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May 16, 2001



Secretary
Federal Trade Commission
600 Pennsylvania Avenue, N.W.
Washington, DC 20580

Director of Operations & Merger Enforcement
Antitrust Division
Department of Justice
601 D Street, N.W., Room 10103
Washington, DC 20530

Re: Revised Hart-Scott-Rodino Premerger Notification &
Report Form Effective July 1, 2001

Pursuant to the Interim Rule with request for comment published in 66 *Federal Register* 23561 (May 9, 2001), I write to comment on certain changes that have not been made in the scope of and instructions regarding Item 8 of the HSR Form. I have participated in the HSR notification process regularly since 1978 by helping both acquiring and acquired persons complete their Forms, answer informal questions from the agencies' reviewers, and respond to Requests For Additional Information. I write based on my experience over 22 years in collecting the information for the response to Item 9, now Item 8, of the Form.

The requirement in Item 8 that the acquiring party report prior acquisitions involving the same SIC code, soon to be the same NAICS code, as the reported transaction has long presented particular difficulties as to prior small acquisitions. I applaud the reduction in burden resulting from the July 1 removal of the former Items 8(e) and 8(f) and the rephrasing of the test for assets acquisitions. However, the continuance of the \$10 million threshold for reporting prior voting-securities acquisitions as adopted in 1978 necessarily burdens filing parties. In the current economy, an acquisition of the stock of a company with only \$10 million in annual sales represents a quite small acquisition. Of course with the HSR threshold at \$15 million, HSR practitioners could understand and explain to clients why the agencies would wish to use a size screen just

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smaller. Since February 1, 2001, however, with the increased size-of-transaction threshold and the elimination of the 15% reporting threshold, Item 8 no longer needs to reach down to such small earlier acquisitions.

Consistent with the Congressional intent in the 2000 size-of-transaction changes, I suggest that the minimum size for reporting prior acquisitions of voting securities under Item 8 of the Form should be raised by an equivalent proportion from \$10 million to \$30 million or \$35 million effective July 1, 2001 coincident with the introduction of the new NAICS regime.

Submitted by,



Thomas C. Hill

TCH/mdm