

File

UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF OHIO
EASTERN DIVISION

UNITED STATES OF AMERICA,)	
)	
Plaintiff,)	
)	Civil No. C-72-859
v.)	
)	Filed: August 16, 1972
AMERICAN SHIP BUILDING COMPANY and)	
LITTON SYSTEMS, INC.,)	
)	
Defendants.)	

COMPLAINT

The United States of America, by its attorneys, acting under the direction of the Attorney General of the United States, brings this civil action to obtain equitable relief against the above named defendants, and complains and alleges as follows:

I

JURISDICTION AND VENUE

1. This complaint is filed and this action is instituted under Section 15 of the Act of Congress of October 15, 1914, as amended (15 U.S.C. § 25), commonly known as the Clayton Act, in order to prevent and restrain violation by defendants, as hereinafter alleged, of Section 7 of said Act, as amended (15 U.S.C. § 18).

2. Defendants American Ship Building Company and Litton Systems, Inc. transact business and are found within the Northern District of Ohio, Eastern Division.

II

DEFENDANTS

3. American Ship Building Company (hereinafter referred to as "Amship") is named a defendant herein. Amship is a corporation organized and existing under the laws of the State of New Jersey with its principal offices located in Cleveland, Ohio. Amship operates a fleet of bulk carrier vessels on the Great Lakes.

4. Litton Systems, Inc. (hereinafter referred to as "Litton") is named a defendant herein. Litton is a corporation organized and existing under the laws of the State of Maryland. Litton is a wholly owned subsidiary of Litton Industries, Inc. Wilson Marine Transit Company (hereinafter referred to as "Wilson Marine"), located in Cleveland, Ohio, is a division of Litton. Wilson Marine operates a fleet of bulk carrier vessels on the Great Lakes.

III

TRADE AND COMMERCE

5. The Great Lakes of the United States are major arteries of interstate and foreign commerce. Traffic moves regularly between ports in the eight industrial states of the United States which serve as the southern boundary of this extensive system of waterways as well as ports in Canada. Water transportation is particularly adapted to the movement of bulk commodities, which constitute most of the traffic transported on the Great Lakes.

6. The principal bulk commodities transported in waterborne commerce on the Great Lakes are iron ore, coal, grain, and stone. About 192 million net tons of such commodities were transported between ports on the Great Lakes in 1968; an

estimated 136 million net tons of such commodities were transported between United States Great Lakes ports.

7. The Great Lakes bulk shipping market includes transportation of commodities such as grain and ore to major use areas such as Chicago, Cleveland, and Buffalo. Great Lakes bulk carriers are not built for ocean traffic and never go beyond the Great Lakes. Oceangoing vessels are not equipped to handle bulk commodities and do not have the shallow drafts necessary to go into bulk unloading areas of Great Lakes ports.

8. Under the laws of the United States, traffic on the Great Lakes between United States ports is restricted to vessels of United States registry.

9. In 1971, there were a total of 181 bulk carrier vessels operating on the Great Lakes between United States ports of which approximately 73 of such vessels were captive, that is, vessels used to transport the vessel owner's or operator's commodities, such vessels not being generally available for hire. Approximately 108 bulk carrier vessels competed for the shipping of bulk commodities on the Great Lakes between United States ports.

10. In 1971, Amship, with assets of about \$45 million, directly or indirectly, owned and controlled 20 non-captive bulk carrier vessels operating on the Great Lakes between United States ports in interstate commerce. Litton, directly or indirectly, owned and controlled 9 non-captive bulk carrier vessels operating on the Great Lakes between United States ports in interstate commerce.

11. Transportation by non-captive bulk carrier vessels in domestic commerce on the Great Lakes is concentrated.

Four firms owned, directly or indirectly, approximately 62 percent of all such vessels. Amship, along with American Steamship Company, ranked first among United States non-captive bulk carrier vessel operators with approximately 19 percent each of all such vessels; Litton ranked seventh with approximately 9 percent. The acquisition will result in Amship increasing its ownership or control of non-captive bulk carrier vessels of United States registry operated on the Great Lakes to about 28 percent of the total.

IV

VIOLATION ALLEGED

12. On or about August 15, 1972, Amship acquired all of the bulk carrier vessels of Litton. The effect of the aforesaid acquisition may be substantially to lessen competition or tend to create a monopoly, in violation of Section 7 of the Clayton Act in the following ways, among others:

(a) Actual and potential competition between Amship and Litton has been eliminated; and

(b) Actual and potential competition in interstate transportation of bulk commodities by non-captive bulk carrier vessels between United States ports on the Great Lakes may be substantially lessened and concentration increased.

PRAYER

WHEREFORE, plaintiff prays:

1. That Amship's acquisition of Litton's bulk carrier vessels be adjudged and decreed to be in violation of Section 7 of the Clayton Act.

2. That pending final adjudication of the merits of this complaint, a preliminary injunction issue preventing and

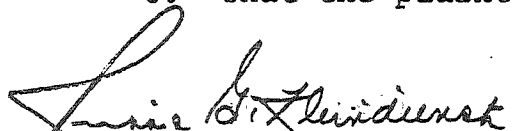
restraining the defendants from taking any further action to effectuate the transfer of control of the subject assets or to interfere in any way with the Court's ability to require rescission.

3. That the purchase agreement be rescinded and that Amship and Litton be required to take such steps as will return ownership and control of such bulk carrier vessels to Litton.

4. That for a period of five years, except with the approval of the plaintiff or of the Court, defendant Amship, their successors and assigns, their officers, directors, agents, employees, and all persons acting or claiming to act on their behalf be enjoined from acquiring the stock or assets of any other company engaged in the business of transporting bulk commodities on the Great Lakes.

5. That the plaintiff have such other and further relief as may be just and proper.


6. That the plaintiff recover the costs of this action.



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