



Department of Justice

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The Department of Justice filed an antitrust suit today charging the three leading transporters of mobile homes with fixing prices and monopolizing their business.

Attorney General William B. Saxbe said the civil suit charging three violations of Sections 1 and 2 of the Sherman Act, was filed in U.S. District Court in Washington, D. C.

The Justice Department had filed a criminal case in August, 1973, against the same firms and six current or former executives of the firms. It was terminated last September with pleas of nolo contendere and fines totaling \$170,000.

Named as defendants in the suit were Morgan Drive Away, Inc., Elkhart, Indiana; National Trailer Convoy, Inc., Tulsa, Oklahoma; and Transit Homes, Inc., Greenville, South Carolina.

Mobile home carriers transport mobile homes from manufacturers to dealers, from dealers to sites selected by mobile home purchasers, and from one site to another.

Acting Assistant Attorney General Bruce B. Wilson, in charge of the Antitrust Division, said the suit charged that since the early 1950s the companies have conspired to restrain and to monopolize, and have monopolized, the transportation of mobile homes within the United States.

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The objectives of the conspiracy, the suit said, were to exclude competition, to limit the growth of competitors, to coerce competitors to join a rate-making organization, and to coerce the organization's members to relinquish their right to charge lower rates.

The suit also charged that the companies conspired to coerce competitors to charge the same rates as they charged, and to fix rates without authorization of state law.

The suit further charged that the companies deprived persons applying to state and federal regulatory agencies for mobile home transportation authority of meaningful access to and fair hearings before those agencies by:

- protesting virtually all the applications, without regard to the merits;

- inducing others to protest the applications, without regard to the merits;

- jointly financing the protests and providing personnel to aid in the protest;

- using tactics to deter, delay, and increase the costs of the applications; and,

- providing, procuring, and relying upon testimony which they knew to be false and misleading in agency proceedings on the applications.

The effects of the conspiracy have been to exclude competitors from the business of transporting mobile homes, to restrain the efforts of competitors to expand their businesses, to unreasonably suppress competition, and to set and maintain mobile home transportation rates at arbitrary and unreasonably high levels, the suit said.

Since 1965, Morgan Drive Away, National Trailer Convoy, and Transit Homes have accounted for more than 85 percent of all revenues earned from transporting mobile homes. In 1973, the companies had combined revenues of about \$74 million.

The suit seeks damages and injunctive relief against the defendants, including the surrender by Morgan and National of as much mobile home route authority granted by the ICC as may be necessary to dissolve the alleged unlawful monopoly and to prevent the perpetuation of its effects.

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