



Office of the Secretary

United States of America  
FEDERAL TRADE COMMISSION  
Washington, D.C. 20580

**February 21, 2019**

Dr. Roland Eisenhuth

Re: *In the Matter of Penn National Gaming, Inc. and Pinnacle Entertainment, Inc.,  
File No. 181-0011, C-4658*

Thank you for your comment regarding the proposed Consent Order accepted by the Federal Trade Commission for public comment in the above-captioned matter. As we understand your comment, you believe that (1) quantities and prices are not discernible from hold rates in table games, (2) changes in the Herfindahl-Hirschman index and Lerner index do not result in statistically significant price changes, (3) the Herfindahl-Hirschman index as a measure of market concentration may be inadequate, and (4) the relevant geographic market should include close substitutes. The Commission has placed your comment on the public record pursuant to Rule 4.9(b)(6)(ii) of the Commission's Rules of Practice, 16 C.F.R. § 4.9(b)(6)(ii), and it has been given careful consideration.

The Commission conducted its non-public review of the Acquisition pursuant to its authority under Section 7 of the Clayton Act, 15 U.S.C. § 18, and Section 5 of the Federal Trade Commission Act, 15 U.S.C. § 45. As such, the Commission has jurisdiction only to fashion remedies that are required to fix the competitive concerns that arise from violations of federal antitrust law. Accordingly, the Consent Order is designed to address the competitive issues raised by the Acquisition. The Commission evaluated how the Acquisition might lead to diminished competition in the casino services market and found competitive concerns arising from a violation of federal antitrust law in three local geographic markets. To fix the competitive concerns, the Commission crafted the Decision and Order to require a remedy in the form of casino divestitures to a third-party buyer. Accordingly, the number of competing casinos will be the same as before the Acquisition in the three local markets. In local markets where the Commission does not require divestiture, the Commission found that the Acquisition would not result in a substantial lessening of competition with a consequence of higher prices or lower quality.

After considering your comment in light of these factors, the Commission has determined that the public interest would best be served by issuing the Decision and Order as final. A copy of the final Decision and Order is enclosed for your information. Relevant materials also are available from the Commission's website at <http://www.ftc.gov>.

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

April Tabor  
Acting Secretary