



Department of Justice

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The Department of Justice today filed four civil antitrust suits charging 17 corporations with violations of Section 1 of the Sherman Act in connection with the provision of port agent services to tramp vessels. The complaints were filed together with proposed consent decrees that would settle the suits.

The violations were alleged to have occurred in the ports of Baltimore, New York and Philadelphia, and in the West Gulf port range.

Port agent services are performed for the owner or charterer of a cargo ship and include supervising the loading and unloading of cargo; arranging for berths, pilots and tugs; securing necessary documentation; outfitting and repairing the ship; and attending to the needs of the crew. Tramp vessels are cargo ships that do not follow a schedule of regular port calls.

The "West Gulf port range" is made up of the port areas along the Gulf of Mexico on the Texas coast and the port of Lake Charles, Louisiana.

The four suits and proposed consent decrees were filed simultaneously in U.S. District Court in Baltimore, Maryland, and that the proposed decrees will become final upon approval by the court.

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Named as defendants in the complaint relating to the port of Baltimore were:

- Steamship Trade Association of Baltimore, Inc.;
- John S. Connor, Inc., Baltimore;
- ITO Corporation of Baltimore; and
- Ramsay, Scarlett and Company, Inc., Baltimore.

The Steamship Trade Association of Baltimore, Incorporated is a trade association whose membership includes firms that provide port agent services. The three other defendants are firms that provide port agent services in the port of Baltimore and are members of the Association.

Named as defendants in the complaint pertaining to the port of New York were:

- Association of Ship Brokers and Agents (U.S.A.), Inc., New York City;
- Boyd, Weir & Sewell, Inc., New York City;
- Kerr Steamship Company, Inc., New York City; and
- Norton, Lilly & Co., Inc., New York City.

The Association of Ship Brokers and Agents (U.S.A.), Inc. is a time association whose membership includes firms that provide port agent services. The other three defendants are firms that provide port agent services in the port of New York and are members of the Association.

The civil case relating to the port of New York follows a related felony prosecution in which the same four corporations

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were named as defendants. An information charging the defendants with violating Section 1 of the Sherman Act in connection with the provision of port agent services to tramp vessels in the port of New York was filed on December 16, 1983, in U.S. District Court in New York City. Following a plea agreement, the defendants entered no contest pleas. Total fines imposed by the court on the four defendants were \$220,000.

Named as defendants in the complaint pertaining to the port of Philadelphia were:

- Philadelphia Marine Trade Association;
- Lavino Shipping Company, Philadelphia;
- Rice, Unruh Co., Philadelphia;
- Robinson & Mastrangelo, Inc., Philadelphia;
and
- Stockard Shipping & Terminal, Co., Philadelphia.

The membership of the Philadelphia Marine trade Association includes firms that provide port agent services. The other four defendants are members of the Association and provide port agent services in the port of Philadelphia.

Named as defendants in the complaint relating to the West Gulf ports were:

- West Gulf Maritime Association, Houston;
- Biehl & Co., Houston;
- Hansen & Tidemann, Inc., Houston, and
- Strachan Shipping Company, Houston.

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The West Gulf Maritime Association is a trade association whose membership includes firms that provide port agent services in the port areas along the Gulf of Mexico on the Texas coast and in the port of Lake Charles, Louisiana ("the West Gulf ports"). The other three defendants are firms that provide port agent services in the West Gulf ports and are members of the Association.

Each of the complaints alleges that, beginning at least as early as 1976 and continuing until at least 1981, the defendants engaged in a combination and conspiracy to raise, fix and maintain the prices of port agent services.

J. Paul McGrath, Assistant Attorney General in charge of the Antitrust Division, said the complaints allege that the defendants agreed on, prepared, revised, published, disseminated and used schedules of fees for port agent services provided to tramp vessels in the respective ports.

McGrath said that the proposed consent decrees would enjoin the defendants from repeating the unlawful conduct and would also impose certain affirmative obligations on the defendants. For example, each of the port agent firms named as a defendant would be required to establish a written policy ensuring its compliance with the antitrust laws and the judgment to which it is a party. Each of the defendant trade associations would be ordered to convene at least four meetings at which its membership would receive an explanation of the prohibitions of Section 1 of the Sherman Act and the judgment to which the association is a party.

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In accordance with the Antitrust Procedures and Penalties Act of 1974, competitive impact statements regarding each of the decrees have been filed with the court. Copies of these statements, the complaints and the proposed decrees are available upon request in the Legal Procedures Unit, Antitrust Division, Room 7416, Department of Justice, Washington, D.C. 20530. They are also available for inspection in the Office of the Clerk of the U.S. District Court in Baltimore, Maryland.

Comments to the Department and to the court regarding the proposed decrees are invited from members of the public within the next 60 days. They should be directed to Elliott M. Seiden, Chief, Transportation Section, Antitrust Division, Department of Justice, Room 8120 Star Building, Washington, D.C. 20530.

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