

- Contribution from the United States –

1. Organization of Economists at U.S. Agencies

1. Economists at the United States are organized into independent economics groups: the Bureau of Economics at the FTC; and the Economic Analysis Group at DOJ. The heads of these groups, the Bureau Director at the FTC and the Deputy Assistant Attorney General at DOJ, report to the Commission and the Assistant Attorney General respectively, and are selected by the Chairman and the AAG. These chief economists are often academic economists whose tenure at the agencies typically lasts from one to three years.

2. Economists' Participation in Investigations

2. Economists work together on all merger investigations that proceed beyond initial screening after one agency or the other has received clearance to pursue an investigation. In the early stages of an investigation, economists typically

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marginal costs of each product, including opportunity costs. The second step uses information about how firms pass marginal cost changes through in their prices to translate the output of the first step to price effects and consumer welfare effects.

8. Another example of UPP analysis is provided by the analysis of the 2015 proposed

merger is likely to influence that bargaining.¹³ Payers establish networks of healthcare providers to service the patients who receive healthcare coverage via the payer. Payers sell access to those networks, together with other complementary services, such as claims processing, utilization review, and (in the case of full insurance) the commitment to pay for medical services that are actually consumed, to local employers and individuals. One of the ways payers appeal to potential customers is to establish attractive provider networks at competitive prices.

15. Providers and payers negotiate over the prices providers will be paid for providing

17. Predicting the likely net effect of a vertical merger requires considering the potential

