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FEDERAL TRADE COMMISSION

[File No. 191 0158]

Eldorado Resorts and Caesars Entertainment; Analysis of Agreement Containing Consent Orders to Aid Public Comment

AGENCY: Federal Trade Commission.

ACTION: Proposed Consent Agreement; Request for Comment.

SUMMARY: The consent agreement in this matter settles alleged violations of federal law prohibiting unfair methods of competition. The attached Analysis to Aid Public Comment describes both the allegations in the complaint and the terms of the consent order—embodied in the consent agreement—that would settle these allegations.

DATES: Comments must be received on or before **[INSERT DATE 30 DAYS AFTER PUBLICATION IN THE *FEDERAL REGISTER*]**.

ADDRESSES: Interested parties may file comments online or on paper, by following the instructions in the Request for Comment part of the **SUPPLEMENTARY INFORMATION** section below. Please write: "Eldorado and Caesars; File No. 191 0158" on your comment, and file your comment online at *https://www.regulations.gov* by following the instructions on the web-based form. If you prefer to file your comment on paper, please mail your comment to the following address: Federal Trade Commission, Office of the Secretary, 600 Pennsylvania Avenue NW, Suite CC-5610 (Annex D), Washington, DC 20580; or deliver your comment to the following address: Federal Trade Commission, Office of the Secretary, Constitution Center, 400 7th Street SW, 5th Floor, Suite 5610 (Annex D), Washington, DC 20024.

FOR FURTHER INFORMATION CONTACT: Joshua Smith (202-326-3018), Bureau of Competition, Federal Trade Commission, 600 Pennsylvania Avenue NW, Washington, DC 20580.

SUPPLEMENTARY INFORMATION: Pursuant to Section 6(f) of the Federal Trade Commission Act, 15 U.S.C. 46(f), and FTC Rule 2.34, 16 CFR 2.34, notice is hereby given that the above-captioned consent agreement containing a consent order to cease and desist, having been filed with and accepted, subject to final approval, by the Commission, has been placed on the public record for a period of thirty (30) days. The following Analysis of Agreement Containing Consent Orders to Aid Public Comment describes the terms of the consent agreement and the allegations in the complaint. An electronic copy of the full text of the consent agreement package can be obtained from the FTC Website (for June 26, 2020), at this web address: https://www.ftc.gov/news-events/commission-actions.

You can file a comment online or on paper. For the Commission to consider your comment, we must receive it on or before **[INSERT DATE 30 DAYS AFTER PUBLICATION IN THE *FEDERAL REGISTER*]**. Write "Eldorado and Caesars; File No. 191 0158" on your comment. Your comment—including your name and your state—will be placed on the public record of this proceeding, including, to the extent practicable, on the *https://www.regulations.gov* website.

Due to the public health emergency in response to the COVID-19 outbreak and the agency's heightened security screening, postal mail addressed to the Commission will be subject to delay. We strongly encourage you to submit your comments online through the *https://www.regulations.gov* website.

If you prefer to file your comment on paper, write "Eldorado and Caesars; File No. 191 0158" on your comment and on the envelope, and mail your comment to the following address: Federal Trade Commission, Office of the Secretary, 600 Pennsylvania Avenue NW, Suite CC-5610 (Annex D), Washington, DC 20580; or deliver your comment to the following address: Federal Trade Commission, Office of the Secretary, Constitution Center, 400 7th Street SW, 5th Floor, Suite 5610 (Annex D), Washington, DC 20024. If possible, submit your paper comment to the Commission by courier or overnight service.

Because your comment will be placed on the publicly accessible website at *https://www.regulations.gov*, you are solely responsible for making sure that your comment does not include any sensitive or confidential information. In particular, your comment should not include any sensitive personal information, such as your or anyone else's Social Security number; date of birth; driver's license number or other state identification number, or foreign country equivalent; passport number; financial account number; or credit or debit card number. You are also solely responsible for making sure your comment does not include any sensitive health information, such as medical records or other individually identifiable health information. In addition, your comment should not include any "trade secret or any commercial or financial information which . . . is privileged or confidential" – as provided by Section 6(f) of the FTC Act, 15 U.S.C. 46(f), and FTC Rule 4.10(a)(2), 16 CFR 4.10(a)(2) – including in particular competitively sensitive information such as costs, sales statistics, inventories, formulas, patterns, devices, manufacturing processes, or customer names.

Comments containing material for which confidential treatment is requested must be filed in paper form, must be clearly labeled "Confidential," and must comply with FTC Rule 4.9(c). In particular, the written request for confidential treatment that accompanies the comment must include the factual and legal basis for the request, and must identify the specific portions of the comment to be withheld from the public record. *See* FTC Rule 4.9(c). Your comment will be kept confidential only if the General Counsel grants your request in accordance with the law and the public interest. Once your comment has been posted on the public FTC Website – as legally required by FTC Rule 4.9(b) – we cannot redact or remove your comment from the FTC Website, unless you submit a confidentiality request that meets the requirements for such treatment under FTC Rule 4.9(c), and the General Counsel grants that request.

Visit the FTC Website at http://www.ftc.gov to read this Notice and the news release describing this matter. The FTC Act and other laws that the Commission administers permit the collection of public comments to consider and use in this proceeding, as appropriate. The Commission will consider all timely and responsive public comments that it receives on or before **[INSERT DATE 30 DAYS AFTER PUBLICATION IN THE *FEDERAL REGISTER*]**. For information on the Commission's privacy policy, including routine uses permitted by the Privacy Act, see https://www.ftc.gov/site-information/privacy-policy.

Analysis of Consent Orders to Aid Public Comment

I. Introduction and Background

The Federal Trade Commission ("Commission") has accepted for public comment, subject to final approval, an Agreement Containing Consent Orders ("Consent

Agreement") from Eldorado Resorts, Inc. ("Eldorado") and Caesars Entertainment Corporation ("Caesars"). The purpose of the proposed Consent Agreement is to remedy the anticompetitive effects that would likely result from Eldorado's acquisition of Caesars ("the Acquisition"). Under the terms of the proposed Decision and Order ("Order") contained in the Consent Agreement, Eldorado is required to divest to Twin River Worldwide Holdings, Inc. ("Twin River"): (1) Eldorado's only casino in the South Lake Tahoe area, the MontBleu Resort Casino and Spa ("MontBleu") in Stateline, Nevada; and (2) Eldorado's only casino in the Bossier City-Shreveport, Louisiana, area, the Eldorado Casino Resort ("Eldorado Shreveport"). The divestitures must be completed by the earlier of (i) 12 months from the closing of the Acquisition; or (ii) 30 days from the date that Twin River receives all regulatory approvals. Additionally, if Eldorado does not consummate its sale of the Isle of Capri casino ("Isle of Capri") in Kansas City, Missouri, within 60 days from the closing of the Acquisition, the proposed Consent Agreement provides the Commission with the option (at its discretion) to require Eldorado to divest the Isle of Capri casino to a Commission-approved acquirer within 12 months. The Isle of Capri sale is independent from the Acquisition.

The proposed Consent Agreement has been placed on the public record for 30 days for receipt of comments from interested persons. Comments received during this period will become part of the public record. After 30 days, the Commission will review the comments received and decide whether it should withdraw, modify, or make the Consent Agreement final.

On June 24, 2019, Eldorado agreed to acquire Caesars for approximately $17.3 billion. By a vote of 3-1-1 on June 25, 2020, the Commission issued an administrative complaint alleging that the Acquisition, if consummated, would violate Section 7 of the Clayton Act, as amended, 15 U.S.C. 18, and Section 5 of the Federal Trade Commission Act, as amended, 15 U.S.C. 45, by eliminating meaningful and substantial competition between Eldorado and Caesars for casino services in the South Lake Tahoe, Bossier City-Shreveport, and Kansas City area markets. The elimination of this competition would likely have caused significant competitive harm, specifically higher prices and diminished quality and service levels in each of these markets. The proposed Consent Agreement would remedy the alleged violations by requiring a divestiture in the affected markets. The divestitures will establish a new independent competitor to Eldorado in each relevant area, replacing the competition that otherwise would be lost as a result of the Acquisition.

II. The Parties

Eldorado is a publicly traded casino entertainment and hospitality services provider headquartered in Reno, Nevada. Founded in 1973, Eldorado operates 23 casino gaming properties in 11 states. Eldorado operates casinos under several brands, including Eldorado, Isle of Capri, and Tropicana. In the aggregate, Eldorado's properties feature approximately 23,900 slot machines, 660 table games, and more than 11,300 hotel rooms. In the South Lake Tahoe area market, Eldorado operates the MontBleu casino in Stateline, Nevada. In the Bossier City-Shreveport area market, Eldorado operates the Eldorado Shreveport casino in Shreveport, Louisiana. In the Kansas City area market, Eldorado operates the Isle of Capri casino in Kansas City, Missouri. Eldorado had approximately $2.5 billion in revenue in 2019.

Caesars is a publicly traded casino entertainment and hospitality services provider headquartered in Las Vegas, Nevada. It operates 53 properties in 14 states and five countries outside of the United States. Caesars' properties offer approximately 38,000 slot machines, 2,700 table games, and more than 36,000 hotel rooms. Caesars' gaming properties operate primarily under the Harrah's, Caesars, and Horseshoe brand names. In the South Lake Tahoe area, Caesars operates two facilities offering casino services: Harrah's Lake Tahoe Hotel and Casino, and Harveys Lake Tahoe Hotel and Casino, both in Stateline, Nevada. In the Bossier City-Shreveport area, Caesars operates two facilities offering casino services: Horseshoe Bossier City Hotel and Casino in Bossier City, Louisiana, and Harrah's Louisiana Downs, a gaming and racetrack facility located eight miles east in Shreveport, Louisiana. In the Kansas City area market, Caesars operates Harrah's Kansas City Hotel and Casino in Kansas City, Missouri. Caesars had approximately $8.7 billion in revenue in 2019.

Twin River is a publicly traded casino entertainment and hospitality services provider headquartered in Providence, Rhode Island. It operates eight properties in four states, including the Twin River Casino Hotel in Lincoln, Rhode Island. Twin River's properties feature approximately 9,130 slot machines, 267 table games, and 1,200 hotel rooms. The company had approximately $524 million in revenue in 2019.

III. Casino Services in South Lake Tahoe, Bossier City-Shreveport and Kansas City

Eldorado's proposed acquisition of Caesars would likely result in substantial competitive harm in the markets for casino services in South Lake Tahoe, Bossier City-Shreveport and Kansas City. The relevant product market in which to assess the competitive effects of the proposed Acquisition is casino servicesThe casino services market consists of casino-based gaming services (e.g., slots and table games), as well as other amenities such as lodging, entertainment, and food and beverage services. Casino operators typically generate the vast majority of their revenues from gaming. Casino services differ significantly from other entertainment and leisure activities in a number of respects. For example, casinos are highly regulated, with a limited number of casinos licensed to operate in any given state and age restrictions on who can gamble. Consistent with prior Commission precedent, the evidence here supports a distinct relevant market consisting of casino services.

Local geographic markets are appropriate to assess the competitive effects of the proposed Acquisition. There are three relevant geographic markets in which to analyze the merger's effects: (1) the South Lake Tahoe area, which approximately corresponds to the area in and around the cities of Stateline, Nevada, and South Lake Tahoe, California; (2) the Bossier City-Shreveport, Louisiana area, which approximately corresponds to the Bossier City-Shreveport, Louisiana metropolitan statistical area; and (3) the Kansas City area, which approximately corresponds to the Kansas City, Missouri metropolitan statistical area.

Absent relief, the Acquisition would result in significant increases in concentration and lead to highly concentrated markets in all three markets, resulting in a presumption of the enhancement of market power under the Horizontal Merger Guidelines. Further, Eldorado and Caesars are close and vigorous competitors in the South Lake Tahoe, Bossier City-Shreveport, and Kansas City area markets. Absent relief, the Acquisition would substantially lessen the significant head-to-head competition between Eldorado and Caesars and would likely increase Eldorado's ability and incentive to raise prices post-Acquisition in the form of hold rates, rake rates, and table game rules and odds that are less favorable to customers, and lower player reinvestments. The proposed Acquisition also would likely diminish Eldorado's incentive to maintain or improve the quality of services and amenities to the detriment of casino customers in each of these markets.

New entry or expansion is unlikely to deter or counteract the likely anticompetitive effects of the Acquisition in the South Lake Tahoe, Bossier City-Shreveport, and Kansas City area markets. The affected markets are insulated from new entry or expansion by significant regulatory barriers, including limitations on the number of casino licenses available and the ability to expand existing gaming operations. In the South Lake Tahoe area market, entry or expansion is unlikely to occur in a timely manner because of, among other things, the time and cost associated with acquiring the necessary state, county, and city approvals. In the Bossier City-Shreveport area market, Louisiana law limits the number of casino licenses and it has already issued all available licenses. Louisiana also has statutory restrictions that make significant expansion by current market participants unlikely absent legislative action. Similarly, in the Kansas City area market, Missouri and Kansas law limit the total number of casino licenses available and both states have already issued all available licenses. Expansion in Missouri is unlikely and only limited expansion in Kansas is possible. Entry or repositioning would be unlikely to be sufficient to deter or counteract the anticompetitive effects of the Acquisition.

IV. The Proposed Consent Agreement

The proposed Consent Agreement remedies the likely anticompetitive effects in the South Lake Tahoe and Bossier City-Shreveport area markets by requiring divestitures of the MontBleu and Eldorado Shreveport casinos to Twin River by the earlier of (i) 12 months from the closing of the Acquisition; or (ii) 30 days from the date Twin River receives all regulatory approvals. Until the completion of each divestiture, the parties are required to abide by the Order to Hold Separate and Maintain Assets, which requires them to maintain the viability, marketability, and competitiveness of the divestiture assets until the divestitures are completed. The proposed Consent Agreement appoints a Monitor to ensure the parties' compliance with the Order to Hold Separate and Maintain Assets, Consent Agreement, and divestiture agreements between Eldorado and Twin River following the divestiture. The proposed Consent Agreement also remedies the likely anticompetitive effects in the Kansas City area market in the event that Eldorado's independent sale of the Isle of Capri casino does not close within 60 days from the closing of the Acquisition. In the event the Isle of Capri sale does not timely close as required, the proposed Consent Agreement provides the Commission with the option (at its discretion) to require Eldorado to divest the Isle of Capri casino to a Commission-approved acquirer within 12 months. Although these divestiture deadlines are longer than typically ordered by the Commission, they are appropriate in this matter to accommodate the lengthy state regulatory approval process, which may be subject to continued disruption from the COVID-19 pandemic.

Additionally, the proposed Consent Agreement requires the parties to provide transitional services to the approved acquirer for up to 12 months after the divestiture, as needed, to assist the acquirer with the transfer and operation of the divested assets. Finally, the proposed Consent Agreement contains standard terms regarding the acquirer's access to employees, protection of material confidential information, and compliance reporting requirements, among other things, to ensure the viability of the divested business.

A. South Lake Tahoe

The proposed Consent Agreement remedies the likely anticompetitive effects of the proposed Acquisition in the South Lake Tahoe area market by requiring the divestiture of Eldorado's MontBleu. This remedy would preserve the status quo in the South Lake Tahoe area casino services market, maintaining three independent casino operators and resulting in no change in market concentration.

B. Bossier City-Shreveport

The proposed Consent Agreement remedies the likely anticompetitive effects of the proposed Acquisition in the Bossier City-Shreveport area market by requiring Eldorado to divest the Eldorado Shreveport. This remedy would preserve four independent casino operators and result in no change in market concentration.

C. Kansas City

In the Kansas City area market, the proposed Consent Agreement provides the Commission with the option (at its discretion) to require Eldorado to divest its Isle of Capri casino to a Commission-approved buyer within 12 months if its independent sale of the Isle of Capri fails to consummate within 60 days of closing the Acquisition. If a divestiture is required, the proposed Consent Agreement remedies the likely anticompetitive effects of the Acquisition by requiring Eldorado to divest the Isle of Capri. The proposed Consent Agreement would preserve four independent casino operators and result in no change in market concentration.

The purpose of this analysis is to facilitate public comment on the proposed Consent Agreement to aid the Commission in determining whether it should make the proposed Consent Agreement final. This analysis is not an official interpretation of the proposed Consent Agreement and does not modify its terms in any way.

By direction of the Commission, Commissioner Chopra dissenting, Commissioner Slaughter not participating.

April J. Tabor,

Secretary.

Dissenting Statement of Commissioner Rohit Chopra

Summary

- The Commission should not agree to merger settlements unless divestitures are completed promptly to a qualified buyer ready and willing to compete on day one.
- It is risky and makes little sense to propose a complex settlement with a prolonged divestiture period and unorthodox terms to justify a merger that has no meaningful benefits, particularly given the financial uncertainties stemming from the COVID-19 crisis.
- I am concerned that the Commission's standard process for vetting divestiture buyers minimizes or ignores major financial red flags. We should revamp our approach.

Caesars Entertainment (NASDAQ: CZR) is selling itself to one of its smaller competitors, Eldorado Resorts (NASDAQ: ERI). The transaction has no noteworthy benefits to customers, workers, suppliers, or competition. If anything, the transaction is risky for everyone involved.

The enormous amount of debt financing could materially increase the likelihood of financial distress of the combined casino conglomerate, and rating agencies have already started to downgrade Eldorado's debt.[1] Given the major financial uncertainties looming over the gaming industry stemming from the pandemic, as well as the industry's past experiences with leveraged buyouts, the proposed transaction might make conditions even more fragile and precarious.

The agreement is subject to review by state gaming regulators and the Federal Trade Commission. In comparison to state regulators, who must weigh a number of public interest factors, the Federal Trade Commission's mandate is more specific: to determine whether the transaction violates U.S. antitrust laws. Based on the Commission's investigation, I agree that the transaction is illegal and I support the complaint.

However, I have serious reservations about the terms of the settlement. As a policy matter, I disagree that the Commission should enter into risky, complicated settlements with delayed divestitures – like the resolution proposed here.

The Proposed Buyer Will Not Immediately Restore Competitive Intensity

To remedy an illegal transaction, the FTC should only agree to settlements when divestitures will quickly restore the competitive intensity killed off from a merger. It is

[1] *See e.g.*, *Moody's downgrades Eldorado Resorts CFR to B2, rates new debt for Caesars acquisition; outlook*, MOODY'S INVESTOR SERVICE (June 17, 2020), https://www.moodys.com/ ngrades-Eldorado-Resorts-CFR-to-B2-rates-new-debt--PR_426702?cid=7QFRKQSZE021.

not enough to have some of the competition restored; it must be fully restored. A new competitor should be able to step in on day one to compete.

For example, in 2015, the FTC prevailed in its challenge of the merger of Sysco and US Foods, the nation's two largest food distributors, when divestitures could not cure the harmful merger on "day one." The companies proposed to divest a lengthy list of US Foods' assets to an entity controlled by the Blackstone Group. The FTC argued this was insufficient, and the court agreed that the new competitor could not replicate the same level of competitive intensity of US Foods.[2]

The Commission's proposed remedy will definitely not cure this harmful casino merger on day one. Under the terms of the Commission's proposed settlement, Eldorado is required to divest one property in Nevada and another in Louisiana to Twin River Worldwide Holdings (NYSE: TRWH) – but after a prolonged period of time.[3] Allowing a lengthy divestiture only compounds the problems with this settlement, as it necessitates the addition of other risky settlement provisions.

To mitigate the anticompetitive harm from the prolonged divestiture schedule, the FTC's proposed settlement sets up a complex arrangement where some casinos will be operated separately by Commission-appointed casino property managers until a buyer is ready to take over the assets. I do not believe that the Commission should be in the business of appointing casino property managers here.[4]

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[2] *Fed. Trade Comm'n v. Sysco Corp*., 113 F. *Supp*. 3d 1, 73 (D.D.C. 2015).

[3] [3] The *divestitures* must be complete by the earlier of 12 months from the closing of the merger or within 30 days of state regulatory approval. In theory, the divestitures may be completed before 12 months. However, past experience suggests that the approval process requires significant due diligence over an extended period of time.

[4] If the state gaming regulators had already approved the transaction (as well as the corresponding divestitures) and selected casino property managers, this would raise fewer concerns.

The Commission will also appoint a monitor. It is particularly unclear how the Commission and the appointed monitor can remove or discipline the casino property managers. In addition, the casino property managers will operate under a similar compensation and bonus plan as provided by the prior owner, which could easily lead to anticompetitive distortions. The anticompetitive harms could grow if Twin River is rejected as a suitable buyer by state regulators.

There may be rare circumstances where unusual settlement terms are warranted, but this isn't one of them. The proposed remedy is also a gamble on several other fronts.

First, the Commission's due diligence on Twin River did not adequately analyze the role of new investors exerting enormous control. The FTC must always consider the incentives and plans for those in control of a divestiture buyer. Sometimes, new investors can help a stagnant company change strategic direction. But too often, new investors find ways to buy, strip, and flip, rather than create a strong, long-term competitor. This is particularly true for certain private equity and hedge fund investors, so careful due diligence is critical.

In 2019, a Wall Street hedge fund, Standard General, accumulated a major ownership stake in Twin River. Standard General now has significant control over the company and is, by far, its largest shareholder. Its stake is roughly equivalent to the maximum amount allowable under state law.[5] Another hedge fund, HG Vora, has also

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[5] In a recent Schedule 13D securities filing, Standard General revealed that it was managing its holdings of Twin River, given Twin River's share repurchase plan that could lead to Standard General violating the Rhode Island casino ownership cap of 39%. *See* Twin River Worldwide Holdings, Inc., Amendment No. 6 to Schedule 13D at 4 (Feb. 20, 2020).

emerged as a major holder of Twin River.[6] Standard General and similar funds often seek to accumulate board seats to implement their desired investment strategy. Indeed, just a few months ago, Twin River's longtime chairman "reluctantly" stepped down and was replaced by Standard General's managing partner, Soohyung Kim.[7]

By approving Twin River as the divestiture buyer, I am concerned that the Commission is relying on Twin River's past track record, rather than analyzing how changes in ownership and control of the company will impact their future business strategy.

Second, buyers of divested assets need to prioritize competing on day one, but they cannot if other high-priority mergers and acquisitions distract them. In this matter, Twin River is in the midst of a string of other takeovers.

In 2019, it completed an acquisition of Dover Downs Hotel and Casino in Delaware,[8] and then in January of this year, Twin River acquired three casinos in Colorado.[9] Several other acquisitions are pending: in the last twelve months, it has inked deals to purchase casinos in Missouri and Mississippi.[10] Outside of this settlement, it has

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[6] Recent securities filings reveal significant ownership of Twin River by HG Vora Capital Management. *See* HG Vora Capital Management, LLC, Form 13F Information Table (Form 13F) (Aug. 8, 2019). Standard General and HG Vora are currently on the same side of a major battle in another public company. *See* Svea Herbst-Bayliss, *EXCLUSIVE-Hedge fund HG Vora wants Tegna to consider a sale or merger – sources*, REUTERS (Jan. 21, 2020), https://www.reuters.com/article/tegna-hgvora/exclusive-hedge-fund-hg-vora-wants-tegna-to-consider-a-sale-or-merger-sources-idUKL1N29Q0KT.

[7] Ted Nesi, *John Taylor out at Twin River*, 12WPRI.COM (Dec. 9, 2019), https://www.wpri.com/business-news/john-taylor-out-at-twin-river/.

[8] Press Release, Twin River Worldwide Holdings, Inc., Dover Downs Stockholders Approve Merger with Twin River; Merger Set to Close on March 28, 2019 (Mar. 26, 2019), https://investors.twinriverwwholdings.com/news/news-details/2019/Dover-Downs-Stockholders-Approve-Merger-with-Twin-River-Merger-Set-to-Close-on-March-28-2019/default.aspx.

[9] Press Release, Twin River Worldwide Holdings, Inc., Twin River Worldwide Holdings Completes Acquisition of Three Colorado Casinos (Jan. 24, 2020), https://investors.twinriverwwholdings.com/news/news-details/2020/Twin- River-Worldwide-Holdings-Completes-Acquisition-of-Three-Colorado-Casinos/default.aspx.

[10] Press Release, Twin River Worldwide Holdings, Inc., Twin River Worldwide Holdings Signs Definitive Agreement To Acquire Two Casinos From Eldorado Resorts (July 11, 2019),

also struck a deal to purchase Bally's, its first foray into the large Atlantic City market.[11] These acquisitions will require significant management attention, and I did not find any compelling evidence that Twin River will prioritize the divested assets to fully restore competitive intensity in the markets that the Commission believes would suffer from killed-off competition.

Finally, the Commission should avoid acting without the benefit of a full review by the state gaming regulators. State regulatory agencies have unique insights and expertise into the industries they regulate; their findings inform the issues the Commission takes into consideration, and not just relating to the appointment of casino managers. Some states have a specific mandate to look at the ownership and financial conditions of the transacting firms, and we would benefit from that expertise. Their analysis is particularly important during this period of uncertainty, as the industry is roiling from closures due to the current COVID-19 pandemic. It is important that we consider all of the information and work across government bodies to protect competition. While the Commission does work with some of these authorities, I am not convinced that acting before state regulators have completed their analysis is the right approach.

Conclusion

The proposed resolution in this transaction offers a unique window into the assumptions and philosophy of the Federal Trade Commission. The merger is clearly

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https://investors.twinriverwwholdings.com/news/news-details/2019/Twin-River-Worldwide-Holdings-Signs- Definitive-Agreement-To-Acquire-Two-Casinos-From-Eldorado-Resorts/default.aspx.

[11] Press Release, Twin River Worldwide Holdings, Inc., Twin River Worldwide Holdings to Acquire Three Casinos from Eldorado and Caesars (Apr. 24, 2020), https://investors.twinriverwwholdings.com/news/news-details/2020/Twin-River-Worldwide-Holdings-to-Acquire-Three-Casinos-from-Eldorado-and-Caesars/default.aspx.

anticompetitive in the markets where the Commission alleged a violation, and offers no meaningful benefits to the public. Since the Commission would not need to go to trial to block the transaction because the state regulators have yet to act, there is no immediate concern about limiting FTC resources or weighing the litigation risk. Given these facts, why would the Commission put the public at risk with delayed divestitures to a questionable buyer that has no guarantee of obtaining a license?

I am concerned that the Commission is rolling the dice with this complex settlement that will clearly not lead to an immediate restoration of lost competition. It is also clear that we must revamp our approach when it comes to vetting proposed divestiture buyers, particularly when a new financial investor is in charge in the boardroom.

Our state partners will obviously need to scrutinize the financial aspects of the proposed transaction between Caesars and Eldorado, given the harms inflicted on the public and regional economies from past leveraged buyouts – and resulting bankruptcies – in the industry.[12] They will also need to carefully assess whether the restoration of competition will come too late, and whether Twin River can guarantee that it will actually accomplish this goal. The stakes are high right now. For these reasons, I dissent.

[FR Doc. 2020-14582 Filed: 7/6/2020 8:45 am; Publication Date: 7/7/2020]

[12] *See, e.g.,* Sujeet Indap, *What happens in Vegas...the messy bankruptcy of Caesars Entertainment*, THE FIN. TIMES (Sept. 16, 2017), https://www.ft.com/content/a0ed27c6-a2d4-11e7-b797-b61809486fe2.