



Department of Justice

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ANTITRUST DIVISION ANNOUNCES AMENDMENTS TO ITS 2001 MERGER REVIEW PROCESS INITIATIVE

Changes Designed to Further Streamline Merger Review Process

WASHINGTON — The Antitrust Division announced today that it is amending its 2001 Merger Review Process Initiative in order to further streamline the merger investigation process to improve the efficiency of the Division's investigations while reducing the cost, time and burdens faced by parties to transactions that are reviewed by the Division.

"Efficient merger enforcement – reaching the right answers as quickly as possible with the least burdens necessary – is one of our top priorities," said Thomas O. Barnett, Assistant Attorney General in charge of the Department's Antitrust Division. "The amendments to the Division's already successful Merger Review Process Initiative are part of our ongoing efforts to reduce enforcement burdens, while at the same time preserve our ability to conduct thorough investigations and protect consumers from anticompetitive transactions."

The goal of the 2001 Merger Review Process Initiative was to help the Division identify critical legal, factual and economic issues regarding proposed mergers more quickly; facilitate more efficient and more focused investigative discovery; and provide for an effective process for the evaluation of evidence.

The amended initiative is the culmination of an extensive internal review of the Division's best practices for investigating mergers and acquisitions, as well as an analysis of the progress the Division has made since first launching its initiative.

The amendments announced today include a voluntary option that will enable companies to reduce significantly the duration and cost of merger investigations. The new option would limit the document search required by a Division information request, known as a "second request," to certain central files and a targeted list of 30 employees whose files must be searched for responsive documents. This option will be made available to parties to most transactions that are reviewed by the Division, and will be conditioned on certain timing and procedural agreements that, among other things, protect the Division's ability to obtain appropriate discovery should it decide to challenge the deal in federal district court.

The Division is also changing its model second request to reduce compliance burdens further. For example, the default search period, which is currently three to four years depending on when the request is issued, will be reduced to two years prior to the date of the request's issuance. The changes also include other limitations that will reduce the volume of materials that companies must collect, review, and produce in response to a second request.

The 2001 initiative enabled the Division to deploy its investigative resources more efficiently and effectively and reduce the investigative burden placed on parties to transactions that are reviewed by the Division. Largely as a result of the initiative, in an increasing number of matters the Division has been able to focus its investigations on discrete dispositive issues. The result has been an improvement in how quickly the Division is able to close investigations into transactions that prove not to be anticompetitive, which enables the Division to focus its resources more effectively on those transactions that do threaten competition. The number of days that pass from the opening of a preliminary investigation to the early termination or closing of the investigation, on average, has fallen from about 93 days to 57 days since the initiative was first announced.

Background information on the Division's Merger Review Process Initiative and the amendments and other changes announced today is attached. The amended Merger Review Process Initiative and related documents can be found on the Division's web site at <http://www.usdoj.gov/atr>.

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