

Musk faces FTC antitrust review on Twitter alongside stock probe

May 6 2022, by Leah Nysten



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The U.S. Federal Trade Commission is reviewing Elon Musk's \$44 billion Twitter Inc. takeover, a person familiar with the deal said, setting up a deadline in the next month for the agency to decide whether to

conduct an in-depth review of the transaction.

Under U.S. merger law, Musk is required to notify the FTC and the Justice Department of the transaction and wait at least 30 days before closing to allow an investigation into potential antitrust concerns. The FTC can ask for additional information, issuing what's known as a second request, which would further delay closing.

An FTC spokesman declined to comment. Spokespeople for Twitter and Musk didn't immediately respond to requests for comment.

Antitrust experts don't expect the deal to raise antitrust concerns.

However, Open Markets—the anti-monopoly non-profit group where Democratic FTC Chair Lina Khan got her start in antitrust—has urged the agency to block the deal, arguing that it would give Musk too much control over free speech platforms. Musk also owns Starlink, a satellite-based [internet provider](#) operated by Space Exploration Technologies Corp., which is being used to provide internet to Ukraine.

The FTC is separately probing whether Musk should have notified the agencies when he acquired a 9% stake in the company in March. The Tesla Chief Executive Officer didn't file paperwork with the FTC, seeking to take advantage of an exemption in the law for voting securities acquired solely for investment purposes, the person said.

The Information reported earlier on the FTC's probe into Musk's 9% stake.

The FTC generally doesn't take action if it finds a notification failure was accidental. But the agency can seek fines of up to \$43,792 per day if the failure was flagrant or occurs repeatedly. In December, for example, the FTC fined Clarence Werner, founder of trucking giant Werner

Enterprises Inc., nearly \$500,000 for failing to notify the agency about several stock purchases. Capital One Financial Corporation CEO Richard Fairbank was also dinged by the FTC last year for \$637,950 for failing to file.

On Wednesday, House Republicans demanded information from Khan on whether the FTC had taken action in response to Open Markets' statement, alleging the group was seeking to leverage its prior relationship with the FTC chair to "suppress free speech online."

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Citation: Musk faces FTC antitrust review on Twitter alongside stock probe (2022, May 6)
retrieved 27 April 2024 from

<https://techxplore.com/news/2022-05-musk-ftc-antitrust-twitter-stock.html>

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