



Department of Justice

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**JUSTICE DEPARTMENT FILES SUIT CHARGING COMPANIES
WITH VIOLATING PREMERGER NOTIFICATION REQUIREMENTS**

WASHINGTON, D.C. -- The Department of Justice today filed a civil antitrust suit seeking a penalty totalling \$2 million from four companies charged with violating the premerger notification requirements of the Hart-Scott-Rodino Act. At the same time, the Department filed a proposed consent decree that, if approved by the court, would settle the suit.

The complaint was filed in U.S. District Court in Washington at the request of the Federal Trade Commission against the Atlantic Richfield Company of Los Angeles, California; ARCO Chemical Company (ARCO Chemical) of Newtown Square, Pennsylvania; and Union Carbide Corporation and Union Carbide Chemicals and Plastics Company Inc. (Union Carbide Chemicals), both of Danbury, Connecticut. Under the terms of the proposed settlement, Atlantic Richfield Company and ARCO Chemical have agreed to pay a total civil penalty of \$1 million and Union Carbide Corporation and Union Carbide Chemicals have agreed to pay a total civil penalty of \$1 million.

James F. Rill, Assistant Attorney General in charge of the Antitrust Division, said, "The Antitrust Division and the Federal

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Trade Commission share a strong commitment to ensure that merging companies comply with the Hart-Scott-Rodino notification requirements, and we will continue to bring civil penalty actions for violations of the act."

The Hart-Scott-Rodino Act prohibits stock or asset acquisitions beyond a certain value or percentage ownership between individuals or companies above a certain size until a notification has been filed with the Department of Justice and the Federal Trade Commission and a waiting period has expired. The act is intended to improve antitrust enforcement by ensuring that the government receives advance notice of significant mergers and similar transactions.

The complaint alleges that the act was violated in connection with the acquisition by ARCO Chemical on September 27, 1989, of Union Carbide Chemicals assets used in the manufacture and sale of urethane polyether polyols and propylene glycol for approximately \$220 million.

ARCO Chemical is majority owned by Atlantic Richfield Company, and Union Carbide Chemicals is wholly owned by Union Carbide Corporation.

The complaint alleges that the companies did not comply with the act's requirements before the execution of an acquisition agreement that had the effect, upon execution, of transferring beneficial ownership of the Union Carbide Chemicals assets to

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ARCO Chemical and Atlantic Richfield Company. The complaint alleges that the companies were continuously in violation of the act through February 26, 1990.

The Federal Trade Commission challenged the acquisition under the antitrust laws and on November 26, 1990, gave final approval to a consent agreement with the parties that settled those charges. In the settlement, the companies also agreed to payment of civil penalties should the Department of Justice seek such penalties.

Under Hart-Scott-Rodino, any person or company that fails to comply with the act's requirements is liable for a civil penalty of up to \$10,000 for each day the violation continues.

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