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IN THE UNITED STATES DISTRICT COURT FOR THE DISTRICT OF THE DISTRICT OF COLUMBIA

UNITED STATES OF AMERICA, Antitrust Division

U.S. Department of Justice 555 Fourth Street, N.W. Washington, D.C. 20001

v.

BAKER HUGHES INCORPORATED, 3900 Essex Lane
Houston, Texas 77027

EIMCO $ECOMA S.A.,
Avenue de Lattre de Tassigny 69330 Meyzieu, France

and

OY TAM.PELLA AB
P.O. Box 256, Lapintie 1 SF-33001 Tampere. Finland

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Plaintiff,)
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Defendants.)
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Civil Action No. 89-3333

Fi led: 12/13/89

Judge Gerhard dge8.())Tj 9.2 0 0 9.0.9 427 Tf 11.7dell48814.997 0 0 10.03 No. D.C. France

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~- COUNT ONE
1.
JUBISIDICIION AND VENUE
1.' This count is filed and this action is instituted
under Section 15 of the Clayton Act, as amended, 15 U.S.C.
§ 2S, to prevent and restrain the violation by defendants, ~s hereinafter alleged, of Section 7 of the Clayton Act. as amended. 15 U.S.C. § 18.

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2. Baker Hughes, Incorporated. transacts business and is
found in this District within the meaning of 15 U.S.C. S 22.and 28 U.S.C. § 1391(c).
3. Eimco Secoma S.A. is a French corporation. Venue is
properly based in this District under 15 U.S.C. § 22 and
28 U.S.C. § 1391(d).
4. Oy Tampella AB is a Finnish corporation. Venue is'
properly based in this District under 15 U.S.C. § 22 and
28 U.S.C. § 1391(d).
S. Venue in this District is also proper by virtue of the
defendants' consent to the maintenance of this action as provided .

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and twenty percent. the HHZ-is 2,600 (30 2+ 302 + 20 2 +20 2 2,600). The HHI takes into account the relative size and distribution of the firms in a market and approaches zero ~hen
a market consists of a large number of firms of relatively equal size. The HHI increases both as the number of firms in
the market decreases and as the disparity in size between those firms increases.
6. -Drilling rig- means a self-powered carrier vehicle, equipped with a power pack and control devices, and onto which one or more adjustable booms, each with an attached drill, is mounted.
7. -Hardrock- means rock that cannot be penetrated efficiently by a drill applying less than approximately 20,000 pounds per square inch (-PSI-) of force. Examples of hardrock mines

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III.

THE DEFENDANTS

9. Oy Tampella

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..... respectively. Secoma sells and services hardrock hydraulic

drilling rigs in the United States through Secoma U.S .. Inc., a
wholly owned subsidiary. Secoma U.S., Inc. has its headquarters in Salt Lake City. utah.

IV.
TRADE AND COMMERCE

12. Hardtock hydraulic drilling rigs are the current.
state of the art machines used to develop and stabilize tunnels and shafts to prevent cave-ins and to produce the ore located in underground hardtack mines. There are three types of hardtoCk hydraulic drilling rigs: face drilisl roof bolters and longhole drills. Face drills, by far the most common of the three types. drill holes horizontally into the face of a tunnel or a mine shaft. Explosives are inserted into the holes and the rock is broken through blasting. Major producers of face drills sell a number of models of face drills which are designed to drill different sized tunnels and shafts. In many mines, face drills are also used to produce ore. Roof bolters drill holes into the ceiling or floor of a mine. Structural reinforcement, usually a bolt and a brace, are then inserted into the hole to prevent cave-ins. Longhole drills, .the least
common type of hardrock hydraulic drilling rigs, are production
drills used in some underground mines. Each type of hardrock hydraulic drilling rig is equipped with a hydraulic rotary
percussive drill that_bores into hardrock by simultan~ously
rotating and pounding the drill bit. Each type and model of
hardrock hydraulic drilling rig produced by Secoma, is in direct hydraul

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13. In the United st~tes, the principal buyers of hardrock
hydraulic drilling rigs are operators of hardrock underground
mines_ Performance, serviceability, reliability, price and a
supplier's proven ability to supply spare parts and technical
service expeditiously are the primary factors considered by
mines in selecting a hardrock hydraulic drilling rig. Since hardrock hydraulic drilling rigs perform one of the most

critical functions in underground mining, buyers must be dril5.5

confident that hardrock hydrauliC drilling r684.Og

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distribution and a commitment to the United States market, as ~ell as established reputations for making efficient and reliable products, providing reliable domestically-based technical services and timely spare parts delivery from warehouses in the United States.

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16. The sale of hardrock hydraulic drilling rigs
constitutes a line of commerce and relevant product market, and the united States as a ~hole is a section

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unit sales of hardrock hydraulic drilling rigs in the United
states was about 2878. Using aggregate unit sales for the three years, the HHI would increase by about 1425 to about

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establish and maintain in the united States both a capable sales and technical services network and a warehouse system for
expeditious delivery of spare parts. Entry by firms not currently selling hardrock hydraulic drilling rigs in the united States is also difficult because of the ability of firms
in the market to price discriminate in sales to selected

customers.

21. The defendants import substantial quantities of
hardrock hydraulic drilling rigs into the united States. The
defendants provide services and ship hardrock hydraulic
drilling rigs and spare parts across state lines to mines

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- - COUNT TWQ
I.
JURISDICIION ANP VENUE

1. This complaint is filed and these proceedings
areinstituted under Section 7A of the Clayton Act. 15 U.S.C. S 18a, commonly known as the Hart-Scott-Rodino Antitrust Improvements Act of 1976 (RHart-Scott-Rodino Act-), to recover a civil penalty for a violation of the Hart-Scott-Rodino Act.
2. This Court has jurisdiction over the defendant and
over the subject matter of this action pursuant to 15 U.S.C. S 18a(g), and 28 U.S.C. §§ 1331, 1337, 1345, and 1355.
3. Oy Tampella AS is a Finnish corporation. Venue is
properly based in this District under 28 U.S.C. §§ 1391(b), 1391(c), 1391(d) and 1395(a) and 15 U.S.C. S 22.

II.
THE DEFENPANT

4. Oy Tampella AB ("Tampella-) is made

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IV.
VIOLAtIQN ALLEGED
6. The Hart-Scott-Rodino Act, 15 U.S.C. § 18a(a),
prohibits certain acquisitions of voting securities or assets
until a notification has been filed with the Department of Justice and the Federal'Trade Commission and a waiting period has expired.
7. Section (d)(l) of the Hart~5cott-Rodino Act, 15 U.S.C.
§ l8A(d)(1). authorizes the Federal Trade Commission, with the concurrence of the Antitrust Division of the Department of Justice, to require that the notification required by the Act be in such form and contain such documentary material and information relevant to a proposed transaction as is necessary and appropriate to determine whether such acquisition may, if consummated, violate the antitrust laws.
8. Among the documentary material required to be
submitted as part of a premerger notification are studies, surveys, analyses and reports which were prepared by or for any officer(s) or director(s) (or, in the case of unincorporated entities, individuals exercising similar functions) for the purpose of evaluating or analyzing the acquisition w,ith respect to market shares, competition, competitors, markets, potential for sales growth or expansion into product or geographic markets. 16 C.F.R. § 800 ~.~. These documents are required in response to Item 4{c) of the Notification and Report Form.

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9. Both the defendant-and Baker Hughes at all times
pertinent to this proceeding have been engaged in commerce, or
in activities affecting commerce. ~ithin the meaning of
section (a)(I) of the Hart-Scott-Rodino Act, 158006900621201 0 0 7.66.35.34Tm

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13. On May 31, 1989;-defendant and Baker Hughes filed notification and report forms for a transaction that included,
in part, the assets subject to the transaction described in
paragrapo 11. Defendant and Baker Hughes subsequently restructured the proposed transaction and on July 24. 1989, filed notification and report forms for the transaction described in paragraph 11. On July 25, 1989, the Federal Trade Commission and the Department of Justice granted the defendant
and Baker Hughes early termination of the waiting period.
14. Defendant's Notification and Report Form, filed
July 24. 1989, did not include a document entitled ~Business
Plan For Acquiring Seven Baker Hughes Divisions Including All
Six Divisions In Baker Hughes Mining Equipment And One Division
in Baker Hughes Process Equic貂㉂ᙅ〸刞ِܓ腳ㄉ㡅慴刹쀁搀瑀ቷ␖畃Eq䌡夀揰앂ᰡး刐ܓ ᎁ猀ᄱस䕂ዖ鰀ἀ㥒瑀ቷ

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16. On October 6, 1989, defendant submitted the

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3. That the plaintiff have such other and further relief

as the Court may deem just and proper.

Dated:

~PLAINTIFF UN~ D STATES

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JAMES!F. RILL
Assisfant Attorney General

J_~P~ Attorneys

U.S. Department of Justice Antitrust Division

J~ • STEPHENS {
United States Attorney District of Columbia

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