



## Department of Justice

FOR IMMEDIATE RELEASE  
TUESDAY, FEBRUARY 24, 1970

The Department of Justice filed a civil antitrust suit today charging the Times Printing Company with attempting to monopolize the daily newspaper market in Chattanooga, Tennessee.

Attorney General John N. Mitchell said the complaint and a proposed consent decree that would terminate the case were filed in the United States District Court at Chattanooga.

The suit charged that the printing company, which publishes the Chattanooga morning and Sunday Times and evening Post, attempted to monopolize the market, in violation of section 2 of the Sherman Act, by intentional below cost operations resulting in substantial losses during a three-year period, unreasonably low advertising and circulation rates, discriminatory pricing, and forced combination sales of classified advertising.

Between May 5, 1942 and August 27, 1966, the Times and its competitor, the Chattanooga News-Free Press, were parties to a joint operating agreement under which their commercial operations were conducted jointly while their news and editorial departments remained separate. (The agreement was similar to the one between the Tucson, Arizona, newspapers that the Supreme Court held to violate the antitrust laws in a 1969 decision.)

While operating under the agreement, the Times published on mornings and Sunday, and the News-Free Press published in the evening. In early 1964, according to the complaint, the News-Free

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Press notified the Times of its intention to terminate the joint operating agreement and to resume totally separate and competitive publication. Separation of the papers occurred on August 27, 1966, at which time the Times began publishing its evening paper, the Post, and the Free Press began publication of a Sunday edition.

The complaint alleged that publication of the Post "was commenced and continued for the sole purpose of eliminating the Free Press as a competitor." Times Printing has informed the Justice Department that it intends to terminate publication of the Post prior to the entry of the decree.

Assistant Attorney General Richard W. McLaren, head of the Antitrust Division, stated that under the provisions of the proposed decree, which will be entered in 30 days unless the government withdraws its consent, the Times will be enjoined from below cost operations for a three-year period except as it revises its advertising and circulation rates in order not to substantially undercut those of the Free Press.

The Times will also be enjoined, except in response to rate reductions by the Free Press, from dropping its advertising and circulation rates during this three-year period so long as it is operating at a loss.

Another paragraph of the proposed decree, which has a 13-year term, enjoins the Times from intentional below cost operation of any newspaper in Chattanooga for the purpose or with the probable effect of eliminating a competitor.

Should the defendant resume publication of an evening paper during the term of the decree, it will be subject to certain additional restrictions. These include a ban on selling combination advertising in its morning and evening paper at a reduced rate during the first three years following entry of the decree and, for a period of 10 years thereafter, from selling such combination advertising except on a cost justified basis. The decree also bans any forced combination advertising sales.