



Economists from Charles River Associates (CRA) Provide Antitrust & Competition Analyses in Office Depot/OfficeMax Merger

November 4, 2013

BOSTON--(BUSINESS WIRE)--Nov. 4, 2013-- [Charles River Associates](#) (NASDAQ: CRAI), a worldwide leader in providing [economic, financial, and management consulting services](#), today announced that the Company assisted Office Depot with securing antitrust clearance from the US Federal Trade Commission (FTC) for its merger with OfficeMax. On November 1, 2013, the FTC announced it had unanimously voted to close its seven-month investigation into the proposed \$1.2 billion merger of the office supply superstores (OSS), and concluded that the merger is unlikely to lessen competition in the sale of consumable office supplies.

In its decision, the FTC noted how event studies demonstrated that Office Depot and OfficeMax retail prices do not respond to the closing or opening of one another's stores. The event studies conducted by CRA's economists showed that Office Depot and OfficeMax pricing is not uniquely constrained by competition with one another, even in locations where Staples does not have a store nearby. CRA's econometric analysis demonstrated that post-merger prices will be constrained by broad competition, including competition with other retail formats, such as mass merchants, club stores, and online commerce. In closing its investigation, the FTC concurred that "[a]ll of the econometrics ... indicate that the merger is unlikely to lead to anticompetitive price increases."

The FTC also investigated the potential competitive effects of contract sales. CRA economists conducted empirical analyses of the two companies' bid and win/loss data for contract sales to businesses, which showed that both companies compete against a broad set of competitors other than office superstores, including national and regional, brick-and-mortar, and internet suppliers. In addition, CRA's analyses of the data showed that customers have many options in procuring contract office supply services. In its decision, the FTC concurred that "[n]on-OSS competitors are growing in number and strength and have demonstrated the ability to win large, multi-regional and national customer contracts." CRA economists also assisted Office Depot with its responses to the FTC's Second Request.

Partner Matthew J. Reilly of Simpson Thacher, which served as counsel for Office Depot, commented, "Peter Boberg, Andrew Dick, and the economists at CRA provided invaluable assistance throughout the FTC's Second Request investigation process. CRA's analyses of the merger's likely competitive effects in the retail and contract businesses were instrumental in obtaining FTC clearance."

CRA's President and Chief Executive Officer [Paul Maleh](#) said, "Charles River Associates is pleased to have assisted Office Depot in securing antitrust clearance for its merger with OfficeMax. Our economists focus on analyses reflective of the facts as well as the current nature of economic markets, and this assisted in creating a precedent-setting merger in the office supply industry."

Vice Presidents [Peter Boberg](#) and [Andrew Dick](#) led a team of CRA economists on the matter, including [Courtney Stoddard](#), [Josh Lustig](#), and [Spencer Graf](#).

About CRA's [Antitrust & Competition Economics Practice](#)

CRA's competition economists provide economic analysis and testimony in competition matters around the world. Many have served in government antitrust agencies and are members of premier academic, economic, and law faculties. Their experience extends to many industries, including telecommunications, health care, energy, computer hardware/software, retailing, entertainment, transportation, natural resources, sports, chemicals, pharmaceuticals, financial services, and consumer products.

About Charles River Associates (CRA)

Charles River Associates® is a global consulting firm specializing in [litigation, regulatory, and financial consulting, and management consulting](#). CRA advises clients on economic and financial matters pertaining to litigation and regulatory proceedings, and guides corporations through critical business strategy and performance-related issues. Since 1965, clients have engaged CRA for its unique combination of functional expertise and industry knowledge, and for its objective solutions to complex problems. Headquartered in Boston, CRA has offices throughout the world. Detailed information about Charles River Associates, a registered trade name of CRA International, Inc., is available at <http://www.crai.com>.

Source: Charles River Associates

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