U.S. sewing pattern designers and producers from three to two, and the merged companies would control more than three-quarters of U.S. sales of domestic home sewing patterns. The proposed acquisition would allow the combined firm to exercise unilateral market power in an already highly concentrated industry. The parties subsequently abandoned the transaction.

Of the 18 consent agreements, a complaint, decision and order were issued in 13 of those matters in fiscal year 2000, with four of the consent agreements becoming final in fiscal year 2001. A final order is pending in one of the cases.

In *El Paso Energy Corporation/Sonata Inc.*,⁴⁴ the complaint alleged that the proposed \$6 billion merger of El Paso and Sonat would lessen competition in the transportation of natural gas by eliminating actual and potential competition between El Paso and Sonat. According to the complaint, El Paso and Sonat are both involved in the transportation of natural gas in the east-central Gulf of Mexico, the west-central Gulf of Mexico, eastern Tennessee and northern Georgia, and the post-merger market in these areas would be highly concentrated. In addition, due to the cost of developing and placing natural gas pipelines, entry into the marketplace by additional competitors would not be timely or sufficient to prevent the anticipated anticompetitive effects of the merger. Under the terms of the order, El

1688 (JR) (USDC DofC, filed July 14, 2000).

⁴³ Federal Trade Commission v. Conso International Corporation, MP Holdings, Inc., and McCall Pattern Co., File No. 001-0154 (USDC SD NY, filed August 4, 2000).

⁴⁴ El Paso Energy Corporation/Sonata Inc., Docket No. C-3915 (issued January 11, 2000).

Paso was required to divest Sea Robin Pipeline Company, a wholly-owned subsidiary of Sonat, and Sonat's one-third ownership interest in Destin Pipeline Company, LLC. Sea Robin and Destin are large natural gas pipelines operating in the Gulf of Mexico off the coast of Louisiana. El Paso was also required to sell its East Tennessee Natural Gas Company, which owns a natural gas pipeline system serving customers in Tennessee and northern Georgia.

In *VNU N.V./Nielsen Media Research, Inc.*,⁴⁵ the complaint alleged that VNU's proposed acquisition of Nielsen would restrict competition in the market for advertising expenditure measurement services in the United States. According to the complaint, Nielsen, through its Monitor Plus division, and VNU, through its Competitive Media Reporting ("CMR") division, the nation's largest supplier of advertising expenditure measurement services, are the only companies in the United States that provide advertising expenditure measurement services. Both companies track when and where advertisements run in national and local media, such as television and radio. This information is then integrated with other data, such as advertising cost and television ratings, to create reports on overall advertising expenditures. Customers, including advertising agencies, television stations, and national and local businesses, buy these reports to monitor competitive advertising and develop strategies for the purchase and placement of future advertisements. The proposed acquisition would not only decrease competition, but would increase the likelihood that the customers of these services would be forced to pay higher prices. In addition, innovation within the industry would decrease and entrants into the marketplace would face significant barriers to entry, making it unlikely that a new competitor would deter or counteract the anticompetitive effects resulting from the proposed acquisition. Under the order, VNU was required to divest its CMR division.

In *Dominion Resources, Inc./Consolidated Natural Gas Company ("CNG")*,⁴⁶ the complaint alleged that the proposed \$5.3 billion acquisition by Dominion of CNG would lessen competition in the electric power generation market in southeastern Virginia. According to the complaint, the proposed merger would combine the dominant provider of electric power in Virginia with the primary distributor of natural gas in southeastern Virginia. Dominion, through its subsidiary Virginia Power, accounts for more than 70 percent of all electric power generation capacity in the Commonwealth of Virginia, and CNG, through its ownership of Virginia Natural Gas, Inc. ("VNG"), is the primary distributor of natural gas in southeastern Virginia. Entry into the electric power generation market in southeastern Virginia by companies unaffiliated with Dominion may be deterred because of Dominion's control over VNG. Such control would likely deter or disadvantage new entry into the marketplace, as Dominion could exercise market power to raise the cost of entry and production or otherwise gain a competitive advantage, ultimately resulting in the likelihood

⁴⁵ *VNU N.V./Nielsen Media Research, Inc.*, Docket No. C-3900 (issued December 7, 1999).

⁴⁶ *Dominion Resources, Inc./Consolidated Natural Gas Company*, Docket No. C-3901 (issued December 14, 1999).

that consumers would be forced to pay higher prices for electric energy. It would be both costly and time consuming for other natural gas transportation companies to extend pipelines from their network to southeastern Virginia. In addition, other pipelines near the area lack sufficient excess capacity to support a new pipeline in southeastern Virginia, while VNG has substantial excess capacity. Under the order, Dominion was required to divest VNG.

In *Precision Castparts Corp./Wyman-Gordon Company*,⁴⁷ the complaint alleged that the proposed acquisition by Precision of Wyman-Gordon would lessen competition in the market for structural castings for aerospace components. According to the complaint, Precision is a worldwide manufacturer of complex metal components and the world leader in the production of large structural castings for the aerospace industry. Wyman-Gordon manufactures advanced components used in the aerospace industry, including cast components for jet engine and airframe applications. The companies are two of the world's leading suppliers of titanium, stainless steel and nickel-based superalloy aerospace investment cast components. In addition, they are two of only four viable suppliers of titanium aerospace cast components and large nickel-based superalloy aerospace cast components and two of only six suppliers of large stainless steel components. By eliminating competition in these highly concentrated markets, the proposed acquisition would have allowed Precision to exercise market power and increase prices. Under the order, Precision was required to divest Wyman-Gordon's titanium foundry in Albany, Oregon, and Wyman-Gordon's Large Cast Parts foundry in Groton, Connecticut, a leading international manufacturer of aerospace investment cast components, and to provide technical and other assistance to the buyers of the divested facilities to assure that they can effectively compete in the markets for cast aerospace components.

In *Reckitt & Colman plc/Benckiser N.V.*,⁴⁸ the complaint alleged that the proposed \$2.7 billion acquisition by Reckitt & Colman of Benckiser would lessen competition in two highly concentrated household cleaning product markets. According to the complaint, Reckitt & Colman and Benckiser are two of the nation's leading companies involved in the research, development, formulation, manufacture, marketing and sale of hard surface bathroom cleaners and are the leading producers of the nation's fine fabric wash products. Hard surface bathroom cleaners are products specifically formulated, sold and used by customers to remove built-up soil and stains from bathroom surfaces. In this market, Reckitt & Colman produces Lysol®, and Benckiser produces Scrub Free®. Fine fabric wash products are specifically developed, sold and used by customers to launder fine fabrics such as silks, woolens or other delicate fabrics. Reckitt & Colman sells Woolite®, the dominant product in this market, and Benckiser sells Delicare®, the leading competitive alternative. Under the order, Benckiser was required to divest its Scrub Free® and Delicare® business to Church & Dwight, Inc., a

⁴⁷ *Precision Castparts Corp./Wyman-Gordon Company*, Docket No. C-3904 (issued December 21, 1999)

⁴⁸ *Reckitt & Colman plc/Benckiser N.V.*, Docket No. C-3918 (issued January 28, 2000).

producer of household cleaning products, selling items under the Arm & Hammer® brand name.

In *Exxon Corporation/Mobil Corporation*,⁴⁹ the complaint alleged that the proposed acquisition by Exxon of Mobil would significantly injure competition in the markets for the refining and marketing of gasoline in the United States and would raise gasoline prices for consumers. Specifically, the acquisition would lessen competition in each of the following markets: the marketing of gasoline in the northeastern and mid-Atlantic United States where the merging companies are direct and significant competitors in at least 40 metropolitan areas; the marketing of gasoline in five metropolitan areas in Texas; the marketing of gasoline in Arizona; the refining and marketing of CARB gasoline, specially formulated gasoline required in California; the bidding for and the refining of jet fuel for the U.S. Navy on the West Coast; the terminaling of light petroleum products in the Boston, Massachusetts and Washington, D.C. metropolitan areas; the terminaling of light petroleum products in the Norfolk, Virginia metropolitan area; the transportation of refined light petroleum products to the inland portions of Mississippi, Alabama, Georgia, South Carolina, North Carolina, Virginia and Tennessee; the transportation of crude oil from the north slope of Alaska via the Trans Alaska Pipeline System; the importation, terminaling and marketing of gasoline and diesel fuel in the Territory of Guam; the refining and marketing of paraffinic lubricant base oils in the United States and Canada, which is already dominated by Exxon; and the worldwide manufacture and sale of jet turbine lubricants. The settlement prevents the merger of most of the companies' overlapping U.S. marketing business. It requires the largest retail divestiture in Commission history – the sale or assignment of approximately 2,431 Exxon and Mobil gas stations in the Northeast, Mid-Atlantic, California, Texas and Guam. In addition, an Exxon refinery in California, terminals, a pipeline and other assets are to be sold.

In *Hoechst AG/Rhone-Poulenc S.A.*,⁵⁰ the complaint alleged that the proposed \$16 billion merger of Hoechst and Rhone-Poulenc would lessen competition in the market for the research, development, manufacture and sale of cellulose acetate and direct thrombin inhibitors in the United States. Cellulose acetate is a thermoplastic used to produce, among other things, cigarette filters, tool handles, tapes and film. Direct thrombin inhibitors are used in the treatment of many blood clotting diseases. According to the complaint, the market for cellulose acetate is highly concentrated. Rhone-Poulenc, through Rhodia, a specialty chemicals subsidiary, is one of only three producers of cellulose acetate in the United States. Hoechst and Rhone-Poulenc are the two leading companies developing direct thrombin inhibitor products. Hoechst sells Refludan, the only direct thrombin inhibitor on the U.S.

⁴⁹ *Exxon Corporation/Mobil Corporation*, Docket No. C-3907 (accepted for comment November 30, 1999). On January 26, 2001, a modified consent order was issued. As modified, the order will allow Exxon Mobil to retain certain brand names and trademarks previously included in the Exxon jet turbine oil assets to be divested.

⁵⁰ *Hoechst AG/Rhone-Poulenc S.A.*, Docket No. C-3919 (issued January 28, 2000).

market, and Rhone-Poulenc is in the process of developing its direct thrombin inhibitor, Revasc, which it licensed in 1998. The proposed transaction would reduce potential competition and innovation competition among researchers and developers of direct thrombin inhibitor products by eliminating a significant competitor and increasing the barriers to entry to others, by combining Hoechst's and Rhone-Poulenc's portfolios of patents and patent applications. The order required the companies to divest their interest in Rhodia to a level of five percent or less and to divest their assets relating to the direct thrombin inhibitor drug Revasc.

In *MacDermid, Inc./Polyfibron Technologies, Inc.*,⁵¹ the complaint alleged that the proposed acquisition by MacDermid of Polyfibron would substantially lessen competition in the liquid photopolymers and sheet photopolymers market in North America. According to the complaint, both MacDermid and Polyfibron are involved in the manufacture, distribution and sale of liquid photopolymers, and either produce and sell, or have exclusive rights to sell, sheet photopolymers in North America. The sheet photopolymer market in North America is highly concentrated, with the pre-merger market dominated by two firms, E. I. duPont de Nemours & Co., Inc., and Polyfibron, which sells its own manufactured sheet photopolymer products and those of BASF Drucksysteme GmbH ("BASE") under a 1995 distribution agreement. While MacDermid does not produce sheet photopolymers, in 1998 it entered into an agreement with Asahi Chemical Industry Co., Ltd., that gives it the right to distribute and sell Asahi's sheet photopolymer products in North America. The existence of the two distribution agreements means that the current duopoly in the sale of sheet photopolymers in North America would become further entrenched following the proposed acquisition, as the only two likely entrants to the market, BASF and Asahi, are bound by the agreements to sell only through Polyfibron and MacDermid, respectively. Under the order, MacDermid and Polyfibron were required to divest Polyfibron's liquid photopolymers business, terminate their respective agreements to distribute photopolymers manufactured by other companies, and agree not to invite or enter into agreements with other photopolymer manufacturers that would result in any allocation, division or illegal restriction of competition.

In *RHI AG/Global Industrial Technologies, Inc.*,⁵² the complaint alleged that the proposed acquisition by RHI of Global would lessen competition in the manufacture and marketing of refractories in North America. Refractories are brick- and cement-like products made from certain natural minerals and materials that are used to line and protect furnaces in many industries – including the steel, aluminum, cement and glass industries – that involve the heating or containment of solids, liquids, or gases at high temperatures. After the proposed merger, RHI and Global would not only hold a monopoly in the market for magnesia-carbon bricks for basic oxygen furnaces ("BOFs"), but also would control:

⁵¹ *MacDermid, Inc./Polyfibron Technologies, Inc.*, Docket No. C-3911 (issued February 8, 2000).

⁵² *RHI AG/Global Industrial Technologies, Inc.*, Docket No. C-4005 (accepted for comment December 30, 1999). A modified consent order was issued on March 23, 2001.

approximately 65 percent of the \$58 million North American market for magnesia-carbon refractory bricks for electric arc furnaces (“EAFs”); 40 percent of the \$100 million North American market for magnesia-carbon bricks for steel ladles used with BOFs; 70 percent of the \$50 million North American market for high-alumina bricks for steel ladles used with BOFs; half of the \$23.5 million North American market for high-alumina bricks for torpedo cars; and 46 percent of the \$5 million North American market for magnesia-chrome bricks for steel degassers. Under the order, RHI was required to divest two refractory manufacturing plants in North America, along with certain assets related to refractory products currently being produced at a third North American plant. The order also required that the assets be divested to another refractories producer, Resco Products, Inc., which manufactures similar refractory products but does not compete in the same markets as RHI and Global.

In *Fidelity National, Inc./Chicago Title Corporation*,⁵³ the complaint alleged that the proposed \$1.2 billion acquisition by Fidelity of Chicago Title would lessen competition in six local markets in California for title information services. According to the complaint, the market for title information services is highly concentrated and Fidelity and Chicago Title are direct competitors. This acquisition may increase the likelihood of collusion or coordinated interaction among competing providers of title information services in several counties in California: San Luis Obispo, Tehama, Napa, Merced, Yolo, and San Benito. In addition, in each of the local jurisdictions identified, there are no commercially reasonable substitutes for title information services, and due to the relatively large fixed costs associated with building and maintaining title plants, entry into the market for title information services in each of the local jurisdictions is difficult or unlikely to occur at a sufficient scale to deter or counteract the effects of the acquisition. Under the order, Fidelity was required to divest or sell copies of the pre-acquisition title plant interests of either Financial or Chicago Title in five of the identified local jurisdictions to a buyer approved by the Commission. The order also required that Financial divest the pre-acquisition interests of Financial or Chicago Title in a jointly owned title plant in San Luis Obispo County, California, or to relinquish any additional voting rights in the joint plant.

In *Rhodia, Donau Chemie AG/Albright & Wilson PLC*,⁵⁴ the complaint alleged that the proposed acquisition by Rhodia of Albright & Wilson would lessen competition in the U.S. market for pure phosphoric acid, a chemical used to produce a wide variety of consumer and industrial products, ranging from cola beverages to cleaning materials and metal treatments. According to the complaint, the market for pure phosphoric acid in the U.S. is highly concentrated, and the proposed acquisition would increase the market concentration significantly. Rhodia and Albright & Wilson are the only two major domestic producers of pure phosphoric acid that currently use the low-cost solvent extraction process. Under the

⁵³ *Fidelity National Financial, Inc./Chicago Title Corporation*, Docket No. C-3929 (issued February 25, 2000).

⁵⁴ *Rhodia, Donau Chemie AG/Albright & Wilson PLC*, Docket No. C-3930 (issued April 21, 2000).

order, Rhodia was required to divest Albright & Wilson's pure phosphoric acid business in the U.S. to Potash Corporation of Saskatchewan, the world's third largest producer of agricultural grade phosphoric acid used as fertilizer.

In *Duke Energy Corporation/Phillips Petroleum Company/Duke Energy Field Services, LLC*,⁵⁵ the complaint alleged that the proposed merger of Duke's and Phillips' natural gas gathering and processing business into a new company called Duke Energy Field Services, LLC, and Duke's proposed acquisition of gas gathering and processing assets in central Oklahoma jointly owned by Conoco Inc. and Mitchell Energy & Development Corporation would likely lead to anticompetitive increases in gathering rates and an overall reduction in drilling operations and production in several counties in Kansas, Oklahoma and Texas. According to the complaint, Duke is one of the largest natural gas gatherers and marketers in the United States and Phillips is an integrated oil and gas company. In seven markets in Kansas, Oklahoma and Texas, gas producers were limited in their choice of gas gathering services, and were only able to turn to Duke or Phillips, or at most, one other gatherer. The proposed acquisitions would likely lead to anticompetitive increases in the gathering rates and an overall reduction in drilling operations and production. It is unlikely that such anticompetitive effects could be remediated by new entry into the gas gathering market in the relevant areas. To remedy these concerns, under the terms of the order, Duke was required to divest approximately 2,780 miles of gas gathering pipeline in these markets.

In *FMC Corp./Solutia Inc.*,⁵⁶ the complaint alleged that the proposed joint venture between FMC and Solutia would substantially lessen competition in the U.S. market for pure phosphoric acid and phosphorus pentasulfide. According to the complaint, both FMC and Solutia produce pure phosphoric acid and sell it directly to end customers. They also use this product internally to manufacture different types of phosphate salts. The U.S. market for these products is highly concentrated and the proposed joint venture would lead to significant increases in market concentration. Furthermore, the market for pure phosphoric acid is conducive to coordination, producers already price independently of industry operating rates, producers target competitors' customers in retaliation against aggressive bidding as a means of deterring future competition, and prices for pure phosphoric acid in the U.S. are already among the highest in the world. Phosphorus pentasulfide is a chemical mainly used to make chemical additives for engine lubricating oils, and, to a smaller extent, in manufacturing different types of insecticides. The only three companies making and selling this chemical in the U.S. are FMC, Solutia, and Rhodia – a company that will be exiting the market. The joint venture, as proposed, would create a monopoly in the production of this chemical, with new entry by competing companies unlikely in the future. Under the order, FMC and Solutia were required to divest the portion of Solutia's phosphates business in Augusta, Georgia to Societe

⁵⁵ *Duke Energy Corporation/Phillips Petroleum Company/Duke Energy Field Services LLC*, Docket No. C-3932 (issued May 9, 2000).

⁵⁶ *FMC Corp./Solutia Inc.*, Docket No. C-3935 (issued May 19, 2000).

Chimique Prayon-Rupel, and FMC's phosphorus pentasulfide business in Lawrence, Kansas to Peak Investments, LLC.

In *Service Corporation International/LaGrone Funeral Home*,⁵⁷ the complaint alleged that SCI's 1994 acquisition of LaGrone may have lessened competition for funeral services in Roswell, New Mexico. According to the complaint, SCI is the nation's largest chain of funeral homes and cemeteries. SCI owned the Ballard Funeral Home, a full-service funeral home in Roswell, and subsequently acquired LaGrone, the only remaining full-service funeral home in Roswell giving SCI a monopoly in the provision of funeral services in the area. At the time of the acquisition LaGrone operated two funeral homes in New Mexico. Since SCI's acquisition of LaGrone, there had been no new entry into the provision of funeral services in Roswell, and after the acquisition, prices for funeral services increased. Prompted by the Commission's investigation of the LaGrone acquisition, SCI sold the Ballard Funeral Home to Sentry Group Services, Inc., a privately-held company that owns and operates 37 funeral homes and one cemetery in Oklahoma, Texas, New Mexico, Kansas and Colorado. SCI's financing subsidiary, Provident Services, Inc., provided the financing for Sentry's acquisition. Provident also finances many other funeral homes, including SCI's competitors. Under the order, SCI was required to divest the Ballard Funeral Home to a Commission-approved buyer if SCI acquired Ballard due to default on Sentry's loan. The order also prohibited Provident from sharing any information it obtained from Sentry with SCI.

In *Pfizer Inc./Warner-Lambert Company*,⁵⁸ the complaint alleged that the proposed \$90 billion acquisition by Pfizer of Warner-Lambert would lessen competition in the markets for the research, development, manufacture and sale of: over the counter ("OTC") pediculicides sold for the treatment of lice infestation, one of the most prevalent communicable diseases among school age children; selective serotonin reuptake inhibitor/selective norepinephrine reuptake inhibitors ("SSRI/SNRI"), the leading class of antidepressants in one of the largest pharmaceutical markets in the U.S.; drugs for the treatment of Alzheimer's disease; and EGFr-tk inhibitors being developed for the treatment of cancer. According to the complaint, the markets in each area are highly concentrated. Pfizer and Warner-Lambert are the two leading suppliers of OTC pediculicides in the U.S., each with about 30 percent of the market. The companies also market the only two drugs in the U.S. for the treatment of Alzheimer's disease. Pfizer's Aricept dominates the industry with a 98 percent share, while Warner-Lambert's Cognex makes up the remaining two percent. Pfizer and Warner-Lambert directly compete against each other in the SSRI/SNRI market. In 1999, Pfizer's Zoloft was the second-leading SSRI, and Celexa, co-promoted by Warner-Lambert and Forest Laboratories, Inc., was the fastest growing SSRI in the U.S. Additionally, Pfizer and Warner-Lambert are two of four companies having EGFr-tk inhibitors in human clinical

⁵⁷ *Service Corporation International/LaGrone Funeral Home*, Docket Number C-3959 (issued June 30, 2000).

⁵⁸ *Pfizer Inc./Warner-Lambert Co.*, Docket No. C-3957 (issued July 28, 2000).

testing. Under the order, the companies were required to end Warner-Lambert's agreement with Forest Laboratories, Inc. to co-promote the antidepressant drug Celexa, divest Pfizer's RID head lice treatment business, divest all of Warner-Lambert's assets related to the Alzheimer's drug Cognex, and transfer and give up all of Pfizer's assets related to the EGFr-tk inhibitor under development to treat solid tumor cancers.

In *Establisements Delhaize Freres et Cie "Le Lion" S.A./Hannaford Bros. Co.*,⁵⁹ the complaint alleged that the proposed \$3.5 billion acquisition by Delhaize of Hannaford would substantially lessen supermarket competition in the southeastern United States. According to the complaint, Delhaize and Hannaford are direct competitors in a number of markets in North Carolina and Virginia, where Delhaize's Food Lion supermarkets compete with Hannaford's supermarkets. The relevant geographic markets include the Richmond Metropolitan Statistical Area ("MSA") and portions of the Norfolk-Virginia Beach Newport News MSA in Virginia, and the Greater Raleigh, the Wilmington MSA, Columbus County, Duplin County, and Pender County markets in North Carolina. Reduced competition would likely occur through the elimination of direct competition between the supermarkets owned or controlled by Delhaize and those owned by Hannaford, as well as by increasing the likelihood that Delhaize would exercise market power and raise prices for consumers. Under the order, Delhaize was required to divest 37 supermarkets in Virginia and North Carolina to three Commission-approved buyers.

In *Agrium, Inc./Union Oil Company of California/Unocal Corporation*,⁶⁰ the complaint alleged that the proposed acquisition by Agrium of assets of Unocal Corporation would lessen competition for the sale of nitrogen fertilizer products in the northwestern United States. According to the complaint, Agrium and Unocal are the leading sellers in the Northwest of the most popular nitrogen fertilizers: anhydrous ammonia, urea and UAN 32% solution. Purchasers of these fertilizers are not easily able to substitute fertilizers due to agricultural considerations and commercial factors. Only nitrogen fertilizers contain the nitrogen required for plant growth. There is also no substitute for urea in the manufacture of urea formaldehyde resin, an important commercial resin. The transaction, as proposed, would lead to a significant increase in market concentration, and a likely increase in the prices of these nitrogen fertilizers within the Northwest. In addition, entry by another competitor to alleviate the anticompetitive effects is unlikely. Under the order, Agrium was required to divest Unocal's deepwater terminal and other assets that serve customers in Oregon, Idaho, and Washington.

⁵⁹ *Establisements Delhaize Freres et Cie "Le Lion" S.A./Hannaford Bros. Co.*, Docket No. C-3962 (accepted for comment July 25, 2000) (final order pending).

⁶⁴ *Agrium, Inc./Union Oil Company of California/Unocal Corporation*, Docket No. C-3981 (issued November 17, 2000).

In *The Boeing Company/Hughes Space Communication*,⁶¹ the complaint alleged that the proposed \$3.75 billion acquisition by Boeing of Hughes would lessen competition in the highly specialized markets for satellites and launch vehicles. According to the complaint, the acquisition would enable Boeing/Hughes to potentially disadvantage or raise the costs of other competitors for a certain classified program for which Boeing is the sole supplier of, systems engineering and technical assistance (“SETA”) services, and Hughes is one of the two competing contractors. Boeing/Hughes may gain access to competitively sensitive nonpublic information concerning satellite and launch vehicle suppliers which would reduce competition, as well as innovation and quality, for satellites and launch vehicles. And, as a supplier of satellites and launch vehicles, Boeing/Hughes may be able to disadvantage or raise the costs of competing launch vehicle suppliers by withholding satellite information necessary to make a satellite compatible with a launch vehicle. Under the terms of the order, Boeing was prohibited from performing SETA services for a certain classified program and was required to provide technical assistance to enable the Department of Defense to take over SETA services responsibilities for that program. In addition, Boeing was required to erect firewalls between its satellite and launch vehicle divisions to ensure that proprietary and competitively sensitive information of satellite and launch vehicle competitors is protected. Boeing was also required to provide satellite interface information to all launch vehicle suppliers to ensure that all launch vehicle suppliers will be able to integrate their launch vehicles with Boeing/Hughes satellites.

ONGOING REASSESSMENT OF THE EFFECTS OF THE PREMERGER NOTIFICATION PROGRAM

The Commission continually reviews the impact of the premerger notification program on the business community and antitrust enforcement. Although a complete assessment is not possible in this limited report, a few observations can be made.

As indicated in past annual reports, the HSR program ensures that virtually all significant mergers or acquisitions that affect American consumers in the United States will be reviewed by the antitrust agencies prior to consummation. The agencies generally have the opportunity to challenge unlawful transactions before they occur, thus avoiding the problem of constructing effective post-acquisition relief. As a result, the HSR Act is doing what Congress intended, giving the government the opportunity to investigate and challenge mergers that are likely to harm consumers *before* injury can arise. Prior to the premerger notification program, businesses could, and frequently did, consummate transactions that raised significant antitrust concerns before the antitrust agencies had the opportunity to adequately consider their competitive effects. The enforcement agencies were forced to pursue lengthy post-acquisition litigation, during the course of which harm from the

⁶¹ *The Boeing Company/Hughes Space and Communications*, Docket No. C-3992 (issued January 5, 2001).

consummated transaction continued (and afterwards as well, where achievement of effective post-acquisition relief was not practicable). Because the premerger notification program requires reporting before consummation, this problem has been significantly reduced.

Although highly effective, the HSR program historically prompted expressions of concern from the business and legal communities that the program maybe overreaching, that the reporting thresholds (which had not been adjusted since enactment of the HSR Act in 1976) may be too low, and that the process may cause delay. This past year, the agencies actively assisted committees of Congress in the development of proposed legislation to significantly lessen the burden on business by increasing the reporting thresholds substantially.⁶²

In addition, the enforcement agencies continue to seek ways to speed up the review process and reduce burdens for companies. This year, the agencies implemented new procedures and initiatives to improve the handling of second requests. The agencies are continuing their ongoing review of the HSR program in order to make it as minimally burdensome as possible without compromising the prompt and effective relief intended to result from the HSR program. Fiscal year 2000 marked the first full year of the PNO's brown bag sessions with outside counsel (see notice on website). Implemented in FY 1999, these ongoing brown bag lunch sessions with HSR practitioners have provided both counsel and the PNO with a forum to exchange ideas toward the goal of improving the HSR process.

⁶² See *infra* note 1. The HSR Reform legislation included increasing the size-of-transaction threshold from \$15MM to \$50MM and eliminating the alternative 15% percentage test, thereby making \$50MM an absolute floor – no transaction resulting in an acquiring person holding less than \$50MM of assets or voting stock is now reportable. The Commission, with the concurrence of the Assistant Attorney General, has also promulgated interim rules to implement these statutory changes. 66 Fed. Reg. 8679 (February 1, 2001).

List of Appendices

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List of Exhibits

- Exhibit A - Statistical Tables for Fiscal Year 2000, Presenting Data Profiling Hart-Scott-Rodino Premerger Notification Filings and Enforcement Interest

Appendix A
Summary of Transactions
Fiscal Years 1991 - 2000

Appendix A
Summary of Transaction by Fiscal Year

	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
Transactions Reported	1,529	1,589	1,846	2,305	2,816	3,087	3,702	4,728	4,642	4,926
Filings Received ¹	2,914	3,030	3,559	4,403	5,439	6,001	7,199	9,264	9,151	9,941
Adjusted Transactions In Which A Second Request Could Have Been Issued ²	1,376	1,451	1,745	2,128	2,612	2,864	3,438	4,575	4,340	4,749
Investigations in Which Second Requests Were Issued	64	44	71	73	101	99	122	125	111	98
FTC ³	33	26	40	46	58	36	45	46	45	43
Percent ⁴	2.4%	1.8%	2.3%	2.2%	2.2%	1.3%	1.3%	1.0%	1.0%	0.9%
DOJ ³	31	18	31	27	43	63	77	79	68	55
Percent ⁴	2.3%	1.2%	1.8%	1.3%	1.6%	2.2%	2.2%	1.7%	1.6%	1.2%
Transactions Involving a Request For Early Termination ⁵	1,321	1,403	1,689	2,081	2,471	2,861	3,363	4,323	4,110	4,324
Granted ⁵	907	1,020	1,201	1,508	1,869	2,044	2,513	3,234	3,103	3,515
Not Granted ⁵	414	383	448	573	602	817	850	1,089	1,007	809

¹ Usually, two filings are received, one from the acquiring person and one from the acquired person when a transaction is reported, unless the notification is for a joint venture where more than one acquiring person is required to submit a filing. Only one application is received when an acquiring party files for an exemption under sections 7A(c)(6) or (c)(8) of the Clayton Act.

² These figures omit from the total number of transactions reported all transactions for which the agencies were not authorized to request additional information. These include (1) incomplete transactions (only one party filed a complete notification); (2) transactions reported pursuant to the exemption provisions of sections 7A(c)(6) and 7A(c)(8) of the Act; and (3) transactions which were found to be non-reportable. In addition, where a party filed more than one notification in the same year to acquire voting stock of the same corporation, e.g., filing for the 15% threshold and later filing for the 25% threshold, only a single transaction has been counted because, as a practical matter, the agencies do not issue more than one second request in such a case. These statistics also omit from the total number of transactions reported secondary acquisitions filed pursuant to 801.4 of the premerger notification rules. Secondary acquisitions have been deducted in order to be consistent with the statistics presented in most of the prior annual reports.

³ These statistics are based on the date the second request was issued and not the date the investigation was opened.

⁴ Second requests investigations are a percentage of the total number of adjusted transactions.

⁵ These statistics are based on the date of the H-S-R filing and not the date action was taken on request.

Appendix B

Number of Transactions Reported

And

Filings Received by Month

for

Fiscal Years 1991 - 2000

Appendix B

Table 1. Number of Transactions Reported by Month for the Fiscal Years 1991 - 2000

	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
October	148	140	163	184	273	238	296	424	333	376
November	198	180	184	221	309	273	332	387	359	428
December	121	155	160	222	216	249	267	426	394	468
January	96	97	100	156	180	238	263	306	282	335
February	97	87	110	149	170	231	250	336	330	440
March	113	135	149	167	229	277	315	392	427	455
April	120	129	131	167	177	252	302	384	364	343
May	130	142	155	220	281	304	328	401	438	398
June	122	116	151	182	252	253	319	442	445	494
July	130	154	172	208	225	265	389	435	444	351
August	156	124	204	226	237	264	318	427	434	446
September	98	130	167	203	267	243	323	368	392	392
TOTAL	1,529	1,589	1,846	2,305	2,816	3,087	3,702	4,728	4,642	4,926

Appendix B

Table 2. Number of Filings Received¹ by Month for Fiscal Years 1991 - 2000

	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
October	270	253	297	332	505	450	561	818	662	777
November	376	326	341	428	614	520	636	749	686	839
December	236	316	325	427	419	474	521	836	785	922
January	184	194	188	293	360	445	514	614	548	677
February	180	165	239	295	326	480	483	650	658	867
March	216	255	263	326	432	528	614	766	828	959
April	223	244	251	321	350	498	599	763	719	695
May	253	268	301	421	534	584	640	787	851	859
June	228	233	311	362	496	502	620	862	884	1,004
July	235	286	327	380	439	515	759	851	887	718
August	319	227	393	431	455	515	617	844	885	886
September	194	263	323	387	509	490	635	724	758	738
TOTAL	2,914	3,030	3,559	4,403	5,439	6,001	7,199	9,264	9,151	9,941

¹ Usually, two filings are received, one from the acquiring person and one from the acquired person when the transaction is reported, unless the notification is for a joint venture where more than one acquiring person is required to submit a filing.

Exhibit A

Statistical Tables

for

Fiscal Year 2000

**Data Profiling Hart-Scott-Rodino Premerger
Notification Filings and Enforcement Interest**

TABLE I
FISCAL YEAR 2000¹
ACQUISITIONS BY SIZE OF TRANSACTION (BY SIZE RANGE)²

TRANSACTION RANGE (\$MILLIONS)	HSR TRANSACTIONS		CLEARANCE GRANTED TO FTC OR DOJ					SECOND REQUEST INVESTIGATIONS ³				
	NUMBER ⁴	PERCENT ⁵	NUMBER		PERCENT ⁶			NUMBER		PERCENT ⁶		
			FTC	DOJ	FTC	DOJ	TOTAL	FTC	DOJ	FTC	DOJ	TOTAL
Less Than 15	168	3.5%	2	2	1.2%	1.2%	2.4%	0	0	0.0%	0.0%	0.0%
15 UP to 25	959	20.2%	17	16	1.8%	1.7%	3.4%	3	6	0.3%	0.6%	0.9%
25 UP to 50	1,120	23.6%	38	14	3.4%	1.3%	4.6%	8	5	0.7%	0.4%	1.2%
50 UP to 100	845	17.8%	32	21	3.8%	2.5%	6.3%	7	7	0.8%	0.8%	1.7%
100 UP to 150	407	8.6%	15	14	3.7%	3.4%	7.1%	2	5	0.5%	1.2%	1.7%
150 UP to 200	244	5.1%	9	13	3.7%	5.3%	9.0%	2	4	0.8%	1.6%	2.5%
200 UP to 300	244	5.1%	13	8	5.3%	3.3%	8.6%	3	2	1.2%	0.8%	2.0%
300 UP to 500	236	5.0%	19	12	8.1%	5.1%	13.1%	2	5	0.8%	2.1%	3.0%
500 UP to 1000	238	5.0%	17	13	7.1%	5.5%	12.6%	7	6	2.9%	2.5%	5.5%
1000 AND UP	288	6.1%	27	37	9.4%	12.8%	22.2%	9	15	3.1%	5.2%	8.3%
<i>ALL TRANSACTIONS</i>	4,749	100.0%	189	150	4.0%	3.2%	7.2%	43	55	0.9%	1.2%	2.1%

TABLE II
FISCAL YEAR 2000¹
ACQUISITIONS BY SIZE OF TRANSACTION² (CUMULATIVE)

TRANSACTION RANGE (\$MILLIONS)	HSR TRANSACTIONS		CLEARANCE GRANTED TO FTC OR DOJ					SECOND REQUEST INVESTIGATIONS ³				
	NUMBER ⁴	PERCENT ⁵	NUMBER		PERCENTAGE OF TOTAL NUMBER OF CLEARANCES GRANTED			NUMBER		PERCENT		
			FTC	DOJ	FTC	DOJ	TOTAL	FTC	DOJ	FTC	DOJ	TOTAL
LESS THAN 15	168	3.5%	2	2	0.6%	0.6%	1.2%	0	0	0.0%	0.0%	0.0%
LESS THAN 25	1,127	23.7%	19	18	5.6%	5.3%	10.9%	3	6	3.1%	6.1%	9.2%
LESS THAN 50	2,247	47.3%	57	32	16.8%	9.4%	26.3%	11	11	11.2%	11.2%	22.4%
LESS THAN 100	3,092	65.1%	89	53	26.3%	15.6%	41.9%	18	18	18.4%	18.4%	36.7%
LESS THAN 150	3,499	73.7%	104	67	30.7%	19.8%	50.4%	20	23	20.4%	23.5%	43.9%
LESS THAN 200	3,743	78.8%	113	80	33.3%	23.6%	56.9%	22	27	22.4%	27.6%	50.0%
LESS THAN 300	3,987	84.0%	126	88	37.2%	26.0%	63.1%	25	29	25.5%	29.6%	55.1%
LESS THAN 500	4,223	88.9%	145	100	42.8%	29.5%	72.3%	27	34	27.6%	34.7%	62.2%
LESS THAN 1000	4,461	93.9%	162	113	47.8%	33.3%	81.1%	34	40	34.7%	40.8%	75.5%
<i>ALL TRANSACTIONS</i>	4,749	100.0%	189	150	55.8%	44.2%	100.0%	43	55	43.9%	56.1%	100.0%

TABLE III
FISCAL YEAR 2000¹
TRANSACTIONS INVOLVING THE GRANTING OF CLEARANCE BY AGENCY

TRANSACTION RANGE (SMILLIONS)	CLEARANCE GRANTED TO AGENCY		CLEARANCE GRANTED AS A PERCENTAGE OF:								
			TOTAL NUMBER OF TRANSACTIONS			TOTAL NUMBER OF CLEARANCES PER AGENCY		TOTAL NUMBER OF CLEARANCES GRANTED			
	FTC	DOJ	TOTAL	FTC	DOJ	TOTAL	FTC	DOJ	FTC	DOJ	TOTAL
LESS THAN 15	2	2	4	0.1%	0.1%	0.2%	1.1%	1.3%	0.6%	0.6%	1.2%
15 UP to 25	17	16	33	0.4%	0.7%	1.1%	9.0%	10.7%	5.0%	4.7%	9.7%
25 UP to 50	38	14	52	0.8%	1.1%	1.9%	20.1%	9.3%	11.2%	4.1%	15.3%
50 UP to 100	32	21	53	0.7%	1.1%	1.8%	16.9%	14.0%	9.4%	6.2%	15.6%
100 UP to 150	15	14	29	0.3%	0.6%	0.9%	7.9%	9.3%	4.4%	4.1%	8.6%
150 UP to 200	9	13	22	0.2%	0.5%	0.7%	4.8%	8.7%	2.7%	3.8%	6.5%
200 UP to 300	13	8	21	0.3%	0.4%	0.7%	6.9%	5.3%	3.8%	2.4%	6.2%
300 UP to 500	19	12	31	0.4%	0.7%	1.1%	10.1%	8.0%	5.6%	3.5%	9.1%
500 UP to 1000	17	13	30	0.4%	0.6%	1.0%	9.0%	8.7%	5.0%	3.8%	8.8%
1000 AND UP	27	37	64	0.6%	1.3%	1.9%	14.3%	24.7%	8.0%	10.9%	18.9%
ALL CLEARANCES	189	150	339	4.0%	3.2%	7.2%	100.0%	100.0%	55.8%	44.2%	100.0%

TABLE IV
FISCAL YEAR 2000¹
INVESTIGATIONS IN WHICH SECOND REQUESTS WERE ISSUED

TRANSACTION RANGE (\$MILLIONS)	INVESTIGATIONS IN WHICH SECOND REQUEST WERE ISSUED ³			TOTAL NUMBER OF TRANSACTIONS			SECOND REQUESTS ISSUED AS A PERCENTAGE OF:					
							TRANSACTIONS IN EACH TRANSACTION RANGE GROUP ⁷			TOTAL NUMBER OF SECOND REQUEST INVESTIGATIONS		
	FTC	DOJ	TOTAL	FTC	DOJ	TOTAL	FTC	DOJ	TOTAL	FTC	DOJ	TOTAL
LESS THAN 15	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
15 UP to 25	3	6	9	0.1%	0.1%	0.2%	0.3%	0.6%	0.9%	3.1%	6.1%	9.2%
25 UP to 50	8	5	13	0.2%	0.1%	0.3%	0.7%	0.4%	1.2%	8.2%	5.1%	13.3%
50 UP to 100	7	7	14	0.1%	0.1%	0.3%	0.8%	0.8%	1.7%	7.1%	7.1%	14.3%
100 UP to 150	2	5	7	0.0%	0.1%	0.1%	0.5%	1.2%	1.7%	2.0%	5.1%	7.1%
150 UP to 200	2	4	6	0.0%	0.1%	0.1%	0.8%	1.6%	2.5%	2.0%	4.1%	6.1%
200 UP to 300	3	2	5	0.1%	0.0%	0.1%	1.2%	0.8%	2.0%	3.1%	2.0%	5.1%
300 UP to 500	2	5	7	0.0%	0.1%	0.1%	0.8%	2.1%	3.0%	2.0%	5.1%	7.1%
500 UP to 1000	7	6	13	0.1%	0.1%	0.3%	2.9%	2.5%	5.5%	7.1%	6.1%	13.3%
1000 AND UP	9	15	24	0.2%	0.3%	0.5%	3.1%	5.2%	8.3%	9.2%	15.3%	24.5%
<i>ALL TRANSACTIONS</i>	43	55	98	0.9%	1.2%	2.1%	0.9%	1.2%	2.1%	43.9%	56.1%	100.0%

TABLE V
FISCAL YEAR 2000¹
ACQUISITIONS BY REPORTING THRESHOLD

THRESHOLD	HSR TRANSACTIONS		CLEARANCE GRANTED TO FTC OR DOJ					SECOND REQUEST INVESTIGATIONS				
	NUMBER	PERCENT	NUMBER		PERCENTAGE OF THRESHOLD GROUP			NUMBER		PERCENTAGE OF THRESHOLD GROUP		
			FTC	DOJ	FTC	DOJ	TOTAL	FTC	DOJ	FTC	DOJ	TOTAL
\$15 MILLION	207	4.4%	1	2	0.5%	1.0%	1.4%	0	1	0.0%	0.5%	0.5%
15%	378	8.0%	6	7	1.6%	1.9%	3.4%	0	3	0.0%	0.8%	0.8%
25%	415	8.7%	10	10	2.4%	2.4%	4.8%	7	4	1.7%	1.0%	2.7%
50%	2,185	46.0%	100	88	4.6%	4.0%	8.6%	24	26	1.1%	1.2%	2.3%
ASSETS ONLY	1,564	32.9%	72	43	4.6%	2.7%	7.4%	12	21	0.8%	1.3%	2.1%
<i>ALL TRANSACTIONS</i>	4,749	100.0%	189	150	4.0%	3.2%	7.2%	43	55	0.9%	1.2%	2.1%

TABLE VI
FISCAL YEAR 2000
TRANSACTIONS BY ASSETS OF ACQUIRING PERSON

ASSET RANGE (\$ MILLIONS)	HSR TRANSACTIONS		CLEARANCE GRANTED TO FTC OR DOJ					SECOND REQUEST INVESTIGATIONS				
	NUMBER	PERCENT	NUMBER		PERCENTAGE OF ASSET RANGE GROUP			NUMBER		PERCENTAGE OF ASSET RANGE GROUP		
			FTC	DOJ	FTC	DOJ	TOTAL	FTC	DOJ	FTC	DOJ	TOTAL
LESS THAN 15	243	5.1%	3	1	1.2%	0.4%	1.6%	0	0	0.0%	0.0%	0.0%
15 UP to 25	56	1.2%	1	1	1.8%	1.8%	3.6%	0	0	0.0%	0.0%	0.0%
25 UP to 50	118	2.5%	5	1	4.2%	0.8%	5.1%	0	0	0.0%	0.0%	0.0%
50 UP to 100	198	4.2%	3	5	1.5%	2.5%	4.0%	0	0	0.0%	0.0%	0.0%
100 UP to 150	264	5.6%	6	4	2.3%	1.5%	3.8%	2	0	0.8%	0.0%	0.8%
150 UP to 200	200	4.2%	4	7	2.0%	3.5%	5.5%	3	3	1.5%	1.5%	3.0%
200 UP to 300	260	5.5%	7	5	2.7%	1.9%	4.6%	4	3	1.5%	1.2%	2.7%
300 UP to 500	326	6.9%	12	8	3.7%	2.5%	6.1%	1	1	0.3%	0.3%	0.6%
500 UP to 1000	508	10.7%	15	14	3.0%	2.8%	5.7%	5	4	1.0%	0.8%	1.8%
1000 AND UP	2,574	54.2%	133	104	5.2%	4.0%	9.2%	28	44	1.1%	1.7%	2.8%
ASSETS UNAVAILABLE⁸	2	0.0%	0	0	0.0%	0.0%	0.0%	0	0	0.0%	0.0%	0.0%
ALL TRANSACTIONS	4,749	100.0%	189	150	4.0%	3.2%	7.2%	43	55	0.9%	1.2%	2.1%

TABLE VII
FISCAL YEAR 2000¹
TRANSACTIONS BY SALES OF ACQUIRING PERSON

SALES RANGE (\$ MILLIONS)	HSR TRANSACTIONS		CLEARANCE GRANTED TO FTC OR DOJ					SECOND REQUEST INVESTIGATIONS ³				
	NUMBER	PERCENT	NUMBER		PERCENTAGE OF SALES RANGE GROUP			NUMBER		PERCENTAGE OF SALES RANGE GROUP		
			FTC	DOJ	FTC	DOJ	TOTAL	FTC	DOJ	FTC	DOJ	TOTAL
LESS THAN 15	364	7.7%	4	2	1.1%	0.5%	1.6%	0	0	0.0%	0.0%	0.0%
15 UP to 25	90	1.9%	1	2	1.1%	2.2%	3.3%	0	0	0.0%	0.0%	0.0%
25 to 50	126	2.7%	10	2	7.9%	1.6%	9.5%	2	1	1.6%	0.8%	2.4%
50 UP to 100	214	4.5%	3	7	1.4%	3.3%	4.7%	1	2	0.5%	0.9%	1.4%
100 UP to 150	205	4.3%	2	3	1.0%	1.5%	2.4%	0	2	0.0%	1.0%	1.0%
150 UP to 200	179	3.8%	4	5	2.2%	2.8%	5.0%	1	2	0.6%	1.1%	1.7%
200 UP to 300	262	5.5%	8	11	3.1%	4.2%	7.3%	0	4	0.0%	1.5%	1.5%
300 UP to 500	312	6.6%	10	12	3.2%	3.8%	7.1%	0	7	0.0%	2.2%	2.2%
500 UP to 1000	427	9.0%	19	8	4.4%	1.9%	6.3%	5	5	1.2%	1.2%	2.3%
1000 AND UP	2,546	53.6%	128	97	5.0%	3.8%	8.8%	34	32	1.3%	1.3%	2.6%
<i>SALES NOT AVAILABLE⁹</i>	24	0.5%	0	1	0.0%	4.2%	4.2%	0	0	0.0%	0.0%	0.0%
ALL TRANSACTIONS	4,749	100.0%	189	150	4.0%	3.2%	7.2%	43	55	0.9%	1.2%	2.1%

TABLE VIII
FISCAL YEAR 2000
TRANSACTIONS BY ASSETS OF ACQUIRED ENTITIES¹⁰

ASSET RANGE (\$ MILLIONS)	HSR TRANSACTIONS		CLEARANCE GRANTED TO FTC OR DOJ					SECOND REQUEST INVESTIGATIONS				
	NUMBER	PERCENT	NUMBER		PERCENTAGE OF ASSET RANGE GROUP			NUMBER		PERCENTAGE OF ASSET RANGE GROUP		
			FTC	DOJ	FTC	DOJ	TOTAL	FTC	DOJ	FTC	DOJ	TOTAL
LESS THAN 15	989	20.8%	25	18	2.5%	1.8%	4.3%	10	8	1.0%	0.8%	1.8%
15 UP to 25	645	13.6%	19	14	2.9%	2.2%	5.1%	1	5	0.2%	0.8%	0.9%
25 UP to 50	665	14.0%	37	11	5.6%	1.7%	7.2%	2	3	0.3%	0.5%	0.8%
50 UP to 100	648	13.6%	22	17	3.4%	2.6%	6.0%	2	5	0.3%	0.8%	1.1%
100 UP to 150	266	5.6%	21	15	7.9%	5.6%	13.5%	3	4	1.1%	1.5%	2.6%
150 UP to 200	203	4.3%	11	11	5.4%	5.4%	10.8%	1	3	0.5%	1.5%	2.0%
200 UP to 300	233	4.9%	11	12	4.7%	5.2%	9.9%	10	3	4.3%	1.3%	5.6%
300 UP to 500	219	4.6%	17	11	7.8%	5.0%	12.8%	3	7	1.4%	3.2%	4.6%
500 UP to 1000	265	5.6%	8	12	3.0%	4.5%	7.5%	3	6	1.1%	2.3%	3.4%
1000 AND UP	448	9.4%	10	25	2.2%	5.6%	7.8%	8	11	1.8%	2.5%	4.2%
<i>ASSETS UNAVAILABLE¹¹</i>	168	3.5%	8	4	4.8%	2.4%	7.1%	0	0	0.0%	0.0%	0.0%
ALL TRANSACTIONS	4,749	100.0%	189	150	4.0%	3.2%	7.2%	43	55	0.9%	1.2%	2.1%

TABLE IX
FISCAL YEAR 2000¹
TRANSACTIONS BY SALES OF ACQUIRED ENTITIES¹²

SALES RANGE (\$ MILLIONS)	HSR TRANSACTIONS		CLEARANCE GRANTED TO FTC OR DOJ					SECOND REQUEST INVESTIGATIONS ³				
	NUMBER	PERCENT	NUMBER		PERCENTAGE OF SALES RANGE GROUP			NUMBER		PERCENTAGE OF SALES RANGE GROUP		
			FTC	DOJ	FTC	DOJ	TOTAL	FTC	DOJ	FTC	DOJ	TOTAL
LESS THAN 15	1,278	26.9%	54	22	4.2%	1.7%	5.9%	6	10	0.5%	0.8%	1.3%
15 UP to 25	422	8.9%	11	5	2.6%	1.2%	3.8%	0	1	0.0%	0.2%	0.2%
25 UP to 50	751	15.8%	28	13	3.7%	1.7%	5.5%	3	0	0.4%	0.0%	0.4%
50 UP to 100	682	14.4%	30	27	4.4%	4.0%	8.4%	5	9	0.7%	1.3%	2.1%
100 UP to 150	359	7.6%	15	13	4.2%	3.6%	7.8%	2	7	0.6%	1.9%	2.5%
150 UP to 200	200	4.2%	6	10	3.0%	5.0%	8.0%	0	1	0.0%	0.5%	0.5%
200 UP to 300	249	5.2%	11	14	4.4%	5.6%	10.0%	1	5	0.4%	2.0%	2.4%
300 UP to 500	239	5.0%	9	18	3.8%	7.5%	11.3%	4	9	1.7%	3.8%	5.4%
500 UP to 1000	219	4.6%	13	10	5.9%	4.6%	10.5%	3	3	1.4%	1.4%	2.7%
1000 AND UP	329	6.9%	12	18	3.6%	5.5%	9.1%	19	10	5.8%	3.0%	8.8%
<i>SALES NOT AVAILABLE¹³</i>	21	0.4%	0	0	0.0%	0.0%	0.0%	0	0	0.0%	0.0%	0.0%
ALL TRANSACTIONS	4,749	100.0%	189	150	4.0%	3.2%	7.2%	43	55	0.9%	1.2%	2.1%

TABLE X
FISCAL YEAR 2000¹
INDUSTRY GROUP OF ACQUIRING PERSONS

2-DIGIT SIC CODE ¹⁴	INDUSTRY DESCRIPTION	NUMBER ⁴	PERCENT OF TOTAL	CHANGE FROM FY 99 ¹⁵	CLEARANCE GRANTED TO FTC OR DOJ			SECOND REQUEST INVESTIGATIONS ³		
					FTC	DOJ	TOTAL	FTC	DOJ	TOTAL
1	Agricultural Production - Crops	3	0.1%	0.1%	0	0	0	0	0	0
2	Agricultural Production - Livestock and Animal Specialties	3	0.1%	0.2%	0	0	0	0	0	0
7	Agricultural Services	0	0.0%	NC	0	0	0	0	0	0
8	Forestry	3	0.1%	NC	0	0	0	0	0	0
9	Fishing, Hunting & Trapping	1	0.0%	0.2%	0	0	0	0	0	0
10	Metal Mining	3	0.1%	0.1%	0	0	0	0	0	0
12	Coal Mining	3	0.1%	-0.1%	0	0	0	0	0	0
13	Oil and Gas Extraction	39	0.8%	-0.1%	2	2	4	2	2	4
14	Mining and Quarrying of Nonmetallic Minerals, Except Fuels	7	0.1%	-0.3%	0	0	0	0	0	0
15	Building Construction – General Contractors and Operative Builders	9	0.2%	0.1%	0	0	0	0	0	0
16	Heavy Construction Other Than Building Construction - Contractors	28	0.6%	-0.2%	0	0	0	0	0	0
17	Construction - Special Grade Contractors	27	0.6%	-0.2%	0	0	0	0	0	0
20	Food and Kindred Products	93	2.0%	-1.2%	3	9	12	2	4	6
21	Tobacco Products	5	0.1%	-0.4%	2	0	2	1	0	1
22	Textile Mill Products	19	0.4%	-0.1%	1	0	1	0	0	0

TABLE X
FISCAL YEAR 2000¹
INDUSTRY GROUP OF ACQUIRING PERSONS

2-DIGIT SIC CODE ¹⁴	INDUSTRY DESCRIPTION	NUMBER ⁴	PERCENT OF TOTAL	CHANGE FROM FY 99 ¹⁵	CLEARANCE GRANTED TO FTC OR DOJ			SECOND REQUEST INVESTIGATIONS ³		
					FTC	DOJ	TOTAL	FTC	DOJ	TOTAL
23	Apparel and Other Finished Products Made From Fabrics and Similar Materials	5	0.1%	-0.3%	0	0	0	0	0	0
24	Lumber and Wood Products, Except Furniture	18	0.4%	-0.4%	0	0	0	0	0	0
25	Furniture and Fixtures	22	0.5%	-0.1%	1	0	1	0	0	0
26	Paper and Allied Products	52	1.1%	-0.1%	0	3	3	0	2	2
27	Printing, Publishing and Allied Industries	84	1.8%	-1.8%	2	8	10	1	2	3
28	Chemicals and Allied Products	169	3.6%	-0.2%	33	4	37	7	3	10
29	Petroleum Refining and Related Industries	26	0.5%	-0.2%	1	0	1	0	0	0
30	Rubber and Misc. Plastics Products	67	1.4%	-1.1%	4	0	4	0	0	0
31	Leather and Leather Products	1	0.0%	1.0%	0	0	0	0	0	0
32	Stone, Clay, Glass and Concrete Products	37	0.8%	NC	2	0	2	2	0	2
33	Primary Metal Industries	50	1.1%	0.4%	2	3	5	0	0	0
34	Fabricated Metal Products, Except Machinery and Transportation Equipment	54	1.1%	-0.7%	8	0	8	1	0	1
35	Industrial and Commercial Machinery and Computer Equipment	132	2.8%	-1.3%	10	11	21	3	4	7
36	Electronic and Other Electrical Equipment and Components, Except Computer Equipment	202	4.3%	-0.1%	14	8	22	3	3	6
37	Transportation Equipment	67	1.4%	-1.5%	7	5	12	3	2	5

TABLE X
FISCAL YEAR 2000¹
INDUSTRY GROUP OF ACQUIRING PERSONS

2-DIGIT SIC CODE ¹⁴	INDUSTRY DESCRIPTION	NUMBER ⁴	PERCENT OF TOTAL	CHANGE FROM FY 99 ¹⁵	CLEARANCE GRANTED TO FTC OR DOJ			SECOND REQUEST INVESTIGATIONS ³		
					FTC	DOJ	TOTAL	FTC	DOJ	TOTAL
38	Measuring, Analyzing and Controlling Instruments; Photographic, Medical and Optical Goods; Watches and Clocks	76	1.6%	-0.9%	17	4	21	3	2	5
39	Miscellaneous Manufacturing Industries	22	0.5%	0.2%	1	3	4	1	0	1
40	Railroad Transportation	3	0.1%	0.1%	0	0	0	0	0	0
41	Local and Suburban Transit and Interurban Highway Passenger Transportation	3	0.1%	NC	0	0	0	0	0	0
42	Motor Freight Transportation and Warehousing	37	0.8%	NC	0	2	2	0	0	0
44	Water Transportation	22	0.5%	0.1%	2	2	4	0	1	1
45	Transportation by Air	19	0.4%	0.2%	0	0	0	0	0	0
46	Pipelines, Except Natural Gas	10	0.2%	0.2%	2	0	2	0	0	0
47	Transportation Services	36	0.8%	0.5%	0	0	0	0	0	0
48	Communications	446	9.4%	1.1%	2	29	31	0	17	17
49	Electric, Gas and Sanitary Services	155	3.3%	-0.4%	9	18	27	6	8	14
50	Wholesale Trade - Durable Goods	216	4.5%	-1.1%	10	0	10	1	0	1
51	Wholesale Trade - Nondurable Goods	157	3.3%	1.09%	6	1	7	1	0	1
52	Building Materials, Hardware, Garden Supply, and Mobile Home Dealers	7	0.1%	0.1%	0	0	0	0	0	0
53	General Merchandise Stores	8	0.2%	NC	0	0	0	0	0	0

TABLE X
FISCAL YEAR 2000¹
INDUSTRY GROUP OF ACQUIRING PERSONS

2-DIGIT SIC CODE ¹⁴	INDUSTRY DESCRIPTION	NUMBER ⁴	PERCENT OF TOTAL	CHANGE FROM FY 99 ¹⁵	CLEARANCE GRANTED TO FTC OR DOJ			SECOND REQUEST INVESTIGATIONS ³		
					FTC	DOJ	TOTAL	FTC	DOJ	TOTAL
54	Food Stores	23	0.5%	-0.3%	2	0	2	2	0	2
55	Automotive Dealers and Gasoline Service Stations	76	1.6%	-1.20%	0	0	0	0	0	0
56	Apparel and Accessory Stores	14	0.3%	NC	0	0	0	0	0	0
57	Home Furniture, Furnishings and Equipment Stores	15	0.3%	0.1%	1	0	1	0	0	0
58	Eating and Drinking Places	41	0.9%	-0.5%	1	0	1	0	0	0
59	Miscellaneous Retail	71	1.5%	-0.1%	1	0	1	0	0	0
60	Depository Institutions	91	1.9%	0.6%	0	1	1	0	0	0
61	Nondepository Credit Institutions	57	1.2%	-1.0%	0	0	0	0	0	0
62	Security and Commodity Brokers, Dealers, Exchanges and Services	117	2.5%	1.4%	0	0	0	0	0	0
63	Insurance Carriers	87	1.8%	-1.0%	0	7	7	0	2	2
64	Insurance Agents, Brokers and Service	33	0.7%	-0.1%	0	0	0	0	0	0
65	Real Estate	20	0.4%	-0.1%	0	0	0	0	0	0
67	Holding and Other Investment Offices	394	8.3%	3.1%	1	1	2	0	0	0
70	Hotels, Rooming Houses, Camps, and Other Lodging Places	18	0.4%	NC	1	0	1	0	0	0
72	Personal Services	5	0.1%	-0.6%	0	0	0	0	0	0
73	Business Services	635	13.4%	4.30%	24	24	48	4	3	7
75	Automotive Repair, Services and Parking	15	0.3%	NC	0	1	1	0	0	0

TABLE X
FISCAL YEAR 2000¹
INDUSTRY GROUP OF ACQUIRING PERSONS

2-DIGIT SIC CODE ¹⁴	INDUSTRY DESCRIPTION	NUMBER ⁴	PERCENT OF TOTAL	CHANGE FROM FY 99 ¹⁵	CLEARANCE GRANTED TO FTC OR DOJ			SECOND REQUEST INVESTIGATIONS ³		
					FTC	DOJ	TOTAL	FTC	DOJ	TOTAL
76	Miscellaneous Repair Services	7	0.1%	-0.6%	0	0	0	0	0	0
78	Motion Pictures	25	0.5%	-0.2%	0	2	2	0	0	0
79	Amusement and Recreation Services	37	0.8%	-0.2%	0	2	2	0	0	0
80	Health Services	114	2.4%	-0.8%	3	0	3	0	0	0
81	Legal Services	0	0.0%	-0.1%	0	0	0	0	0	0
82	Educational Services	6	0.1%	-0.1%	0	0	0	0	0	0
83	Social Services	0	0.0%	-0.2%	0	0	0	0	0	0
86	Membership Organizations	3	0.1%	0.1%	0	0	0	0	0	0
87	Engineering, Accounting, Research, Management and Related Services	110	2.3%	0.5%	11	0	11	0	0	0
89	Miscellaneous Services	2	0.0%	NC	0	0	0	0	0	0
94	Administration of Human Resource Programs	0	0.0%	NC	0	0	0	0	0	0
95	Administration of Environmental Quality and Housing Programs	0	0.0%	0.0%	0	0	0	0	0	0
99	Nonclassifiable Establishments	1	0.0%	0.0%	0	0	0	0	0	0
00	Not Available ¹⁶	251	5.3%	2.30%	2	0	2	0	0	0
DV	Diversified Ventures	35	0.7%	0.6%	1	0	1	0	0	0
	ALL TRANSACTIONS	4,749	100.00%	--	189	150	339	43	55	98

TABLE XI
FISCAL YEAR 2000¹
INDUSTRY GROUP OF ACQUIRED ENTITIES

2-DIGIT SIC CODE ¹⁴	INDUSTRY DESCRIPTION	NUMBER ⁴	PERCENT OF TOTAL	CHANGE FROM FY 99 ¹⁵	CLEARANCE GRANTED TO FTC OR DOJ			SECOND REQUEST INVESTIGATIONS ³			NUMBER OF 3 DIGIT INTRA-INDUSTRY TRANSACTIONS ¹⁷ <i>(the data series for this column was revised in April, 2008)</i>
					FTC	DOJ	TOTAL	FTC	DOJ	TOTAL	
1	Agricultural Production - Crops	4	0.1%	NC	0	0	0	0	0	0	2
2	Agricultural Production – Livestock and Animal Specialties	4	0.1%	0.1%	0	0	0	0	0	0	3
7	Agricultural Services	6	0.1%	NC	0	0	0	0	0	0	2
8	Forestry	1	0.0%	0.1%	0	0	0	0	0	0	0
9		1	0.0%	0.1%	0	0	0	0	0	0	1
10	Metal Mining	6	0.1%	-0.1%	0	0	0	0	0	0	2
12	Coal Mining	2	0.0%	-0.1%	0	0	0	0	0	0	2
13	Oil and Gas Extraction	36	0.8%	0.7%	3	2	5	3	2	5	26
14	Mining and Quarrying of Nonmetallic Minerals, Except Fuels	9	0.2%	0.2%	0	2	2	0	0	0	6
15	Building Construction - General Contractors and Operative Builders	7	0.1%	NC	0	0	0	0	0	0	6
16	Heavy Construction other than Building Construction - Contractors	34	0.7%	0.2%	0	0	0	0	0	0	26
17	Construction - Special Grade Contractors	52	1.1%	0.3%	0	0	0	0	0	0	34
20	Food and Kindred Products	106	2.2%	1.8%	7	9	16	3	5	8	92
21	Tobacco Products	4	0.1%	NC	2	0	2	1	0	1	3
22	Textile Mill Products	16	0.3%	NC	1	0	1	0	0	0	10
23	Apparel and Other Finished Products Made from Fabrics and Similar Materials	9	0.2%	-0.2%	0	0	0	0	0	0	3
24	Lumber and Wood Products, Except Furniture	21	0.4%	0.3%	0	0	0	0	0	0	15

TABLE XI
FISCAL YEAR 2000¹
INDUSTRY GROUP OF ACQUIRED ENTITIES

2-DIGIT SIC CODE ¹⁴	INDUSTRY DESCRIPTION	NUMBER ⁴	PERCENT OF TOTAL	CHANGE FROM FY 99 ¹⁵	CLEARANCE GRANTED TO FTC OR DOJ			SECOND REQUEST INVESTIGATIONS ³			NUMBER OF 3 DIGIT INTRA-INDUSTRY TRANSACTIONS ¹⁷ <i>(the data series for this column was revised in April, 2008)</i>
					FTC	DOJ	TOTAL	FTC	DOJ	TOTAL	
25	Furniture and Fixtures	21	0.4%	0.2%	1	0	1	1	0	1	17
26	Paper and Allied Products	55	1.2%	0.3%	0	3	3	0	2	2	41
27	Printing, Publishing and Allied Industries	135	2.8%	NC	1	9	10	1	2	3	73
28	Chemicals and Allied Products	209	4.4%	1.0%	25	4	29	11	3	14	119
29	Petroleum Refining and Related Industries	29	0.6%	0.3%	1	0	1	0	0	0	20
30	Rubber and Misc. Plastics Products	88	1.9%	-0.6%	4	0	4	0	0	0	49
31	Leather and Leather Products	4	0.1%	0.1%	0	0	0	0	0	0	1
32	Stone, Clay, Glass and Concrete Products	46	1.0%	0.1%	2	2	4	0	0	0	36
33	Primary Metal Industries	44	0.9%	-0.5%	2	2	4	1	0	1	31
34	Fabricated Metal Products, Except Machinery and Transportation Equipment	91	1.9%	-0.3%	8	0	8	1	0	1	49
35	Industrial and Commercial Machinery and Computer Equipment	151	3.2%	-0.1%	11	9	20	3	3	6	104
36	Electronic and Other Electrical Equipment and Components, Except Computer Equipment	234	4.9%	0.8%	11	8	19	0	3	3	163
37	Transportation Equipment	74	1.6%	-0.4%	5	4	9	1	2	3	46

TABLE XI
FISCAL YEAR 2000¹
INDUSTRY GROUP OF ACQUIRED ENTITIES

2-DIGIT SIC CODE ¹⁴	INDUSTRY DESCRIPTION	NUMBER ⁴	PERCENT OF TOTAL	CHANGE FROM FY 99 ¹⁵	CLEARANCE GRANTED TO FTC OR DOJ			SECOND REQUEST INVESTIGATIONS ³			NUMBER OF 3 DIGIT INTRA-INDUSTRY TRANSACTIONS ¹⁷ <i>(the data series for this column was revised in April, 2008)</i>
					FTC	DOJ	TOTAL	FTC	DOJ	TOTAL	
38	Measuring, Analyzing and Controlling Instruments; Photographic, Medical and Optical Goods; Watches and Clocks	83	1.7%	-0.9%	18	4	22	2	3	5	62
39	Miscellaneous Manufacturing Industries	26	0.5%	0.2%	1	3	4	0	0	0	15
40	Railroad Transportation	1	0.0%	-0.1%	0	0	0	0	0	0	0
41	Local and Suburban Transit and Interurban Highway Passenger Transportation	3	0.1%	-0.1%	0	0	0	0	0	0	3
42	Motor Freight Transportation and Warehousing	33	0.7%	-0.2%	0	2	2	0	0	0	19
44	Water Transportation	10	0.2%	-0.2%	2	0	2	0	0	0	8
45	Transportation by Air	11	0.2%	-0.2%	0	1	1	0	1	1	7
46	Pipelines, Except Natural Gas	7	0.1%	-0.2%	2	0	2	0	0	0	6
47	Transportation Services	32	0.7%	0.3%	0	0	0	0	0	0	22
48	Communications	489	10.3%	1.2%	2	26	28	0	12	12	268
49	Electric, Gas and Sanitary Goods	144	3.0%	-0.7%	9	16	25	7	8	15	110
50	Wholesale Trade-Durable Goods	220	4.6%	0.7%	7	0	7	1	0	1	148
51	Wholesale Trade-Nondurable Goods	137	2.9%	-0.3%	5	1	6	1	0	1	97
52	Building Materials, Hardware, Garden Supply, and Mobile Home Dealers	5	0.1%	-0.1%	0	0	0	0	0	0	5

TABLE XI
FISCAL YEAR 2000¹
INDUSTRY GROUP OF ACQUIRED ENTITIES

2-DIGIT SIC CODE ¹⁴	INDUSTRY DESCRIPTION	NUMBER ⁴	PERCENT OF TOTAL	CHANGE FROM FY 99 ¹⁵	CLEARANCE GRANTED TO FTC OR DOJ			SECOND REQUEST INVESTIGATIONS ³			NUMBER OF 3 DIGIT INTRA-INDUSTRY TRANSACTIONS ¹⁷ <i>(the data series for this column was revised in April, 2008)</i>
					FTC	DOJ	TOTAL	FTC	DOJ	TOTAL	
53	General Merchandise Stores	6	0.1%	-0.1%	0	0	0	0	0	0	4
54	Food Stores	26	0.5%	-0.4%	2	0	2	2	0	2	19
55	Automotive Dealers and Gasoline Service Stations	81	1.7%	-0.8%	0	0	0	0	0	0	69
56	Apparel and Accessory Stores	16	0.3%	-0.1%	0	0	0	0	0	0	7
57	Home Furniture, Furnishings and Equipment Stores	19	0.4%	0.1%	1	0	1	0	0	0	6
58	Eating and Drinking Places	31	0.7%	-0.2%	1	0	1	0	0	0	23
59	Miscellaneous Retail	90	1.9%	1.2%	1	1	2	1	1	2	44
60	Depository Institutions	29	0.6%	-0.1%	0	0	0	0	0	0	21
61	Nondepository Credit Institutions	57	1.2%	-0.4%	0	1	1	0	0	0	38
62	Security and Commodity Brokers, Dealers, Exchanges and Services	77	1.6%	0.6%	0	2	2	0	0	0	48
63	Insurance Carriers	87	1.8%	-1.2%	0	3	3	0	2	2	72
64	Insurance Agents, Brokers and Service	31	0.7%	-0.1%	1	1	2	0	0	0	16
65	Real Estate	16	0.3%	-0.2%	1	0	1	0	0	0	9
67	Holding and Other Investment Offices	30	0.6%	-0.4%	1	0	1	0	0	0	30
70	Hotels, Rooming Houses, Camps, and Other Lodging Places	12	0.3%	NC	0	0	0	0	0	0	9
72	Personal Services	6	0.1%	-0.2%	0	0	0	0	0	0	4
73	Business Services	754	15.9%	4.0%	21	24	45	2	6	8	436

TABLE XI
FISCAL YEAR 2000¹
INDUSTRY GROUP OF ACQUIRED ENTITIES

2-DIGIT SIC CODE ¹⁴	INDUSTRY DESCRIPTION	NUMBER ⁴	PERCENT OF TOTAL	CHANGE FROM FY 99 ¹⁵	CLEARANCE GRANTED TO FTC OR DOJ			SECOND REQUEST INVESTIGATIONS ³			NUMBER OF 3 DIGIT INTRA-INDUSTRY TRANSACTIONS ¹⁷ <i>(the data series for this column was revised in April, 2008)</i>
					FTC	DOJ	TOTAL	FTC	DOJ	TOTAL	
75	Automotive Repair, Services and Parking	11	0.2%	-0.2%	0	1	1	0	0	0	8
76	Miscellaneous Repair Services	7	0.1%	NC	0	0	0	0	0	0	5
78	Motion Pictures	18	0.4%	-0.2%	0	2	2	0	0	0	10
79	Amusement and Recreation Services	43	0.9%	-0.4%	1	2	3	0	0	0	24
80	Health Services	97	2.0%	-1.5%	3	0	3	0	0	0	76
82	Educational Services	10	0.2%	NC	0	0	0	0	0	0	3
83	Social Services	0	0.0%	-0.1%	0	0	0	0	0	0	0
86	Membership Organizations	2	0.0%	-0.1%	0	0	0	0	0	0	1
87	Engineering, Accounting, Research, Management and Related Services	135	2.8%	0.4%	10	0	10	0	0	0	53
89	Miscellaneous Services	4	0.1%	NC	0	0	0	0	0	0	1
94	Administration of Human Resource Programs	0	0.0%	NC	0	0	0	0	0	0	0
99	Nonclassifiable Establishments	2	0.0%	NC	0	0	0	0	0	0	0
00	Not Available	352	7.4%	4.3%	16	6	22	1	0	1	25
	ALL TRANSACTIONS	4,749	100.00%	--	189	150	339	43	55	98	2,813

¹ Fiscal Year 2000 figures include transactions reported between October 1, 1999, and September 30, 2000.

² The size of transaction is based on the aggregate total amount of voting securities and assets to be held by the acquiring person as a result of the transaction and is taken from the response to Item 3(c) of the notification and report form.

³ Based on the date of the second request was issued.

⁴ During fiscal year 2000, 4926 transactions were reported under the Hart-Scott-Rodino premerger notification program. The smaller number of 4749 reflects adjustments to eliminate the following types of transactions: (1) transactions reported under Section (c)(6) and Section (c)(8), (transactions involving certain regulated industries and financial businesses); (2) transactions found to be non-reportable; (3) incomplete transactions (only one party in each transaction filed a compliant notification); and (4) transactions withdrawn before the waiting period began. The table does not, however, exclude competing offers or multiple-party transactions (transactions involving two or more acquiring persons).

⁵ Percentage of total transactions.

⁶ Percentage of transaction range group.

⁷ Percentages also appear in **TABLE I**.

⁸ This category includes transactions with newly formed acquiring persons and transactions withdrawn before staff could make a detailed analysis of the acquisition.

⁹ This category is composed of newly formed acquiring persons, foreign acquiring persons with no United States revenues, and acquiring persons who had not derived any revenues from their investments at the time of filing.

¹⁰ The assets of the acquired entity were taken from responses to Item 2(b)(i) (Assets to be Acquired) or from Items 4(a) or (b) (SEC documents and annual reports) of the premerger notification form.

¹¹ The assets were not available primarily because the acquired entity's financial data was consolidated within its ultimate parent.

¹² The sales of the acquired entity were taken from Items 4(a) and (b) (SEC documents and annual reports) or responses to Item 5 (dollar revenues) of the premerger notification and report form.

¹³ Transactions in this category include acquisitions of newly formed corporations or corporate joint ventures from which no sales were generated, and acquisitions of assets, which had produced no sales or revenues during the prior year to filing the notification and report form.

¹⁴ The 2-digit SIC codes are part of the system of Standard Industrial Classification established by the United States Government Standard Classification Manual, 1987, Executive Office of the President – Office of Management and Budget. The SIC groupings used in this table were determined from responses submitted by filing parties to Item 5 of the premerger notification and report form.

¹⁵ This number represents a deviation in percentage points from the Fiscal Year 1999 percentage.

¹⁶ This category includes transactions by newly formed entities.

¹⁷ The intra-industry transactions column identifies the number of acquisitions in which both the acquiring and acquired persons derived revenues in the same industry.