

APPENDIX A:

UNITED STATES v. AM. PIPE & CONSTR. CO.,
ET AL.

CIVIL NO. 64-832-MP

JUDGMENT AS TO
UNITED CONCRETE PIPE CORP.
ENTERED: DEC. 8, 1967

Trade Regulation Reporter - Trade Cases (1932 - 1992), United States v. American Pipe and Construction Co. and United Concrete Pipe Corp., U.S. District Court, C.D. California, 1967 Trade Cases ¶72,312, (Dec. 8, 1967)

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United States v. American Pipe and Construction Co. and United Concrete Pipe Corp.

1967 Trade Cases ¶72,312. U.S. District Court, C.D. California. Civil No. 64-832-MP. Entered December 8, 1967. Case No. 1807 in the Antitrust Division of the Department of Justice.

Sherman Act

Price Fixing—Pipe Manufacturer—Consent Decree.—A manufacturer of concrete pipe was prohibited by a consent judgment from agreeing to fix or maintain prices, rig bids or allocate or divide orders, territories or customers. The firm may not communicate with pipe manufacturers or sellers, or with companies which line or coat pipe, information about specific jobs until the information is made public or bids are opened. Additionally, it may not agree to restrict production to types or sizes, or sales to any specified territories. Additionally, the decree bars coercing others to restrict sales or production, or communicating price information until after bid opening or the release of such information publicly. Also, for 5 years, affidavits of noncollusion are required when bids or quotations are submitted for specified jobs.

For the plaintiff: Donald F. Turner, Asst. Atty. Gen.; Baddia J. Rashid, William D. Kilgore, Jr., Lyle L. Jones, Barbara J. Svedberg and Anthony E. Desmond, Attorneys, Dept. of Justice.

For the defendants: John J. Hanson for United Concrete Pipe Corp.

Partial Final Judgment

PENCE, D. J.: Plaintiff, United States of America, having filed its complaint herein on June 23, 1964, its first amended complaint on October 28, 1964 and its second amended complaint on December 2, 1965, and the consenting defendant, United Concrete Pipe Corporation, having appeared by its attorneys and having filed its answer to such complaint denying the substantive allegations thereof; and plaintiff and consenting defendant, by their respective attorneys, having severally consented to the making and entry of this Partial Final Judgment pursuant to a stipulation entered into on September 28, 1967, without trial or adjudication of or finding on any issue of fact or law herein, and without this Partial Final Judgment constituting any evidence or admission by either party to said stipulation with respect to any such issue, and the Court having considered the matter and being duly advised,

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 as aforesaid,

It Is Hereby Ordered, Adjudged and Decreed as follows:

I

[*Jurisdiction*]

This Court has jurisdiction of the subject matter hereof and of the consenting defendant. The second amended complaint herein having presented more than one claim for relief and dismissal being sought as to Counts I and II, based on a partial price adjustment, the Court hereby determines that there is no just reason for delay and directs entry of this Partial Final Judgment as to the claim made in Count III.

The second amended complaint in Count III states a claim upon which relief may be granted under Section 1 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, as amended.

II

[*Definitions*]

As used in this Partial Final Judgment:

- A. "pipe" means pipe constructed of concrete either with or without metal components, including both pressure and non-pressure pipe, sold and/or manufactured by the consenting defendant within the Western Area, as that term is hereinafter defined, for the conveyance of water or sewage;
- B. "Western Area" means California, Oregon, Washington, Arizona, New Mexico, Utah, Wyoming, Nevada, Idaho and Hawaii; and
- C. "person" means an individual, partnership, firm, association, corporation or other legal or business entity.

III

[*Applicability*]

The provisions of this (Partial Final Judgment applicable to the consenting defendant shall also apply to each of its subsidiaries, successors, assigns, officers, directors, agents and employees, and to all other persons in active concert or participation with the consenting defendant who shall have received actual notice of this Partial Final Judgment by personal service or otherwise, but shall not apply to transactions solely between the consenting defendant and its officers, directors or employees when acting in such capacity, or between the consenting defendant and its parent company, or between the consenting defendant and any of its subsidiaries or any subsidiary of its parent. This Partial Final Judgment shall not apply to conduct outside of the United States unless such conduct substantially affects the foreign or domestic commerce of the United States, but shall apply to sales by the consenting defendant to, or for the known use of, the plaintiff or any instrumentality or agency thereof.

IV

[*Prices, Bids, Restrictions*]

The consenting defendant is enjoined and restrained from directly or indirectly in any manner entering into, adhering to, or claiming any right under, any contract, agreement, arrangement, understanding, plan or program with any other manufacturer or seller of pipe, or with any association of said manufacturers, or with any company providing the services of lining or coating of pipe, in relation to pipe, to:

- A. Fix or adopt prices, terms or conditions of sale;
- B. Maintain or adhere to agreed upon prices;
- C. Submit noncompetitive, collusive or rigged bids or quotations to any customer;
- D. Allocate or divide orders, territories or customers;
- E. Communicate with any manufacturer or seller of pipe or with any company providing the services of lining or coating pipe, information about any specific job concerning bids, prices, terms or conditions applicable to the sale of pipe to third persons before the bid opening of any such specific job or, in the absence of such bid opening, until after the release of such information publicly or to the trade generally; or
- F. Restrict production to certain types or sizes of pipe or restrict sales of pipe to any specified territory.

V

[*Other Manufacturers or Sellers*]

The consenting defendant is enjoined and restrained from:

- A. Communicating with any other manufacturer of pipe for the purpose of attempting to coerce or force such manufacturer to restrict its sales of pipe to any territory or to restrict its production of pipe to certain sizes or types;
- B. Communicating with any manufacturer or seller of pipe or with any company providing the services of lining or coating pipe, information about any specific job concerning bids, prices, terms or conditions applicable to the sale of pipe to third persons before the bid opening of any such specific job, or, in the absence of such bid opening, until after the release of such information publicly or to the trade generally.

VI

[*Affidavits of Noncollusion*]

The consenting defendant is ordered and directed for a period of five years from the date of entry of this Partial Final Judgment:

- A. In connection with any sealed bid submitted by it to any Federal, State or local governmental authority, agency, or instrumentality, for the sale of pipe, to supply, concurrently or within a reasonable time thereafter, a written certification by an officer or employee of the consenting defendant regularly having the authority to determine the price for the type of bid involved, in substantially the form of Appendix A hereto or containing the substance thereof;
- B. In connection with any formal written quotation for the sale of pipe in excess of \$25,000 to annex to such written quotation or include therein a written certification by an officer or employee of the consenting defendant regularly having the authority to determine the price for the type of quotation involved, in substantially the form of Appendix B hereto or containing the substance thereof;
- C. To certify in writing through one of its officers or an employee of the consenting defendant regularly having the authority to determine published prices, at the time of every generally published revision of its published prices, terms or conditions of sale of pipe, that the decision to make such change was independently arrived at by the consenting defendant and not as the result of any agreement or understanding with any competitor, and further to retain in its files the aforesaid certifications for a period of five years from the date thereof, which certifications shall be made available to plaintiff for inspection upon reasonable written demand.

VII

[*Good Faith Sales*]

Nothing contained in this Partial Final Judgment shall be deemed to prohibit the consenting defendant from:

- A. Communicating to any other person, including any of the defendants in this action, information concerning bids, prices, terms or conditions applicable to the sale of pipe in connection with any proposed or actual bona fide purchase or sale or subcontract between them, or entering into or performing any such transaction.
- B. Furnishing to distributors of its pipe suggested prices, terms or conditions relating to the resale of such pipe, or prescribing such prices, terms or conditions where it is otherwise lawful to do so;
- C. Communicating to any other person providing the services of lining or coating pipe, including any of the defendants in this action, information concerning bids, prices, terms or conditions applicable to the lining or coating of pipe in connection with any proposed or actual bona fide transaction between them for the lining or for coating of pipe, or entering into or performing any such transaction; and
- D. Communicating to any other person, including any of the defendants in this action, information concerning bids, prices, terms or conditions applicable to the sale of pipe in connection with any proposed or actual bona fide joint bid, quotation or joint venture by or between the consenting defendant and any other defendant in this action or any other person, where the job is of such size or nature, or performable at such time, that in good faith the consenting defendant believes that it is undesirable to handle the entire job alone and the transaction

is denominated as or is known to the purchaser to be a joint bid, quotation or joint venture, or entering into or performing any such transaction.

VIII

[*Notification*]

The consenting defendant is ordered and directed within 60 days from the date of entry of this Partial Final Judgment to furnish a copy of this Partial Final Judgment to each of its officers, plant managers, sales managers and assistant sales managers in the Western Area who are directly involved in the production or sale of pipe, and to their successors within 30 days after hiring or appointment, and to retain in its files for a period of five years from the date of this Partial Final Judgment a written statement signed within 60 days after receipt thereof by each such employee setting forth the date he received a copy of this Partial Final Judgment, his title, his place of employment and the name of his immediate superior.

IX

[*Compliance*]

For the purpose of determining or securing compliance with this Partial 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 the consenting defendant made to its principal office, be permitted, subject to any legally recognized privilege:

A. Reasonable access, during office hours of the consenting defendant, to all books, ledgers, accounts, correspondence, memoranda, and other records and documents in the possession or under the control of the consenting defendant, relating to any matters contained in this Partial Final Judgment; and

B. Subject to the reasonable convenience of the consenting defendant and without restraint or interference from it, to interview officers or employees of the consenting defendant, who may have counsel present, regarding any such matters.

Upon such written request the consenting defendant shall submit such reports in writing with respect to any of the matters contained in this Partial Final Judgment as may from time to time be requested for the enforcement of this Partial Final Judgment.

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

X

[*Jurisdiction Retained*]

Jurisdiction is retained by this Court for the purpose of enabling any of the parties to this Partial 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 Partial Final Judgment, for the modification or termination of any of the provisions hereof, for the enforcement of compliance herewith and for the punishment of violations hereof.

Appendix A

By submitting this bid the undersigned hereby certifies that said bid has not been made or prepared in collusion with any other manufacturer of pipe and that the prices, terms or conditions applicable to the sale thereof have not been communicated by or on behalf of the bidder to any such manufacturer and will not be so communicated to any such manufacturer prior to the official opening of said bid, in violation of any decree entered against bidder by the United States District Court for the Central District of California which may be applicable to said bid.

Appendix B

By issuing this quotation or any changes thereof, the undersigned certifies that this quotation and any such changes have not been made or prepared in collusion with any other manufacturer of pipe in violation of any decree entered against seller by the United States District Court for the Central District of California which may be applicable to said quotation.