

JACK BROOKS  
9TH DISTRICT, TEXAS

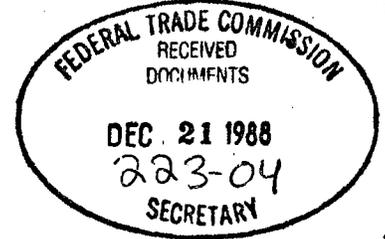
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Congress of the United States  
House of Representatives  
Washington, D.C. 20515

COMMITTEES:  
JUDICIARY  
GOVERNMENT OPERATIONS  
CHAIRMAN  
LEGISLATION AND NATIONAL  
SECURITY SUBCOMMITTEE  
CHAIRMAN

# 0004301

December 9, 1988



The Honorable Daniel Oliver  
Chairman, Federal Trade Commission  
6th Street and Pennsylvania Avenue, N. W.  
Washington, D. C. 20580

Dear Mr. Chairman:

I have read with concern the Commission's proposal to exempt acquisitions of potentially billions of dollars worth of stock in very large companies from the premerger notification requirements of the Hart-Scott-Rodino Antitrust Improvements Act. The Act presently requires notification when a party has acquired \$15 million or 15% of the voting stock of a target company. The proposal would, for all practical purposes, eliminate the \$15 million premerger notification threshold. I do not believe that Congress delegated authority to the Commission to repeal that statutory notification threshold.

The Commission's proposal would undermine the antitrust enforcement mission of not only the Commission, but also the Department of Justice, by exempting acquisitions of substantial blocks of stock in large, publicly held companies from any prior antitrust review, even though the acquiring company intends to control or influence the management of the target company. For example, under the Commission's proposal, Philip Morris Co. could have acquired \$1.3 billion worth of the stock of Kraft, Inc. without filing for antitrust clearance. Over \$2 billion of RJR Nabisco's stock could be acquired by a raider without filing for antitrust clearance. The effect of the proposal would be to transform premerger antitrust review into "during merger" antitrust review, contrary to Congressional intent in enacting the Hart-Scott-Rodino Act in the first place.

I urge the Commission to withdraw or delay this proposal until it can be reviewed by the appropriate Congressional committee. I look forward to hearing from you at your earliest convenience.

Yours very truly,

JACK BROOKS