

UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF NEW YORK

UNITED STATES OF AMERICA,

Plaintiff

v.

ALUMINUM COMPANY OF AMERICA and  
ROME CABLE CORPORATION,

Defendants

Civil No. 8030

Filed: April 1, 1960

COMPLAINT

The United States of America, plaintiff, by its attorneys, acting under the direction of the Attorney General of the United States, brings this civil action to obtain equitable relief against the above-named defendants, and complains and alleges as follows:

I

JURISDICTION AND VENUE

1. This complaint is filed and this action is instituted against the defendants under Section 15 of the Act of Congress of October 15, 1914, c. 323, 38 Stat. 736, as amended, entitled "An Act to supplement existing laws against unlawful restraints and monopolies and for other purposes", commonly known as the Clayton Act, in order to prevent and restrain the violation by the defendants, as hereinafter alleged, of Section 7 of said Act.

2. The defendants Aluminum Company of America and Rome Cable Corporation maintain offices, transact business and are found within the Northern District of New York.

## II

### DEFENDANTS

3. Aluminum Company of America is made a defendant herein. It is a corporation organized and existing under the laws of the State of Pennsylvania, with its principal office in Pittsburgh, Pennsylvania. Said defendant, together with its subsidiaries and affiliates, is herein-after referred to as "Alcoa".

4. Rome Cable Corporation (hereinafter referred to as "Rome-Delaware") is made a defendant herein. Rome-Delaware, a wholly-owned subsidiary of defendant Aluminum Company of America, was organized and exists under the laws of the State of Delaware, with its principal office in Rome, New York. Rome-Delaware was organized as a subsidiary of defendant Aluminum Company of America at or about the time of the acquisition, hereinafter alleged, of the assets of Rome Cable Corporation (hereinafter referred to as "Rome-New York"), a corporation organized under the laws of the State of New York.

## III

### TRADE AND COMMERCE

5. For many years Alcoa has been an integrated aluminum producer, engaging in the manufacture and sale of primary aluminum, intermediate aluminum products, and numerous end products including aluminum wire and cable, conduit, and cable accessories. Alcoa's combined sales of primary aluminum and aluminum products have for many years exceeded the combined sales of primary aluminum and aluminum products of any other domestic producer. As of December 31, 1958, Alcoa had assets amounting to \$1,337,258,520. In 1958 Alcoa's net sales and operating revenues amounted to about \$753,140,000, and its net sales in the United States of aluminum wire and cable, conduit, and cable accessories exceeded \$32,000,000.

6. Alcoa produces more primary aluminum than any other producer in the United States. In 1958 Alcoa's primary aluminum production constituted about one-third of total domestic production. As of December 31, 1958 Alcoa's total capacity, including capacity under construction, constituted about 38 per cent of the total primary aluminum production capacity, including capacity under construction, in the United States.

7. Alcoa mines and processes bauxite, an aluminum-bearing ore, in the State of Arkansas and in certain foreign countries; produces alumina from bauxite at plants in Alabama, Arkansas, and Texas; owns and operates electric power facilities used in the production of alumina and aluminum; owns and operates steamship lines and railroads for the transportation of materials; produces primary aluminum pig and ingot from alumina at plants in several states, including Indiana, New York, North Carolina, Tennessee, Texas, and Washington; and sells and ships in interstate commerce aluminum pig and ingot manufactured at such plants to customers located throughout the United States.

8. Alcoa manufactures its intermediate and end products in several states, and sells and ships such products in interstate commerce to customers located throughout the United States. Alcoa also supplies aluminum pig and ingot, including types thereof required in the fabrication of electrical conductor wire and cable products, and intermediate aluminum products, including aluminum rod, to other manufacturers of wire and cable products.

9. Among the end products which for many years have been manufactured by Alcoa are aluminum wire and cable products, including those used as conductors of electricity, and conduit and cable accessories. Alcoa's aluminum wire and cable products include bare aluminum wire and cable, aluminum conductor steel-reinforced (referred to as "ACSR"), and insulated aluminum wire and cable, including weatherproof wire and

cable and service drop cable. Alcoa manufactures these end products in several states and sells and ships such products in interstate commerce to customers located throughout the United States.

10. Prior to its acquisition by defendants in 1959, hereinafter alleged, Rome-New York was a manufacturer of copper and aluminum wire and cable products, conduit and cable accessories. Rome-New York also supplied intermediate copper and aluminum products to other manufacturers of wire and cable products, and engaged in the business of insulating, for other wire and cable manufacturers and others, bare wire and cable supplied by such customers. As of March 31, 1958, Rome-New York had assets amounting to approximately \$24,000,000. For the fiscal year ending March 31, 1958 its net sales amounted to about \$40,600,000.

11. Rome-New York manufactured aluminum rod from aluminum pig and ingot purchased from primary aluminum producers, including Alcoa, and manufactured copper rod from copper wire bar purchased from copper producers. From its Rome, New York plant, Rome-New York shipped in interstate commerce aluminum and copper rod sold to its customers, including other wire and cable manufacturers, located in many states of the United States. In addition, Rome-New York fabricated copper rod for competing wire and cable manufacturers, on a toll basis, from copper wire bar supplied by such manufacturers.

12. Rome-New York also fabricated, at its New York plant, and sold and shipped in interstate commerce to customers located in many states of the United States, aluminum and copper wire and cable products, including bare wire and cable, ACSR, weatherproof wire and cable, service drop cable, magnet wire, building wire, power and control cable, service entrance cable, heavy duty flexible cords and cables, mining and welding cable, hook-up wire, instrumentation and missile cable, and many custom-built cables for industry and Government.

13. Rome-New York also manufactured, at its plant in Torrance, California, and sold and shipped in interstate commerce to customers located in many states of the United States, steel conduit, elbows and couplings, and mechanical tubing. At its "Cope Division" plant in Collegeville, Pennsylvania, Rome-New York manufactured and shipped in interstate commerce to its customers located in many states of the United States, a complete line of aluminum and steel products used in cable supporting systems, including cable trough, cable pulling devices, and other cable installation accessories, tools, and equipment.

14. Prior to the acquisition of Rome-New York, Alcoa and Rome-New York had been competitors in the production and sale of various wire and cable products, accessories (including conduit and cable installation devices and products), and to some extent aluminum rod.

15. A large percentage of the total United States production and sale of various wire and cable products has become concentrated in relatively few companies, including Alcoa and other companies which also are suppliers of basic materials required by their wire and cable competitors. Such concentration has been achieved, in part, through recent acquisitions and mergers.

16. In addition to the acquisition of Rome-New York, in January 1960 Alcoa acquired Rea Magnet Wire Co., Inc. (Rea). Rea had been engaged in the manufacture and sale of wire and cable products, including magnet wire. In 1958 Rea's net sales were approximately \$17,500,000, and for the first ten months of 1959 were approximately \$19,700,000.



OFFENSE CHARGED

17. On or about February 17, 1959, defendant Aluminum Company of America and Rome-New York entered into a Plan and Agreement providing for the acquisition by said defendant of the assets, properties, contract rights, business and good will of Rome-New York in exchange for common stock of said defendant, and reserving in said defendant the right to effect the acquisition either directly or through a subsidiary. On or about March 31, 1959, pursuant to the aforesaid Plan and Agreement, all of Rome-New York's assets, business and good will were transferred to Rome-Delaware, a newly-organized wholly-owned subsidiary of defendant Aluminum Company of America. Rome-Delaware, since said acquisition, has functioned as a division of defendant Aluminum Company of America. The effect of such acquisition may be substantially to lessen competition or tend to create a monopoly in violation of Section 7 of the Clayton Act in the following ways, among others:

- (a) Actual and potential competition in the production and sale of various wire and cable products, and in the production and sale of various accessories thereto, including conduit and cable installation devices and products, may be substantially lessened.
- (b) Actual and potential competition between Alcoa and Rome-New York in the production and sale of various wire and cable products, and in the production and sale of various accessories thereto, including conduit and cable installation devices and products, has been eliminated.

- (c) Alcoa's competitive advantage over other manufacturers of various wire and cable products, and over manufacturers of various accessories thereto, may be enhanced to the detriment of actual and potential competition.
- (d) Concentration of the production and sale of various wire and cable products in the hands of a few companies has been increased to the detriment of actual and potential competition.
- (e) Alcoa's competitive advantage as an integrated producer of aluminum and aluminum products, as a supplier of materials to wire and cable producers, and as a producer of wire and cable products, may be enhanced to the detriment of actual and potential competition.
- (f) Mergers and acquisitions in the wire and cable field may be fostered with a consequent increase in economic concentration to the detriment of actual and potential competition.

PRAYER

WHEREFORE, PLAINTIFF PRAYS:

1. That the aforesaid acquisition of the assets of Rome-New York be adjudged and decreed to be in violation of Section 7 of the Clayton Act.

2. That, pending a final adjudication of the merits of this complaint, a preliminary injunction issue enjoining the defendants, their officers, directors, agents, and all other persons acting on their behalf from consolidating or intermingling the business operations now conducted by Rome-Delaware or its assets or operating personnel with those of Alcoa, and from making any changes in the corporate structure by consolidation or otherwise, the commercial operations, or the distribution policies of Rome-Delaware.

3. That under such terms and conditions as this Court may prescribe, defendants be required to divest themselves of all the assets, business and good will of Rome-Delaware and all other assets, business and good will acquired from, or resulting from the acquisition of, Rome-New York.

4. That defendants, their officers, directors, agents, and all persons acting on their behalf be enjoined from acquiring, for such period as the Court may direct, stock or assets of any other company engaged in the production or sale of wire or cable products, conduit, or cable accessories.

5. That the plaintiff have such other and further relief as may be just and proper.

6. That the plaintiff recover the costs of this suit.

/s/ William P. Rogers  
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/s/ Samuel Karp  
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