

II. JURISDICTION

3. Respondents, and each of their relevant operating subsidiaries and parent entities, are, and at all times relevant herein have been, engaged in commerce, or in activities affecting commerce, within the meaning of Section 1 of the Clayton Act, 15 U.S.C. § 12, and Section 4 of the FTC Act, 15 U.S.C. § 44.

III. THE ACQUISITION

4. Pursuant to an Agreement and Plan of Merger dated as of July 27, 2014, as amended on September 4, 2014, Dollar Tree proposes to purchase all issued and outstanding common stock of Family Dollar in a transaction valued at approximately \$9.2 billion (“the Acquisition”).

IV. THE RELEVANT PRODUCT MARKET

5. The relevant line of commerce in which to analyze the Acquisition is no narrower than discount general merchandise retail stores. “Discount general merchandise retail stores” means small-format, deep-discount retailers that sell an assortment of consumables and non-consumables, including food, home products, apparel and accessories, and seasonal items, at prices typically under \$10 (*i.e.*, dollar stores) and the retailer Walmart.

6. In certain geographic markets the relevant line of commerce may be as broad as the sale of discounted general merchandise in retail stores (*i.e.*, discount general merchandise retail stores as well as supermarkets, pharmacies, mass merchandisers, and discount specialty merchandise retail stores).

7. Whether the relevant line of commerce is discount general merchandise retail stores or the sale of discounted general merchandise in retail stores depends on the specifics of the geographic market at issue, such as population density and the density and proximity of the Respondents’ stores and competing retailers.

V. THE RELEVANT GEOGRAPHIC MARKETS

8. The relevant geographic markets in which to analyze the competitive effects of the Acquisition are local markets. The size of the geographic market depends on the specific area at issue. In highly urban areas, the geographic markets are generally no broader than a half-mile radius around a given store. In highly rural areas, the geographic market is generally no narrower than a three-mile radius around a given store. In areas neither highly urban nor highly rural, the geographic market is generally within a half-mile to three-mile radius around a given store.

VI. ENTRY CONDITIONS

9. Entry into the relevant markets that is timely and sufficient to prevent or deter the expected anticompetitive effects of the Acquisition is unlikely. Entry barriers include the time, costs, and feasibility (which may be limited by restrictive-use covenants in lease agreements)

associated with identifying and potentially constructing an appropriate and available location for a discount general merchandise retail store; the resources required to support one or more new stores over a prolonged ramp-up period; and the sufficient scale to compete effectively.

VII. EFFECTS OF THE ACQUISITION

10. The Acquisition, if consummated, is likely to substantially lessen competition in the relevant line of commerce in the following ways, among others:

- a. by eliminating direct and substantial competition between Respondents Dollar Tree and Family Dollar; and
- b. by increasing the likelihood that Respondent Dollar Tree will unilaterally exercise market power.

11. The ultimate effect of the Acquisition would be to increase the likelihood that prices of discounted general merchandise will increase, and that the quality, selection, and services associated with the sale of such merchandise will decrease, in the relevant geographic markets.

VIII. VIOLATIONS CHARGED

12. The agreement described in Paragraph 4 constitutes a violation of Section 5 of the FTC Act, as amended, 15 U.S.C. § 45, and the acquisition, if consummated, would violate Section 7 of the Clayton Act, as amended, 15 U.S.C. § 18, and Section 5 of the FTC Act, as amended, 15 U.S.C. § 45.

WHEREFORE, THE PREMISES CONSIDERED, the Federal Trade Commission on this second day of July, 2015, issues its complaint against said Respondents.

By the Commission, Commissioner Wright dissenting.

Donald S. Clark
Secretary

SEAL: