

**ANALYSIS OF AGREEMENT CONTAINING CONSENT ORDERS
TO AID PUBLIC COMMENT**

*In the Matter of Eldorado Resorts, Inc. and Caesars Entertainment Corporation,
File No. 191-0158, Docket No. C-4721*

I. INTRODUCTION AND BACKGROUND

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

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

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.

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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.