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SCHUMER ANNOUNCES SENATE COMMITTEE TO CONDUCT REVIEW OF PROPOSED DIEBOLD MERGER; SAYS DEAL NEEDS 'ADDITIONAL SCRUTINY' FROM CONSUMERS AND CONGRESS

Schumer, As Senate Rules Chairman, Will Solicit Input From State, Local Election Officials About Anti-Competitive Impacts Of Proposed Merger

Findings Will Be Compiled Into Public Report That Will Be Shared With Justice Department

Senator: More Information Is Needed On Voting Machine Merger And Possible Antitrust Problems

WASHINGTON, DC – U.S. Senator Charles E. Schumer (D-NY), the Chairman of the Senate Rules and Administration Committee and a senior member of the Senate Judiciary Committee, raised new concerns Friday over Diebold's proposed sale of its voting machine business to its biggest competitor, and announced that his Rules Committee staff would begin a formal review of potential problems posed by the merger. Schumer announced he would be seeking input from state and local election officials to investigate the deal's impacts on the administration of elections across the United States. The findings will be compiled into a public report that could be shared with the Department of Justice.

On Sept. 14th, Schumer requested that Attorney General Eric Holder examine the proposed sale of Diebold's voting machine business, known as Premier Election Systems, to Nebraska-based Election Systems & Software Inc. (ES&S) for possible antitrust violations. The deal immediately sparked concern from election law experts since it would join Premier, which has a 33 percent share of the voting-machine market, with ES&S, whose systems were used in counting approximately 50 percent of all ballots cast in the last four major U.S. elections.

"Since this merger was announced, we have heard from election officials across the country worried about the effects of this deal," Schumer stated. "We intend to give local election officials the opportunity to inform Congress about their concerns over this merger's effect on the business of elections. Our review will be thorough, and our findings will go to the Justice Department."

"It is in the public interest to maintain a range of choices in voting systems," Schumer added. "If one company has a stranglehold over the market for voting machines, it runs the risk of jeopardizing the integrity of our elections."

Schumer said potential concerns arising out of the deal include the prospect of non-negotiable contracts, unilateral changes, and locking jurisdictions into expensive service contracts.

As part of the review, Schumer's office will solicit information and complaints of competitive problems in the voting machine industry. In the coming days, Schumer said his office would even provide ways for information to be submitted anonymously in the event that officials are concerned about making a public complaint for fear of retaliation. Schumer's office expects to receive specific information about competitive harms to the market, and concerns about how the resulting market power might be used to raise prices and reduce services.

The Senate Committee on Rules and Administration has jurisdiction over issues related to federal elections and election administration.

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