

ARTHUR B. SPITZER

MD

January 14, 2014

To: Federal Trade Commission
<https://ftcpublic.commentworks.com/ftc/scistewartconsent>

Re: Service Corporation International and Stewart Enterprises, Inc.—
Consent Agreement; File No. 1310163

These comments pertain to the Washington, DC/suburban Maryland component of this proposed consent agreement. As residents of that area, my wife and I believe that divestiture of Edward Sagel Funeral Direction is inadequate to accomplish the Commission's goal of continued competition in the Jewish funeral services market, and that divestiture of the Hines-Rinaldi funeral home should be required instead.

We have no financial interest in the funeral home business. We are active congregants in one of the member synagogues of the Jewish Funeral Practices Committee of Greater Washington. One of us is active in our congregation's own Funeral Practices Committee, doing the voluntary service of ritually washing and enshrouding the bodies of recently deceased members, and holding ritual watch over them until burial, as required by Jewish law.

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As the Commission found, the proposed acquisition of Stewart Enterprises, Inc. by Service Corporation International ("SCI") would have serious anticompetitive effects, including in the market for Jewish funeral services in the Washington, DC/Maryland market. As the Commission found, this market is highly concentrated, and the proposed acquisition would significantly increase market concentration and eliminate substantial competition. *See* 78 Fed. Reg. at 79453. The Commission found that a divestiture was necessary to preserve competition in this market. We agree with that conclusion.

But the Commission's proposed consent agreement, requiring divestiture of Edward Sagel Funeral Direction, will not prevent the harm that the Commission seeks to prevent. Edward Sagel Funeral Direction is essentially a storefront operation. It has neither a chapel nor adequate facilities to handle deceased persons; it is dependent on the Danzansky funeral home for these services. But Danzansky is part of Stewart Enterprises, which will become part of SCI; the proposed divestment will therefore be largely meaningless, as the supposedly competitive Edward Sagel Funeral Direction will be under the thumb of SCI. The market share of Edward Sagel Funeral Direction has already fallen dramatically; it will not provide real competition, and it cannot do so given its dependency on an SCI funeral home for essential services.

By contrast, the Hines-Rinaldi funeral home in Silver Spring, Maryland, which is also part of Stewart Enterprises, provides real competition with SCI, particularly through its contract with the Jewish Funeral Practices Committee of Greater Washington. That contract enables families who wish to have a traditional, simple, Jewish funeral, at a modest price, to do so. It also includes a provision not to require payment for 30 days after burial, when Jewish mourners are not supposed to conduct business. With the acquisition of Hines-Rinaldi by Service Corporation International, those provisions will be at risk of disappearing at the end of the current contract term, because no Jewish funeral home in the Washington, DC/suburban Maryland market will be in a position to compete with SCI for this business. If Service Corporation International becomes a near-monopolist for Jewish funeral services in this market, the disappearance of competition for these services is also likely to result in a large increase in prices.

The availability of modestly-priced traditional Jewish funerals is of great importance to members of our synagogue and of other synagogues in this area. We therefore urge the Commission to disapprove the proposed consent agreement as it pertains to the market for Jewish funeral services in the Washington, DC/suburban Maryland market, and to require the divestiture of the Hines-Rinaldi funeral home instead of, or in addition to, the divestiture of Edward Sagel Funeral Direction.

We appreciate the Commission's consideration of these comments.