

*It is further ordered,* That respondent Armco shall within 30 days after service upon it of this order file with the Commission a report, in writing, setting forth the manner and form in which it intends to comply with this order.

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IN THE MATTER OF

ALUMINUM COMPANY OF AMERICA, ET AL.—  
Docket C-2417

KENNECOTT COPPER CORPORATION, ET AL.—  
Docket C-2418

CONSENT ORDERS IN REGARD TO THE ALLEGED VIOLATION OF THE  
CLAYTON AND FEDERAL TRADE COMMISSION ACTS

*Complaints, June 21, 1973—Decisions, June 21, 1973.*

Consent orders requiring the largest domestic aluminum company located in Pittsburgh, Penn., and the largest domestic copper company located in New York City, among other things to cease permitting interlocking directorates unlawfully and requiring its directors to make annual statements as to those corporations having an aggregate value in excess of \$1 million of which they are also directors.

COMPLAINT

The Federal Trade Commission, having reason to believe that the above named respondents have violated the provisions of Section 8 of the Clayton Act and Section 5 of the Federal Trade Commission Act, as amended, and that a proceeding in respect thereof would be in the interest of the public, issues this complaint, stating its charges as follows:

PARAGRAPH 1. Respondent Aluminum Company of America ("Alcoa") is a corporation organized and existing under and by virtue of the laws of the State of Pennsylvania, maintaining its

principal place of business at Pittsburgh, Pennsylvania. At all times relevant to this complaint, Alcoa had capital, surplus, and undivided profits aggregating in excess of one billion dollars. In 1971 Alcoa had revenues of approximately \$1.5 billion.

PAR. 2. Respondent Kennecott Copper Corporation ("Kennecott") is a corporation organized and existing under and by virtue of the laws of the State of New York, maintaining its principal place of business at New York, New York. At all times relevant to this complaint, Kennecott had capital, surplus, and undivided profits aggregating in excess of one billion dollars. In 1971 it had revenues of approximately \$1.3 billion.

PAR. 3. Russell DeYoung is a resident of the State of Ohio. In 1970 he was elected to the board of directors of Alcoa, at which time he was a director of Kennecott, and he was a director of both corporations from that time until November 30, 1972. He resigned from the Alcoa board of directors after having been notified of the Commission's intention to issue a complaint in this matter.

PAR. 4. (a) Alcoa is the largest domestic aluminum company. In 1971 it accounted for approximately 25 percent of total aluminum industry shipments and approximately 30 percent of primary aluminum capacity.

(b) Kennecott is by 1971 sales the largest domestic copper company.

PAR. 5. Aluminum and copper are metals which are interchangeable for many uses, including but not limited to, electrical conductor and tubing and other components for heat exchangers.

PAR. 6. (a) Alcoa's and Kennecott's respective businesses each encompasses the manufacture and sale of aluminum materials or products, or copper materials or products, respectively, of every kind, including, but not limited to, those referred to in Paragraph Five.

(b) Alcoa and Kennecott are actual present competitors of each other with respect to many products, such as, but not limited to, electrical conductor and tubing and other components for heat exchangers.

PAR. 7. (a) Alcoa and Kennecott are by the nature of their business and location of operation competitors.

(b) The elimination of competition by agreement among Alcoa and Kennecott would hinder, foreclose, and restrain competition, or tend to create a monopoly, in the aluminum or copper industries as a whole or with respect to specific products supplied by each respondent corporation, as hereinabove alleged.

PAR. 8. (a) The products and materials referred to in Paragraph Six are sold and distributed by Alcoa and Kennecott from locations in various States of the United States to purchasers located in many other States of the United States.

(b) Alcoa and Kennecott each engage in commerce as that term is defined in the Clayton Act and Federal Trade Commission Act.

PAR. 9. The foregoing acts and practices of respondents, as hereinbefore alleged and set forth, constitute violations of Section 8 of the Clayton Act and Section 5 of the Federal Trade Commission Act.

#### DOCKET C-2417

#### DECISION AND ORDER

The Commission having heretofore determined to issue its complaint charging the respondents named in the caption hereto with violation of Section 8 of the Clayton Act and Section 5 of the Federal Trade Commission Act, and the respondents having been served with notice of said determination and with a copy of the complaint the Commission intended to issue, together with a proposed form of order; and

Respondent Alcoa and counsel for the Commission having thereafter executed an agreement containing a consent order, an admission by said respondent of all the jurisdictional facts set forth in the complaint to issue herein, a statement that the signing of said agreement is for settlement purposes only and does not constitute an admission by respondents that the law has been violated as alleged in such complaint, and waivers and other provisions as required by the Commission's rules; and

The Commission having considered the agreement and having provisionally accepted same, and the agreement containing consent order having thereupon been placed on the public record for a period of thirty (30) days, now in further conformity with the procedure prescribed in Section 2.34(b) of its rules, the Commission hereby and by the decision and order in this matter relating to respondent Kennecott Copper Corporation, issues its complaint in the form contemplated by said agreement, makes the following jurisdictional findings, and enters the following order:

1. Respondent Aluminum Company of America is a corporation organized, existing, and doing business under and by virtue of the laws of the State of Pennsylvania, with its office and principal place of business located at Alcoa Building, Pittsburgh, Pennsylvania.

2. Respondent Kennecott Copper Corporation is a corporation organized, existing, and doing business under and by virtue of the laws of the State of New York, with its office and principal place of business located at 161 East 42nd Street, New York, New York.

3. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the respondents, and the proceeding is in the public interest.

#### ORDER

##### I

*It is ordered,* That respondent Aluminum Company of America ("Alcoa") a corporation, shall not permit on its board of directors any person who is at the same time a director of Kennecott Copper Corporation.

##### II

*It is further ordered,* That respondent Alcoa shall obtain from each Alcoa director an annual statement showing the name, location, and business of each other corporation, having capital, surplus and undivided profits in excess of \$1,000,000 of which such Alcoa director is also a director.

##### III

*It is further ordered,* That respondent Alcoa notify the Commission at least 30 days prior to any proposed change in the corporate respondent such as dissolution, assignment or sale resulting in the emergence of a successor corporation, or any other change in the corporation which may affect compliance obligations arising out of this order.

##### IV

*It is further ordered,* That respondent Alcoa shall within 30 days after service upon it of this order file with the Commission a report, in writing, setting forth the manner and form in which it intends to comply with this order.

#### DOCKET C-2418

#### DECISION AND ORDER

The Commission having heretofore determined to issue its complaint charging the respondents named in the caption hereto with violation of Section 8 of the Clayton Act and Section 5 of the

Federal Trade Commission Act, and the respondents having been served with notice of said determination and with a copy of the complaint the Commission intended to issue, together with a proposed form of order; and

Respondent Kennecott and counsel for the Commission having thereafter executed an agreement containing a consent order, an admission by said respondent of all the jurisdictional facts set forth in the complaint to issue herein, a statement that the signing of said agreement is for settlement purposes only and does not constitute an admission by respondents that the law has been violated as alleged in such complaint, and waivers and other provisions as required by the Commission's rules; and

The Commission having considered the agreement and having provisionally accepted same, and the agreement containing consent order having thereupon been placed on the public record for a period of thirty (30) days, now in further conformity with the procedure prescribed in Section 2.34(b) of its rules, the Commission hereby and by the decision and order in this matter relating to respondent Aluminum Company of America, issues its complaint in the form contemplated by said agreement, makes the following jurisdictional findings, and enters the following order:

1. Respondent Aluminum Company of America is a corporation organized, existing, and doing business under and by virtue of the laws of the State of Pennsylvania, with its office and principal place of business located at Alcoa Building, Pittsburgh, Pennsylvania.

2. Respondent Kennecott Copper Corporation is a corporation organized, existing, and doing business under and by virtue of the laws of the State of New York, with its office and principal place of business located at 161 East 42nd Street, New York, New York.

3. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the respondents, and the proceeding is in the public interest.

#### ORDER

##### I

*It is ordered,* That respondent Kennecott Copper Corporation (Kennecott), a corporation, shall not permit on its board of directors any person who is at the same time a director of Aluminum Company of America.

## II

*It is further ordered,* That respondent Kennecott shall obtain from each Kennecott director an annual statement showing the name, location, and business of each other corporation having capital, surplus and undivided profits in excess of \$1,000,000 of which such Kennecott director is also a director.

## III

*It is further ordered,* That respondent Kennecott notify the Commission at least 30 days prior to any proposed change in the corporate respondent such as dissolution, assignment or sale resulting in the emergence of a successor corporation, or any other change in the corporation which may affect compliance obligations arising out of this order.

## IV

*It is further ordered,* That respondent Kennecott shall within 30 days after service upon it of this order file with the Commission a report, in writing, setting forth the manner and form in which it intends to comply with this order.