

**Trade Regulation Reporter - Trade Cases (1932 - 1992), United States v. United States Steel Corp., U.S. District Court, W.D. Pennsylvania, 1969 Trade Cases ¶72,825, (Aug. 25, 1969)**

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United States v. United States Steel Corp.

1969 Trade Cases ¶72,825. U.S. District Court, W.D. Pennsylvania. Civil Action No. 69-728. Entered August 25, 1969. Case No. 2053 in the Antitrust Division of the Department of Justice.

**Sherman Act**

**Monopoly—Buying Power—Reciprocal Purchasing Agreements.**—A steel producer was prohibited under the terms of a proposed consent decree from entering any reciprocal purchasing agreements with any supplier or customer, discussing or communicating with any supplier that preferences will be given on the basis of purchases, and from preparing or maintaining data in furtherance of reciprocal dealings. The producer also was required to publish and circulate to all sales and purchasing personnel a memorandum stating the ban on reciprocal dealings. A similar publication was also being sent to suppliers.

For the plaintiff: Richard W. McLaren, Asst. Atty. Gen., Baddia J. Rashid, William D. Kilgore, Jr., Charles F. B. McAleer, Margaret H. Brass, Donald H. Mullins, Barry Grossman, Attys., Dept. of Justice, Richard L. Thornburgh, U. S. Atty.

For the defendant: Edgar E. Barton, of White & Case, New York, N. Y., and L. L. Lewis, General Solicitor, U. S. Steel Corp.

**Final Judgment**

GOURLEY, Judge: The complaint having been filed herein on June 13, 1969, and plaintiff and said defendant, by their respective 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 admission by any party with respect to any issue of fact or law herein:

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 herein and of the parties consenting hereto. The complaint states claims upon which relief may be granted against the defendant 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," as amended, commonly known as the Sherman Act, as amended.

**II**

**[ Definition]**

For purposes of this Judgment:

(A) Defendant shall mean United States Steel Corporation and any domestic company which it in fact controls, irrespective of the degree of stock ownership;

(B) Job placements shall mean awards made to a contractor or supplier for work to be done or materials to be supplied after bids have been obtained in response to bid inquiries issued by defendant for particular projects;

(C) Capital expenditures shall mean contract purchases for those expenditures that add to defendant's fixed assets or that have the effect of increasing the capacity, efficiency, life span, or economy of operation of defendant's existing fixed assets.

### III

#### **[ Applicability]**

The provisions of this Final Judgment shall apply to defendant, and its officers, directors, agents, employees, successors and assigns, and to all other persons in active concert or participation with defendant who shall have received actual notice of this Final Judgment by personal service or otherwise.

### IV

#### **[ Reciprocal Purchasing]**

Defendant is enjoined and restrained from:

(A) Purchasing products, goods or services from, or entering into or adhering to any contract, agreement or understanding with, any actual or potential supplier on the condition or understanding that purchases by defendant from such supplier will be based or conditioned upon defendant's sales to such supplier;

(B) Selling products, goods or services to, or entering into or adhering to any contract, agreement or understanding with, any actual or potential customer on the condition or understanding that defendant's purchases of products, goods or services from such customer will be based or conditioned upon defendant's sales to such customer;

(C) Communicating to defendant's actual or potential suppliers or contractors that:

(1) in purchasing products, goods or services preference will be given to any such supplier or contractor based or conditioned upon defendant's sales to such supplier or contractor;

(2) in compiling bidder lists and in awarding job placements for capital expenditures preference will be given to any such contractor or supplier based or conditioned upon defendant's sales to such contractor or supplier;

(3) defendant is entitled to participate in the purchases by any such supplier or contractor of products or goods sold or services provided by defendant based or conditioned upon defendant's purchases from such supplier or contractor;

(D) Communicating to prime contractors or subcontractors that in awarding subcontracts or purchasing material from material suppliers preference is to be given to any such subcontractor or material supplier based or conditioned upon defendant's sales to such subcontractor or material supplier;

(E) Comparing or exchanging statistical data with any supplier or contractor to ascertain, facilitate or further any relationship between purchases by defendant from such supplier or contractor and sales by defendant to such supplier or contractor;

(F) Engaging in the practice of discussing with any supplier or contractor the relationship between purchases by defendant from such supplier or contractor and sales by defendant to such supplier or contractor.

### V

#### **[ Reciprocal Purchasing Data]**

Defendant is enjoined and restrained from:

- (A) Preparing or maintaining statistical compilations for any supplier or any class or grouping of suppliers which compare purchases from suppliers who supply products, goods or services to defendant with sales by defendant to such suppliers;
- (B) Issuing to personnel with purchasing responsibilities lists which identify customers and their purchases or which specify or recommend that purchases be made from any such customers;
- (C) Referring lists of bids received on capital expenditures to its Commercial Department, or to any other division, department, or unit having sales responsibilities, for recommendations for job placements.

## VI

### **[ Prevention of Reciprocal Purchasing ]**

Defendant is ordered and directed to:

- (A) Abolish the Commercial Relations Section (formerly known as the "Trade Relations Division") of its Commercial Department and the position of Director thereof and refrain from establishing any office or position whose activities, programs or objectives are to promote trade relations involving reciprocal purchasing arrangements;
- (B) Withdraw from all personnel with sales or purchasing responsibilities any lists or compilations described in Section V above as currently may be in their possession;
- (C) Refrain from being a member of and prohibit its officers and employees from belonging to or participating in the activities of, or contributing anything of value to any association whose activities, programs or objectives are to promote trade relations involving reciprocal purchasing arrangements.
- (D) Issue within sixty (60) days to each of its officers and employees having sales or purchasing responsibilities a memorandum stating that:
  - (1) all officers and employees are prohibited from purchasing products, goods or services from, or entering into or adhering to any contract, agreement or understanding with, any actual or potential supplier on the condition or understanding that purchases by defendant from such supplier will be based or conditioned upon defendant's sales to such supplier;
  - (2) all officers and employees are prohibited from selling products, goods or services to, or entering into or adhering to any contract, agreement or understanding with, any actual or potential customer on the condition or understanding that purchases by defendant of products, goods or services from such customer will be based or conditioned upon defendant's sales to such customer;
  - (3) all officers and employees are prohibited from soliciting bids for any capital expenditures from, or awarding job placements to, or entering into or adhering to any contract, agreement or understanding for the solicitation or award of job placements with, any contractor or supplier, upon the condition or understanding that solicitations or awards by defendant will be based or conditioned upon defendant's sales to such contractor or supplier;
- (E) Furnish, within sixty (60) days after the entry hereof, a copy of this Final Judgment, and, by written notice satisfactory to the plaintiff, advise each supplier from whom defendant has purchased or to whom it has sold more than \$50,000 of products, goods or services during any of the years 1966 through 1968 that
  - (1) defendant has abolished the Commercial Relations Section (formerly known as the "Trade Relations Division") of its Commercial Department and the position of Director thereof and will refrain from establishing any office or position whose activities, programs or objectives are to promote trade relations involving reciprocal purchasing arrangements;
  - (2) all officers and employees are prohibited from purchasing products, goods or services from, or entering into or adhering to any contract, agreement or understanding with, any actual or potential supplier on the condition or understanding that purchases by defendant from such supplier will be based or conditioned upon defendant's sales to such supplier;

(3) all officers and employees are prohibited from selling products, goods or services to, or entering into or adhering to any contract, agreement or understanding with, any actual or potential customer on the condition or understanding that purchases by defendant of products, goods or services from such customer will be based or conditioned upon defendant's sales to such customer;

(4) all officers and employees are prohibited from soliciting bids for any capital expenditures from, or awarding job placements to, or entering into or adhering to any contract, agreement or understanding for the solicitation or award of job placements with, any contractor or supplier, upon the condition or understanding that solicitations or awards by defendant will be based or conditioned upon defendant's sales to such contractor or supplier.

## **VII**

### **[ Compliance]**

For the purpose of determining or securing compliance with this Final Judgment, and for no other purpose:

(A) Any duly authorized representative or representatives of the Department of Justice shall, upon written request by the Attorney General or the Assistant Attorney General in charge of the Antitrust Division, and on reasonable notice to the defendant, made to its principal office, in New York, New York or in Pittsburgh, Pennsylvania, be permitted subject to any legally recognized privilege:

(1) access during the office hours of defendant to all books, ledgers, accounts, correspondence, memoranda and other records and documents in the possession, custody or under the control of defendant relating to any matters contained in this Final Judgment; and

(2) subject to the reasonable convenience of defendant and without restraint or interference from it, to interview officers or employees of defendant, who may have counsel present, regarding any such matters.

(B) Upon such written request of the Attorney General or the Assistant Attorney General in charge of the Antitrust Division, defendant shall submit such reports in writing with respect to the matters contained in this Final Judgment as from time to time may be requested.

No information obtained by the means provided for 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 the Executive Branch of the United States except in the course of legal proceedings to which plaintiff is a party for the purpose of securing compliance with this Final Judgment or as otherwise required by law.

## **VIII**

### **[ Non-restricted Practices]**

Nothing contained in this Final Judgment shall:

(A) Prohibit defendant from entering into arrangements for the conversion of its products or goods into other forms thereof for its own use or resale or from converting products or goods for others;

(B) Prohibit defendant from contracting for construction work or for the manufacture and installation of equipment and facilities for its own use on the condition that defendant's products, goods or services are to be used in the performance of such contracts;

## **IX**

### **[ Jurisdiction Retained]**

Jurisdiction is retained 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 modification or termination of any of the provisions contained herein, for the enforcement of compliance therewith, and the punishment of the violation of any of the provisions contained herein.

X

[ *Effective Period*]

This Final Judgment shall terminate and cease to be effective ten (10) years from the date of the entry of this Final Judgment