

ANTITRUST ALERT

HART-SCOTT-RODINO MINIMUM FILING THRESHOLD INCREASED TO \$53.1 MILLION



In a major Hart-Scott-Rodino (HSR) development, the Federal Trade Commission today announced a 6.2 percent increase in dollar amount thresholds applicable to transaction value, size-of-persons, certain exemptions and filing fees. This change was mandated by the 2000 amendments to the Hart-Scott-Rodino Antitrust Improvements Act of 1976, and reflects the most recent year-over-year percentage change in U.S. gross national product. This is the first year that GNP indexing has been required. Similar indexing will now take place on a yearly basis.

The most significant change to the rules is the increase in the minimum transaction size threshold from \$50 million to \$53.1 million. As a result, the HSR Act now requires all parties to a transaction to submit filings and observe a waiting period prior to closing (unless the transaction is otherwise exempted) if the acquiring person will hold more than \$53.1 million in assets or voting securities of the acquired person as a result of the transaction. Existing rules regarding aggregation of previous acquisitions and calculation of value of assets and voting securities to be acquired have been left unchanged.

With respect to filing fees, while applicable thresholds have been increased, the actual fees have not. Thus, the new fee schedule is as follows:

<u>Value of Assets and Voting Securities to be Held</u>	<u>Fee Amount</u>
>\$53.1 million, but < \$106.2 million	\$ 45,000
\$106.2 million, but < \$530.7 million	\$125,000
\$530.7 million or more	\$280,000

Most other dollar value thresholds in the HSR Act and regulations have likewise been increased by 6.2 percent.*

* Notably, the FTC chose not to increase the existing exemptions for acquisitions of reserves of coal (\$200 million), and oil, natural gas, shale or tar sands (\$500 million).

A chart detailing the increases is included in the Federal Register Notice, which can be found at <http://www.ftc.gov/os/2005/01/050125revised7aclaytonactfrn.pdf>.

Effective Date. The changes will be effective 30 days after the day of actual publication in the Federal Register, which we anticipate will take place later this week.

CONTACT INFORMATION

If you have any questions about these amendments, or about Hart-Scott-Rodino and merger antitrust issues generally, please contact any of the Akin Gump attorneys listed below.

Paul B. Hewitt202.887.4120.....phewitt@akingump.com..... Washington
 Charles E. Biggio212.872.1010.....cbiggio@akingump.com..... New York
 Anthony W. Swisher202.887.4263.....aswisher@akingump.com..... Washington

Austin Brussels Dallas Houston London Los Angeles Moscow New York
 Philadelphia Riverside Riyadh (Affiliate) San Antonio San Francisco Washington, D.C.