

MERGER ANTITRUST LAW

LAW 1469
Georgetown University Law Center
Fall 2024

Tuesdays and Thursdays, 3:30 pm – 5:30 pm
Dale Collins

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www.appliedantitrust.com

CLASS 14 WRITTEN ASSIGNMENT

Instructions

Submit by email by 3:30 pm on Thursday, October 10

Send to wdc30@georgetown.edu

Subject line: Merger Antitrust Law: Assignment for Class 14

Part A: Calls for calculations (preferably a spreadsheet)¹

Determine the combined market share, the premerger HHI, the delta, and the postmerger HHI given the following market shares and assess whether the merger triggers the *PNB* presumption under the 2023 Merger Guidelines:

1. Merger of firms 1 and 3

	<u>Market share</u>
Firm 1	60%
Firm 2	20%
Firm 3	20%

2. Merger of firms 2 and 3

	<u>Revenues (in millions)</u>
Firm 1	\$250
Firm 2	\$225
Firm 3	\$175
Firm 4	\$100
Firm 5	\$50

3. Merger of firms 4 and 5

	<u>Revenues (in millions)</u>
Firm 1	\$150
Firm 2	\$150
Firm 3	\$125
Firm 4	\$125
Firm 5	\$100
Firm 6	\$20
Firm 7	\$20

¹ You do not have to use a spreadsheet, but I encourage you to do so. I will make life much easier on the graded homework assignment and the final exam. What you want to develop is a template with which you are comfortable after ensuring that all of the cells do what you want them to do (so that you get the right answer).

4. Merger of firms 1 and 2, with a divestiture of 10 percentage points to firm 6

	<u>Market share</u>
Firm 1	25%
Firm 2	15%
Firm 3	15%
Firm 4	15%
Firm 5	15%
Firm 6	10%
Firm 7	5%

Part B: Calls for a memorandum to a partner (which may be sent to a client)

Dianne Lockhart, a partner in Able & Baker LLP, is working on a merger in an oligopolistically structured market. Ms. Lockhart understands that the federal antitrust enforcement agencies have a theory of anticompetitive harm called “coordinated effects” or “coordinated interaction” that they can apply in some circumstances to mergers in this type of market, but she is not familiar with the details. Ms. Lockhart would like you to prepare a brief memorandum, which she may send to the client, explaining the coordinated effects theory of anticompetitive harm under the 2010 Horizontal Merger Guidelines. She also would like you to address what factors the agencies consider in deciding whether a merger is anticompetitive under the coordinated effects theory.

If you have any questions, send me an email. See you in class.