

United States Senate

WASHINGTON, DC 20510

October 18, 2024

The Honorable Lina M. Khan
Chair
Federal Trade Commission
600 Pennsylvania Ave NW
Washington, D.C. 20580

Dear Chair Khan:

I write today regarding the recent decision to shut down the Pyrex glass factory in Charleroi, Pennsylvania by its private equity owners, Centre Lane Partners, and parent company, Anchor Hocking. As I have detailed in a recent report entitled, *Charleroi, PA: An Example of How Private Equity is Shattering the Glass Industry and Leaving Workers Behind*, Charleroi has become the latest victim of the all-too-common abusive financial engineering that private equity owners engage in to make a quick profit at the expense of its workers and consumers.¹ In light of the numerous concerns that I raise in that report and this letter, I believe that Center Lane Partners' acquisition of the Charleroi Pyrex plant deserves the fullest scrutiny by federal enforcement agencies, and I urge you to take whatever action necessary—including filing for preliminary injunctive relief—to block this plant closure pending the completion of an investigation into the matter.

As you know, many private equity (PE) firms invest in companies and use financial engineering tactics to extract a quick profit from the company at the expense of its long-term health, its workers, and its customers. Unfortunately, few industries and companies exemplify the abusive PE playbook as much as the glass manufacturing industry and Anchor Hocking. Over the past 28 years, four major domestic glass manufacturers have filed for bankruptcy eight times among them—one bankruptcy every 3.5 years. In five of those cases, the company was owned by a PE firm²—a fact that is not surprising given that PE-owned companies are far more likely to go bankrupt than non-PE-owned companies.³

¹ SENATOR ROBERT P. CASEY, JR., CHARLEROI, PA: AN EXAMPLE OF HOW PRIVATE EQUITY IS SHATTERING THE GLASS INDUSTRY AND LEAVING WORKERS BEHIND (2024),

https://www.casey.senate.gov/imo/media/doc/charleroi_pa_an_example_of_how_private_equity_is_shattering_the_glass_industry_and_leaving_workers_behind.pdf [hereinafter CASEY CHARLEROI REPORT].

² Anchor Glass Container Corp. filed for bankruptcy in [1996](#) (under the ownership of Vitro SA), [2002](#) (under the ownership of Consumer's Packaging Inc.), and [2005](#) (under ownership of PE-firm, Cerberus Capital). Corelle Brands filed for bankruptcy twice in [2002](#) (under the ownership of PE-firm, Kohlberg Kravis Roberts & Co. and Borden Inc.) and [2023](#) (under ownership of PE-firm, Cornell Capital). Libbey filed for bankruptcy in [2020](#) (as an independent company). Anchor Hocking filed bankruptcy in [2006](#) (under the ownership of PE-firm, Cerberus Capital) and [2015](#) (under the ownership of PE-firm, Monomoy Partners).

³ Brendan Ballou, *When Private-Equity Firms Bankrupt Their Own Companies*, THE ATLANTIC (May 1, 2023), <https://www.theatlantic.com/ideas/archive/2023/05/private-equity-firms-bankruptcies-plunder-book/673896/>.

From dividend recaps and leasebacks to layoffs and cutting employee benefits, including retirees' healthcare, PE firms have specifically abused Anchor Hocking and its workers for far too long.⁴ However, over the course of my preliminary investigation into the recent circumstances surrounding Anchor Hocking and the Charleroi Pyrex plant, I am particularly troubled by the manner in which the PE firm, Centre Lane Partners ("Centre Lane"), came to acquire the Charleroi Pyrex plant. This acquisition set the stage for the subsequent announced closure of the plant, as well as the hundreds of lost jobs associated with the closure.

In June 2023, the Charleroi plant's prior parent company, Instant Brands ("Instant"), filed for bankruptcy. Instant was owned by another PE-firm, Cornell Capital, and included the popular Instant Pot and other consumers brands including Corelle, Pyrex, Snapware, CorningWare, Visions and Chicago Cutlery.⁵ After a bankruptcy auction in September, Centre Lane received court approval to acquire Instant's housewares and appliances businesses in two separate transactions for \$228.2 million and \$122.6 million, respectively.⁶ Based on the Hart-Scott-Rodino (HSR) Act, I understand that these acquisitions would have both been subject to FTC premerger review given that they were higher than the HSR filing threshold in 2023—\$111.4 million.⁷

In November 2023, Centre Lane officially acquired Instant's appliance division, but bankruptcy documents filed in December confirmed that Centre Lane failed to receive the required regulatory approvals to finalize the deal for Instant's housewares division.⁸ As a result, Instant proposed a new plan wherein Instant would emerge from bankruptcy under the ownership of its prior lenders. In February 2024, Instant's restructuring plan was approved and the housewares division emerged from bankruptcy under the new name, Corelle Brands ("Corelle"), and under the ownership of its prior lenders, including Centre Lane, which held 33.6% of the company.⁹

Less than a week and a half later, Centre Lane purchased the remaining 66.4% of Corelle from the majority lenders, including another PE firm, Citadel Group ("Citadel"), for approximately \$38.5 million.¹⁰ The Anchor Hocking CEO informed me that this decision was made after "[t]he majority owners of Corelle, who had no operating or industrial expertise in the glass manufacturing industry broadly speaking, approached Centre Lane . . . about buying their ownership interests, as it became clear that Corelle Brands on a stand-alone basis would likely not be economically viable."¹¹ Days later, Centre Lane transferred ownership of Corelle to a subsidiary of Anchor Hocking in exchange for common stock valued at approximately \$79.8

⁴ CASEY CHARLEROI REPORT

⁵ Press Release, Instant Brands Takes Action to Strengthen Financial Position and Support Long-Term Growth (June 12, 2023), <https://www.prnewswire.com/news-releases/instant-brands-takes-action-to-strengthen-financial-position-and-support-long-term-growth-301848667.html>.

⁶ Notice of Auction Results at 2, *In re: Instant Brands Acquisition Holdings Inc., et al.*, No. 23-90716 (Bankr. S.D. Tex. Sept. 28, 2023), <https://perma.cc/TT83-MJZU>.

⁷ *New HSR thresholds and filing fees for 2024*, FEDERAL TRADE COMMISSION (Feb. 5, 2024), <https://www.ftc.gov/enforcement/competition-matters/2024/02/new-hsr-thresholds-filing-fees-2024>.

⁸ Joint Chapter 11 Plan of Reorganization at 15, *In re: Instant Brands Acquisition Holdings Inc., et al.*, No. 23-90716 (Bankr. S.D. Tex. Dec. 22, 2023), <https://perma.cc/X7G5-4AGT>.

⁹ Letter from Mark Eichhorn, Anchor Hocking CEO, to U.S. Senator Robert P. Casey, Jr. (October 2, 2024) [hereinafter *Mark Eichhorn Letter*].

¹⁰ *Id.*

¹¹ *Id.*

million.¹² Approximately six months later, in September 2024, Anchor Hocking announced that it would be shutting down the Charleroi Pyrex plant.¹³

Given this timeline, it is fair to question why a PE firm—seemingly as sophisticated and savvy as Citadel—decided to acquire a company coming out of bankruptcy only to determine less than a week and a half later that it was no longer a viable investment. But it is even more perplexing that Centre Lane was able to acquire two-thirds of Corelle for merely \$38.5 million in March 2024 and transfer it to Anchor Hocking days later at yet another price (\$79.8 million)—all while evading FTC oversight—after it previously bid nearly \$230 million for the same company and filed for regulatory approval in September 2023.

The timeline of these financial transactions raises enough questions on its own, but the subsequent decisions of Centre Lane also justify further scrutiny. I have been informed by locals in Charleroi that despite taking ownership over Corelle, Anchor Hocking does not actually control two of Corelle’s most valuable brands—Pyrex and Snapware. It is my understanding that the licenses for these brands are in the process of being transferred or have already been transferred to another Centre Lane affiliate, 1880 Hospitality. This assertion is further supported by Anchor Hocking’s letterhead, which includes all of Corelle’s previous brands, except for Pyrex and Snapware.¹⁴ It is difficult to discern a logical business reason for such a move, but even more peculiar—it further calls into question the financial details of these transactions. How did Centre Lane acquire two-thirds of Corelle, including Pyrex and Snapware, for just \$38.5 million from its prior owners, and then days later, transferred it to Anchor Hocking for approximately \$79.8 million without two of its biggest brands—Pyrex and Snapware?

At the core of these questions and concerns is whether Centre Lane engaged in any illegal activity to evade FTC scrutiny in pursuit of an anticompetitive advantage in the kitchenware and glassware markets. To better understand these concerns, it is important to review Centre Lane’s recent acquisition history. As you know, “rollups” are a common PE tactic to acquire many smaller companies in a specific market to be able to better exert market power and extract economic rents in a market. For example, since at least 2018, Centre Lane has made a concerted effort to acquire numerous kitchenware and tableware brands, and its portfolio now includes Anchor Hocking, Corelle, Pyrex, Corningware, Snapware, Chicago Cutlery, Visions, Lenox, Oneida, Kate Spade New York tabletop collection, Hampton Forge, Reed & Barton, and Cambridge.¹⁵ Centre Lane’s increasing market share in the kitchenware industry raise some broader antitrust questions, but none more so than the glassware market.

¹² *Id.*

¹³ Carlos Cristian Flores & Chandi Chapman, *Employees at plant in Charleroi say location is closing; More than 300 jobs to be affected*, WTAE (Sept. 4, 2024), <https://www.wtae.com/article/anchor-hocking-charleroi-plant-closure-2024/62058217>.

¹⁴ *See e.g.*, Letter from Brandon Eichhorn, Director of Legal Operations, Corelle Brands, to Steve Wolf, Rapid Response / TAA State Coordinator, Pennsylvania Department of Labor & Industry, & Gregg Doerfler, Mayor of Charleroi (Oct. 10, 2024) [hereinafter *Brandon Eichhorn Letter*].

¹⁵ Press Release, Lenox Corporation, America’s Leading Tabletop, Giftware And Home Entertaining Company Acquired By An Affiliate Of Centre Lane Partners (Oct. 19, 2020), <https://www.prnewswire.com/news-releases/lenox-corporation-americas-leading-tabletop-giftware-and-home-entertaining-company-acquired-by-an>

In the domestic market, “heavy” glassware products—such as bakeware, measuring cups, and food storage containers—are primarily sold under two brands—Anchor Hocking and Pyrex. A simple search on just a few retail websites is illustrative. On Target’s website, 11 of the 12 glass bakeware products sold in-store are Pyrex,¹⁶ and in Wal-Mart, 33 of the 45 glass bakeware products sold in-store are either Pyrex or Anchor Hocking.¹⁷ On Costco’s website, a search for “glass food containers” returns nine results—five of which include Anchor Hocking or Pyrex.¹⁸ When searching for “glass measuring cups” sold on Amazon.com, 11 of the first 20 products are Pyrex or Anchor Hocking.¹⁹ Permitting Centre Lane to control both Anchor Hocking and Pyrex clearly increases its ability to manipulate the glassware market at the expense of both consumers and workers.

During your time as Chair of the Federal Trade Commission, your focus on the impact of PE in our markets has been laudable. As you highlighted in remarks on March 5 regarding the impact of PE in healthcare, some PE firms can provide an important source of capital for companies and aim to “take a more long-term view and focus on creating real operational improvements to generate value in ways that provide broader benefits.”²⁰ Too many, however, “take a different approach, where they load up companies with enormous amounts of debt, strip valuable assets and sell them off to enrich the private equity owners, and pursue financial engineering tactics that leave the underlying firm weaker and worse off.”²¹ Given the history of PE abuses at Anchor Hocking and its recent decisions at the Charleroi Pyrex plant,²² I am afraid that Centre Lane falls into the latter category.

[affiliate-of-centre-lane-partners-301154925.html](https://www.prnewswire.com/news-releases/lenox-corporation-americas-leading-tabletop-giftware-and-home-entertaining-company-announces-acquisition-of-cambridge-silversmiths-ltd-inc-301584054.html) (confirming that Centre Lane controls Anchor Hocking, Onieda, Lenox, and Reed & Barton); Press Release, Lenox Corporation, America's Leading Tabletop, Giftware, and Home Entertaining Company, Announces Acquisition of Cambridge Silversmiths, Ltd., Inc. (July 11, 2022), <https://www.prnewswire.com/news-releases/lenox-corporation-americas-leading-tabletop-giftware-and-home-entertaining-company-announces-acquisition-of-cambridge-silversmiths-ltd-inc-301584054.html> (confirming that Lenox, a Centre Lane company, owns Cambridge, Hampton Forge, and Reed & Barton brands); *Eichhorn Letter* (confirming that Centre Lane acquired Corelle Brands after bankruptcy); Press Release, Instant Brands emerges from chapter 11 as Corelle Brands, <https://www.davispolk.com/experience/instant-brands-emerges-chapter-11-corelle-brands> (confirming that Corelle Brands included Pyrex, Corelle, Corningware, Snapware, Chicago Cutlery and Visions upon exiting bankruptcy).

¹⁶ TARGET,

<https://www.target.com/s?searchTerm=bakeware&tref=typeahead%7Cterm%7Cbakeware%7C%7C%7Chistory&facetedValue=5v1qtZ5zky&ignoreBrandExactness=true&moveTo=product-list-grid> (last visited Oct. 17, 2024) (searching “bakeware” from the main page and filtering results for “Shop In Store” and “Glass” products).

¹⁷ WAL-MART, https://www.walmart.com/search?q=bakeware&facet=fulfillment_method_in_store%3AIn-store%7C%7Cmaterial%3AGlass (last visited Oct. 17, 2024) (searching “bakeware” from the main page and filtering results for “In-Store” and “Glass” products).

¹⁸ COSTCO, <https://www.costco.com/s?dept=All&keyword=glass%20food%20containers> (last visited Oct. 17, 2024) (searching “glass food storage” from the main page).

¹⁹ AMAZON,

https://www.amazon.com/s?k=glass+measuring+cup&crd=231UY0HVP41FL&sprefix=glass+measuring+cup%2C%2C%2C117&ref=nb_sb_noss_1 (last visited Oct. 17, 2024) (searching “glass measuring cup” from the main page and excluding the “Trending Now” products).

²⁰ Lina M. Khan, Chair, Fed. Trade Comm’n, Remarks on Private Capital, Public Impact Workshop on Private Equity in Healthcare (Mar. 5, 2024), https://www.ftc.gov/system/files/ftc_gov/pdf/2024.03.05-chair-khan-remarks-at-the-private-capital-public-impact-workshop-on-private-equity-in-healthcare.pdf.

²¹ *Id.*

²² CASEY CHARLEROI REPORT.

In light of my preliminary investigation and the information that I have shared in this letter, I respectfully request your response to the following questions. Additionally, recognizing the strict confidentiality requirements under the Hart-Scott-Rodino Act, I ask that you answer these questions to the best of your ability as a general statement of law and agency practice, and not related to any particular individual case or company:

- In your experience, is it common for a company to be valued at nearly \$230 million in a bankruptcy auction, but then be bought for only a third of that price months later?
- If a company is initially denied regulatory approval to acquire another company by the FTC, is it legal for the company to proceed with the acquisition under different terms without notifying the FTC?
- What tools does the FTC have to address anticompetitive deals that are consummated—either legally or illegally—without FTC premerger review?
- How much market share would a combined firm need to control for the FTC to consider a merger or acquisition to be anticompetitive?
- Is it lawful for a company to establish monopoly power over a market, if the company divides the market among its various subsidiaries?
- Do antitrust laws and/or FTC guidelines and practices allow a company to divide a potential acquisition's assets among multiple subsidiaries in order to evade FTC oversight, including HSR premerger review?
- Do antitrust laws and/or FTC guidelines and practices allow a company to evade FTC oversight, including HSR premerger review, by acquiring a company in two steps? For example, by buying only 33% of a company initially, and then later buying the remainder?
- What tools (*e.g.*, statutory authorities, resources) does the FTC need to better address the potentially anticompetitive behaviors of PE firms?

Over the course of my preliminary investigation into this matter, I have unfortunately been left with far more questions than answers regarding Centre Lanes' transactions, its decision to close the Charleroi Pyrex plant, and its broader impact on competition in the glassware market. At the very least, these questions deserve the fullest scrutiny from federal enforcement agencies, but unfortunately—time is of the essence. On Thursday, October 10, Centre Lane, through Anchor Hocking, submitted its federally required Worker Adjustment and Retraining Notification (WARN) notice confirming its plans to begin laying off workers in Charleroi on December 9, 2024, and fully shutting down the plant by February 28, 2025.²³

Recognizing the time sensitive nature of this situation and to ensure a full and fair investigation into the many issues that I have raised in this letter, I urge you to consider filing for preliminary

²³ *Brandon Eichhorn Letter.*

injunctive relief against Centre Lane's acquisition of Corelle and utilizing any other tools at your disposal to block its efforts to shut down the Charleroi Pyrex plant. Knowing the resources and time necessary to pursue court action, I do not make this request lightly, but it is worth noting that there is historical precedent for the FTC to intervene in mergers regarding domestic glass manufacturing companies. In 2002, Libbey abandoned efforts to acquire Anchor Hocking due, in part, to an order issued by the FTC, and over a decade later in 2015, executives again dismissed the possibility of a merger between the two companies given the FTC's prior concerns.²⁴

After years of shady business deals and financial engineering, we owe it not only to the workers of Charleroi, but to the thousands of workers across the Nation who have been repeatedly taken advantage of by Wall Street and PE firms, to ensure that we are taking every action possible to fully investigate and hold accountable any company that has engaged in wrongdoing in this situation. Wall Street should not, and cannot, act with impunity.

Thank you for your leadership on this issue and for your and your staff's cooperation with Senator Wyden's and my inquiries on this topic to date. I look forward to your prompt response.

Sincerely,



Robert P. Casey, Jr.

United States Senator

CC:

Jonathan Kanter, Assistant Attorney General, Department of Justice, Antitrust Division

²⁴ BRIAN ALEXANDER, GLASS HOUSE: THE 1% ECONOMY AND THE SHATTERING OF THE ALL-AMERICAN TOWN 238 (2017); Associated Press, *Libbey Says It Will No Longer Pursue Anchor Hocking*, N.Y. TIMES (June 11, 2002), <https://www.nytimes.com/2002/06/11/business/company-news-libbey-says-it-will-no-longer-pursue-anchor-hocking.html>.