

**Trade Regulation Reporter - Trade Cases (1932 - 1992), United States v. Armco Steel Corp., Bethlehem Steel Corp., Border Steel Rolling Mills, Inc., The Ceco Laclede Steel Co., Schindler Brothers Steel, Structural Metals, Inc., Texas Steel Co., and United States Steel Corp., U.S. District Court, S.D. Texas, 1979-1 Trade Cases ¶62,702, (Jun. 4, 1979)**

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United States v. Armco Steel Corp., Bethlehem Steel Corp., Border Steel Rolling Mills, Inc., The Ceco Laclede Steel Co., Schindler Brothers Steel, Structural Metals, Inc., Texas Steel Co., and United States Steel Corp.

1979-1 Trade Cases ¶62,702. U.S. District Court, S.D. Texas, Houston Division, Civil Action No. 73-H-1427, Entered June 4, 1979, (Competitive impact statement and other matters filed with settlement: 44 *Federal Register* 15793).

Case No. 2347, Antitrust Division, Department of Justice.

**Sherman Act**

**Price Fixing: Collusive Bidding: Territorial Restrictions: Good Faith Arms-Length Agreements: Consent Decree.**— Nine manufacturers of reinforcing steel bars were prohibited under the terms of a consent decree from engaging in any conspiracy or coercive conduct with regard to prices, bidding, or customer or territorial restrictions in connection with the sale of re-bar materials for construction projects in Texas. Good faith arms-length negotiations were not permitted under the decree.

**For plaintiff:** John H. Shenefield, Asst. Atty. Gen., William E. Swope, Charles F. B. McAleer, Joseph H. Widmar, Wilford L. Whitley, Jr., and Robert E. Bloch, Attys., Dept. of Justice. **For defendants:** David S. Patterson, of Breed, Abbott & Morgan, New York, N. Y., for Armco Steel Corp.; E. W. Barnett, of Baker & Botts, Houston, Tex., C. H. Barnette, Bethlehem, Pa., for Bethlehem Steel Corp.; Thomas R. Phillips, of Baker & Botts, Houston, Tex., for The Ceco Corp.; Thad T. Hutcheson, of Hutcheson & Grundy, Houston, Tex., for Laclede Steel Co.; Stanley B. Binion, of Reynolds, Allen & Cook, Houston, Tex., for Schindler Brothers Steel; F. B. Davis, of Andrews, Kurth, Campbell & Jones, Houston, Tex., for Structural Metals, Inc.; J. Clifford Gunter, III, of Bracewell & Patterson, Houston, Tex., for Border Steel Rolling Mills, Inc.; David T. Hedges, Jr., of Vinson & Elkins, Houston, Tex., for U. S. Steel Corp.; Kleber C. Miller, of Shannon, Gracey, Ratliff & Miller, Fort Worth, Tex., for Texas Steel Co.

**Final Judgment**

BILL, D. J.: Plaintiff, United States of America, having filed its Complaint herein on October 15, 1973, and its Amended Complaint herein on April 30, 1974, and plaintiff and the defendants, by their attorneys, having consented to the entry of this Final Judgment without trial or adjudication of any issue of fact or law herein, and without this Final Judgment constituting evidence or an admission by any party consenting hereto with respect to any such issue:

Now, Therefore, before the taking of any testimony and without trial or adjudication of any issue of fact or law herein, and upon the consent of the parties hereto, it is hereby:

Ordered, Adjudged and Decreed as follows:

I.

[ *Jurisdiction* ]

This Court has jurisdiction of the subject matter of this action and of the parties hereto. The complaint states a claim upon which relief may be granted against the defendants under [Sections 1](#) and [2 of the Sherman Act](#) (15 U. S. C. §§1 and 2).

II.

**[ Definitions ]**

As used in this Final Judgment:

A. "Re-bar Materials" means fabricated reinforcing steel bar materials, including but not limited to 1/4-inch to 1 1/2-inch round and deformed reinforcing steel bars, steel wire mesh in varying gauges, and steel bar supports and accessories, used in reinforced concrete construction projects.

B. "Mill(s)" means a person engaged in the production and sale of mill length reinforcing steel bars and in the fabrication and sale of re-bar materials.

C. "Independent Fabricator(s)" means a person not affiliated with a mill who is engaged in the purchase of mill length reinforcing steel bars and in the fabrication and sale of re-bar materials.

D. "Construction projects" means any proposed public or private building, facility or installation and any proposed addition thereto which incorporates re-bar materials.

III.

**[ Applicability ]**

The provisions of this Final Judgment shall apply to each of the defendants and shall also apply to each of their domestic subsidiaries, successors and assigns and their officers, directors, agents and employees, and to all other persons in active concert or participation with any of them who shall have received actual notice of this Final Judgment by personal service or otherwise; provided, however, that this Final Judgment shall not apply to transactions or activities solely between a defendant and its directors, officers, employees, parent companies, subsidiaries or any of them when acting in such capacity.

IV.

**[ Prices; Customers; Territories ]**

Each defendant is enjoined and restrained from directly or indirectly entering into, adhering to, maintaining, enforcing or claiming any rights under any contract, agreement, understanding, combination or conspiracy with any other mill, independent fabricator or other person to:

A. fix, maintain or stabilize prices, or any other term or condition for the sale of re-bar materials in the State of Texas to any third person;

B. allocate, limit or divide customers, construction projects, territories or markets in the sale of re-bar materials in the State of Texas; or

C. limit mills, independent fabricators, or other competitors, in their price quotations and bid submissions to supply re-bar materials for construction projects in the State of Texas, to any particular type, size, tonnage or dollar value.

V.

**[ Coercive Conduct ]**

Each defendant is enjoined and restrained from requiring, proposing, coercing, compelling or attempting to require, coerce or compel any other mill, independent fabricator or other person to:

- A. adopt, establish or adhere to any price, schedule or list of prices, or level of prices in formulating price quotations or bid submissions to any third party to supply re-bar materials for construction projects in the State of Texas;
- B. limit price quotations or bid submissions for re-bar materials to construction projects of any particular size, type, tonnage or dollar value in the State of Texas;
- C. submit knowingly any fraudulent or collusive bid to supply re-bar materials to any governmental entity or person in the State of Texas; or
- D. limit, prevent or refuse to sell re-bar materials to any mill, independent fabricator or any other person for construction projects in the State of Texas to achieve any of the practices prohibited in Section IV or Subsections V A. and B.

**VI.**

**[ Arms-Length Agreements ]**

Nothing in this Final Judgment shall prohibit defendants from negotiating or entering into any bona fide and arms-length contract, agreement or understanding to sell or furnish re-bar materials to any mill, independent fabricator or competitor, or joint venture, subcontract or similar contract or agreement, to sell or furnish re-bar materials for any specific construction project, or from preparing or presenting, with any mill, independent fabricator or competitor, a joint bid or offer to sell re-bar materials for any specific construction project in the State of Texas, provided, however, that the intention or fact that a defendant plans to submit or enter into a joint venture, subcontract or similar agreement, or negotiate, prepare or present a joint bid or offer to sell re-bar materials for any construction project in the State of Texas with any other defendant, mill, independent fabricator or competitor is made known to the purchaser of said materials, in writing, prior to or at the time of submission of any joint bid or offer to sell re-bar materials for any specific construction project in the State of Texas.

**VII.**

**[ Compliance ]**

Each defendant is ordered and directed to take the affirmative steps enumerated below to ensure compliance with each provision of this Final Judgment:

- A. Each defendant shall advise each of its officers and employees, who sell re-bar materials, have responsibility for or authority over the sale of re-bar materials, or the establishment of prices therefor in the State of Texas, of their obligations under this Final Judgment and of the criminal penalties for violation of this Final Judgment;
- B. Each defendant shall conduct, at least once each year for five (5) years after the entry of this Final Judgment, meetings of its officers and employees described above to review the terms of this Final Judgment and the requirement to comply therewith.

**VIII.**

**[ Compliance Affidavit ]**

For a period of five (5) years from the date of entry of this Final Judgment, each defendant is ordered to file with this Court and the plaintiff on each anniversary date of this Final Judgment, a written statement signed by an officer, setting forth the steps it has taken during the prior year to comply with Paragraph VII of this Final Judgment.

**IX.**

**[ Inspections ]**

A. For the purpose of determining or securing compliance with this Final Judgment, any duly authorized representative of the Department of Justice shall, upon written request of the Attorney General or the Assistant Attorney General in charge of the Antitrust Division, and on reasonable notice to any defendant made to its principal office, be permitted, subject to any legally recognized privilege:

1. Access during the office hours of such defendant to inspect and copy all books, ledgers, accounts, correspondence, memoranda, and other records and documents in the possession or under the control of such defendant relating to any matters contained in this Final Judgment; and
2. Subject to the reasonable convenience of such defendant and without restraint or interference from it, to interview officers, directors, agents, partners, or employees of such defendant, who may have counsel present, regarding any such matters.

B. A defendant, upon the written request of the Attorney General or the Assistant Attorney General in charge of the Antitrust Division, shall submit such reports in writing, under oath if requested, with respect to any of the matters contained in this Final Judgment as may from time to time be requested.

No information or documents obtained by the means provided in this Section shall be divulged by any representative of the Department of Justice to any person other than a duly authorized representative of the Executive Branch of the United States, except in the course of legal proceedings to which the United States is a party, or for the purpose of securing compliance with this Final Judgment, or as otherwise required by law.

If at any time information or documents are furnished by a defendant to plaintiff pursuant to this Section, such defendant represents and identifies in writing the material in any such information or documents of a type described in Rule 26(c)(7) of the Federal Rules of Civil Procedure, and said defendant marks each pertinent page of such material, "Subject to claim of protection under Rule 26(c)(7) of the Federal Rules of Civil Procedure," then ten (10) days notice shall be given by plaintiff to such defendant prior to divulging such material in any legal proceeding (other than a Grand Jury proceeding) to which the defendant is not a party.

**X.**

**[ Retention of Jurisdiction]**

Jurisdiction is retained by this Court for the purpose of enabling any of the parties to this Final Judgment to apply to this Court at any time for such further orders and directions as may be necessary or appropriate for the construction or carrying out of any of the provisions herein, for the modification of any of the provisions contained herein, for the enforcement of compliance therewith and for the punishment of violations thereof.

**XI.**

**[ Public Interest]**

Entry of this Final Judgment is in the public interest.