

**Statement of the Commission
In the Matter of Laboratory Corporation of America
and Laboratory Corporation of America Holdings
FTC Docket No. 9345 and File No. 101-0152**

November 30, 2010

Today the Commission takes action to preserve competition in the sale of clinical laboratory testing services to physician groups in Southern California. These services are required for proper diagnosis and treatment of patients, and thus are critical to the delivery of high-quality, efficient health care. The Commission has voted to issue an administrative complaint in this matter because Westcliff and LabCorp are two of the three largest providers of laboratory services in Southern California and we find reason to believe that the acquisition of Westcliff by LabCorp will raise prices for health care for millions of people in Southern California. The transaction thus merits a trial before an Administrative Law Judge to determine whether it violates Section 5 of the FTC Act and Section 7 of the Clayton Act.

Two possible market definitions are pled in the complaint, one inclusive of the other. Based on the evidence currently available to us, we have reason to believe that one or both of these market definitions accurately describe the locus of anticipated competitive effects and also are consistent with relevant case law and the Horizontal Merger Guidelines. As always, we have reached this decision after reviewing evidence gathered during staff's investigation, as well as information from individual meetings and follow-up discussions with Respondents and staff. We look forward to reviewing the extensive record that will be developed during the administrative proceedings.

While Commissioner Rosch has issued a dissenting statement, we should not lose sight of the critical fact with which we all agree: this merger merits further scrutiny. Commissioner Rosch says he has reason to believe the transaction is likely to lead to anticompetitive effects. He dissents based on concerns about the appropriate definition of the relevant product market, but recognizes that adopting the product market he supports would not affect his reason to believe that administrative litigation is warranted. Disagreement over precisely how to apply market definition analysis in this case should not obscure agreement over the bottom-line assessment that there is reason to believe LabCorp's acquisition of Westcliff is likely to substantially lessen competition and harm consumers.