

AMENDMENTS TO HART-SCOTT-RODINO ACT NOTIFICATION REQUIREMENTS

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On December 21, 2000, President Clinton signed the final appropriations bill of the year, which includes significant amendments to the Hart-Scott-Rodino Antitrust Improvements Act of 1976 (the "HSR Act"). The changes will become effective on February 1, 2001, and it is expected that the Federal Trade Commission will soon issue certain additional rule changes regarding foreign acquisitions and other issues not covered directly by the amendments.

The most significant amendments to the HSR Act are:

1. the threshold for HSR notification will be raised from \$15 million to \$50 million regardless of the percentage of voting securities or assets being acquired (i.e., the 15% size of transaction threshold will be eliminated);
2. the size of the person requirement (i.e., the requirement that one side of the transaction has sales or assets in excess of \$10 million and the other side has sales or assets in excess of \$100 million) will be eliminated for transactions valued at \$200 million or more. As a result, transactions that were not previously reportable under the HSR Act because, by way of example, one side of the transaction was a newly formed entity and did not have sales or assets (excluding the cash held to finance the transaction) in excess of \$10 million will no longer apply and HSR notification will now be required in those cases;
3. the \$45,000 filing fee will remain for transactions valued at less than \$100 million; for deals valued at \$100 million or more but less than \$500 million, the filing fee will increase to \$125,000; for transactions valued at \$500 million or more, the filing fee will increase to \$280,000;
4. the length of the waiting period following substantial compliance with a Request for Additional Information (a "Second Request") will be 30 days instead of the present 20 days (the 10 day period for cash tenders and bankruptcy transactions is not changed) and the end of any time period that would be a Saturday, Sunday or legal public holiday will be the next regular business day; and

5. the FTC and Antitrust Division of the Department of Justice are required to adopt official review procedures to expedite the resolution of disputes regarding Second Requests when the filing parties believe that the requested information is unduly burdensome and not reasonably necessary for the federal antitrust enforcement agencies to decide whether to challenge a transaction.

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It is expected that additional changes will be made to the implementing rules under the HSR Act and we will provide you with those changes as soon as they are announced. If you have any questions, please contact Joseph Tringali (212-455-3840; j_tringali@stblaw.com) or Jack D'Angelo (212-455-2722; j_dangelo1@stblaw.com) of the Antitrust Practice Group.

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