



Department of Justice

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JUSTICE DEPARTMENT REQUIRES MILLER INDUSTRIES TO LICENSE IMPORTANT TOWING TECHNOLOGY

Decree will resolve Lawsuit Challenging Two Prior Acquisitions

WASHINGTON, D.C. - The Department of Justice is requiring Miller Industries Inc. of Ooltewah, Tennessee, to license important technology used in towing and recovery vehicles in order to resolve antitrust concerns caused by Miller's past acquisitions of two competitors. Access to this technology, for existing firms and those that may enter, is necessary to restore the competition that these anticompetitive acquisitions eliminated.

Miller Industries is the nation's largest supplier of light-duty towtrucks and light-duty car carriers, the two main types of towing and recovery vehicles used to recover and transport disabled cars and light trucks. Miller Industries designs, manufactures, and markets many well-known brands of light-duty towtrucks and light-duty car carriers, including those carrying the Century, Vulcan, Chevron, Holmes, Challenger, and Champion brands.

In a civil lawsuit filed today in U.S. District Court in Washington, D.C., the Department's Antitrust Division challenged Miller Industries' acquisitions of Vulcan Equipment Inc. and Chevron Inc. The complaint alleged that the acquisitions lessened competition in the design, manufacture, and sale of light-duty towtrucks and car carriers, substantially increased Miller Industries' ownership of valuable patent rights, and eliminated two competitors that offered customers products with different and competitively significant technology.

Together with the lawsuit, the Department filed a proposed consent decree requiring Miller Industries to grant licenses under five key patents. Under the proposed decree, Miller Industries must also notify the Antitrust Division prior to acquiring any interest in a competitor, or related assets or patents, with a value over \$5 million. If approved by the Court, the consent decree would resolve the suit.

“The licensing required by this action will promote the use of technology important for effective competition in these markets,” said Joel I. Klein, Assistant Attorney General in charge of the Antitrust Division. “This important technology will enable the firms remaining in the market, many of them small, to become more effective competitors, and will help restore the competition lost as a result of Miller Industries’ two past acquisitions. Access to the technology will promote further innovation and improvements in towtruck and car carrier technology and benefit customers by providing them with a wider variety of products, better quality, and lower prices.”

Miller Industries acquired Vulcan Equipment Inc. of Olive Branch, Mississippi in September 1996, and Chevron Inc. of Mercer, Pennsylvania, in December 1997. Both Vulcan and Chevron had successfully developed and marketed valuable innovations in product design for towing and recovery vehicles, and offered towtrucks and car carriers with valuable patented features. Prior to the acquisition, Miller Industries and Vulcan used much of the same patented technology pursuant to licensing agreements. Neither transaction was subject to the Hart-Scott-Rodino Antitrust Improvements Act of 1976, which requires companies to notify and provide information to the Antitrust Division before making acquisitions, because their dollar value fell below the statutory threshold amount. As a result, the Division did not learn about the acquisitions until after they had been completed.

As required by the Tunney Act, the proposed consent decree will be published in the *Federal Register*, along with the Department's competitive impact statement. Any person may submit written comments concerning the proposed decree during the 60-day comment period to M. J. Moltenbrey, Chief, Civil Task Force, Antitrust Division, U.S. Department of Justice, 325 Seventh Street, N.W., Washington, D.C. 20530 (202-616-5935). At the conclusion of the 60-day period, the Court may enter the consent decree upon finding that it serves the public interest.

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