

ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF SEC. 7 OF THE
CLAYTON ACT

Docket 6557. Complaint, May 22, 1956—Decision, May 20, 1969

Order adopting tentatively modified order of March 27, 1969, which reopened proceeding and modified final order dated January 17, 1964, 64 F.T.C. 245, by vacating the fourth paragraph that required respondent to cease manufacturing industrial steel wool, with certain exceptions, on the premises of an acquired company.

ORDER REOPENING PROCEEDING AND MODIFYING FINAL ORDER

This matter is before the Commission upon letters dated September 20, 1968, October 10, 1968, and December 20, 1968, from Purex Corporation, Ltd., successor to the Brillo Manufacturing Company, Inc., wherein it requests permission to consolidate all of its steel wool production on the premises which the Brillo Manufacturing Company, Inc., acquired from The Williams Company. The letters are treated as a petition for reopening the proceeding and modification of the final order, which issued on January 17, 1964 [64 F.T.C. 245].

The fourth ordering paragraph of the final order reads as follows:

It is further ordered, That from and after the effective date of such divestiture, respondent shall cease and desist from manufacturing industrial steel wool on the premises acquired from The Williams Company, except such amount of industrial steel wool as may be incidental or a by-product of the manufacture of household steel wool products on such premises, and which are not suitable for conversion into household form.

At the time this order issued, and at all times subsequent thereto, respondent has manufactured industrial steel wool only at its plant in Brooklyn, New York. It has produced only consumer soap pads at the plant Brillo acquired from The Williams Company.

As grounds for its request, respondent asserts that its sales of steel wool products have declined so that a two-plant operation is not efficient. Respondent has furnished sales information in support of this assertion as well as data showing that all of its steel wool products cannot be produced economically in its Brooklyn, New York, plant. Therefore, respondent asserts that it will close down its Brooklyn, New York, plant on July 1, 1969, and that plans to do so have been finalized.

In considering this request, which is not opposed, the Commission notes that the principal purpose of the fourth ordering paragraph of the final order is to prevent the competitive freight advantage that would inure to respondent resulting from being able to ship industrial steel wool from two plants, one in the mid-west and the other in the east. Respondent will not achieve the freight advantage of a two-plant operation by consolidating all of its steel wool production on the premises acquired from The Williams Company.

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On the basis of the foregoing, the Commission has determined that respondent's request should be granted. Accordingly:

It is ordered, That this proceeding be, and it hereby is reopened.

It is further ordered, That the fourth ordering paragraph of the final order, as set forth herein, be, and it hereby is, vacated and set aside.

ORDER ADOPTING TENTATIVELY MODIFIED ORDER

The Commission, on March 27, 1969, having issued its tentative order modifying the final order in this matter, and having placed said tentative order on the public record for a period of thirty days for the filing of comments or views of interested members of the public; and

The thirty-day period having expired without receipt of any comments or views; and

The Commission having determined that said modified order is appropriate in all respects:

It is ordered, That the tentatively modified order of the Commission, issued on March 27, 1969, be, and it hereby is, adopted as the modified order of the Commission.

IN THE MATTER OF

MISSISSIPPI RIVER FUEL CORPORATION*