

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

UNITED STATES OF AMERICA,)	
Plaintiff,)	Civil Action
v.)	No. 49 C 1364
NATIONAL CITY LINES, INC., ET AL.,)	
Defendants.)	

FINAL JUDGMENT

Plaintiff, United States of America, having filed its complaint herein on April 10, 1947, and all the defendants having severally appeared and filed answers to the complaint denying the substantive allegations thereof, and the defendants National City Lines, Inc. and Pacific City Lines, Inc. by their attorneys, having severally consented to the entry of this Final Judgment without admission by said defendants with respect to any issue of fact or law.

NOW, THEREFORE, no testimony or evidence having been taken herein, and the Court having entered its order herein on February 26, 1954, and upon consent of the plaintiff, United States of America, and defendants National City Lines, Inc. and Pacific City Lines, Inc., it is hereby

ORDERED, ADJUDGED AND DECREED as follows:

I

This Court has jurisdiction of the subject matter herein and of the parties signatory hereto. The complaint states a cause of action against the defendants signatory hereto under Sections 1 and 2 of the Act of Congress of July 2, 1890, entitled "An Act to protect trade and commerce against unlawful restraints and monopolies," commonly known as the Sherman Act, and acts amendatory thereof and supplemental thereto.

II

As used in this Final Judgment:

(A) "National" means National City Lines, Inc., a corporation organized and existing under the laws of the State of Delaware, with its principal place of business in Chicago, Illinois;

(B) "Pacific" means Pacific City Lines, Inc., a corporation organized under the laws of the State of Delaware and dissolved on December 31, 1947, at which time all of its assets were conveyed to and all of its liabilities were assumed by, National;

(C) "Firestone" means The Firestone Tire and Rubber Company, a corporation organized and existing under the laws of the State of Ohio, with its principal place of business in Akron, Ohio;

(D) "Standard" means Standard Oil Company of California, a corporation organized and existing under the laws of the State of Delaware, with its principal place of business in San Francisco, California;

(E) "Person" means any individual, partnership, firm, corporation, association, trustee or any other business or legal entity;

(F) "National Operating Company" means any operating company now controlled by National and which it continues to control and any operating company more than 50% of whose stock entitled to vote upon the election of directors is hereafter acquired by National;

(G) "Operating company" means any person engaged in the business of providing public transit service;

(H) "Operating equipment" means tires, tubes, motor buses and petroleum products or any of them used by operating companies.

III

The provisions of this Final Judgment applicable to any defendant signatory hereto shall apply to such defendant, its officers, directors, agents, servants, employees, subsidiaries, successors and assigns and to

each of those persons in active concert or participation with it who shall have received actual notice of this Final Judgment by personal service or otherwise.

IV

(A) Defendant National is ordered and directed to cancel, upon entry of a Final Judgment against Standard, each of the following contracts:

- (1) Agreement between Standard and Pacific,
dated May 1, 1943, as amended May 1, 1946;
- (2) Agreement between Standard and Salt Lake City
Lines, dated July 12, 1944, as amended May 1,
1946.

(B) National is ordered and directed to take, upon the entry of a Final Judgment against Firestone herein, all action within its power to have terminated the agreements between Firestone and Los Angeles Transit Lines and St. Louis Public Service Company for the supply of tires and tubes.

(C) National is ordered and directed to take, upon the entry of a Final Judgment against Standard herein, all action within its power to have terminated the agreement between Standard and Los Angeles Transit Lines for the supply of petroleum products.

(D) Nothing in Sections IV, VI and VII of this Final Judgment shall be construed to limit the right of Firestone to obtain performance of the obligation to purchase tires and tubes on the basis of unused mileage, or other similar provisions of the last agreements in effect prior to the entry of this judgment.

V

Defendant National is enjoined and restrained from doing, or permitting any National operating company to do, any of the following:

(A) Procuring any operating equipment on the condition, agreement or understanding that the supplier thereof purchase capital stock of, or any financial interest in, National, any National operating company or any other operating company;

(B) Entering into any contract, agreement or understanding with any supplier of operating equipment which restricts or limits, in any manner whatsoever, National or any National operating company as to:

- (1) Areas or localities in which such companies may operate;
- (2) Conversions or changes of operating equipment to any type whatsoever;
- (3) Types of transportation services furnished;
- (4) Purchases of new operating equipment of any type whatsoever, except that any contract for the supply, service, purchase or rental of tires and tubes may require that new buses be purchased without tires and tubes;
- (5) Disposal of any interest in any National operating company or acquisition of any interest in any other operating company;

(C) Entering into any contract, agreement or understanding with any supplier of operating equipment for financing the operations of National, any National operating company or any other operating company, upon or accompanied by any contract, agreement or understanding for the purchase or sale of operating equipment, except contracts, agreements or understandings with respect to terms of payment or price;

(D) Entering into any contract, agreement or understanding with any supplier of operating equipment which is conditioned upon the procurement of other operating equipment from any other supplier.

VI

(A) It is ordered and directed that one and only one new agreement for the supply of petroleum products and one and only one new agreement for the supply and services of tires and tubes to defendant National or to National operating companies (which operating companies are those set forth in paragraphs (B) and (C) below) shall be awarded in accordance with the requirements and procedures set forth in Sections VI and VII of this Final Judgment but as to Los Angeles Transit Lines or St. Louis Public Service Company said agreements shall be subject to the necessary action by said companies. New agreements for the supply of petroleum products to replace those presently outstanding with Standard, or for the supply and service of tires and tubes to replace those presently outstanding with Firestone, shall not be required until entry of a Final Judgment against Standard and Firestone terminating and cancelling said agreements.

(B) The agreements for the supply of petroleum products shall be for a period of no more than one year. A separate agreement may be made for the supply for said year by the companies set forth in each of the following groups of National operating companies (provided, however, that at National's option the companies may be divided into a larger number of groups for such purpose):

"Group I"

<u>Company</u>	<u>Location of Company</u>
Jackson City Lines, Inc.	Jackson, Mich.
Kalamazoo City Lines, Inc.	Kalamazoo, Mich.
Saginaw City Lines, Inc.	Saginaw, Mich.

"Group II"

<u>Company</u>	<u>Location of Company</u>
Aurora City Lines, Inc.	Aurora, Ill.
Bloomington-Normal City Lines, Inc.	Bloomington, Ill.
Burlington City Lines, Inc.	Burlington, Ill.
Champaign-Urbana City Lines, Inc.	Champaign, Ill.

"Group II"

<u>Company</u>	<u>Location of Company</u>
Cedar Rapids City Lines, Inc.	Cedar Rapids, Iowa
Danville City Lines, Inc.	Danville, Ill.
Decatur City Lines, Inc.	Decatur, Ill.
East St. Louis City Lines, Inc.	East St. Louis, Ill.
Elgin City Lines, Inc.	Elgin, Ill.
Joliet City Lines, Inc.	Joliet, Ill.
Lincoln City Lines, Inc.	Lincoln, Neb.
Quincy City Lines, Inc.	Quincy, Ill.
Terre Haute City Lines, Inc.	Terre Haute, Ind.

"Group III"

<u>Company</u>	<u>Location of Company</u>
El Paso City Lines, Inc.	El Paso, Texas
Tulsa City Lines, Inc.	Tulsa, Okla.

"Group IV"

<u>Company</u>	<u>Location of Company</u>
Glendale City Lines, Inc.	Glendale, Cal.
Long Beach City Lines, Inc.	Long Beach, Cal.
Pasadena City Lines, Inc.	Pasadena, Cal.
Sacramento City Lines, Inc.	Sacramento, Cal.
San Jose City Lines, Inc.	San Jose, Cal.
Stockton City Lines, Inc.	Stockton, Cal.

"Group V"

<u>Company</u>	<u>Location of Company</u>
Salt Lake City Lines	Salt Lake City, Utah
Spokane City Lines, Inc.	Spokane, Wash.

A separate agreement shall be made by Los Angeles Transit Lines and a separate one by St. Louis Public Service Company.

(C) The agreements for the supply and service of tires and tubes shall be for a period of no more than three years. A separate agreement may be made for the tires and tubes to be used for said period by the companies set forth in each of the following groups of National operating companies (provided, however, that at National's option the companies may be divided into a larger number of groups for such purpose):

"Group I"

<u>Company</u>	<u>Location of Company</u>
Jackson City Lines, Inc.	Jackson, Mich.
Kalamazoo City Lines, Inc.	Kalamazoo, Mich.
Pontiac City Lines	Pontiac, Mich.
Saginaw City Lines, Inc.	Saginaw, Mich.

"Group II"

<u>Company</u>	<u>Location of Company</u>
Aurora City Lines, Inc.	Aurora, Ill.
Bloomington-Normal City Lines, Inc.	Bloomington, Ill.
Burlington City Lines, Inc.	Burlington, Ill.
Canton City Lines, Inc.	Canton, Ohio
Champaign-Urbana City Lines, Inc.	Champaign, Ill.
Cedar Rapids City Lines, Inc.	Cedar Rapids, Iowa
Danville City Lines, Inc.	Danville, Ill.
Davenport City Lines, Inc.	Davenport, Iowa
Decatur City Lines, Inc.	Decatur, Ill.
East St. Louis City Lines, Inc.	East St. Louis, Ill.
Elgin City Lines, Inc.	Elgin, Ill.
Joliet City Lines, Inc.	Joliet, Ill.
Lincoln City Lines, Inc.	Lincoln, Neb.
Portsmouth City Lines	Portsmouth, Ohio
Quincy City Lines, Inc.	Quincy, Ill.
Rock Island-Moline City Lines	Rock Island, Ill.
Terre Haute City Lines, Inc.	Terre Haute, Ind.

"Group III"

<u>Company</u>	<u>Location of Company</u>
Beaumont City Lines	Beaumont, Texas
El Paso City Lines, Inc.	El Paso, Texas
Mobile City Lines	Mobile, Ala.
Montgomery City Lines	Montgomery, Ala.
Tampa City Lines	Tampa, Fla.
Tulsa City Lines, Inc.	Tulsa, Okla.

"Group IV"

<u>Company</u>	<u>Location of Company</u>
Glendale City Lines, Inc.	Glendale, Cal.
Long Beach City Lines, Inc.	Long Beach, Cal.
Pasadena City Lines, Inc.	Pasadena, Cal.
Sacramento City Lines	Sacramento, Cal.
Salt Lake City Lines	Salt Lake City, Utah
San Jose City Lines, Inc.	San Jose, Cal.
Spokane City Lines, Inc.	Spokane, Wash.
Stockton City Lines, Inc.	Stockton, Cal.

A separate agreement shall be made by Los Angeles Transit Lines and a separate one by St. Louis Public Service Company.

VII

(A) A request for bids by suppliers shall be published once in Bus Transportation and Mass Transportation within 90 days from the date of entry of this Final Judgment except that as to those companies being supplied under contracts with Standard or Firestone, said request shall be so published within 90 days after the effective date of a Final Judgment against Standard and Firestone.

(B) The request for bids, the drawing up and issuance of specifications, the method and time of submission of bids, and the opening of bids shall not give to any supplier or prospective supplier any competitive advantage or preference over any other supplier.

(C) Subject to the right of National, any National operating company, Los Angeles Transit Lines or St. Louis Public Service Company to reject all bids, the agreement shall be awarded to and made with the lowest responsible bidder. By "lowest responsible bidder" is meant (1) a company which is engaged in the business of supplying the operating equipment to be furnished under the agreement, or in performing the work or services to be covered by the agreement, and which has the financial ability, equipment, available supply of service approved operating equipment, and the reliability necessary to furnish said operating equipment, and (2) the company which will supply all of the particular operating equipment at an aggregate price which (after considering any credits or offsets to or by the operating companies) is the lowest dollar amount.

(D) All bids shall be opened at the time and place stated in the request for bids; and the names of the bidders and the prices bid shall be entered in a record which shall be available for inspection by duly authorized representatives of the Department of Justice.

VIII

For the purpose of securing compliance with this Final Judgment and for no other purpose, duly authorized representatives 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 (1) access during the 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 Judgment, and (2) 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, and upon such request the defendant shall submit such reports in writing to the Department of Justice with respect to any 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 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 such Department, except in the course of legal proceedings to which the United States is a party for the purpose of securing compliance with this Final Judgment or as otherwise required by law.

IX

Jurisdiction is retained 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 this Judgment

or for the modification or termination of any of the provisions thereof,
and for the purpose of the enforcement or compliance therewith and the
punishment of violations thereof.

Dated: December 14, 1954.

s/ Julius J. Hoffman
Judge, United States District
Court.

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

For the Plaintiff:

s/ Stanley N. Barnes
Assistant Attorney General

s/ W. D. Kilgore, Jr.

s/ Earl A. Jinkinson

s/ Ralph M. McCareins

For the defendants National City Lines,
Inc. and Pacific City Lines, Inc.:

s/ John T. Chadwell

s/ C. Frank Reaves