

**UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF COLUMBIA**

UNITED STATES OF AMERICA,

*Plaintiff,*

v.

REDDY ICE LLC,

STONE CANYON INDUSTRIES  
HOLDINGS, LP,

and

CHILL PARENT HOLDCO, L.P.,

*Defendants.*

Case No.: 1:26-cv-271-SLS

**COMPETITIVE IMPACT STATEMENT**

In accordance with the Antitrust Procedures and Penalties Act, 15 U.S.C. § 16(b)–(h) (the “APPA” or “Tunney Act”), the United States of America files this Competitive Impact Statement related to the proposed Final Judgment filed in this civil antitrust proceeding.

**I. NATURE AND PURPOSE OF THE PROCEEDING**

On July 3, 2025, Stone Canyon Industries Holdings, L.P. (“Reddy Ice”) agreed to acquire Chill Parent Holdco, L.P. (“Arctic Glacier”) for a price of more than \$126.4 million but less than \$179.4 million. The United States filed a civil antitrust Complaint on January 30, 2026, seeking to enjoin the proposed acquisition. (*See* ECF No. 1; *see also* Corrected Complaint filed Feb. 2, 2026, at ECF No. 8-1) (“Corrected Complaint”).<sup>1</sup> The Corrected Complaint alleges that the

---

<sup>1</sup> Per the Court’s ECF instruction on February 2, 2026, the United States filed corrected

likely effect of this acquisition would be to substantially lessen competition for the sale of packaged ice (1) to retail chains in the states of Oregon and Washington and in Imperial and Riverside counties in the state of California, and (2) to airlines and airline caterers in the metropolitan areas of Boston, Massachusetts and New York City, New York, in violation of Section 7 of the Clayton Act, 15 U.S.C. § 18.

At the same time the Complaint was filed, the United States filed a proposed Final Judgment and an Asset Preservation and Hold Separate Stipulation and Order, which are designed to remedy the loss of competition alleged in the Complaint. (*See* ECF No. 2-1; *see also* Corrected Asset Preservation and Hold Separate Stipulation and Order filed Feb. 2, 2026, at ECF No. 8-3) (“Corrected Stipulation and Order”).<sup>2</sup>

Under the terms of the proposed Final Judgment, which are explained more fully below, Defendants are required to divest ice manufacturing and distribution facilities, customer relationships and contracts, and other assets, in California to San Diego Ice Company, Inc. (“San Diego Ice”) and in Washington to Columbia Basin Ice, LLC (“Columbia Basin Ice”), or to other acquirers acceptable to the United States. Defendants are also required to divest customer relationships and contracts, along with other assets, in Oregon to Oregon Ice Company, LLC (“Oregon Ice”), in the Boston, Massachusetts metropolitan area to Dee Zee Ice, LLC (“Dee Zee Ice”), and in the New York City, New York metropolitan area to Natuzzi Ice, Inc. (“Natuzzi Ice”), or to other acquirers acceptable to the United States. Additionally, under the proposed Final Judgment, Defendants are (1) required to sever any existing distribution or co-packing

---

documents in this matter to comply with the requirement that the signing attorney must be the

<sup>2</sup> *See* footnote 1.

agreements with the acquirers; (2) prohibited from entering into new distribution or co-packing agreements with the acquirers during the term of the proposed Final Judgment, unless the United States permits entry into such agreements; (3) prohibited from competing for the divested customers for a limited time; (4) required to undergo annual antitrust compliance training approved by the United States; and (5) required to provide advance notification to the United States of certain future acquisitions of packaged ice companies.

Under the terms of the Corrected Stipulation and Order, Defendants must take certain steps to operate, preserve, and maintain the full economic viability, marketability, and competitiveness of the assets that must be divested. In addition, the management, sales, and operations of the assets that must be divested must be held entirely separate, distinct, and apart from Defendants' other operations. The purpose of these terms in the Corrected Stipulation and Order is to ensure that competition is maintained during the pendency of the required divestitures.

The United States and Defendants have stipulated that the proposed Final Judgment may be entered after compliance with the APPA. Entry of the proposed Final Judgment will terminate this action, except that the Court will retain jurisdiction to construe, modify, or enforce the provisions of the proposed Final Judgment and to punish violations thereof.

## **II. DESCRIPTION OF EVENTS GIVING RISE TO THE ALLEGED VIOLATION**

### **A. The Defendants and the Proposed Transaction**

Reddy Ice is the largest producer of packaged ice in the United States, with annual revenues of approximately \$511 million. It is headquartered in Dallas, Texas, and is owned by Stone Canyon Industries Holdings, LP. Reddy Ice sells packaged ice in 37 states and the District of Columbia. It operates 100 ice manufacturing and distribution facilities in the United States.

Reddy Ice also owns approximately 2,320 in-store bagging machines that automatically produce and package bags of ice at retail chain and convenience stores.

Arctic Glacier is the third largest packaged ice producer in the United States, with annual revenues of approximately \$306 million. It has dual headquarters in Bala Cynwyd, Pennsylvania, and Winnipeg, Canada. Arctic Glacier's ultimate parent is Chill Parent Holdco, L.P., which is owned by the Carlyle Group. Arctic Glacier sells packaged ice in 19 states. It operates 57 ice manufacturing and distribution facilities in the United States.

Reddy Ice and Arctic Glacier have largely complementary footprints in the United States, although they overlap in some geographic areas. Reddy Ice's packaged ice facilities are located in the U.S. Southeast, South, and parts of the West and West Coast; Arctic Glacier's packaged ice facilities are located in the U.S. Northeast, parts of the Midwest, and on the West Coast.

On July 3, 2025, Reddy Ice and Arctic Glacier executed a purchase agreement through which Reddy Ice will acquire Arctic Glacier for more than \$126.4 million but less than \$179.4 million.

## **B. Competitive Effects of the Transaction**

The Corrected Complaint alleges that the transaction will result in anticompetitive effects in the markets for the sale of packaged ice (1) to retail chains in the states of Oregon and Washington and in Imperial and Riverside counties in the state of California, and (2) to airlines and airline caterers in the metropolitan areas of Boston, Massachusetts and New York City, New York.

The transaction will combine the largest two producers of packaged ice in certain parts of the United States where they both compete. As alleged in the Corrected Complaint, eliminating competition between Reddy Ice and Arctic Glacier would likely lead to higher prices, reduced

service quality, or both for packaged ice sold to retail chains in the states of Oregon, Washington, and in Imperial and Riverside counties in the state of California and to airlines and airline caterers in the metropolitan areas of Boston and New York City.

**1. Relevant Markets**

**a. Packaged Ice Sold to Retail Chains in Oregon, Washington, and Imperial and Riverside Counties in California**

As alleged in the Corrected Complaint, packaged ice sold to national, regional, and multi-regional chains in Oregon, Washington, and Imperial and Riverside counties in California are relevant markets under Section 7 of the Clayton Act.

Packaged ice sold to retail chains is a recognized product category in the ice industry and is typically sold in seven-pound and larger bags. High-quality service and on-time delivery are important to retail chains that need to have ice stocked throughout the year, especially during the summer months. Retail chains often prefer to contract with large producers of packaged ice such as Reddy Ice and Arctic Glacier because they have the ability to serve stores across multiple geographies. Other reasons include volume discounts; proven ability to serve large customers; the administrative simplicity of working with fewer suppliers; and the ability of large producers of packaged ice to supply back-up ice from their other facilities.

There are no reasonable substitutes for packaged ice for most retail chains. Ice vending machines and self-supply of packaged ice are not viable alternatives for most retail chains due to cost, capacity, and space limitations.

Packaged ice producers negotiate individual prices with retail chains for delivery of packaged ice to multiple store locations. A price increase can therefore be targeted to an individual customer due to a lessening in competition. Customers that are similarly situated with respect to the effects of the transaction may be analyzed as a group, and the location of the group

delineates the relevant geographic market. Affected customers in the relevant geographic markets cannot evade a price increase via arbitrage, that is, by re-purchasing packaged ice from customers in other areas that have not been subject to a price increase. This is not practical for a number of reasons, including the costs of transportation, which can be high due to packaged ice's high volume and weight relative to its sales price, as well as the expense of fuel and refrigeration. The relevant geographic markets in which retail chains will likely be harmed by the proposed transaction are the locations of these similarly situated targetable customers in Oregon, Washington, and Imperial and Riverside counties in California.

For these reasons, the Corrected Complaint alleges that a hypothetical monopolist supplier of packaged ice to retail chains in Oregon, Washington, and Imperial and Riverside counties in California would profitably increase prices by at least a small but significant non-transitory amount because retail chains in these areas have no practical alternative source of supply.

**b. Packaged Ice Sold to Airlines and Airline Caterers in the Metropolitan Areas of Boston, MA and New York City, NY**

As alleged in the Corrected Complaint, packaged ice sold to airlines and airline caterers in the metropolitan areas of Boston, Massachusetts and New York City, New York, are relevant markets under Section 7 of the Clayton Act. Packaged ice sold to airlines and airline caterers is a recognized product category in the ice industry. Airlines and airlines caterers buy packaged ice primarily for use during the in-flight beverage services. Unlike retail chains, most airlines and airline caterers purchase smaller, five-pound heat-sealed bags, which require different machinery that many ice producers do not have, rather than the typical seven-pound and larger bags sold to retail chains.

There are no reasonable substitutes for packaged ice for most airlines and airline caterers. Ice vending machines and self-supply of packaged ice are not viable alternatives for most airlines and airline caterers due to cost, capacity, and space limitations.

Packaged ice producers negotiate individual prices with airlines and airline caterers for delivery to airports. Similar to retail chains, airlines and airline caterers can be individually targeted for price increases due to a lessening of competition. Similarly situated airlines and airline caterers can be grouped together to assess the effects of the transaction. The relevant geographic markets are the locations of these groups of customers in the metropolitan areas of Boston and New York City.

For these reasons, the Corrected Complaint alleges that a hypothetical monopolist supplier of packaged ice to airlines and airline caterers in the Boston and New York City metropolitan areas would profitably increase prices by at least a small but significant non-transitory amount because airlines and airline caterers in these areas have no practical alternative source of supply.

## **2. Competitive Effects**

As alleged in the Corrected Complaint, Reddy Ice's acquisition of Arctic Glacier would combine the largest packaged ice producers capable of servicing most retail chains, airlines, and airline caterers in the relevant geographic markets. In each of the relevant markets, Reddy Ice and Arctic Glacier compete head-to-head to sell packaged ice by lowering prices to customers and by providing better services, such as more reliable, frequent, and on-time deliveries. In some of these geographic markets, Reddy Ice competes exclusively using a co-packer that manufactures and delivers the ice to the customer on behalf of Reddy Ice. Many customers solicit bids from packaged ice producers and select the bidder that offers the best combination of

quality of service and price. Even customers who use less formal procurement processes benefit from the competition between these two large producers on price and quality of service.

The acquisition would eliminate the benefits of competition for sales of packaged ice between Reddy Ice and Arctic Glacier in the relevant markets. As alleged in the Corrected Complaint, the acquisition would result in higher prices, lower service quality, or both, and leave retail chains, airlines, and airline caterers in the relevant markets with few, if any, competitive alternatives.

### **3. Difficulty of Entry and Expansion**

As alleged in the Corrected Complaint, sufficient and timely entry by competitors into the relevant packaged ice markets is unlikely to prevent the harm to competition that is likely to result from Reddy Ice's acquisition of Arctic Glacier. Expansion among existing competitors is similarly unlikely to occur in a sufficient and timely fashion to prevent harm to retailers and consumers in these markets. Barriers to entry and expansion are high and include the substantial up-front capital investments required to build a network of facilities with the scale needed to meaningfully compete with the combined firm and reputational barriers such as the time required to build a supplier's reputation in the industry.

The Corrected Complaint also alleges that the acquisition of Arctic Glacier by Reddy Ice is unlikely to generate efficiencies sufficient to reverse or outweigh the anticompetitive effects that are likely to occur as a result of the acquisition.

### **III. EXPLANATION OF THE PROPOSED FINAL JUDGMENT**

The relief required by the proposed Final Judgment is designed to remedy the loss of competition alleged in the Corrected Complaint by establishing independent and economically viable competitors for the sale of packaged ice to retail chains in Oregon, Washington, and

Imperial and Riverside counties in California, and to airlines and airline caterers in the metropolitan areas of Boston, MA and New York City, NY.

**A. Divestitures**

**1. Divestiture Assets in California, Oregon, and Washington**

The proposed Final Judgment defines three sets of divestiture assets for the relevant geographic markets in California (the “California Divestiture Assets”), Oregon (the “Oregon Divestiture Assets”), and Washington (the “Washington Divestiture Assets”) (*see* Paragraphs II.H., II.BB., and II.JJ., respectively of the proposed Final Judgment). Each set of assets must be divested within 30 calendar days after the Court’s entry of the Corrected Stipulation and Order. Each set of assets also must be divested in such a way as to satisfy the United States in its sole discretion that the assets can and will be operated by the acquirers as viable, ongoing businesses that can compete effectively in the market for the sale of packaged ice to retail chains in the relevant geographic markets. Defendants also must use their best efforts to accomplish the divestitures as expeditiously as possible and must cooperate with the acquirers.

For the California Divestiture Assets, Defendants must divest the lease, facilities, machinery, equipment, vehicles, ice merchandisers, and customer contracts and relationships relating to or used in connection with the manufacture and sale of packaged ice to Reddy Ice’s customers and customer locations listed in Schedule 1 of the proposed Final Judgment. Defendants must divest the California Divestiture Assets to San Diego Ice or another acquirer acceptable to the United States in its sole discretion.

For the Oregon Divestiture Assets, Defendants must divest ice merchandisers and customer contracts and relationships relating to or used in connection with the manufacture and sale of packaged ice to Reddy Ice’s customers and customer locations listed in Schedule 4 of the

proposed Final Judgment. Defendants must also, at the option of the acquirer, grant the acquirer for a period of three years a rent-free and royalty-free right to use the in-store bagging machines that are at customer locations listed in Schedule 4. Defendants must divest the Oregon Divestiture Assets to Oregon Ice or another acquirer acceptable to the United States in its sole discretion.

For the Washington Divestiture Assets, Defendants must divest leases and subleases, facilities, machinery, equipment, vehicles, ice merchandisers, and customer contracts and relationships relating to or used in connection with the manufacture and sale of packaged ice to Reddy Ice's customers and customer locations listed in Schedule 5 of the proposed Final Judgment. Defendants must also, at the option of the acquirer, grant the acquirer for a period of three years a rent-free and royalty-free right to use the in-store bagging machines that are at customer locations listed in Schedule 5. Defendants must divest the Washington Divestiture Assets to Columbia Basin Ice or another acquirer acceptable to the United States in its sole discretion.

The acquirers, Oregon Ice, Columbia Basin Ice, and San Diego Ice, are packaged ice suppliers with multiple facilities in Oregon (Oregon Ice), Washington (Columbia Basin Ice), and in southern California (San Diego Ice). Each of these suppliers is currently serving large retail chains in those areas as a co-packer for Reddy Ice and has been serving as a co-packer for Reddy Ice for over seven years. Each will be acquiring the customer contracts and relationships that it currently serves as the co-packer. Because of their demonstrated track records of serving these large retail chain customers, they are well-positioned to continue to serve these customers and vigorously compete to retain them going forward.

To avoid entanglements and agreements that may lessen future competition, Defendants must sever any existing manufacture, distribution, or co-pack agreements between any Defendant and an acquirer.

**2. Divestitures Assets in Massachusetts and New York**

The proposed Final Judgment defines two sets of divestiture assets for the relevant geographic markets in Massachusetts (the “Massachusetts Divestiture Assets”) and New York (the “New York Divestiture Assets”) (*see* Paragraphs II.W. and II.Z., respectively of the proposed Final Judgment). Each set of assets must be divested within 30 calendar days after the Court’s entry of the Corrected Stipulation and Order. Each set of assets also must be divested in such a way as to satisfy the United States in its sole discretion that the assets can and will be operated by the acquirers as viable, ongoing businesses that can compete effectively in the market for the sale of packaged ice to airline and airline caterers in the relevant geographic markets. Defendants must use their best efforts to accomplish the divestitures as expeditiously as possible and must cooperate with the acquirers.

For the Massachusetts Divestiture Assets, Defendants must divest ice merchandisers and customer contracts and relationships relating to or used in connection with the manufacture and sale of packaged ice to Reddy Ice’s customers and customer locations listed in Schedule 2 of the proposed Final Judgment. Defendants must divest the Massachusetts Divestiture Assets to Dee Zee Ice or another acquirer acceptable to the United States in its sole discretion.

For the New York Divestiture Assets, Defendants must divest ice merchandisers and customer contracts and relationships relating to or used in connection with the manufacture and sale of packaged ice to Reddy Ice’s customers and customer locations listed in Schedule 3 of the

proposed Final Judgment. Defendants must divest the New York Divestiture Assets to Natuzzi Ice or another acquirer acceptable to the United States in its sole discretion.

The acquirers, Dee Zee Ice and Natuzzi Ice, are packaged ice suppliers capable of serving airlines and airline caterers in the metropolitan areas of Boston and New York City, respectively. Each of these acquirers is currently serving airlines and airline caterers in these markets as a co-packer for Reddy Ice and has been doing so for four years. Each will be acquiring the customer contracts and relationships that it currently serves as the co-packer. Because of their demonstrated track records of serving these customers, they are well-positioned to continue to serve these customers and vigorously compete to retain them going forward.

To avoid entanglements and agreements that may lessen future competition, Defendants must sever any existing manufacture, distribution, or co-pack agreements between any Defendant and an acquirer.

### **3. Relevant Personnel and Non-Solicitation Provisions**

For the California, Oregon, and Washington Divestiture Assets, the proposed Final Judgment (*see* Paragraphs IV.I., VII.J., and VIII.J., respectively) contains provisions intended to facilitate the acquirers' efforts to hire certain employees needed to operate the divested assets. Specifically, the proposed Final Judgment requires Defendants to provide the acquirer and the United States with organization charts and information relating to these employees and to make them available for interviews. It also provides that Defendants must not interfere with any efforts by acquirers to hire these employees. Additionally, for employees who elect employment with an acquirer, Defendants must waive all non-compete and non-disclosure agreements, vest all unvested pension and other equity rights, provide all compensation and benefits that those employees have fully or partially accrued, and provide all other benefits that the employees

would generally be provided had those employees continued employment with Defendants, including any retention bonuses or payments. The proposed Final Judgment further provides that for six months from the date of the California, Oregon, and Washington Divestitures, Defendants may not solicit to re-hire any of those employees who were hired by the acquirer, unless an employee is terminated or laid off by the acquirer or the acquirer agrees in writing that Defendants may solicit to re-hire that individual (*see* Paragraphs IV.I.6., VII.J.6, and VIII.J.6. of the proposed Final Judgment).

#### **4. In-Store Bagging Machine Parts Supply Contract Provisions**

For the Oregon and Washington Divestiture Assets, the proposed Final Judgment (*see* Paragraphs VII.L.1. and VIII.M.1., respectively) requires Defendants, at the option of the acquirer and subject to approval by the United States in its sole discretion, on or before the date of divestiture, to enter into one or more contracts for the supply of parts that the acquirer determines are needed for the maintenance of the in-store bagging machines being leased by the Defendants to the acquirer (*see* Paragraphs VII.L.1. and VIII.M.1. of the proposed Final Judgment). Any supply contract may be for a period of up to three years, as determined by the acquirer, on terms and conditions reasonably related to market conditions for the supply of such parts. At the option of the acquirer, subject to approval by the United States in its sole discretion, Defendants must enter into one or more extensions of any such contracts for a total of up to an additional two years. The acquirer may terminate all or a portion of a supply contract or extension without cost or penalty, upon 30 calendar days' written notice. These provisions will help to ensure that acquirers of customers with in-store bagging machines will have the ability to access the parts that are needed to maintain those machines, enhancing their ability to retain these customers.

**5. Packaged Ice Supply Contract Provisions**

For all five sets of divestiture assets, the proposed Final Judgment (*see* Paragraphs IV.L., V.J., VI.J., VII.L.2., and VIII.M.2.) requires Defendants, at the option of the acquirers, to enter into one or more contracts for the supply of packaged ice for the customers that are being transferred to the acquirer, for a period of up to one year on terms and conditions reasonably related to market conditions for the supply of packaged ice. At the option of the acquirer, and subject to the approval of the United States in its sole discretion, Defendants must enter into one or more extensions of any such contract for the supply of packaged ice, for a total of up to an additional two years. The acquirer may terminate all or a portion of a supply contract or extension without cost or penalty upon 30 calendar days' written notice. These provisions will help to ensure that the acquirer will not face disruption to its supply of packaged ice and will help it to retain the customers transferred to it as part of the divestiture.

**6. Transition Services Agreements Provisions**

For all five sets of divestiture assets, the proposed Final Judgment (*see* Paragraphs IV.M., V.K., VI.K., VII.M., and VIII.N.) requires Defendants, at the acquirer's option and subject to approval by the United States in its sole discretion, to enter into a transition services agreement, on or before the date of the divestiture, to provide back office, accounting, invoicing, customer service, employee health and safety, and information technology services and support for a period of up to 180 calendar days, and one or more extensions of up to an additional 180 days, on terms and conditions reasonably related to market conditions for the provision of the transition services. The acquirer may terminate all or a portion of the transition services agreement, including an extension, without cost or penalty, upon 30 calendar days' written notice. The proposed Final Judgment also provides that employees of Defendants tasked with

supporting this agreement must not share any competitively sensitive information of the acquirer with any other employee of Defendants.

**7. Customer Non-Compete and Non-Solicitation Provisions**

For all five sets of divestiture assets, the proposed Final Judgment (*see* Paragraphs IV.N. and IV.O., V.L. and V.M., VI.L. and VI.M., VII.N. and VII.O., and VIII.O. and VIII.P.) prohibits Defendants from selling any packaged ice to the customers transferred to acquirers as part of the divestitures for a period of one year following the divestitures and prohibits Defendants from initiating customer-specific communications to solicit any customer transferred to acquirers as part of the divestitures for a period of three years following the divestitures. However, once the one-year term of the non-compete provisions expire, Defendants may respond to inquiries initiated by transferred customers and enter into negotiations to supply that customer (including responding to requests for quotation or proposal). Together, these provisions will help the acquirers establish and maintain important customer relationships and preserve competition.

**B. Appointment of Divestiture Trustee**

If Defendants do not accomplish the divestitures of the California, Massachusetts, New York, Oregon, and Washington Divestiture Assets within the period prescribed in Paragraphs IV.A., V.A., VI.A., VII.A., and VIII.A. of the proposed Final Judgment, Section IX of the proposed Final Judgment provides that the Court will appoint a divestiture trustee selected by the United States to effect the divestitures. If a divestiture trustee is appointed, the proposed Final Judgment provides that Defendants must pay all costs and expenses of the trustee. The divestiture trustee's commission must be structured so as to provide an incentive for the trustee based on the price and terms obtained and the speed with which the divestiture is accomplished.

After the divestiture trustee's appointment becomes effective, the divestiture trustee must provide monthly reports to the United States setting forth the divestiture trustee's efforts to accomplish the divestitures. If the divestitures have not been accomplished within 180 calendar days of the divestiture trustee's appointment, the United States may make recommendations to the Court, which may enter such orders as it deems appropriate, in order to carry out the purpose of the Final Judgment, including by extending the trust and the term of the divestiture trustee's appointment.

### **C. Appointment of Monitor**

Section XIV of the proposed Final Judgment provides that the Court will appoint a monitoring trustee selected by the United States in its sole discretion who will have the power and authority to investigate and report on Defendants' compliance with the terms of the Final Judgment and the Corrected Stipulation and Order, including Defendants' sale of the Divestiture Assets and Defendants' compliance with the supply contracts provisions in Paragraphs IV.L., V.J., VI.J., VII.L., and VIII.M., the transition services provisions in Paragraphs IV.M., V.K., VI.K., VII.M., and VIII.N., the customer non-compete provisions in Paragraphs IV.N., V.L., VI.L., VII.N., and VIII.O., the customer non-solicitation provisions in Paragraphs IV.O., V.M., VI.M., VII.O., and VIII.P of the proposed Final Judgment, as well as the antitrust compliance training provisions in Section XV of the proposed Final Judgment. The monitoring trustee will not have any responsibility or obligation for the operation of Defendants' businesses. The monitoring trustee will serve at Defendants' expense, on such terms and conditions as the United States approves, and Defendants must assist the monitoring trustee in fulfilling the monitoring trustee's obligations. The monitoring trustee will provide periodic reports to the United States on the Defendants' efforts to comply with the Final Judgment and will serve until 90 calendar

days after all supply contracts or customer non-solicitation requirements have expired, whichever is later, unless the United States determines a different period is appropriate.

**D. Notification Provisions**

Section XVII of the proposed Final Judgment requires Defendants to notify the United States 30 days in advance of executing certain transactions that would not otherwise be reportable under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, 15 U.S.C. § 18a (“HSR Act”). The transactions covered by these provisions include Defendants’ acquisition, directly or indirectly, of any assets of or any interest in any entity valued at 15% or greater of the “size of transaction” threshold (as adjusted annually and as specified in the HSR Act) that is involved in the manufacture or sale of packaged ice in Oregon; Washington; Imperial County, CA; Los Angeles County, CA; Orange County, CA; Riverside County, CA; San Bernardino County, CA; or San Diego County, CA; or in the manufacture or sale of packaged ice to, or within 50 miles of, customers located at Newark Liberty International Airport, John F. Kennedy International Airport, LaGuardia Airport, or Boston Logan International Airport. These additional reporting requirements are in effect during the five-year period following entry of the proposed Final Judgment.

Section XVII will provide the United States with advance notice of, and an opportunity to evaluate, Defendants’ acquisition of packaged ice suppliers in the same geographic areas where Defendants must complete divestitures. Additionally, Section XVII broadens the geographic scope of relief in California to encompass counties adjacent to or nearby Imperial and Riverside counties to ensure that Defendants notify the United States of future proposed acquisitions of rivals that may be capable of serving large retail chains. Because, as alleged in the Corrected Complaint, the packaged ice industry has experienced significant consolidation, future

acquisitions of entities involved in the manufacture and sale of packaged ice in these geographic areas by Defendants may have the potential to substantially lessen competition. These provisions give the United States an opportunity to assess the competitive effects of such transactions in advance of their closing, even if the purchase price is below the HSR Act's threshold. Because the entity value threshold amount is much lower than the HSR's Act "size of transaction" threshold, these provisions broaden Defendants' pre-merger reporting requirements.

**E. Other Provisions to Ensure Compliance with the Proposed Final Judgment**

The proposed Final Judgment also contains provisions designed to promote compliance with and make enforcement of the Final Judgment as effective as possible. Paragraph XVIII.A. of the proposed Final Judgment prohibits Defendants, during the term of the Final Judgment, from reacquiring any part of or any interest in the Divestiture Assets or acquiring any part of or any interest in any acquirer without prior written authorization of the United States. This provision ensures that the acquirers will remain independent competitors of Defendants.

Paragraph XVIII.B. of the proposed Final Judgment prohibits Defendants from entering into a new joint venture, partnership, or collaboration, including any distribution or co-packing agreements, with any acquirer during the term of the Final Judgment. However, the United States in its sole discretion may approve distribution or co-packing agreements between Defendants and acquirers during the term of the Final Judgment. This provision ensures that the acquirers will have the incentive to compete against Defendants while allowing potentially pro-competitive distribution or co-packing agreements between Defendants and acquirers with approval from the United States.

Section XV of the proposed Final Judgment provides that within 90 calendar days of entry of the Final Judgment, and on an annual basis thereafter for the duration of the Final

Judgment, Reddy Ice must conduct an antitrust compliance training approved by the United States on (i) the meaning and requirements of the Final Judgment and the Corrected Stipulation and Order, and (ii) compliance with federal and applicable state antitrust laws and guidelines.

Reddy Ice must provide such training to its corporate leadership and their direct reports and all of its employees who communicate in any way with other manufacturers, suppliers, or distributors of packaged ice. The Chief Legal Officer of Reddy Ice must submit an affidavit certifying compliance with this training requirement within 370 calendar days of entry of the Final Judgment and on an annual basis thereafter.

Paragraph XXI.A. provides that if, at any time during the five-year period following entry of the Final Judgment, the United States determines in its sole discretion that the Final Judgment has failed to fully redress the violations alleged in the Corrected Complaint, then the United States may re-open this proceeding to seek additional relief, including divestiture of additional assets from Defendants. The Court may order such additional relief if it finds by a preponderance of the evidence that there is a reasonable probability that the proposed Final Judgment did not fully redress the violations alleged in the Corrected Complaint.

Paragraph XXI.B. provides that the United States retains and reserves all rights to enforce the Final Judgment, including the right to seek an order of contempt from the Court. Under the terms of this paragraph, Defendants have agreed that in any civil contempt action, any motion to show cause, or any similar action brought by the United States regarding an alleged violation of the Final Judgment, the United States may establish the violation and the appropriateness of any remedy by a preponderance of the evidence and that Defendants have waived any argument that a different standard of proof should apply. This provision aligns the standard for compliance

with the Final Judgment with the standard of proof that applies to the underlying offense that the Final Judgment addresses.

Paragraph XXI.C. provides additional clarification regarding the interpretation of the provisions of the proposed Final Judgment. The proposed Final Judgment is intended to remedy the loss of competition the United States alleges would otherwise be harmed by the transaction. Defendants agree that they will abide by the proposed Final Judgment and that they may be held in contempt of the Court for failing to comply with any provision of the proposed Final Judgment that is stated specifically and in reasonable detail, as interpreted in light of this procompetitive purpose.

Paragraph XXI.D. provides that if the Court finds in an enforcement proceeding that a Defendant has violated the Final Judgment, the United States may apply to the Court for an extension of the Final Judgment, together with such other relief as may be appropriate. In addition, to compensate American taxpayers for any costs associated with investigating and enforcing violations of the Final Judgment, Paragraph XXI.D. provides that, in any successful effort by the United States to enforce the Final Judgment against a Defendant, whether litigated or resolved before litigation, the Defendant must reimburse the United States for attorneys' fees, experts' fees, and other costs incurred in connection with that effort to enforce this Final Judgment, including the investigation of the potential violation.

Paragraph XXI.E. states that the United States may file an action against a Defendant for violating the Final Judgment for up to four years after the Final Judgment has expired or been terminated. This provision is meant to address circumstances such as when evidence that a violation of the Final Judgment occurred during the term of the Final Judgment is not discovered until after the Final Judgment has expired or been terminated or when there is not sufficient time

for the United States to complete an investigation of an alleged violation until after the Final Judgment has expired or been terminated. This provision, therefore, makes clear that, for four years after the Final Judgment has expired or been terminated, the United States may still challenge a violation that occurred during the term of the Final Judgment.

Finally, Section XXII of the proposed Final Judgment provides that the Final Judgment will expire ten years from the date of its entry, except that after five years from the date of its entry, the Final Judgment may be terminated upon notice by the United States to the Court and Defendants that the divestitures have been completed and continuation of the Final Judgment is no longer necessary or in the public interest.

#### **IV. REMEDIES AVAILABLE TO POTENTIAL PRIVATE PLAINTIFFS**

Section 4 of the Clayton Act, 15 U.S.C. § 15, provides that any person who has been injured as a result of conduct prohibited by the antitrust laws may bring suit in federal court to recover three times the damages the person has suffered, as well as costs and reasonable attorneys' fees. Entry of the proposed Final Judgment neither impairs nor assists the bringing of any private antitrust damage action. Under the provisions of Section 5(a) of the Clayton Act, 15 U.S.C. § 16(a), the proposed Final Judgment has no prima facie effect in any subsequent private lawsuit that may be brought against Defendants.

#### **V. PROCEDURES AVAILABLE FOR MODIFICATION OF THE PROPOSED FINAL JUDGMENT**

The United States and Defendants have stipulated that the proposed Final Judgment may be entered by the Court after compliance with the provisions of the APPA, provided that the

United States has not withdrawn its consent. The APPA conditions entry upon the Court's determination that the proposed Final Judgment is in the public interest.

The APPA provides a period of at least 60 days preceding the effective date of the proposed Final Judgment within which any person may submit to the United States written comments regarding the proposed Final Judgment. Any person who wishes to comment should do so within 60 days of the date of publication of this Competitive Impact Statement in the Federal Register, or within 60 days of the first date of publication in a newspaper of the summary of this Competitive Impact Statement, whichever is later. All comments received during this period will be considered by the U.S. Department of Justice, which remains free to withdraw its consent to the proposed Final Judgment at any time before the Court's entry of the Final Judgment. The comments and the response of the United States will be filed with the Court. In addition, the comments and the United States' responses will be published in the *Federal Register* unless the Court agrees that the United States instead may publish them on the U.S. Department of Justice, Antitrust Division's internet website.

Written comments should be submitted in English to:

Jill C. Maguire  
Acting Chief, Healthcare & Consumer Products Section  
Antitrust Division  
United States Department of Justice  
450 Fifth St. NW, Suite 4100  
Washington, DC 20530  
ATR.Public-Comments-Tunney-Act-MB@usdoj.gov

The proposed Final Judgment provides that the Court retains jurisdiction over this action, and the parties may apply to the Court for any order necessary or appropriate for the modification, interpretation, or enforcement of the Final Judgment.

## **VI. ALTERNATIVES TO THE PROPOSED FINAL JUDGMENT**

As an alternative to the proposed Final Judgment, the United States considered a full trial on the merits against Defendants. The United States could have continued the litigation and sought preliminary and permanent injunctions against Reddy Ice's acquisition of Arctic Glacier. The United States is satisfied, however, that the relief required by the proposed Final Judgment will remedy the anticompetitive effects alleged in the Corrected Complaint, preserving competition for the sale of packaged ice in the California, Massachusetts, New York, Oregon, and Washington geographic markets alleged in the Corrected Complaint. Thus, the proposed Final Judgment achieves all or substantially all of the relief the United States would have obtained through litigation but avoids the time, expense, and uncertainty of a full trial on the merits.

## **VII. STANDARD OF REVIEW UNDER THE APPA FOR THE PROPOSED FINAL JUDGMENT**

Under the Clayton Act and APPA, proposed Final Judgments, or "consent decrees," in antitrust cases brought by the United States are subject to a 60-day comment period, after which the Court shall determine whether entry of the proposed Final Judgment "is in the public interest." 15 U.S.C. § 16(e)(1). In making that determination, the Court, in accordance with the statute as amended in 2004, is required to consider:

(A) the competitive impact of such judgment, including termination of alleged violations, provisions for enforcement and modification, duration of relief sought, anticipated effects of alternative remedies actually considered, whether its terms are ambiguous, and any other competitive considerations bearing upon the adequacy of such judgment that the court deems necessary to a determination of whether the consent judgment is in the public interest; and

(B) the impact of entry of such judgment upon competition in the relevant market or markets, upon the public generally and individuals alleging specific injury from the violations set forth in the complaint including consideration of the public benefit, if any, to be derived from a determination of the issues at trial.

15 U.S.C. § 16(e)(1)(A) & (B). In considering these statutory factors, the Court’s inquiry is necessarily a limited one as the government is entitled to “broad discretion to settle with the defendant within the reaches of the public interest.” *United States v. Microsoft Corp.*, 56 F.3d 1448, 1461 (D.C. Cir. 1995); *United States v. U.S. Airways Grp., Inc.*, 38 F. Supp. 3d 69, 75 (D.D.C. 2014) (explaining that the “court’s inquiry is limited” in Tunney Act settlements); *United States v. InBev N.V./S.A.*, No. 08-1965 (JR), 2009 U.S. Dist. LEXIS 84787, at \*3 (D.D.C. Aug. 11, 2009) (noting that a court’s review of a proposed Final Judgment is limited and only inquires “into whether the government’s determination that the proposed remedies will cure the antitrust violations alleged in the complaint was reasonable, and whether the mechanisms to enforce the final judgment are clear and manageable”).

As the U.S. Court of Appeals for the District of Columbia Circuit has held, under the APPA a court considers, among other things, the relationship between the remedy secured and the specific allegations in the government’s Complaint, whether the proposed Final Judgment is sufficiently clear, whether its enforcement mechanisms are sufficient, and whether it may positively harm third parties. *See Microsoft*, 56 F.3d at 1458–62. With respect to the adequacy of the relief secured by the proposed Final Judgment, a court may not “make de novo determination of facts and issues.” *United States v. W. Elec. Co.*, 993 F.2d 1572, 1577 (D.C. Cir. 1993) (quotation marks omitted); *see also Microsoft*, 56 F.3d at 1460–62; *United States v. Alcoa, Inc.*, 152 F. Supp. 2d 37, 40 (D.D.C. 2001); *United States v. Enova Corp.*, 107 F. Supp. 2d 10, 16 (D.D.C. 2000); *InBev*, 2009 U.S. Dist. LEXIS 84787, at \*3. Instead, “[t]he balancing of competing social and political interests affected by a proposed antitrust decree must be left, in the first instance, to the discretion of the Attorney General.” *W. Elec. Co.*, 993 F.2d at 1577 (quotation marks omitted). “The court should also bear in mind the *flexibility* of the public

interest inquiry: the court’s function is not to determine whether the resulting array of rights and liabilities is the one that will *best* serve society, but only to confirm that the resulting settlement is within the *reaches* of the public interest.” *Microsoft*, 56 F.3d at 1460 (quotation marks omitted); *see also United States v. Deutsche Telekom AG*, No. 19-2232 (TJK), 2020 WL 1873555, at \*7 (D.D.C. Apr. 14, 2020). More demanding requirements would “have enormous practical consequences for the government’s ability to negotiate future settlements,” contrary to congressional intent. *Microsoft*, 56 F.3d at 1456. “The Tunney Act was not intended to create a disincentive to the use of the consent decree.” *Id.*

The United States’ predictions about the efficacy of the remedy are to be afforded deference by the Court. *See, e.g., Microsoft*, 56 F.3d at 1461 (recognizing courts should give “due respect to the Justice Department’s ... view of the nature of its case”); *United States v. Iron Mountain, Inc.*, 217 F. Supp. 3d 146, 152–53 (D.D.C. 2016) (“In evaluating objections to settlement agreements under the Tunney Act, a court must be mindful that [t]he government need not prove that the settlements will perfectly remedy the alleged antitrust harms[;] it need only provide a factual basis for concluding that the settlements are reasonably adequate remedies for the alleged harms.” (internal citations omitted)); *United States v. Republic Servs., Inc.*, 723 F. Supp. 2d 157, 160 (D.D.C. 2010) (noting “the deferential review to which the government’s proposed remedy is accorded”); *United States v. Archer-Daniels-Midland Co.*, 272 F. Supp. 2d 1, 6 (D.D.C. 2003) (“A district court must accord due respect to the government’s prediction as to the effect of proposed remedies, its perception of the market structure, and its view of the nature of the case.”). The ultimate question is whether “the remedies [obtained by the Final Judgment are] so inconsonant with the allegations charged as to fall outside of the ‘reaches of the public interest.’” *Microsoft*, 56 F.3d at 1461 (quoting *W. Elec. Co.*, 900 F.2d at 309).

Moreover, the Court’s role under the APPA is limited to reviewing the remedy in relationship to the violations that the United States has alleged in its Complaint, and does not authorize the Court to “construct [its] own hypothetical case and then evaluate the decree against that case.” *Microsoft*, 56 F.3d at 1459; *see also U.S. Airways*, 38 F. Supp. 3d at 75 (noting that the court must simply determine whether there is a factual foundation for the government’s decisions such that its conclusions regarding the proposed settlements are reasonable); *InBev*, 2009 U.S. Dist. LEXIS 84787, at \*20 (“[T]he ‘public interest’ is not to be measured by comparing the violations alleged in the complaint against those the court believes could have, or even should have, been alleged”). Because the “court’s authority to review the decree depends entirely on the government’s exercising its prosecutorial discretion by bringing a case in the first place,” it follows that “the court is only authorized to review the decree itself,” and not to “effectively redraft the complaint” to inquire into other matters that the United States did not pursue. *Microsoft*, 56 F.3d at 1459–60.

In its 2004 amendments to the APPA, Congress made clear its intent to preserve the practical benefits of using judgments proposed by the United States in antitrust enforcement, Pub. L. 108-237 § 221, and added the unambiguous instruction that “[n]othing in this section shall be construed to require the court to conduct an evidentiary hearing or to require the court to permit anyone to intervene.” 15 U.S.C. § 16(e)(2); *see also U.S. Airways*, 38 F. Supp. 3d at 76 (indicating that a court is not required to hold an evidentiary hearing or to permit intervenors as part of its review under the Tunney Act). This language explicitly wrote into the statute what Congress intended when it first enacted the Tunney Act in 1974. As Senator Tunney explained: “[t]he court is nowhere compelled to go to trial or to engage in extended proceedings which might have the effect of vitiating the benefits of prompt and less costly settlement through the

consent decree process.” 119 Cong. Rec. 24,598 (1973) (statement of Sen. Tunney). “A court can make its public interest determination based on the competitive impact statement and response to public comments alone.” *U.S. Airways*, 38 F. Supp. 3d at 76 (citing *Enova Corp.*, 107 F. Supp. 2d at 17).

### **VIII. DETERMINATIVE DOCUMENTS**

There are no determinative materials or documents within the meaning of the APPA that were considered by the United States in formulating the proposed Final Judgment.

Dated: February 10, 2026

Respectfully submitted,

FOR PLAINTIFF  
UNITED STATES OF AMERICA:

/s/ Chris Sung Joon Hong  
Chris Sung Joon Hong  
United States Department of Justice  
Antitrust Division  
Healthcare & Consumer Products Section  
450 Fifth St. NW, Suite 4100  
Washington, DC 20530  
Telephone: (202) 569-1885  
Email: [chris.hong@usdoj.gov](mailto:chris.hong@usdoj.gov)