



Federal Trade Commission Protecting America's

Consumers Information: June 3, 1998

The Federal Trade Commission today announced the following action.

Consent agreement given final approval: Following a public comment period, the Commission has made final a consent agreement with the following entity. The Commission action makes the consent order binding on the respondent.

- A final order against **Stone Container Corporation** will prohibit Stone from requesting, suggesting or entering any agreements with competitors to raise, fix or stabilize prices or price levels for linerboard, a corrugated box component. The order settles FTC charges that, following a failed attempt to increase the price it charged for linerboard in 1993, Stone temporarily shut down production at its own mills and bought up competitors' excess linerboard inventory as part of an intentional strategy to manipulate industry supply conditions and invite competitors to increase the price of linerboard. The Commission vote to make the consent agreement final was 4-1, with Commissioner Orson Swindle dissenting. The concurring statement of Commissioners Robert Pitofsky, Sheila F. Anthony, and Mozelle W. Thompson noted "... we agree with Commissioner Swindle that there can be no implied invitation to collude when the actions that amount to the invitation are justified by business considerations," but they saw no valid justification for Stone's conduct. Commissioner Swindle dissented from the issuance of the complaint and final order because he did not "believe that the facts unearthed and presented in the investigation support the allegation that Stone Container ... invited its competitors ?to join a coordinated price increase" and was "concerned that the Commission's decision in this case may deter corporate officials from making useful public statements (e.g., in speeches to investors or presentations to securities analysts) that candidly address industry conditions, individual firms' financial situations, and other important subjects." (See news release dated **February 25, 1998**; Docket No. C-3806. Staff contact is Geoffrey M. Green, 202- 326-2641)

Copies of the documents referenced above are available from the FTC's web site at <http://www.ftc.gov> and also from the FTC's Consumer Response Center, Room 130, 6th Street and Pennsylvania Avenue, N.W., Washington, D.C. 20580; 202-FTC-HELP (202- 382-4357); TDD for the hearing impaired 1-866-653-4261. Consent agreements subject to public comment also are available by calling 202-326-3627. To find out the latest news as it is announced, call the FTC NewsPhone recording at 202-326-2710.

Media Contact:

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