



FEDERAL TRADE COMMISSION
PROTECTING AMERICA'S CONSUMERS

FTC Challenges Merger of Companies That Provide Sterilization Services to Manufacturers

Merger of Steris Corporation and Synergy Health plc Would Harm Competition for Contract Radiation Sterilization Services

FOR RELEASE

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The Federal Trade Commission today issued an administrative complaint charging that Steris Corporation's proposed \$1.9 billion acquisition of Synergy Health plc would violate the antitrust laws by significantly reducing future competition in regional markets for sterilization of products using radiation, particularly gamma or x-ray radiation.

The Commission also authorized agency staff to seek a temporary restraining order and preliminary injunction in federal court to maintain the status quo pending an administrative trial on the merits.

According to the FTC's complaint, Steris, headquartered in Mentor, Ohio, and United Kingdom-based Synergy both provide contract sterilization services for companies that need to ensure their products are free of unwanted microorganisms before they reach customers. Implanted medical devices and human tissue products, for example, must meet stringent requirements for sterilization. For most companies, in-house sterilization is not a viable alternative. Instead, these customers bring their products to sterilization service facilities on a contract basis, typically within 500 miles of the companies' manufacturing or distribution facilities to minimize shipping costs.

Today, gamma radiation, generated by the radioactive isotope Cobalt 60, is considered the only feasible method of sterilizing large volumes of dense and heterogeneously packaged products. Only Steris and one other company, Sterigenics, provide contract gamma sterilization services in the United States, according to the complaint. At the time the proposed merger was announced, Synergy was implementing a strategy to open new plants that would provide contract x-ray sterilization services. These services – which currently are not available in the United States – would provide a competitive alternative to gamma radiation, according to the complaint. Because it uses electricity rather than Cobalt 60, x-ray does not raise many of the environmental and regulatory issues associated with gamma sterilization. According to the FTC, it is unlikely that new competitors in the market for contract radiation sterilization services would replicate the competition that would be eliminated by the merger. The Commission alleges that the challenged acquisition would eliminate likely future competition between Steris's gamma sterilization facilities and Synergy's planned x-ray sterilization facilities in the United States, thus depriving customers of an alternative sterilization service and additional competition.

The Commission vote to issue the administrative complaint and to authorize staff to seek a temporary restraining order and preliminary injunction in federal district court was 5-0. The administrative trial is scheduled to begin on October 28, 2015.

NOTE: The Commission issues an administrative complaint when it has "reason to believe" that the law has been or is being violated, and it appears to the Commission that a proceeding is in the public interest. The issuance of the administrative complaint marks the beginning of a proceeding in which the allegations will be tried in a formal hearing before an administrative law judge.

The FTC's Bureau of Competition works with the Bureau of Economics to investigate alleged anticompetitive business practices and, when appropriate, recommends that the Commission take law enforcement action. To inform the Bureau about particular business practices, call 202-326-3300, send an e-mail to antitrust@ftc.gov, or write to the Office of Policy and Coordination, Bureau of Competition, Federal Trade Commission, 600 Pennsylvania Ave., NW, Room CC-5422, Washington, DC 20580. To learn more about the Bureau of Competition, read [Competition Counts](#). Like the FTC on [Facebook](#), follow us on [Twitter](#), and [subscribe to press releases](#) for the latest FTC news and

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