



Department of Justice

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AT
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The Department of Justice today filed a civil antitrust suit challenging the acquisition by Rockwell International Corporation of Pittsburgh, Pennsylvania, of nearly 30 percent of the stock of Serck Limited of the United Kingdom.

Attorney General Benjamin R. Civiletti said the suit and a proposed consent decree that would, when approved by the court, terminate the suit, were filed simultaneously in the U.S. District Court in Pittsburgh.

Rockwell acquired the stock in Serck--which has its headquarters at Solihull, England--through its wholly-owned subsidiary, Rockwell International Holdings Limited ("RIHL"), a Delaware corporation that was also named as a defendant.

The complaint alleges that the acquisition by Rockwell, through RIHL, of the Serck stock violates Section 7 of the Clayton Act in that it may substantially lessen competition in the lubricated plug valve market and the submarket for lubricated tapered plug valves. The lubricated plug valve market consists of lubricated tapered plug valves and lubricated cylindrical plug valves. These valves are employed for flow control in a variety of industrial applications, including oil and gas production, processing, transmission, and distribution.

Sanford M. Litvack, Assistant Attorney General in charge of the Antitrust Division, said that the market for lubricated

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plug valves and the submarket for lubricated tapered plug valves are both highly concentrated, with Rockwell being the dominant company in both. In 1979, Rockwell accounted for 83.5 percent of the \$57 million total U.S. sales of lubricated plug valves and 94% of the \$50.7 million total U.S. sales of lubricated tapered plug valves.

Serck is, after Rockwell, the second largest manufacturer of lubricated tapered plug valves in the world. Serck is the leading manufacturer of such valves outside the United States and is Rockwell's main competitor in the international market. Since at least 1977, Serck has been trying to expand into the United States by means of an acquisition or joint venture that would enable it to manufacture lubricated tapered plug valves domestically. Serck presently sells only a limited number of such valves in the United States.

The proposed decree requires Rockwell and RIHL to divest the Serck stock within four years from the date of entry of the judgment. Pending divestiture of the stock, Rockwell and RIHL are prohibited from voting the Serck shares or from otherwise attempting to control or influence Serck. The proposed decree also enjoins Rockwell and RIHL for ten years from making certain asset or equity interest acquisitions in Serck or any other person engaged in the manufacture, sale, or distribution of lubricated plug valves.

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In accordance with the Antitrust Procedures and Penalties Act of 1974, a competitive impact statement regarding the decree has been filed with the Court. Copies of this statement and of the proposed decree are available on request in the Legal Procedure Unit, Room 7416, Department of Justice, Washington, D.C. 20530. They are also available for inspection in the Office of the Clerk of the United States District Court in Pittsburgh, Pennsylvania.

Comments to the Department and to the Court regarding the decree are invited from members of the public within the next 60 days. They should be directed to John W. Clark, Chief, Special Trial Section, Antitrust Division, Department of Justice, Washington, D.C. 20530.

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