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October 26, 1988

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Secretary  
Federal Trade Commission  
Room 136  
600 Pennsylvania Avenue, N.W.  
Washington, DC 20580

Charles Rule, Esq.  
Assistant Attorney General  
Antitrust Division  
Department of Justice  
Room 3214  
10th and Constitution Avenue, N.W.  
Washington, DC 20530

Re: Request for Extension of Comment Period  
on Proposed Modifications of Premerger  
Notification Requirements

Gentlemen:

We are preparing, on behalf of a number of clients, an analysis of the legal and economic implications of the proposed changes to the premerger notification rules recently published for comment in the Federal Register. We believe that these proposed changes raise substantial and complex questions of antitrust law and enforcement policy that are not fully addressed in the Statement of Basis and Purpose. For example, to understand the real significance of the proposed changes, it will be necessary to develop:

- Economic and legal analysis of the competitive significance of the purchase by one company of a large minority of the shares of a competitor, for purposes other than investment.
- Economic and legal analysis of the competitive implications of a pattern of unreported, interlocking minority shareholdings among competitors in moderately to highly concentrated industries; and

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- Economic and legal analysis of potentially anticompetitive conduct deterred by the present reporting requirements, and which would not be deterred if the proposed changes were adopted.

The staff's own uncertainty about these and other substantial issues is suggested by the fact that three alternative proposals are presented for review. By the same token, it is necessary for interested parties to analyze, and prepare comments on, each of the three proposals.

We hereby request that due to the complexity of the issues, and the substantial concerns expressed, the Commission and the Department extend the public comment period for an additional sixty days, in order to permit all interested parties to collect and analyze the information necessary to submit fully informed comments. Such extensions have been granted in the past. Indeed, in the most recently promulgated amendment of the premerger notification rules, the deadline for comments was extended once, and several additional comments submitted after the extended deadline also were considered. That experience, we submit, teaches that a 60-day comment period is inadequate to assure that all comments from interested parties will be fully considered. Moreover, the cost of an extension in this case would appear to be minimal, since the request for OMB review indicates that the proposals would affect only some 20 filings per year, and save only from zero to 800 man-hours per year.

In addition, we request that the Commission and the Department make available to all interested parties factual information or analyses, beyond those contained in the Statement of Basis and Purpose, which address the issues raised in this letter, including, but not limited to:

- Information about acquisitions of 10% or less of an issuer's voting securities reported in premerger filings prior to 1981;

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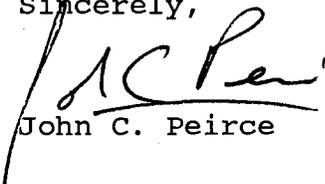
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- More specific information about the nature and purpose of the 145 reported acquisitions of 10% or less of an issuer's voting securities between 1981 and 1986;
- Any information about the number and characteristics of such transactions where one or both parties was partially or totally exempt from securities law disclosure requirements (e.g., closely-held companies, partnerships, and foreign issuers);
- Any information about non-investment purposes for which acquiring persons hold blocks of 10 percent or less of the shares of acquired persons.

We suggest that such information be made equally available to all interested parties wishing to comment, and that the Commission and the Department exercise their discretion to make such information public without requiring formal FOIA requests.

Thank you for your attention to this request.

Sincerely,

  
John C. Peirce

cc: Kenneth M. Davidson, Esq.