



Department of Justice

FOR IMMEDIATE RELEASE
THURSDAY, OCTOBER 26, 1972

The Department of Justice filed a civil antitrust suit today charging the nation's fourth largest truck line -- Yellow Freight System, Inc. -- with using reciprocal purchasing arrangements with its customers and suppliers in violation of the Sherman Act.

Attorney General Richard G. Kleindienst said the complaint was filed in U. S. District Court in Kansas City.

Yellow Freight based in Kansas City, Missouri, operates over 41,700 miles of truck routes through more than 100 terminals. The company had total revenues in 1970 of approximately \$170 million.

The suit charged that since at least 1961 Yellow Freight has violated Section 1 of the Sherman Act by entering into arrangements to purchase products and services from its suppliers upon the understanding they would use Yellow Freight as their carrier.

The suit also charged that Yellow Freight has used its purchasing power since at least 1961 in an attempt to monopolize the freight transportation requirements of its actual and potential suppliers, in violation of Section 2 of the Act.

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Assistant Attorney General Thomas E. Kauper, in charge of the Antitrust Division, said that Yellow Freight's reciprocal purchasing arrangements have had the effect of foreclosing its competitors from selling substantial amounts of freight transportation services to its suppliers.

According to the complaint, the arrangements have also had the effect of foreclosing other suppliers of goods and services required by Yellow Freight from selling such goods and services to the company.

The complaint asked that Yellow Freight be enjoined from continuing any reciprocal purchasing arrangements, from communicating to suppliers that they will receive preference if they purchase services from Yellow Freight, and from compiling statistics which compare Yellow Freight's purchases from companies with sales by Yellow Freight to those companies.

The complaint also asked that Yellow Freight be prohibited from discussing with any supplier the relationship of purchases and sales between them or from compiling approved lists of suppliers based upon suppliers' purchases from Yellow Freight.

The complaint further asked that Yellow Freight abolish any of its officials or employees which relate to the promotion of reciprocal purchasing arrangements.