

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF CALIFORNIA
SOUTHERN DIVISION

UNITED STATES OF AMERICA,)
)
 Plaintiff,)
)
 v.) Civil No. 38703
)
 BLUE DIAMOND CORPORATION,)
 et al.,)
)
 Defendants.)
_____)

FINAL JUDGMENT AGAINST DEFENDANT SOUTHWEST
STEEL ROLLING MILLS

The plaintiff, United States of America, having filed its complaint herein on November 23, 1959; and the defendant Southwest Steel Rolling Mills having appeared by its attorneys and having filed an answer to the complaint denying its substantive allegations and any violations of law; and the plaintiff and said defendant by their respective attorneys having severally consented to the entry of this Final Judgment without admission by any party with respect to any issue herein, and the Court having considered the matter and being duly advised:

NOW, THEREFORE, before any testimony has been taken herein, and upon the consent of the plaintiff and said defendant hereto,

IT IS HEREBY ORDERED AND ADJUDGED as follows:

I.

This Court has jurisdiction of the subject matter of this action and of the parties signatory hereto. The complaint states a claim for relief against the defendant Southwest Steel Rolling Mills under section 1 of the Act of Congress of July 2, 1890, c. 647, 26 Stat. 209 (15 U.S.C. Sec. 1).

II.

As used herein:

- (a) "Association" means the defendant Western Reinforcing Steel Fabricators Association.
- (b) "Western States" means the States of Arizona, California, Idaho, Nevada, Oregon, Utah, and Washington.
- (c) "Rebars" means all types and sizes of steel bars and rods used to reinforce concrete work in various types of construction, such as buildings, highways, abutments, bridges, viaducts, dams, and tunnels.
- (d) "Foreign Rebars" means rebars manufactured in foreign countries.
- (e) "Fabrication" or "fabricating" means the performance of one or both of the following operations in the Western States:
 - (1) Supplying, cutting, bending and shaping rebars to meet specifications for particular construction jobs located in the Western States;
 - (2) Tying, placing and installing rebars at job sites in the Western States.
- (f) "Fabricator" means an individual, partnership or corporation engaged in the business of fabrication.
- (g) "Agreement or understanding to allocate and divide fabrication jobs" means an agreement that certain fabricators either will refrain from bidding on a job, or that they will submit high and non-competitive bids, to the end and purpose that a designated fabricator will be the only or the lowest bidder. Except when constituting an integral part of such a plan to allocate and divide fabrication jobs, it does not include (a) a bona fide joint venture between or among two or more fabricators, or (b) the contracting out of a job or parts thereof by a successful bidder, either before or after the award of a job, to other fabricators where the job is of such size or nature, or performable at such time, that the successful bidder in good faith believes that it is undesirable to handle the entire job alone.

(h) "Other defendant mills" means Judson Steel Corporation, Pacific States Steel Corporation, United States Steel Corporation, and either Bethlehem Pacific Steel Corporation or Bethlehem Steel Company.

III.

The provisions of this Final Judgment shall apply to defendant Southwest Steel Rolling Mills and its successors, officers, servants, employees and agents, and to those persons in active concert or participation with them who receive actual notice of this Final Judgment by personal service or otherwise.

IV.

Defendant Southwest Steel Rolling Mills is enjoined from entering into or adhering to any agreement or understanding with any other fabricator or with the Association:

- (a) To allocate and divide fabrication jobs;
- (b) To fix and adopt a uniform interest rate on past due accounts;
- (c) To buy or not to buy foreign rebars for fabrication jobs;
- (d) Seeking to prevent any steel mill from selling rebars, or seeking to require any steel mill to limit its sale of rebars, in the Western States, to any general contractor or steel warehouse in any of said States.

V.

For a period of two years from the effective date of this Final Judgment, defendant Southwest Steel Rolling Mills is enjoined from:

- (a) Urging any steel mill to refrain from selling rebars in any of the Western States to any general contractor or steel warehouse;
- (b) Reporting or complaining to any steel mill that any rebars sold in the Western States by said steel mills to persons other than a fabricator are being or may be resold or delivered to a general contractor;

provided, however, that nothing in this Section V shall prevent said defendant from severally promoting the utility of the fabricators' function.

VI.

Defendant Southwest Steel Rolling Mills is enjoined from:

- (a) Refusing to sell rebars to general contractors and to steel warehouses for delivery in the Western States;
- (b) Discriminating in the offering for sale and in the sale of rebars for delivery in the Western States in favor of fabricators as against general contractors and steel warehouses, by making available to fabricators prices, terms and conditions of sale not made available to general contractors and steel warehouses;

provided, however, that nothing in this Section VI shall be deemed to prohibit defendant Southwest Steel Rolling Mills from refusing to sell to any general contractor or steel warehouse for any of the following bona fide reasons:

- (1) Quantity ordered is less than 400 tons;
- (2) Order requires delivery of less than 200 tons per month;
- (3) Quantity or size ordered is not available;
- (4) Buyer's credit or proposed schedule of payment does not meet the requirements of said defendant's Credit Department;
- (5) Quantity ordered is so large as to deplete unduly the inventory of said defendant or unreasonably disrupt the normal operations of the plant of said defendant;

and provided further that this Section VI shall not take effect unless a final judgment or judgments containing injunctions similar to those contained in this Section VI are entered and are in effect as a result of trial of this cause against at least one other defendant mill or by consent of all other defendant mills; and this Section VI shall

become effective on the date that such final judgment or judgments become effective against such other defendant mill or mills.

VII.

For the purpose of securing compliance with this Final Judgment, duly authorized representatives of the Department of Justice shall, on written request of the Attorney General or the Assistant Attorney General in charge of the Antitrust Division, and on reasonable notice to defendant Southwest Steel Rolling Mills, made to its principal office, be permitted, subject to any legally recognized privilege and with the right of said defendant to have counsel present:

- (a) Access, during office hours of said defendant, to all books, ledgers, accounts, correspondence, memoranda, and other records and documents in the possession or under the control of said defendant, relating to any matters contained in this Final Judgment;
- (b) Subject to the reasonable convenience of said defendant and without restraint or interference from it, to interview officers or employees of said defendant, who may have counsel present, regarding any such matters.

Upon such written request, said defendant shall submit such reports in writing with respect to the matters contained in this Final Judgment as may from time to time be necessary to the enforcement of this Final Judgment.

No information obtained by the means permitted in this Section VII shall be divulged by any representative of the Department of Justice to any person other than a duly authorized representative of such Department except in the course of legal proceedings in which the United States is a party for the purpose of securing compliance with this Final Judgment.

VIII.

Jurisdiction is retained by this Court for the purpose of enabling either 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 this Final Judgment, for the amendment or modification of any of the provisions thereof, for the enforcement of compliance therewith, and for the punishment of violations thereof.

IX.

The effective date of this Final Judgment shall be sixty (60) days from the date hereof.

DATED: January 17, 1961

/s/ Albert C. Wollenberg
United States District Judge

We hereby consent to the entry of the foregoing Final Judgment.

FOR PLAINTIFF:

/s/ ROBERT A. BICKS
Robert A. Bicks
Assistant Attorney General

/s/ LYLE L. JONES
Lyle L. Jones

/s/ W. D. KILGORE, JR.
W. D. Kilgore, Jr.

/s/ MARQUIS L. SMITH
Marquis L. Smith

/s/ BADDIA J. RASHID
Baddia J. Rashid

/s/ WILLIAM B. RICHARDSON
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Attorneys, Department of Justice

/s/ HOMER W. HANSCOM
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FOR DEFENDANT Southwest Steel Rolling Mills:

/s/ JACK G. SCHAPIRO
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Attorneys for said Defendant