



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

May 2, 2017

H.R. 659 **Standard Merger and Acquisition Reviews** **Through Equal Rules Act of 2017**

As ordered reported by the House Committee on the Judiciary on April 5, 2017

H.R. 659 would amend federal laws governing mergers and acquisitions to align procedures followed by the Federal Trade Commission (FTC) with those followed by the Department of Justice (DOJ). Under current law, both the FTC and DOJ enforce federal antitrust laws, though in some instances, the manner in which the two agencies exercise that authority is different. H.R. 659 would amend the Clayton Act and the Federal Trade Commission Act to align certain procedures followed by the FTC when it reviews and litigates a proposed merger or acquisition with procedures followed by DOJ. Among other changes, the bill would require the FTC to resolve certain contested mergers or acquisitions through a federal court instead of an administrative proceeding. The bill also would harmonize the standard that the FTC must meet before a federal court can issue a preliminary injunction against a proposed transaction with the standard that DOJ is required to use.

Based on an analysis of information from the FTC on the agency's current procedures for handling contested mergers and acquisitions, CBO estimates that the increased workloads of the FTC and the federal courts under the bill would cost less than \$500,000 over the 2018-2022 period because only a small number of cases are not settled or are abandoned and because the FTC already follows procedures similar to those required in H.R. 659; such spending would be subject to the availability of appropriated funds.

Enacting H.R. 659 would not affect direct spending or revenues; therefore, pay-as-you-go procedures do not apply. CBO estimates that enacting H.R. 659 would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2028.

H.R. 659 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would not affect the budgets of state, local, or tribal governments.

The CBO staff contact for this estimate is Stephen Rabent. The estimate was approved by H. Samuel Papenfuss, Deputy Assistant Director for Budget Analysis.