



Department of Justice

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JUSTICE DEPARTMENT ISSUES BUSINESS REVIEW LETTER

WASHINGTON, D.C. -- The Department of Justice announced today it does not intend to challenge under antitrust laws the proposed program of Super Efficient Refrigerator Program Inc. (SERP) to provide a financial incentive to a manufacturer that develops and markets models of more energy-efficient residential refrigerators that have refrigerant and insulation free of chlorofluorocarbons (CFCs).

SERP will offer an incentive of approximately \$30 million to a firm that can design, bring to market and sell, prior to mid-1997, residential refrigerators that will be free of CFCs and at least 25 percent more efficient than those meeting the 1993 standards of the Department of Energy.

The Department's position was stated in a business review letter from John W. Clark, Acting Assistant Attorney General in charge of the Antitrust Division, to counsel for SERP.

The Department concluded that the program affords an opportunity to accelerate research and development in energy efficiency and to increase and enhance competition generally in the sale of refrigerators, while posing no threat of significant anticompetitive effects.

(MORE)

SERP is a California not-for-profit corporation whose members include public and privately-owned electric utilities and one federal power authority. Each member has committed funds which are available to the winner of a competitive bidding contest conducted by SERP in the form of an incentive payment for each new super efficient refrigerator that is sold to a retailer, wholesaler or distributor in the member's service area prior to July 1, 1997.

Under the Department's business review procedure, a person or organization may submit a proposed course of action to the Antitrust Division and receive a statement as to whether the Division will challenge the activity under the antitrust laws.

A file containing the business review request and the Department's response may be examined in the Legal Procedure Unit of the Antitrust Division, Room 3233, Department of Justice, Washington, D.C. 20530. After a 30-day waiting period, the documents supporting the business review will be added to the file.

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