



Department of Justice

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The Department of Justice today filed a civil antitrust suit against the Engelhard Corporation of Edison, New Jersey, and the Filtrol Corporation of Oakland, California, to block Engelhard's proposed acquisition of Filtrol.

The companies are the second and third largest makers of fluid catalytic cracking (FCC) catalysts, respectively. The suit was filed in U.S. District Court in Philadelphia.

Charles F. Rule, Assistant Attorney General in charge of the Antitrust Division, said the lawsuit alleges that the transaction would violate Section 7 of the Clayton Act because it may substantially lessen competition in the production and sale of FCC catalysts.

Filtrol is a wholly-owned subsidiary of Kaiser Aluminum & Chemical Corporation, which in turn is ultimately controlled by KaiserTech, a California firm.

FCC catalysts are used by oil companies in refining crude oil. Only five companies, including Engelhard and Filtrol, sell FCC catalysts in the United States. Engelhard accounted for 32 percent of the \$289 million total 1987 U.S. sales of FCC catalysts, Filtrol 18 percent.

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"The proposed acquisition poses a significant threat to competition in the FCC catalysts market," Rule said. "Oil refiners depend on competition between Engelhard and Filtrol in order to get the right FCC catalyst at a fair price. This transaction would make it likely that refiners will have to pay higher prices for FCC catalysts, and that could result in higher prices of refined products to consumers."

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