



# Department of Justice

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March 22, 1993

**SUMMARY OF ANTITRUST ENFORCEMENT ACTIONS  
FOR PUBLIC RELEASE  
FOR MONDAY, MAR. 15, 1993 THROUGH FRIDAY, MAR. 19, 1993**

3/15/93

U.S. v. USAir Group, Inc.  
Civil No.: 93 0530 (D.D.C.)

A civil complaint was filed in U.S. District Court in Washington, D.C., challenging the proposed transaction between USAir Group Inc. of Arlington, Virginia, and British Airways Plc of London, England. At the same time, a proposed consent decree was filed which, if approved by the court, will resolve the suit by requiring USAir to divest its authority to provide scheduled airline passenger service to London from Philadelphia, Baltimore/Washington and Charlotte, North Carolina. The consent decree requires USAir to transfer its authority from each of its gateways to an approved purchaser within 45 days of its initiation of code-sharing services with British Airways from that gateway. If USAir is unable to complete a sale, it is required to surrender the authority to the U.S. Department of Transportation for authorization of another airline. On January 21, 1993, British Airways purchased roughly 20 percent of USAir's stock for \$300 million, and the two airlines agreed to initiate joint operations on U.S.-London services. Under the joint program, the two airlines will provide connections from London to numerous U.S. cities through USAir's hubs at Philadelphia, Pittsburgh, Baltimore/Washington and Charlotte using shared airline designator codes. Airline designator codes are used

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by airlines and travel agents to identify carriers. British Airways accounts for about 38 percent of the seats available for all U.S.-London travel, with nonstop flights from 14 U.S. gateways, including Philadelphia and Baltimore/Washington. USAir, with nonstop service from the Philadelphia, Baltimore/Washington and Charlotte gateways, competes with British Airways for passengers travelling to London from cities located in the Northeast and Mid-Atlantic regions of the United States, as well as for nonstop passengers from Philadelphia and Baltimore/Washington. The complaint alleged that the effect of the deal may substantially lessen competition in the provision of scheduled airline passenger service between interior U.S. points and London, and in the provision of nonstop scheduled airline passenger service in the Philadelphia-London and Baltimore/Washington-London markets.

3/17/93

U.S. v. Canstar Sports USA, Inc.  
Civil No.: 2-93CV77 (D. Vt.)

A civil complaint was filed in U.S. District Court in Burlington, Vermont, charging Canstar Sports USA Inc. of Swanton, Vermont, for conspiring with its dealers to fix the retail price of Canstar high performance hockey skates with V2 blades in violation of Section 1 of the Sherman Act. The complaint alleged that beginning as early as February 1990 and continuing at least through November 1990 the defendant and its co-conspirator retail dealers conspired to fix the price at which the dealers sold Canstar hockey skates with V2 blades. The complaint seeks injunctive relief to prevent the defendant from directly or indirectly continuing or renewing the conspiracy or from engaging in similar activities in the future. At the same time, a proposed final judgment was also filed that would settle the suit. "Agreements on resale prices among a manufacturer and its dealers are per se violations of the Sherman Act and it has long been Antitrust Division policy that they will be prosecuted when they are found," John W. Clark, Acting Assistant Attorney General in charge of the Antitrust Division, said.

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3/19/93

Justice Department Intends to Challenge Proposed Acquisition by The Gillette Company of Parker Pen Holdings Ltd.

The Department of Justice, Antitrust Division, announced its intention to file a civil antitrust suit challenging the proposed acquisition by The Gillette Company, a Delaware corporation headquartered in Boston, Massachusetts, of Parker Pen Holdings Ltd., a British corporation, headquartered in Newhaven, England, unless they abandon the transaction. John W. Clark, Acting Assistant Attorney General in charge of the Antitrust Division, said, "This combination would increase concentration significantly in an already concentrated market and would likely increase the prices consumers would pay for premium fountain pens in the United States." Gillette and Parker are two of the world's largest manufacturers of writing instruments, including pens and mechanical pencils. Gillette's worldwide sales of writing instruments in 1991 were approximately \$424 million, and Parker's were approximately \$308 million. Gillette markets premium fountain pens in the United States through its Stationery Products Group under the Waterman brand name. Parker sells its premium fountain pens in the United States through Parker Pen USA Limited, under the Parker brand name. Retail sales of premium fountain pens in the United States totaled approximately \$46 million in 1991. Gillette's Waterman brand and the Parker brand each account for approximately 20 percent of those sales. Gillette and Parker, together with one other company, control about 80 percent of the premium fountain pen market in the United States.

3/19/93

U.S. v. United States Bronze Powders, Incorporated  
Criminal No.: 1:93CR091 (N.D. Ohio)

U.S. v. K. Clive Ramsey  
Criminal No.: 1:93CR092 (N.D. Ohio)

Two one-count informations were filed in U.S. District Court in Cleveland, Ohio, charging United States Bronze Powders, Incorporated of Flemington, New Jersey, and its president, K. Clive Ramsey, with conspiring to fix prices, in violation of Section 1 of the Sherman Act, of bronze and copper flake, beginning at least as early as October 1986 and continuing at least until November 1988. Bronze and copper flake are used in the printing, paint, oil drilling and defense industries.

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3/19/93 U.S. v. Fremont Chemical Co. and Donald J. Aycock  
Criminal No.: (D. Wyoming)

Four-count indictment was filed in U.S. District Court in Cheyenne, Wyoming, charging Fremont Chemical Co. and its owner, Donald J. Aycock, with bid rigging and territorial allocation, in violation of Section 1 of the Sherman Act, on the sale of magnesium chloride, a chemical used to suppress dust on unpaved roads.

Copies of legal filings are available from the Legal Procedure Unit, Antitrust Division, Room 3233, Telephone No.: 514-2481.

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