

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS

EASTERN DIVISION

UNITED STATES OF AMERICA, and)
INTERSTATE COMMERCE COMMISSION,)

Petitioners.)

vs.)

THE GREYHOUND CORPORATION,)
GREYHOUND LINES, INC.,)
R. F. SHAFFER, J. L. KERRIGAN,)
and F. L. NAGEOTTE,)

Respondents.)

Civil Action No. 69-C-1148

Civil Contempt Petition

Filed: June 22, 1971

PETITION BY THE UNITED STATES AND THE
INTERSTATE COMMERCE COMMISSION FOR AN
ORDER TO SHOW CAUSE WHY THE RESPONDENTS
SHOULD NOT BE FOUND IN CIVIL CONTEMPT

The United States of American and the Interstate Commerce Commission, Petitioners, by their attorneys, acting under the direction of the Attorney General, present this Petition for an order requiring the above-named Respondents to show cause why they should not be found in civil contempt of this Court. The Petitioners represent to the Court as follows:

I.

DESCRIPTION OF RESPONDENTS

1. Respondent, The Greyhound Corporation is a corporation organized and existing under the laws of the State of Delaware with its principal place of business at 10 South Riverside Plaza, Chicago, Illinois.

2. Respondent Greyhound Lines, Inc. is a corporation organized and existing under the laws of the State of California with its principal place of business at 10 South Riverside Plaza, Chicago, Illinois. It is a wholly owned subsidiary of The Greyhound Corporation. Greyhound Lines, Inc. was a plaintiff in Civil Action 69-C-1148 and subject to the Order of This Court entered in that action. Whenever used herein "Greyhound" shall mean The Greyhound Corporation and Greyhound Lines, Inc.

3. The Respondent, R. F. Shaffer, is a resident of Illinois and is President of Respondent, The Greyhound Corporation.

4. The Respondent, J. L. Kerrigan, is a resident of Illinois and is President of Respondent, Greyhound Lines, Inc.

5. The Respondent, F. L. Nageotte, is a resident of California and is President of Greyhound Lines-West. Greyhound Lines-West is an operating division of Greyhound Lines, Inc., with its principal place of business at 371 Market Street, San Francisco, California.

6. The Respondents, R. F. Shaffer, J. L. Kerrigan, and F. L. Nageotte, are actively engaged in the management, direction and control of Greyhound's affairs and responsible for Greyhound's compliance with the Order of This Court entered in Civil Action 69-C-1148.

II.

PRIOR ORDER OF THE COURT

7. On May 27, 1969, Respondents Greyhound filed with this Court Civil Action No. 69-C-1148, appealing a Cease and Desist Order of the Interstate Commerce Commission. The Interstate Commerce Commission and the United States of America filed a counterclaim, praying an injunction be granted against Greyhound that they cease from certain enumerated destructive practices against Mount Hood Stages, Inc., hereinafter referred to as "Mt. Hood," and directing Greyhound to restore practices and traffic patterns which existed between Greyhound and Mt. Hood, or were in contemplation, as of July 30, 1952. Three interested parties, Mt. Hood, National Trailways Bus System, and the Public Utilities Commission of Oregon were permitted to intervene.

8. On February 5, 1970, this Court entered a Decision on the Merits and Order, hereinafter referred to as "Order," in Civil Action 69-C-1148. A copy of this Decision on the Merits and Order is annexed to this petition and marked "Exhibit A." and is reported at 308 F. Supp. 1033.

III.

ALLEGED VIOLATIONS OF THE ORDER

9. Petitioners charge that the above-named Respondents have disobeyed and resisted, and are continuing to disobey

and resist, lawful orders and decrees of this Court as set forth in the Decision on the Merits and Order dated February 5, 1970, and are thereby in civil contempt of the authority of this Court, by means of the acts and failures to act set forth below.

A. Violations of Section (1) of the Order

10. Section (1) of the Order reads as follows:

- (1) that Greyhound show Mt. Hood schedules in Greyhound folders on an equal basis with other non-Greyhound lines;

Petitioners charge that Respondents, during the period February 5, 1970 to the date of the filing of this petition, have disobeyed and violated Section (1) of the Order in that Greyhound has not and does not show Mt. Hood schedules in Greyhound folders on an equal basis with other non-Greyhound lines. More particularly, among other violations, Greyhound folders do not include Mt. Hood schedules from Bend, Oregon to Salt Lake City, Utah, Bend to Portland, Oregon, and Boise, Idaho to Salt Lake City, Utah. Further, among other violations, Greyhound table 603A in the Greyhound Systems Timetable and in Russell's Official National Motor Coach Guide, hereinafter referred to as "Russell's Guide," omit Mt. Hood schedules originating in Portland; Greyhound table 603 in the Greyhound Systems Timetable and in Russell's Guide distorts schedule 822 to the detriment of Mt. Hood; and Greyhound table

31C in the Greyhound Systems Timetable and in Russell's Guide contains distortions and omissions to the detriment of Mt. Hood. By refusing and omitting to take affirmative measures to terminate such practices, Respondents are acting in disobedience of the Order. These practices have continued to the date of filing of this petition.

B. Violations of Section (2) of the Order

11. Section (2) of the Order reads as follows:

- (2) that Greyhound restore the through bus service which Greyhound operated until September 8, 1964, in connection with Mt. Hood via Klamath Falls and Biggs (The Dalles), Oregon, and discontinue the bus service Greyhound has operated in substitution therefore since then via Portland, Oregon;

Petitioners charge that Respondents, during the period February 5, 1970 to the date of the filing of this petition, have disobeyed and violated Section (2) of the Order in that Greyhound has not discontinued its practice of routing passengers over its route via Portland in substitution of the Mt. Hood Route. More particularly, Greyhound, in the period of March 1, 1970 through May 31, 1970, has routed through Portland the majority of its passengers from Redding, Fresno, Sacramento, Oakland, San Francisco, Los Angeles, and San Diego, California, to destination points in the eastern part of the State of Washington. During the same period, Greyhound has also routed through Portland the majority of

its passengers from the cities of Yakima, Spokane and Wenatchee, Washington to points in California. By refusing and omitting to take affirmative measures to terminate such practices, Respondents are acting in disobedience of the Order. These practices have continued to the date of filing of this petition.

C. Violations of Section (3) of the Order

12. Section (3) of the Order reads as follows:

- (3) that Greyhound revise its interline schedules in connection with Mt. Hood so as to eliminate the presently existing delay of approximately three hours for passengers seeking to travel between California and Spokane via Mt. Hood's route and to negotiate in good faith with Mt. Hood on the establishment of bus schedules most advantageous to the traveling public;

Petitioners charge that Respondents, during the period February 5, 1970 to the date of the filing of this petition, have disobeyed and violated Section (3) of the Order in that Greyhound has refused to negotiate in good faith with Mt. Hood on the establishment of bus schedules most advantageous to the traveling public. More particularly, Greyhound has refused to negotiate in good faith with Mt. Hood in regards to connections between Mt. Hood and Greyhound at Eugene, Oregon and at Burley, Idaho. By refusing and omitting to take affirmative measures to terminate such practices,

Respondents are acting in disobedience of the Order. These practices have continued to the date of filing this petition.

D. Violations of Section (4) of the Order

13. Section (4) of the Order reads as follows:

- (4) that Greyhound voluntarily and accurately quote joint through routes in connection with Mt. Hood, without geographical limitations in a manner fully responsive to inquiries from the traveling public;

Petitioner charges that Respondents, during the period February 5, 1970 to the date of the filing of this petition, have disobeyed and violated Section (4) of the Order in that Greyhound and its agents are not voluntarily and accurately quoting joint through routes in connection with Mt. Hood.

More particularly, as a result of inquiries made in June and July, 1970 by members of the Interstate Commerce Commission's field staff, it has been found that Greyhound agents in Los Angeles and San Francisco, California, Seattle, Washington, and Grand Island, Nebraska, among others, are not quoting joint through routes with Mt. Hood in a manner fully responsive to inquiries from the traveling public.

By refusing and omitting to take affirmative measures to terminate such practices, Respondents are acting in disobedience of the Order. These practices have continued to the date of filing this petition.

E. Violations of Section (5) of the Order

14. Section (5) of the Order reads as follows:

- (5) that Greyhound cease and desist from quoting Mt. Hood's service unfavorably or inaccurately in response to inquiries from the traveling public and from not quoting Mt. Hood's service at all in response to specific requests from the traveling public;

Petitioners charge that Respondents and their agents, during the period February 5, 1970 to the date of the filing of this petition, have disobeyed and violated Section (5) of the Order in that Greyhound and its agents are not quoting Mt. Hood's services at all in response to requests from the traveling public as to the fastest and least expensive services available.. More particularly, as a result of inquiries made in June and July, 1970 by members of the Interstate Commerce Commission's field staff, it has been found that Greyhound agents in Portland, Oregon, Grand Island, Nebraska, and Seattle, Washington, among others, are omitting to quote Mt. Hood's services in response to inquiries concerning the fastest and least expensive service available. By refusing and omitting to take affirmative measures to terminate such practices, Respondents are acting in disobedience of the Order. These practices have continued to the date of filing this petition.

F. Violations of Section (6) of the Order

15. Section (6) of the Order reads as follows:

- (6) that Greyhound show Mt. Hood's connecting routes on its maps on an equal basis with other non-Greyhound carriers;

Petitioners charge that Respondents and their agents, during the period February 5, 1970 to the date of the filing of this petition, have disobeyed and violated Section (6) of the Order in that Greyhound and its agents have omitted to show Mt. Hood's connecting routes on its maps on an equal basis with other non-Greyhound carriers. More particularly, among other violations, examination of Greyhound's map in Russell's Guide, effective October 1, 1970, page 54, shows that the location of Bend, Oregon is distorted by its placement to the northeast of Eugene, Oregon, and that Greyhound's route between The Dalles, Oregon and Toppenish, Washington is omitted. Also, there are distortions of the Greyhound and Mt. Hood connecting routes in the map appearing on the backside of the title plate of the Greyhound System Timetable, effective October 25, 1970 and the ticket tear "map", which was issued by Respondents in October, 1970, and which shows Mt. Hood routes, is distorted and incomplete. Such distortions and omissions in these maps, among others, are highly material factors influencing Greyhound agents' routing of passengers. By publishing these maps and by refusing and omitting to take affirmative measures to terminate such practices, Respondents are acting in disobedience

of the Order. These practices have continued to the date of filing this petition.

G. Violations of Section (8) of the Order

16. Section (8) of the Order reads as follows:

- (8) that Greyhound establish joint through fares with Mt. Hood;

Petitioners charge that Respondents, during the period February 5, 1970 to the date of the filing of this petition, have disobeyed and violated Section (8) of the Order in that Greyhound has refused to establish joint through fares with Mt. Hood. More particularly, among other instances, Greyhound has refused to establish a joint fare with Mt. Hood on service from Medford, Oregon to The Dalles, Oregon via Klamath Falls, Oregon. By refusing and omitting to take affirmative measures to terminate such practices, Respondents are acting in disobedience of the Order. These practices have continued to the date of filing this petition.

H. Violations of Section (9) of the Order

17. Section (9) of the Order reads as follows:

- (9) that Greyhound cease and desist from discriminating against Mt. Hood at depots that Hood occupies with Greyhound;

Petitioners charge that Respondents, during the period February 5, 1970 to the date of the filing of this petition, have disobeyed and violated Section (9) of the Order in that,

among other violations, Greyhound agents at Albany, Oregon and Klamath Falls, Oregon, where Mt. Hood occupies terminals with Greyhound, refuse to quote Mt. Hood charter bus rates and other Mt. Hood bus service which leaves closely in time to Greyhound bus service. By refusing and omitting to take affirmative measures to terminate such practices, Respondents are acting in disobedience of the Order. These practices have continued to the date of filing this petition.

PRAYER

WHEREFORE, the petitioners move this Court to:

1. Issue an order directing each of the foregoing Respondents to appear before this Court, at a time and place to be fixed in said order, to show cause why they should not be adjudged in civil contempt of this Court;
2. Issue an order that the Respondents forthwith comply with the Order of this Court entered on February 5, 1970;
3. Impose an appropriate fine upon the corporate respondents, The Greyhound Corporation and Greyhound Lines, Inc., for each day after this Court's order that said respondents fail to carry out the directions of this Court;

4. Impose an appropriate fine and imprisonment upon the individual Respondents, R. F. Shaffer, J. L. Kerrigan, and F. L. Nageotte, for each day after this Court's order that said Respondents fail to carry out the directions of this Court.

5. Issue such further orders as the nature of the case may require and as the Court may deem just and proper to compel obedience to, and compliance with, its Order of February 5, 1970; and

6. Grant to the Government the cost of this proceeding.


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