

IN THE MATTER OF

THE WIRE WORKS, INC., ET AL.

CONSENT ORDER, ETC., IN REGARD TO ALLEGED VIOLATION OF
SEC. 5 OF THE FEDERAL TRADE COMMISSION ACT

Docket C-3908. Complaint, Dec. 6, 1999--Decision, Dec. 6, 1999

This consent order, among other things, prohibits the two Connecticut-based companies, that manufacture, advertise and distribute wire electrodes, from misrepresenting the extent to which any such product is made in the United States.

Participants

For the Commission: *Kent Howerton, Laura Koss, Elaine Kolish, and Keith Anderson.*

For the respondents: *Gene Winter, St. Onge, Steward, Johnson & Reens, Stamford, CT.*

COMPLAINT

The Federal Trade Commission, having reason to believe that The Wire Works, Inc., and Electrodes, Inc., corporations ("respondents"), have violated the provisions of the Federal Trade Commission Act, and it appearing to the Commission that this proceeding is in the public interest, alleges:

1. Respondent The Wire Works, Inc. is a Connecticut corporation with its principal office or place of business at 252 Depot Road, Milford, Connecticut.

2. Respondent Electrodes, Inc. is a Connecticut corporation with its principal office or place of business at 252 Depot Road, Milford, Connecticut. Electrodes, Inc. is the exclusive distributor for The Wire Works, Inc.

3. Respondents have manufactured, advertised, labeled, offered for sale, sold, and/or distributed products to the public, including drawn brass wire sold as electrical discharge machining ("EDM") wire electrodes.

4. The acts and practices of respondents alleged in this complaint have been in or affecting commerce, as "commerce" is defined in Section 4 of the Federal Trade Commission Act.

5. Respondents have disseminated or have caused to be disseminated advertisements and labels for their EDM wire electrodes

product, including but not necessarily limited to the attached Exhibits A and B. These advertisements and labels contain the following statements:

- A. "[M]anufactured right here in the USA" (Exhibit A); and
- B. "Made in USA" (Exhibit B).

6. Through the means described in paragraph five, respondents have represented, expressly or by implication, that their EDM wire electrodes product is made in the United States, *i.e.*, that all, or virtually all, of the components of their EDM wire electrodes product are of U.S. origin, and that all, or virtually all, of the labor in manufacturing their EDM wire electrodes product is performed in the United States.

7. In truth and in fact, a substantial portion of the components in their EDM wire electrodes product is, or has been, of foreign origin, and a substantial amount of the labor in manufacturing the EDM wire electrodes product is, or has been, performed in Mexico. Therefore, the representations set forth in paragraph six were, and are, false or misleading.

8. The acts and practices of respondents as alleged in this complaint constitute unfair or deceptive acts or practices in or affecting commerce in violation of Section 5(a) of the Federal Trade Commission Act.

Commission Leary not participating.

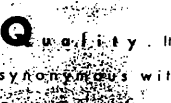
Complaint

128 F.T.C.

EXHIBIT A

Supply Centers • FLORIDA (813) 585-9545 • NORTH CAROLINA (704) 588-4444 •
 TENNESSEE (615) 889-0550

INDIANA (317) 786-9268 • WISCONSIN (614) 547-2040 • PENNSYLVANIA (215) 396-1899 • MASSACHUSETTS (508) 757-2295 • MICHIGAN (313) 261-5990



Quality. It's synonymous with Gold. That's the only new **WIRE** from Wire Works, Inc. **WIRE** is made from their original, old world excellence, but is manufactured right here in the **USA**.



Eco-Spool is the only **WIRE** spool recycling program.



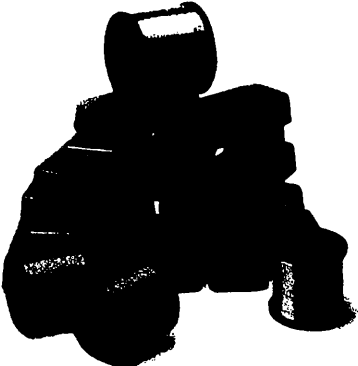
Eco-Spool is the only **WIRE** spool recycling program.



Eco-Spool is the only **WIRE** spool recycling program.



GOOD AS GOLD.



• Ask about our environmentally friendly used spool recycling program

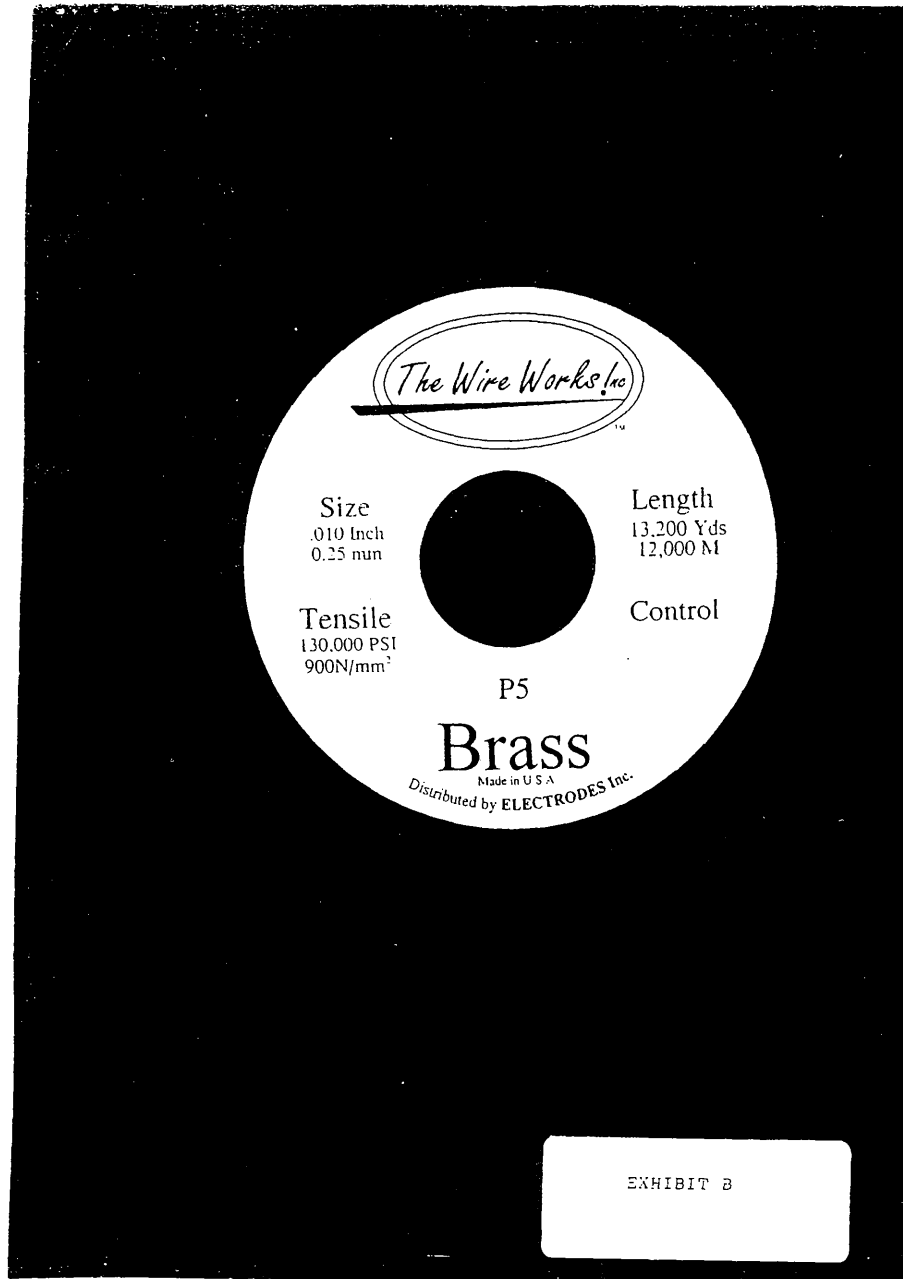
EXHIBIT A

FOR MORE INFORMATION, CIRCLE 222

ELECTRODES, INC.

MINNESOTA (612) 425-1313 • CANADA (905) 890-8868 • OHIO (216) 942-2340 •

EXHIBIT B



DECISION AND ORDER

The Federal Trade Commission having initiated an investigation of certain acts and practices of the respondents named in the caption hereof, and the respondents having been furnished thereafter with a copy of a draft complaint which the Bureau of Consumer Protection proposed to present to the Commission for its consideration and which, if issued by the Commission, would charge respondents with violations of the Federal Trade Commission Act; and

The respondents and counsel for the Commission having thereafter executed an agreement containing a consent order, and admission by the respondents of all the jurisdictional facts set forth in the draft complaint, 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, or that the facts as alleged in such complaint, other than jurisdictional facts, are true, and waivers and other provisions as required by the Commission's Rules; and

The Commission having thereafter considered the matter and having determined that it had reason to believe that the respondents violated the said Act, and that a complaint should issue stating its charges in that respect, and having thereupon accepted the executed consent agreement and placed such agreement on the public record for a period of sixty (60) days, now in further conformity with the procedure prescribed in Section 2.34 of its Rules, the Commission hereby issues its complaint, makes the following jurisdictional findings, and enters the following order:

1. Respondent The Wire Works, Inc., is a Connecticut corporation with its principal office or place of business at 252 Depot Road, Milford, Connecticut.

2. Respondent Electrodes, Inc. is a Connecticut corporation with its principal office or place of business at 252 Depot Road, Milford, Connecticut. Electrodes, Inc. is the sole distributor for The Wire Works, Inc.

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

ORDER

I.

It is ordered, That respondents The Wire Works, Inc., and Electrodes, Inc., their successors and assigns, and their officers, agents, representatives, and employees, directly or through any corporation, subsidiary, division, or other device, in connection with the manufacturing, labeling, advertising, promotion, offering for sale, sale, or distribution of electrical discharge machining ("EDM") wire electrodes, in or affecting commerce, as "commerce" is defined in Section 4 of the Federal Trade Commission Act, 15 U.S.C. 44, shall not misrepresent, in any manner, directly or by implication, the extent to which any such product is made in the United States.

Provided, however, that a representation that any such product is made in the United States will not be in violation of this order so long as all, or virtually all, of the components of the product are of U.S. origin or are made in the United States and all, or virtually all, of the labor in manufacturing the product is performed in the United States. Provided, further, that nothing in this order shall prohibit respondents from making a representation regarding the U.S. origin or the U.S. content of such product as permitted in regulations, guides, or enforcement policy statements promulgated by the Commission.

Provided, further, that a representation that describes the specific processing that is performed on such product in the United States, e.g., that such product is "Drawn in U.S.A.," "Annealed in U.S.A.," "Coldworked in U.S.A.," or "Strengthened in U.S.A.," will not be in violation of this order so long as the claim is truthful and substantiated. Provided, however, that, if such product is not last substantially transformed in the United States, respondents must comply with regulations and rulings issued by the U.S. Customs Service under section 304 of the Tariff Act, 19 U.S.C.1304.

II.

It is further ordered, That respondents The Wire Works, Inc., and Electrodes, Inc., and their successors and assigns, shall, for five (5) years after the last date of dissemination of any representation covered by this order, maintain and upon request make available to the Federal Trade Commission for inspection and copying:

A. All markings, labels, advertisements and promotional materials containing the representation;

B. All materials that were relied upon in disseminating the representation; and

C. All tests, reports, studies, surveys, demonstrations, or other evidence in their possession or control that contradict, qualify, or call into question the representation, or the basis relied upon for the representation, including complaints and other communications with consumers or with governmental or consumer protection organizations.

III.

It is further ordered, That respondents The Wire Works, Inc., and Electrodes, Inc., and their successors and assigns, shall deliver a copy of this order to all current and future principals, officers, directors, and managers, and to all current and future employees, agents, and representatives having compliance responsibilities with respect to the subject matter of this order, and shall secure from each such person a signed and dated statement acknowledging receipt of the order. Respondents shall deliver this order to such current personnel within thirty (30) days after the date of service of this order, and to future personnel within thirty (30) days after the person assumes such position or responsibilities.

IV.

It is further ordered, That respondents The Wire Works, Inc., and Electrodes, Inc., and their successors and assigns, shall notify the Commission at least thirty (30) days prior to any change in the corporation(s) that may affect compliance obligations arising under this order, including but not limited to a dissolution, assignment, sale, merger, or other action that would result in the emergence of a successor corporation; the creation or dissolution of a subsidiary, parent, or affiliate that engages in any acts or practices subject to this order; the proposed filing of a bankruptcy petition; or a change in the corporate name or address. Provided, however, that, with respect to any proposed change in the corporation about which respondents learn less than thirty (30) days prior to the date such action is to take place, respondents shall notify the Commission as soon as is practicable after obtaining such knowledge. All notices required by this Part shall be sent by certified mail to the Associate Director,

Division of Enforcement, Bureau of Consumer Protection, Federal Trade Commission, Washington, D.C. 20580.

V.

It is further ordered, That respondents The Wire Works, Inc., and Electrodes, Inc., and their successors and assigns, shall, within sixty (60) days after the date of service of this order, and at such other times as the Federal Trade Commission may require, file with the Commission a report, in writing, setting forth in detail the manner and form in which they have complied with this order.

VI.

This order will terminate on December 6, 2019, or twenty (20) years from the most recent date that the United States or the Federal Trade Commission files a complaint (with or without an accompanying consent decree) in federal court alleging any violation of the order, whichever comes later; provided, however, that the filing of such a complaint will not affect the duration of:

A. This order's application to any respondent that is not named as a defendant in such complaint; and

B. This order if such complaint is filed after the order has terminated pursuant to this Part.

Provided, further, that if such complaint is dismissed or a federal court rules that the respondent(s) did not violate any provision of the order, and the dismissal or ruling is either not appealed or upheld on appeal, then the order will terminate according to this Part as though the complaint had never been filed, except that the order will not terminate between the date such complaint is filed and the later of the deadline for appealing such dismissal or ruling and the date such dismissal or ruling is upheld on appeal.

Commissioner Leary not participating.

IN THE MATTER OF

DOMINION RESOURCES, INC., ET AL.

CONSENT ORDER, ETC., IN REGARD TO ALLEGED VIOLATION OF
SEC. 7 OF THE CLAYTON ACT AND SEC. 5 OF THE
FEDERAL TRADE COMMISSION ACT

Docket C-3901. Complaint, Nov. 4, 1999--Decision, Dec. 9, 1999

This consent order, among other things, requires Dominion Resources, Inc., to divest Consolidated Natural Gas Company's subsidiary, Virginia Natural Gas, Inc., to a Commission-approved acquirer.

Participants

For the Commission: *Michael Moiseyev, Norman Armstrong, Ann Malester, Richard Parker, Jeremy Bulow and Roger Boner.*

For the respondents: *Howard Feller, McGuire, Woods, Battle & Boothe, Richmond, VA. and Stephen Paul Mahinka, Morgan, Lewis & Bockius, Washington, D.C.*

COMPLAINT

The Federal Trade Commission ("Commission"), having reason to believe that respondent, Dominion Resources, Inc. ("Dominion"), a corporation subject to the jurisdiction of the Commission, has agreed to acquire all the voting stock of respondent, Consolidated Natural Gas Company ("CNG"), a corporation subject to the jurisdiction of the Commission, in violation of Section 7 of the Clayton Act, as amended, 15 U.S.C. 18, and Section 5 of the Federal Trade Commission Act, as amended, 15 U.S.C. 45, and it appearing to the Commission that a proceeding in respect thereof would be in the public interest, hereby issues its complaint, stating its charges as follows:

I. DEFINITIONS

1. "Generation of electric power" means the process by which electricity is generated through the use of fuel such as natural gas.

2. "Virginia Natural Gas" or "VNG" means Virginia Natural Gas, Inc., the subsidiary of CNG that provides local gas distribution service within the Commonwealth of Virginia.