



Department of Justice

FOR IMMEDIATE RELEASE
MONDAY, AUGUST 3, 1970

The Department of Justice filed a civil antitrust suit today charging Navajo Freight Lines, Inc., of Denver, three affiliated companies and two of their directors with violations of the Clayton Act.

Attorney General John N. Mitchell said the complaint, filed in U.S. District Court in Denver, in addition to Navajo named as defendants:

Navajo Terminals, Inc., a wholly owned subsidiary of the trucking line;

United Transportation Investment Company, controlling corporation of Navajo;

Garrett Freightlines, Inc., Pocatello, Idaho, a competing trucking firm in which Navajo bought common stock;

F.J. Arsenault and L.F. Mattingly, members of the boards of directors of both Garrett and Navajo.

The complaint said Section 7 of the Clayton Act was violated by Navajo's acquisition of at least 26 per cent of Garrett's stock and Section 8 of the Act was violated by the placing of the two Navajo directors on the board of Garrett.

OVER

A motion seeking a preliminary injunction against further acquisitions of Garrett stock by Navajo or its affiliated companies pending final adjudication was filed with the complaint.

The suit alleged that the acquisition of Garrett stock may substantially lessen competition between Navajo and Garrett, and that competition generally may be substantially lessened and concentration increased in the transportation of general freight by motor common carriers between certain cities in the western United States and over transcontinental routes. It was also alleged that a substantial amount of the general freight transported by Navajo's competitors between Denver, Colorado and points east of Denver and between St. Paul, Minnesota and points east and south of St. Paul would probably be diverted to Navajo if the company were to gain control of Garrett's operations or the two companies' operations were to be combined.

Assistant Attorney General Richard W. McLaren, in charge of the Antitrust Division, said that the complaint asks the court to permanently enjoin Navajo and its affiliated companies from acquiring additional stock in Garrett; order Navajo and its affiliated companies to divest the Garrett stock presently owned; and require the two Navajo directors to resign from their positions on the board of directors of Garrett.

In 1968, Navajo had operating revenues of over \$40 million and transported commodities over approximately 22,571 miles of regular routes in 14 states between the East and West Coasts. During the same year, Garrett had operating revenues exceeding \$51 million and transported commodities over approximately 16,420 miles of regular routes in 12 western and midwestern states: