



Department of Justice

FOR IMMEDIATE RELEASE
TUESDAY, APRIL 24, 1973

AT

The Department of Justice filed a civil antitrust suit today challenging the acquisition of Ebasco Services, Inc., of New York City by Halliburton Co. of Dallas, Texas.

Ebasco and Halliburton, through its wholly owned subsidiary Brown & Root, Inc., of Houston, Texas, are both leading consulting engineering and construction firms specializing in the design and construction of electrical power generating facilities throughout the United States.

Attorney General Richard G. Kleindienst said that the suit, charging that the acquisition violated Section 7 of the Clayton Act, was filed in U.S. District Court in Manhattan.

Halliburton acquired Ebasco from Boise Cascade Corporation of Boise, Idaho, on January 22, 1973.

The complaint charged that, as a result of the acquisition, actual and potential competition between Brown & Root and Ebasco in the engineering and construction of fossil fuel and nuclear electric power generating facilities will be eliminated, and that concentration in that industry will be increased.

OVER

Assistant Attorney General Thomas E. Kauper, in charge of the Antitrust Division, said that prior to the acquisition Brown & Root and Ebasco were direct and substantial competitors in providing engineering and construction services to the electric power industry.

According to the complaint, Ebasco provided consulting engineering services in connection with the design and construction of electric power generating facilities accounting for approximately 14.5 percent of the fossil fuel megawattage capacity installed in the United States during the period 1968 through 1972.

In the same five year span, Brown & Root acted as the consulting engineer on electric power generating plants accounting for about 5.7 percent of the fossil fuel megawattage capacity installed during that period.

The complaint also charged that Ebasco accounted for approximately 13.7 percent of the consulting engineering services in terms of megawattage capacity installed for nuclear electric power generating facilities in the United States from 1968 through 1972.

According to the suit, Brown & Root is one of the few major engineering firms engaged in this industry which does not possess the capability to design the nuclear type of electric power generating facility.

The complaint charged that, prior to the time of its acquisition of Ebasco, Brown & Root had attempted to develop this nuclear design capability.

In 1971, Halliburton had net revenues of \$1.3 billion, and its Brown & Root subsidiary had net United States revenues of \$822.9 million. In the same year, Ebasco had net revenues of \$173 million.

The suit asked that Halliburton be ordered to divest itself of Ebasco.

Pending final adjudication of the merits of the suit, the complaint also asked the court to issue a temporary injunction preventing Halliburton from commingling the assets and business operations of Brown & Root and Ebasco.