

Merger Antitrust Reviews and Political Influence

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Research Question

All significant M&A transactions in the U.S. have to undergo anti-trust reviews by the Federal Trade Commission or Department of Justice.

Antitrust regulators are in turn accountable to the U.S. Congress.

Within Congress, two specific congressional committees have jurisdiction over antitrust regulators:

Senate *Committee On The Judiciary* & House of Representatives *Judiciary Committee*

Henceforth “*Judiciary Committees*”

RQ: Are M&A parties in the constituencies of politicians serving on judiciary committees more likely to receive favorable antitrust outcomes?

Empirical findings are consistent with political influence in antitrust reviews

When acquirers have judiciary committee representation

- Antitrust reviews result in fewer obstacles and reviews are completed more quickly.

When targets have judiciary committee representation

- Antitrust reviews result in more obstacles and reviews are completed more slowly.
- Results vary with the target's favorability towards the merger

Concentrated in anti-competitive mergers and hostile mergers.

- **Multiple channels of influence.**
 - Lobbying, contributions, and connections. *Not* concerns about voter job losses

How Do Politicians Influence Antitrust Reviews?

Congressional Control Theory

(Weingast and Moran, 1983; Weingast, 1984)

Three channels:

- Influence an agency's budget appropriations
(via budget recommendation to Appropriations Committees)
- Hold congressional hearings and influence agency focus
- Influence appointments of agency leadership

Empirical evidence supports the theory. Two early examples:

- Fewer IRS audits in states with House Oversight Committee representation (Hunter and Nelson, 1995).
- Congressional preferences affect FTC anti-collusion case selection decisions (Weingast and Moran, 1983)

Empirical Specification

Does judiciary committee representation affect merger antitrust regulatory outcomes?

Two LHS Proxies (For Antitrust Decision)

Outcome: Ordered indicator variable.

1 = Early termination; 2 = Unconditional acceptance; 3 = Conditional acceptance; 4 = Merger is blocked

Duration: Log (Number of days for antitrust decision)

$$\text{Outcome}_{i,t} = \alpha + \beta_1 * \text{Seniority}_{i,t} + \beta_X * \text{Controls}_{i,t} + \xi_{i,t} \quad (1)$$

$$\text{Duration}_{i,t} = \alpha + \beta_1 * \text{Seniority}_{i,t} + \beta_X * \text{Controls}_{i,t} + \xi_{i,t} \quad (2)$$

Controls: Deal Value; Acquirer Industry HHI; Pre-merger Market Share; Relative Size

Sample: 1,013 mergers between 1998 and 2010

RHS Variable: Judiciary Committee Membership

Focusing simply on judiciary committee membership is noisy.

A politician's "power" on a committee is the key factor affecting his/her influence (Levitt and Poterba, 1999; Cohen et al., 2010).

- Greatest ability to influence the actions and focus of regulatory bodies under the jurisdiction of the committee
- Determine the committee agenda and legislative focus

We use committee seniority to proxy for committee power.

Longer congressional tenure increases seniority → increases within-committee power.

Three Seniority Proxies:

1. Aggregate years of a firm's representation on judiciary committees
2. Total count of a firm's judiciary committee members
3. Indicator variable set to 1 when firms have representation in the top quartile of total seniority

Judiciary Committee Statistics

	House Committee	Senate Committee
Average size (in number of members)	39.85	18.80
Average # of states represented on committee	18.85	17.63
Average # of state representatives	2.03	1.07
Max # of state representatives	10	2
Average politician tenure on committee (in years)	5.05	13.22
Maximum politician seniority on committee (in years)	23.00	44.00

Judiciary Committee Statistics

Top quartile of judiciary committee seniority:

House: CA, MI (13 years); VA (12 years); NC (8 years); TX, WI (6 years); FL, IL, NY, MA (2 years);

Senate: MA (11 years); UT (10 years); VT (8 years); DE, PA, WI, IA (6 years); SC (5 years);

Bottom quartile of judiciary committee seniority:

House: AL, AZ (8 years); UT, GA (7 years); IO, SC (6 years); TN, AR, OH, NJ (5 years); IL (4 years); IN (3 years); WA, CO, MD, MS, LA, MN, PA (2 years); NY (1 year);

Senate: KS (6 years); IL (5 years); NY, NC, SC, TX, MD, OK, RI (4 years); NJ, MO, AL (3 years); NH, DE, MN, GA, KY, ID, OR, WA (2 years); MI, OH, TN, AZ (1 year);

Table 4: Results consistent with political influence in antitrust reviews

	(1)	(2)	(3)	(4)	(5)	(6)
	All	High Scrutiny	Low Scrutiny	All	High Scrutiny	Low Scrutiny
Dependent variable:	Outcome			Duration		
Constant	-	-	-	4.433*** (14.33)	4.382*** (12.01)	4.355*** (8.35)
JudiciaryCom_acq	-0.010** (-2.46)	-0.012*** (-2.70)	-0.004 (-1.31)	-0.011** (-2.36)	-0.019*** (-2.62)	-0.005 (-0.95)
JudiciaryCom_tar	0.008** (2.03)	0.007** (2.30)	0.002 (0.95)	0.006* (1.78)	0.011** (2.29)	0.005 (1.03)
Lobbying_DOJFTC_acq	-0.042*** (-2.70)	-0.059*** (-3.16)	-0.050 (-1.49)	-0.026 (-1.32)	-0.025 (-1.33)	-0.018 (-1.32)
Lobbying_DOJFTC_tar	0.107*** (2.72)	0.135*** (3.70)	0.105 (1.42)	0.072 (1.50)	0.078 (1.49)	0.063 (1.36)
Value	0.160* (1.85)	0.206** (2.22)	0.130* (1.72)	0.056** (2.42)	0.060*** (2.72)	0.030 (0.76)
IndustryHHI_acq	7.325*** (3.72)	11.756*** (2.69)	8.737*** (3.09)	1.066 (1.52)	1.222 (1.22)	1.516 (1.33)
Total_MktShare	0.160 (1.35)	0.234 (1.26)	0.107 (0.98)	0.125 (1.06)	0.175 (1.61)	0.062 (1.09)
Relative_Size	-0.006* (-1.88)	-0.011** (-2.00)	-0.001* (-1.77)	-0.010 (-1.22)	-0.009 (-1.38)	-0.011** (-2.53)
<i>Acquirer Industry, Target Industry, State, and Year Fixed Effects?</i>	Yes	Yes	Yes	Yes	Yes	Yes
Observations	1,013	725	288	1,006	720	286
Pseudo/ Adjusted R ²	0.230	0.243	0.394	0.202	0.219	0.231

Interpretation of Findings

Evidence for acquirers is consistent with political capture.

However, evidence for targets has two interpretations:

1. Targets use political influence to block the merger (political capture)
2. Politicians independently influence antitrust review b/c of concerns about target's local area employment losses (Loughran and Vihj; 1997; Schuler and Jackson, 2001; Chambers & Honeycutt, 2009)

To differentiate between these explanations, we partition mergers based on whether the merger is hostile or friendly.

Friendly mergers: targets want the transaction to be successful

Hostile mergers: targets want the transaction to be blocked

- Political capture story: Effect of political representation for targets should differ across friendly and hostile mergers.
- Employment loss concern story: Effect of political representation for targets should be identical across friendly and hostile mergers.

Table 5: Results are consistent with political capture

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	Hostile				Friendly			
Dependent variable:	High Scrutiny	Low Scrutiny	High Scrutiny	Low Scrutiny	High Scrutiny	Low Scrutiny	High Scrutiny	Low Scrutiny
	Outcome		Duration		Outcome		Duration	
Constant	-	-	3.882*** (3.50)	1.255 (0.89)	-	-	3.409*** (10.11)	4.027*** (4.21)
JudiciaryCom_acq	-0.025** (-2.52)	-0.010 (-1.33)	-0.020*** (-2.81)	-0.003 (-1.10)	-0.001 (-1.15)	-0.001 (-0.90)	-0.016* (-1.90)	-0.005 (-0.95)
JudiciaryCom_tar	0.017** (2.29)	0.003 (1.42)	0.044** (2.25)	0.013 (1.22)	-0.004** (-2.11)	-0.003 (-1.30)	-0.039* (-1.90)	-0.012 (-1.13)
Lobbying_DOJFTC_acq	-0.822*** (-2.78)	-0.122 (-1.60)	-0.122 (-1.15)	-0.235 (-1.18)	-0.072*** (-2.88)	-0.060* (-1.80)	-0.010 (-1.22)	-0.009 (-1.02)
Lobbying_DOJFTC_tar	0.136** (2.10)	0.089 (1.37)	0.117 (1.32)	0.109 (1.33)	-0.136** (-2.36)	-0.027* (-1.85)	0.040 (1.60)	0.012 (0.93)
Value	0.250** (2.17)	0.072 (1.55)	0.063* (1.88)	0.054 (0.32)	0.233** (2.11)	0.053 (1.61)	0.053** (1.99)	0.035 (0.60)
IndustryHHI_acq	22.785** (2.50)	31.903 (1.55)	1.625** (1.99)	1.211 (0.90)	16.275** (2.51)	9.782*** (2.68)	2.620 (0.90)	1.278 (1.28)
Total_MktShare	0.224* (1.80)	0.180 (1.60)	0.215 (1.55)	0.180 (1.09)	0.200* (1.70)	0.157 (1.32)	0.162 (1.52)	0.102 (0.92)
Relative_Size	-0.016** (-2.52)	-0.003 (-1.36)	-0.008** (-2.00)	-0.004 (-0.90)	-0.001 (-0.92)	-0.001 (-0.87)	-0.008 (-0.90)	-0.017* (-1.72)
<i>Acquirer Industry, Target Industry, State, and Year Fixed Effects?</i>	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Observations	164	69	159	69	561	219	560	216
Pseudo/ Adjusted R ²	0.252	0.632	0.148	0.123	0.280	0.501	0.222	0.135

Economic Significance

***** NEW TABLE 5 RESULTS COLUMNS 1 AND 3 (UNTABULATED) *****

Classifying mergers as high or low scrutiny using Hoberg and Phillips (2010, 2016) industry classifications substantially increases the economic effect.

High Scrutiny Hostile Mergers

Acquirers: A one st. dev. increase in judiciary committee seniority is associated with a **92% increase** in the probability of obtaining an early termination antitrust review outcome when the deal is hostile and high scrutiny and a **11-day decrease** in the duration of the deal review.

Targets: A one st. dev. increase in judiciary committee seniority is associated with a **66% decrease** in the probability of obtaining an early termination antitrust review outcome when the deal is hostile and high scrutiny and a **7-day increase** in the duration of the deal review.

Identification: Departures from committees

To address causality, we exploit judiciary committee member departure turnover cases.

- Only some committee departures likely satisfy exclusion restriction.
- Exits should NOT directly drive subsequent period antitrust outcomes for mergers in the departing politician's constituency.

Two plausibly exogenous exit cases: Committee transfers and deaths.

- Transfers are at start of each Congress *after* successful reelection campaign.
- Committee transfers occur for many reasons unrelated to merger outcomes (desire for power, public policy interests, opportunities for federal funding).
- Timing of transfer is based on many factors largely exogenous to a transferring politician's preferences (e.g., party rules, committee vacancies, overall demand for transfers to desired committee).

Identification: Departures from committees

25 plausibly exogenous politician turnover events during sample period (23 transfers, 2 deaths).

We then identify mergers in the congressional districts or states of departing members in the $t-2$ to $t+2$ window around the turnover event year (but excluding the turnover year) → **252 treatment mergers**

Control group: mergers in the same quartile of industry competition and merger value as treatment cases but for which the acquirer does not experience judiciary committee member turnover in the matched two-year window → **190 control mergers**

Table 6: Antitrust review outcomes are less favorable after committee member turnover

	(1)	(2)
	All Members Exit	
Dependent variable:	Outcome	Duration
Treatment	0.176 (1.41)	0.084 (1.28)
Post	0.329* (1.70)	0.016 (0.15)
Treatment * Post	0.308** (2.03)	0.124* (1.93)
JudiciaryCom_acq	-0.005** (-1.98)	-0.004 (-1.40)
JudiciaryCom_tar	0.008 (1.36)	0.003 (0.81)
Lobbying_DOJFTC_acq	-0.048** (-2.47)	-0.033*** (-3.24)
Lobbying_DOJFTC_tar	0.057 (1.55)	0.062 (1.05)
<i>Acquirer Industry, Target Industry, State, and Year Fixed Effects?</i>	Yes	Yes
Controls	Yes	Yes
Observations	442	439
Pseudo/Adjusted R ²	0.132	0.158

Table 6: Cross-sectional tests provide additional insights about when politician turnover matters

	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
	Senior Committee Member Exits		Junior Committee Member Exits		High Scrutiny		Low Scrutiny	
Dependent variable:	Outcome	Duration	Outcome	Duration	Outcome	Duration	Outcome	Duration
Treatment	0.321*	0.172	0.021	0.020	0.181*	0.155	0.147*	0.136
	(1.92)	(1.50)	(0.66)	(0.71)	(1.84)	(1.27)	(1.85)	(1.19)
Post	0.350***	0.038	0.040	0.005	0.373*	0.040	0.232	0.220
	(2.69)	(1.51)	(1.22)	(0.62)	(1.73)	(1.03)	(1.35)	(1.20)
Treatment * Post	0.372***	0.063**	0.035	0.011	0.514**	0.109**	0.223	0.060
	(2.82)	(2.33)	(0.80)	(1.32)	(2.40)	(2.06)	(1.02)	(1.11)
JudiciaryCom_acq	-0.005*	-0.004	-0.004	-0.004	-0.008	-0.005	-0.008	-0.005
	(-1.80)	(-1.35)	(-1.55)	(-1.29)	(-1.47)	(-1.50)	(-1.23)	(-0.85)
JudiciaryCom_tar	0.003	0.003	0.003	0.003	0.009*	0.003	0.006	0.003
	(0.70)	(0.79)	(0.67)	(0.82)	(1.70)	(0.90)	(0.67)	(0.50)
Lobbying_DOJFTC_acq	-0.039**	-0.023**	-0.045**	-0.018**	-0.040*	-0.035***	-0.108**	-0.032
	(-2.28)	(-2.09)	(-2.31)	(-2.02)	(-1.85)	(-3.10)	(-2.12)	(-1.47)
Lobbying_DOJFTC_tar	0.075	0.051	0.066	0.050	0.071	0.068	0.115*	0.055*
	(1.05)	(0.99)	(1.17)	(0.92)	(1.05)	(1.15)	(1.90)	(1.75)
<i>Acquirer Industry, Target Industry, State, and Year Fixed Effects?</i>	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Controls	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Observations	243	241	302	300	327	326	115	113
Pseudo/ Adjusted R ²	0.167	0.151	0.146	0.143	0.117	0.108	0.140	0.216

Counter-Factual Test

Is there a relation between antitrust outcomes and powerful politicians on ANY important congressional committee?

...or is the effect specifically driven by powerful politicians serving on judiciary committees?

We examine the effects for politicians serving on the most powerful congressional committees (Edwards and Stewart, 2006):

Senate: Finance, Veterans Affairs, Appropriations, Rules, Armed Services, Foreign Relations, Intelligence, **Judiciary**, Budget, and Commerce

House: Ways and Means, Appropriations, Energy and Commerce, Rules, International Relations, Armed Services, Intelligence, Homeland Security, and Transportation and Infrastructure

Table 7: Counter-Factual Tests

	(1)	(2)	(3)	(4)	(5)	(6)
	All	High Scrutiny	Low Scrutiny	All	High Scrutiny	Low Scrutiny
Dependent variable:	Outcome			Duration		
Constant	-	-	-	3.735*** (3.35)	3.003*** (3.89)	4.025*** (3.62)
OtherCom_acq	-0.003 (-1.03)	-0.003 (-1.09)	-0.001 (-0.88)	-0.003 (-0.82)	-0.004 (-0.91)	-0.001 (-0.55)
OtherCom_tar	-0.000 (0.30)	0.000 (0.53)	-0.001 (-0.55)	0.001 (0.89)	0.002 (0.85)	0.001 (0.75)
Lobbying_DOJFTC_acq	-0.161*** (-2.66)	-0.230*** (-3.12)	-0.122* (-1.77)	-0.028 (-1.23)	-0.025 (-0.88)	-0.020 (-1.02)
Lobbying_DOJFTC_tar	-0.030 (-1.34)	-0.077* (-1.88)	0.010 (1.30)	0.042 (1.11)	0.052 (1.25)	0.040 (1.05)
<i>Acquirer Industry, Target Industry, State, and Year Fixed Effects?</i>	Yes	Yes	Yes	Yes	Yes	Yes
<i>Controls</i>	Yes	Yes	Yes	Yes	Yes	Yes
Observations	1,013	725	288	1,006	720	286
Pseudo/ Adjusted R ²	0.230	0.250	0.521	0.157	0.162	0.130

Mechanisms To Explain Political Influence

How do firms influence judiciary committee representatives?

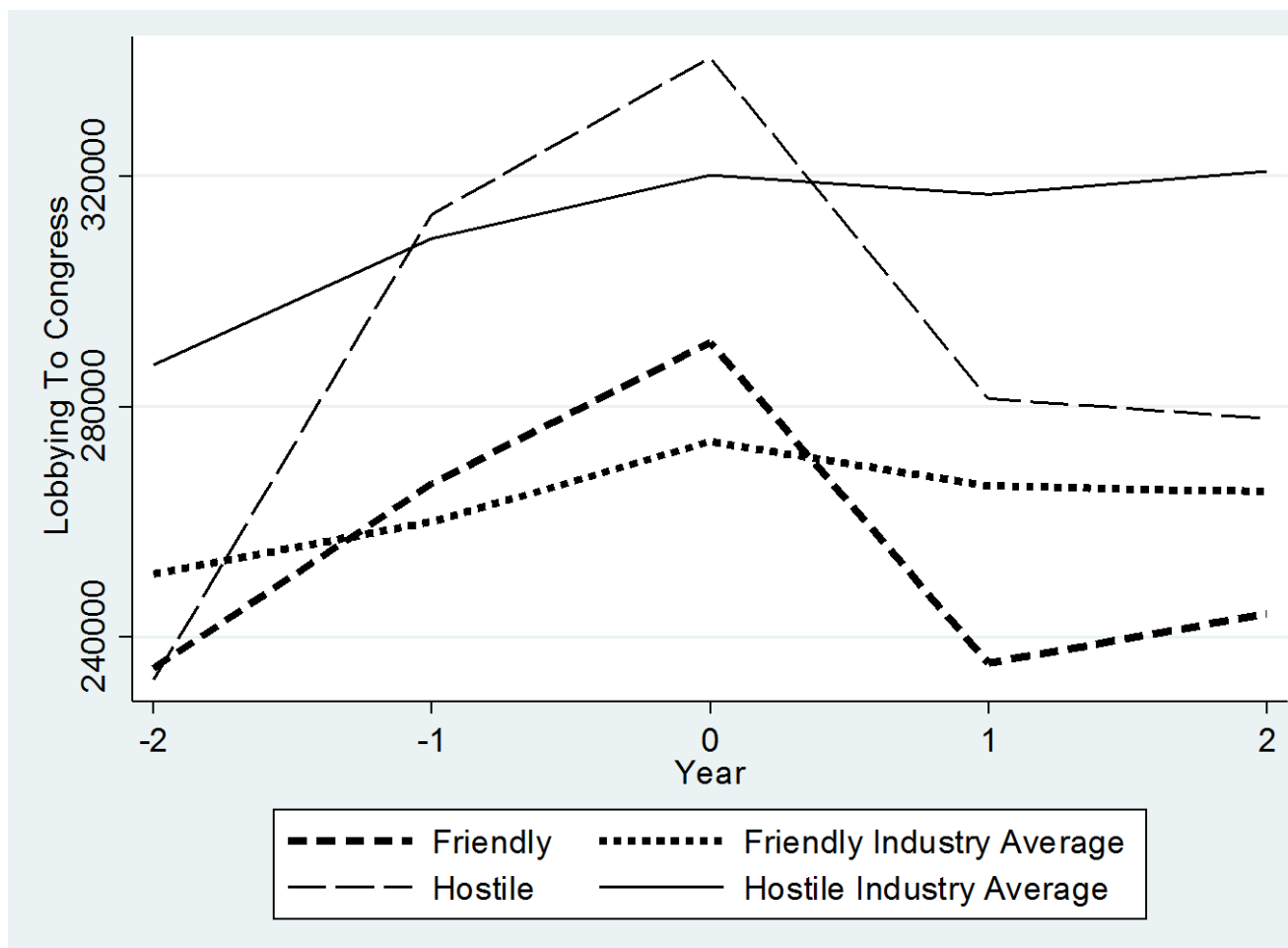
Results suggest all three channels are important:

Lobbying

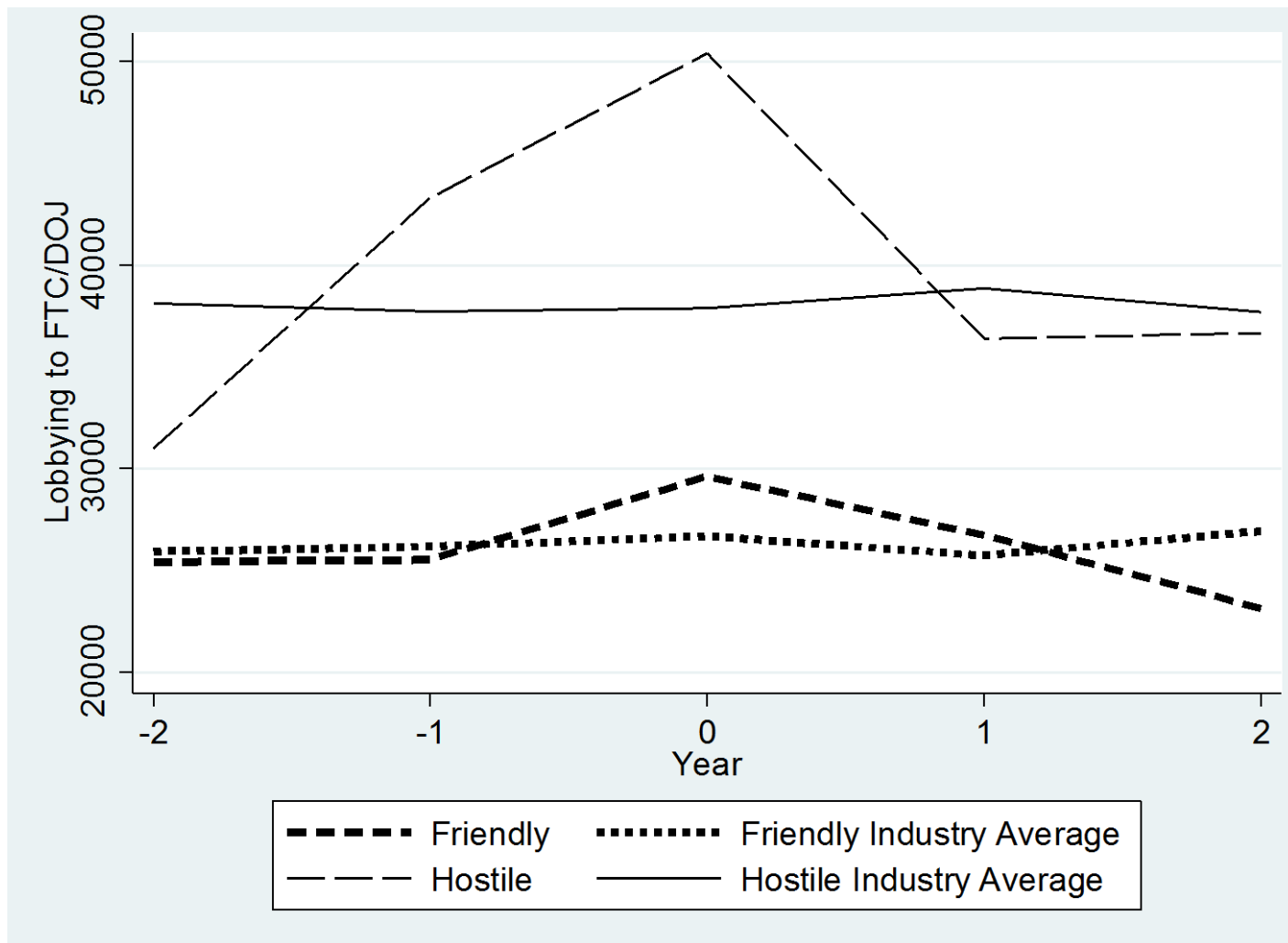
Political Contributions

Relationships

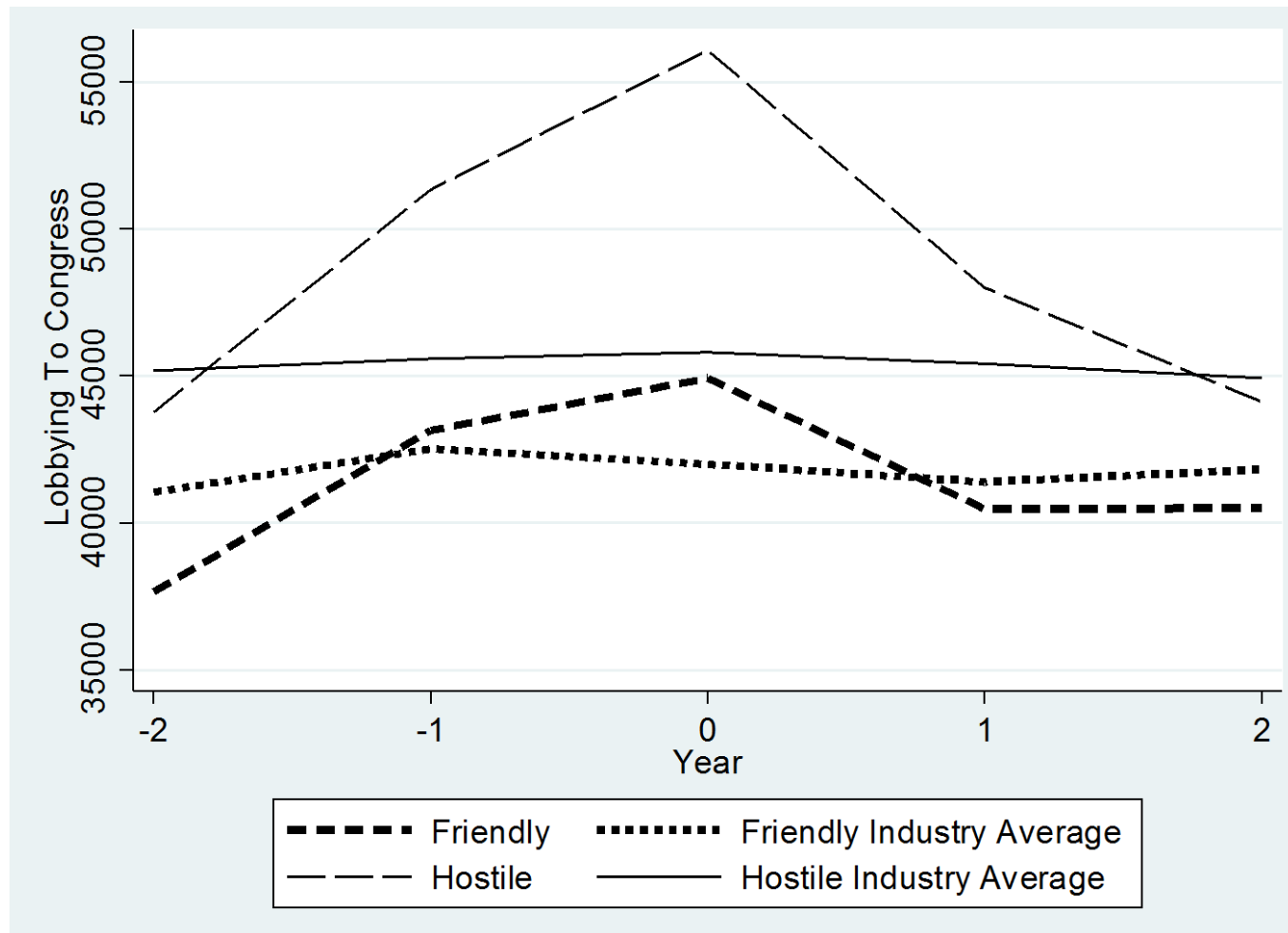
Acquirer Lobbying to Congress



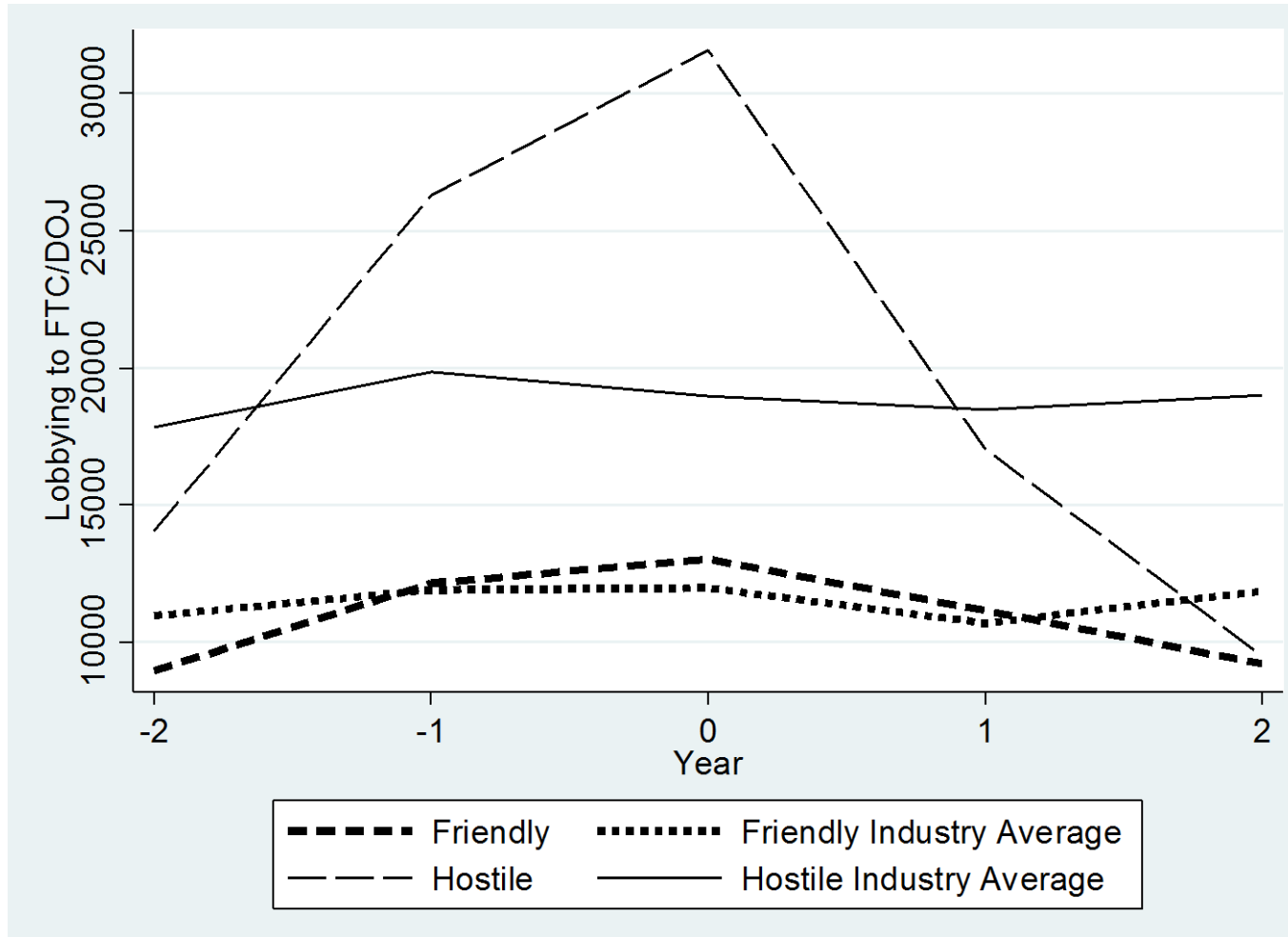
Acquirer Lobbying to FTC/DOJ



Target Lobbying to Congress



Target Lobbying to FTC/DOJ



Additional Analyses

1. Alternative measures of judiciary committee seniority

- Results robust to two alternative measures

2. Judiciary subcommittee vs. non-subcommittee representation

- Results statistically and economically stronger for subcommittee but also statistically significant for the non-subcommittee

3. Differences across House and Senate

- Results hold for both the House and Senate groups (no statistical difference across groups)

Conclusion

Key takeaway: Firms can influence merger antitrust review outcomes specifically through links to judiciary committee members.

Three main contributions

1. Impact of *specific* political representation for constituent firms.
2. The identification of a largely undocumented takeover defense mechanism that can be used by targets of hostile takeover attempts.
3. To large literature on M&A that focuses on causes and consequences of M&A transactions.
 - We provide evidence about the merger antitrust review process

THANK YOU

Merger Antitrust Regulatory Outcomes Examples

Unconditional Antitrust Review Clearance

- Vertex Pharmaceuticals (Nasdaq: VRTX) and Aurora Biosciences Corp (Nasdaq: ABSC)
- On April 29 2001, Vertex Pharmaceuticals announced its intention to acquire Aurora Biosciences Corp. Following a regulatory review, antitrust regulators approved the deal on July 6, 2001 as disclosed by the firms in an SEC filing. The filing states: “the United States Federal Trade Commission (FTC) has granted clearance under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 with respect to Vertex's planned acquisition of Aurora”.

Conditional Antitrust Review Clearance and Acquirer Acceptance

- Dow Chemical (NYSE: DOW) and Rohm & Haas (NYSE:ROH)
- On July 10 2008, Dow Chemical announced that it plans to acquire Rohm & Haas. On January 23, 2009 antitrust regulators announced the issuance of a consent order that permits the merger under the conditions that Dow Chemical 1) divests specific assets to preserve competition; and 2) “puts procedures in place to ensure it does not have access to competitively sensitive non-public information regarding any businesses it acquires from Rohm & Haas”. Dow Chemical consented and subsequently undertakes the required actions in order to complete the merger.

Antitrust Review and Merger Termination

- Zebra Technologies Corporation (Nasdaq: ZBRA) and Fargo Electronics, Inc. (Nasdaq:FRGO)
- On July 31 2001, Zebra Technologies Corporation announced an intention to acquire Fargo Electronics, Inc. Approximately eight months later, on March 27 2002, the two companies agree to mutually terminate the proposed merger after “discussions with representatives of the FTC” indicated that “the FTC would not clear the transaction as currently proposed”.

Committee Turnover and Assignment

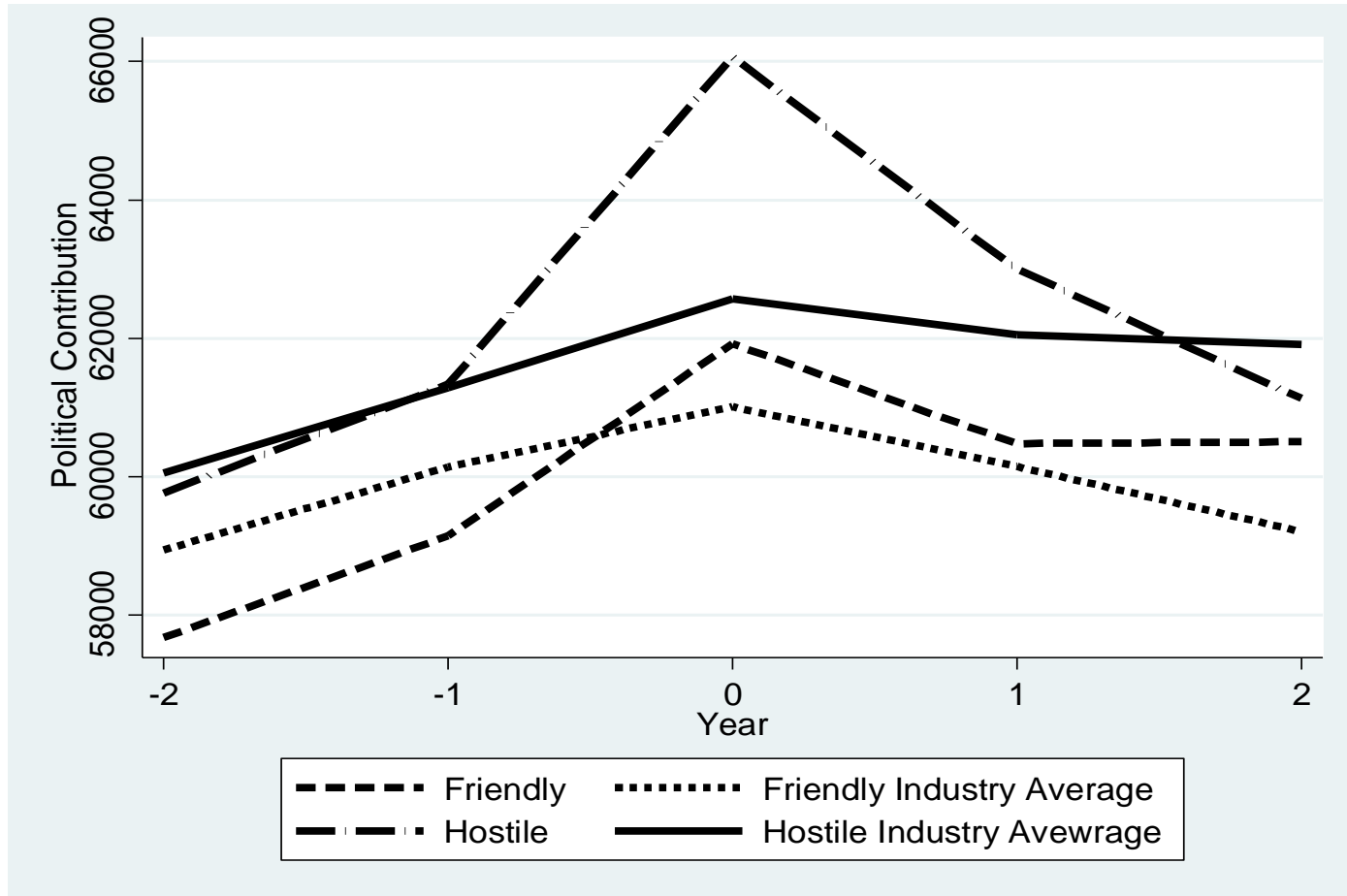
Reasons for turnover:

- desire for increased power or prestige
- interest in helping shape public policy in areas outside of the jurisdiction of the judiciary committee
- opportunity to more easily obtain federal funding or develop economic interests relevant to a subset of the constituency

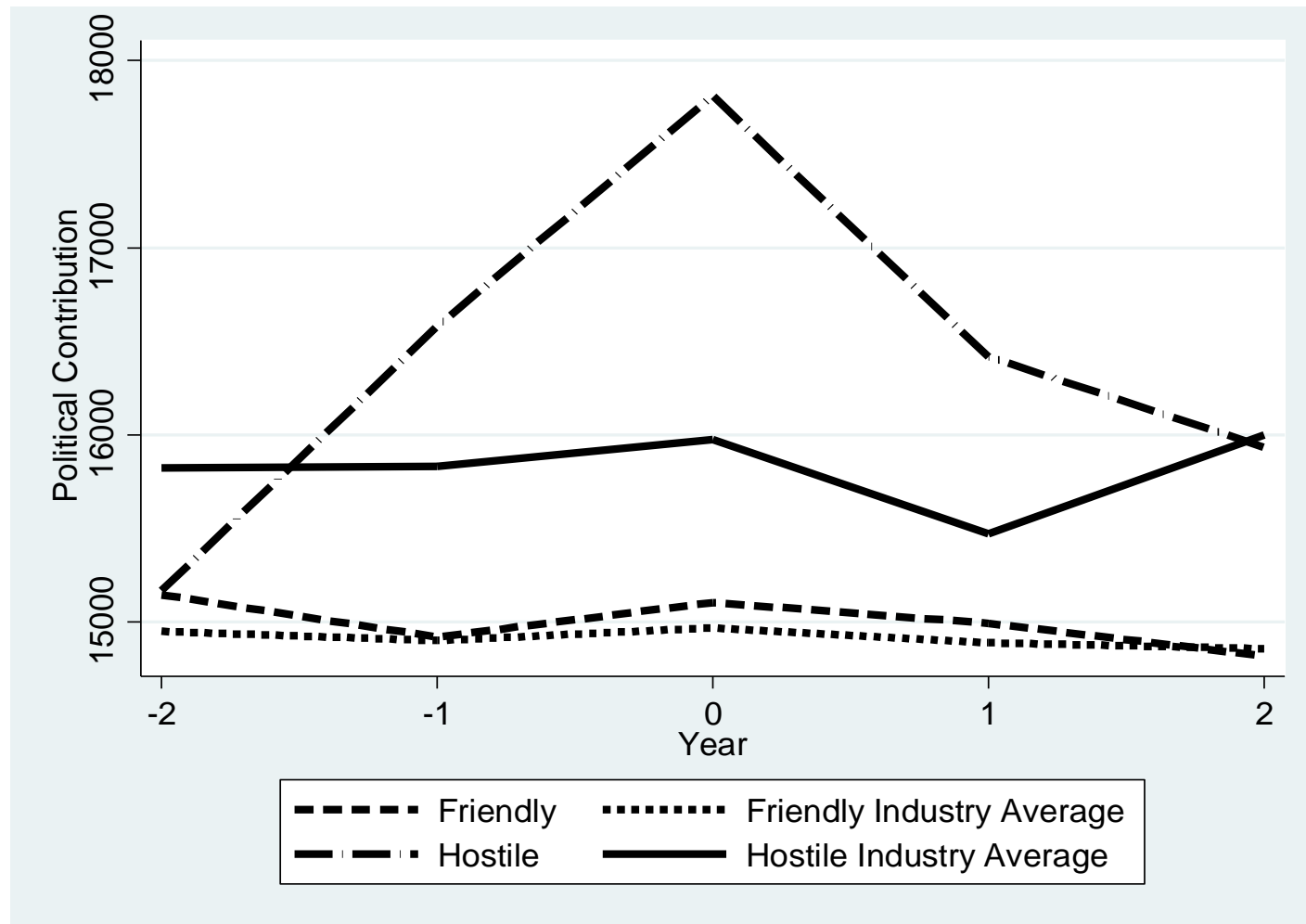
Committee assignment:

- the number of vacancies on a given committee
- the political needs of each party assigning members to committees
- the number of members competing for a committee assignment
- views on specific issues
- Seniority
- party loyalty
- rules on the number and types of assignments that each member may hold

Acquirer's Political Contributions to Committee



Target's Political Contributions to Committee



Prior Research on M&A

Most research on M&A activity has focused on the causes and consequences.

- Do acquisitions add value? (Asquith & Kim, 1982; Asquith, 1983; Malatesta, 1983; Agrawal, Jaffe, & Mandelker, 1992)

Other work focuses on the determinants of M&A activity:

- Value creation (Eckbo, 1983; Stillman, 1983; Prager, 1992)
- Efficiency: (Banerjee and Eckard, 1998; Berger & Ofek, 1995; Jensen & Ruback, 1983; Kaplan & Weisbach, 1992)
- Market discipline: (Jensen, 1986; Jensen & Ruback, 1983; Rhodes-Kropf and Robinson, 2008; Wang and Zajac, 2007)

Very little empirical evidence in financial economics about the navigation of the antitrust process.

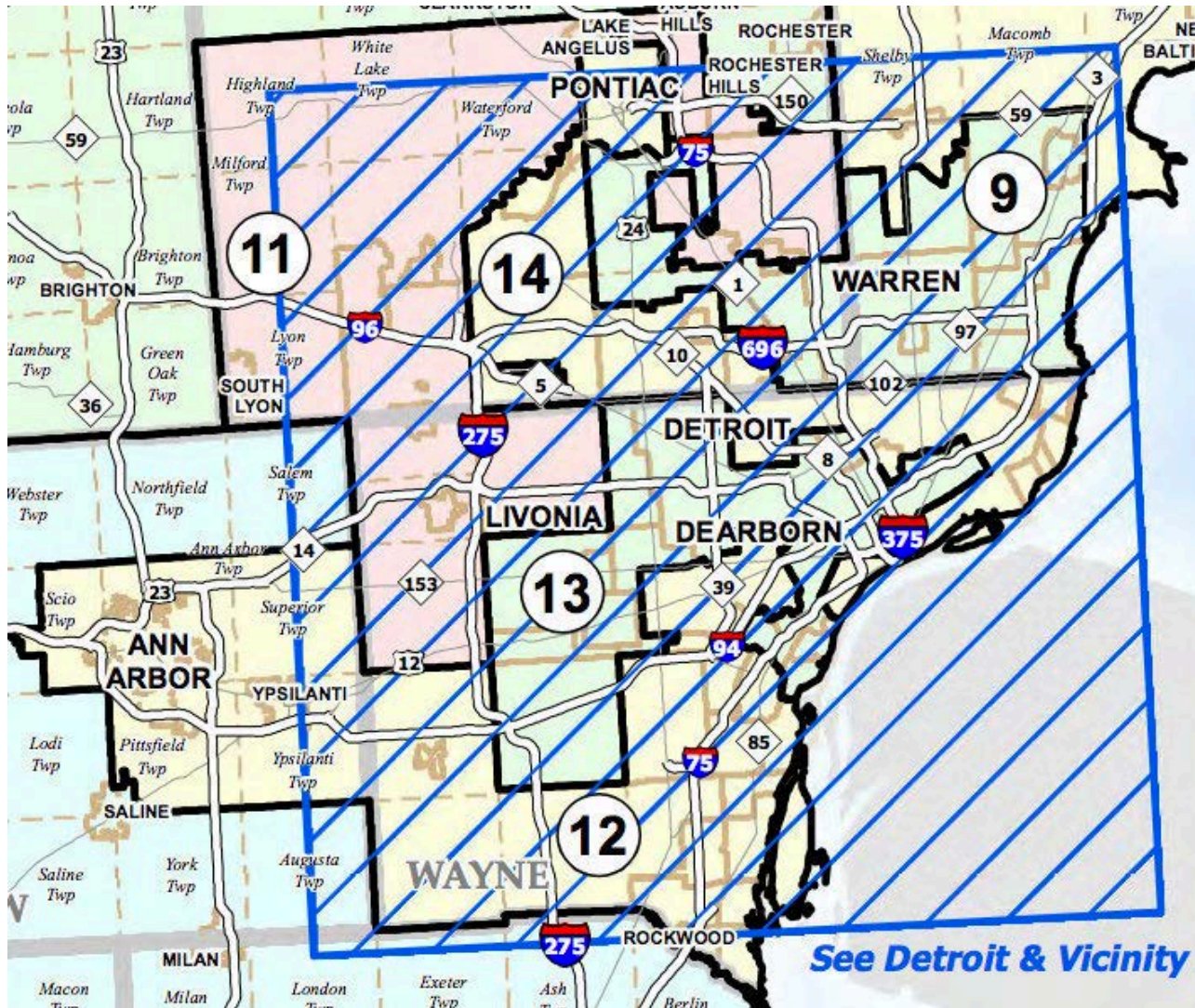
T2 Panel B: M&A Sample By Top 10 Acquirer and Target 3-digit SIC Industry Membership (n = 1,013)

Acquirer		Target	
Top 10 Industries	Number of Firms	Top 10 Industries	Number of Firms
<i>Commercial Banks</i>	166	<i>Computer and Data Processing Services</i>	161
<i>Computer and Data Processing Services</i>	115	<i>Commercial Banks</i>	130
<i>Drugs</i>	67	<i>Drugs</i>	58
<i>Electronic Components and Accessories</i>	66	<i>Electronic Components and Accessories</i>	55
<i>Computer and Office Equipment</i>	55	<i>Crude Petroleum and Natural Gas</i>	49
<i>Fire, Marine, and Casualty Insurance</i>	45	<i>Savings Institution</i>	49
<i>Medical Instruments and Supplies</i>	36	<i>Computer and Office Equipment</i>	41
<i>Crude Petroleum and Natural Gas</i>	34	<i>Medical Instruments and Supplies</i>	39
<i>Miscellaneous Investing</i>	30	<i>Miscellaneous Investing</i>	32
<i>Telephone Communications</i>	29	<i>Telephone Communications</i>	25

T2 Panel C: M&A Sample by Top 10 Acquirer and Target State Headquarters Location (n = 1,013)

Acquirer		Target	
Top 10 States	Number of Firms	Top 10 States	Number of Firms
<i>California</i>	204	<i>California</i>	250
<i>New York</i>	129	<i>Texas</i>	98
<i>Texas</i>	95	<i>New York</i>	81
<i>Massachusetts</i>	60	<i>Pennsylvania</i>	54
<i>Illinois</i>	58	<i>Massachusetts</i>	52
<i>Pennsylvania</i>	50	<i>Florida</i>	41
<i>New Jersey</i>	46	<i>New Jersey</i>	39
<i>North Carolina</i>	37	<i>Virginia</i>	37
<i>Ohio</i>	37	<i>Georgia</i>	37
<i>Minnesota</i>	32	<i>Illinois</i>	36

Congressional District Boundaries



See Detroit & Vicinity

CAR Returns around Merger Announcements

A one standard deviation increase in committee seniority is associated with roughly a one quartile increase in the CAR. A quartile change is about 2%.

	(1)	(2)	(3)	(4)	(5)	(6)
	CAR51	CAR31	CAR21	CAR51	CAR31	CAR21
	High Scrutiny			Low Scrutiny		
Dependent variable:	Friendly					
Constant	-0.108*** (-2.74)	-0.124*** (-3.70)	-0.103*** (-3.22)	0.186 (0.88)	0.117 (0.63)	0.110 (0.63)
JudiciaryCom_acq	-0.000 (-0.37)	-0.000 (-0.53)	-0.000 (-0.27)	0.001 (0.94)	0.000 (0.42)	0.000 (0.62)
JudiciaryCom_tar	0.000 (1.40)	0.000 (0.90)	0.000 (0.99)	-0.000 (-0.29)	-0.000 (-0.13)	-0.000 (-0.23)
Lobbying_DOJFTC_acq	0.000 (0.39)	0.000 (0.65)	0.000 (0.25)	0.002 (0.93)	0.001 (0.40)	0.001 (0.24)
Lobbying_DOJFTC_tar	-0.002 (-0.74)	-0.000 (-0.28)	-0.000 (-0.30)	-0.003 (-0.90)	-0.000 (-0.82)	-0.001 (-0.72)
Value	-0.001 (-0.30)	0.000 (0.16)	-0.000 (-0.09)	0.014 (1.49)	0.009 (1.18)	0.012 (1.59)
IndustryHHI_acq	0.350*** (3.09)	0.221** (2.31)	0.214*** (2.63)	-1.269 (-1.12)	-0.922 (-0.92)	-0.830 (-0.90)
Total_MktShare	-0.031 (-0.97)	-0.030 (-1.10)	-0.018 (-0.68)	0.117 (0.83)	0.087 (0.69)	0.051 (0.45)
Relative_Size	0.000 (0.05)	0.000 (0.60)	0.000 (0.68)	-0.000 (-0.39)	-0.000 (-0.10)	0.000 (0.34)
<i>Acquirer Industry, Target Industry, State, and Year Fixed Effects?</i>	<i>Yes</i>	<i>Yes</i>	<i>Yes</i>	<i>Yes</i>	<i>Yes</i>	<i>Yes</i>
Observations	561	561	561	219	219	219
Pseudo/Adjusted R ²	0.032	0.015	0.038	0.340	0.381	0.391

CAR Returns around Merger Announcements

A one standard deviation increase in committee seniority is associated with roughly a one quartile increase in the CAR. A quartile change is about 2%.

	-7	-8	-9	-10	-11	-12
	CAR51	CAR31	CAR21	CAR51	CAR31	CAR21
	High Scrutiny			Low Scrutiny		
Dependent variable:	Hostile					
Constant	-0.067 (-1.61)	-0.057 (-1.35)	-0.044 (-1.29)	0.412 -1.02	0.082 -0.33	0.013 -0.05
JudiciaryCom_acq	0.001*	0.001**	0.001**	0	0	0
JudiciaryCom_tar	-1.95 -0.001 (-1.61)	-2.17 -0.001** (-1.98)	-2.23 -0.001** (-2.01)	(-0.25) 0 (-0.86)	(-0.05) 0 (-0.70)	-0.04 -0.001 (-0.14)
Lobbying_DOJFTC_acq	0.005 -1.65	0.002 -1.25	0.001 -0.38	0.005 -0.19	0.001 -0.06	0.002 -0.23
Lobbying_DOJFTC_tar	0.003 -0.83 0	0.003 -1.28 -0.003 (-0.44)	0.003* -1.74 -0.005 (-1.15)	0.002 -1.52 0.016 -0.32	0.002 -1.39 0.003 -0.09	0.002 -1.36 -0.019 (-0.54)
IndustryHHI_acq	0.038 -0.18	0.143 -0.57	0.121 -0.53	-0.428 (-0.68)	-0.372 (-0.97)	-0.554 (-1.33)
Total_MktShare	0.031 -0.63	0.015 -0.35	0.01 -0.25	1.021 -0.35	0.89 -0.48	0.893 -0.39
Relative_Size	0 -0.23	0 (-0.22)	0 (-0.07)	0.002 -0.93	0.001 -0.67	0 (-0.06)
<i>Acquirer Industry, Target Industry,</i>	<i>Yes</i>	<i>Yes</i>	<i>Yes</i>	<i>Yes</i>	<i>Yes</i>	<i>Yes</i>
<i>State, and Year Fixed Effects?</i>						
Observations	164	164	164	69	69	69
Pseudo/Adjusted R ²	0.015	0.057	0.062	0.295	0.329	0.589

Comcast / TimeWarner Proposed Merger

SJ | <https://www.toomey.senate.gov/?p=news&id=1453>



Se

PAT TOOMEY
U.S. SENATOR FOR PENNSYLVANIA

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Senators Ask FCC for Timely Consideration of Comcast Merger

December 11, 2014

WASHINGTON, D.C. - U.S. Senators Bob Casey (D-Pa.) and Pat Toomey (R-Pa.) sent a letter to the Chairman of the Federal Communications Commission asking for timely consideration of the proposed merger between Comcast Corporation and Time Warner Cable.

The text of the letter is below:



NEWSLETT

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Comcast/TimeWarner Proposed Merger

Excerpt from Letter

“ We believe the merger between Comcast and Time Warner will produce extensive benefits to the public in terms of jobs and services for low-income households. Also, ***Comcast has informed us*** that the merger will provide improved Internet access with no corresponding decrease in competition. The public should not have to wait for these benefits. Accordingly, we urge you to approve the merger as soon as possible.”

Merger Antitrust Review Thresholds

The criterion are set by the FTC and updated annually.

In 2016, the threshold for an antitrust review is:

- 1) If an acquirer obtains greater than \$78.2 million in securities and/or assets of a target,

And one of the merger parties has sales or assets greater than \$156.3 million

And the other merger party has sales or assets greater than \$15.6 million;

OR

- 2) If an acquirer obtains greater than \$312.6 million in securities and/or assets of a target

Senate Judiciary Committee Senior Members

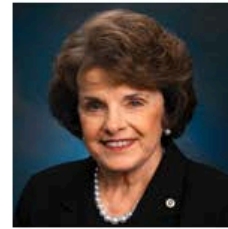
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Committee Members



Chairman

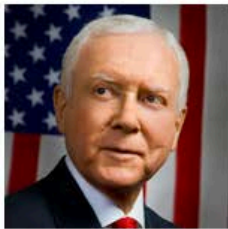
Senator Chuck Grassley (R - IA)
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Ranking Member

Senator Dianne Feinstein (D - CA)
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Majority



Senator Orrin G. Hatch (R - UT)
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Senator Lindsey Graham (R - SC)
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Minority



Senator Patrick Leahy (D - VT)
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Senator Dick Durbin (D - IL)
[Biography »](#)

Senate Judiciary Committee Chairman

Joseph R. Biden, Jr.	Democratic	Delaware	1987–1995
Orrin Hatch	Republican	Utah	1995–2001
Patrick Leahy ^[3]	Democratic	Vermont	2001
Orrin Hatch	Republican	Utah	2001
Patrick Leahy ^[4]	Democratic	Vermont	2001–2003
Orrin Hatch	Republican	Utah	2003–2005
Arlen Specter	Republican	Pennsylvania	2005–2007
Patrick Leahy	Democratic	Vermont	2007–2015
Chuck Grassley	Republican	Iowa	2015–present