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UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF WASHINGTON

UNITED STATES OF AMERICA,)
)
Plaintiff,)
)
v.)
)
PAN-ALASKA FISHERIES, INC.,)
SFA-ALASKA PRODUCTS, INC.,)
UNIVERSAL SEAFOODS, LTD.,)
WHITNEY-FIDALGO SEAFOODS, INC., and)
ALASKA MARKETING ASSOCIATION,)
)
Defendants.)

CIVIL ACTION NO.
C-82-809
Filed: 6/30/82
(15 U.S.C. § 1)

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 against the above-named defendants to obtain equitable relief and complains and alleges as follows:

I
JURISDICTION AND VENUE

1. This complaint is filed and this action is instituted under Section 4 of the Sherman Act (15 U.S.C. § 4) in order to prevent and restrain violations by the defendants of Section 1 of the Sherman Act (15 U.S.C. § 1).

1 2. Each of the defendants transacts business and is
2 found in the Western District of Washington.
3

4 II

5 DEFENDANTS

6 3. Pan-Alaska Fisheries, Inc. ("Pan-Alaska") is made a
7 defendant herein. Pan-Alaska is a corporation organized under
8 the laws of the State of Washington, with its principal office
9 in Seattle, Washington. Pan-Alaska is a wholly-owned subsidiary
10 of Castle & Cooke, Inc., a Hawaii corporation. During the
11 period of time covered by this complaint, Pan-Alaska has been
12 engaged in the purchasing, processing, and sale of seafood in,
13 among other places, Unalaska, Alaska.

14 4. Sea-Alaska Products, Inc. ("Sea-Alaska") is made a
15 defendant herein. Sea-Alaska is a corporation organized under
16 the laws of the State of Washington, with its principal office in
17 Seattle, Washington. Since mid-1981, Sea-Alaska has been a
18 wholly-owned subsidiary of ConAgra, Inc., a Nebraska corporation.
19 During the period of time covered by this complaint, Sea-
20 Alaska has been engaged in the purchasing, processing, and sale
21 of seafood in, among other places, Dutch Harbor, Alaska.

22 5. Universal Seafoods, Ltd. ("Universal") is made a
23 defendant herein. Universal is a corporation organized under
24 the laws of the State of Washington, with its principal office in
25 Redmond, Washington. During the period of time covered by
26 this complaint, Universal has been engaged in the purchasing,
27 processing, and sale of seafood in, among other places, Dutch
28 Harbor, Alaska.

1 6. Whitney-Fidalgo Seafoods, Inc. ("Whitney-Fidalgo")
2 is made a defendant herein. Whitney-Fidalgo is a corporation
3 organized under the laws of the State of Maine, with its principal
4 office in Seattle, Washington. Over 99 percent of Whitney-
5 Fidalgo's stock is owned by Kyokuyo Company, Ltd., a Japanese
6 seafood company. During the period of time covered by this
7 complaint, Whitney-Fidalgo has been engaged in the purchasing,
8 processing, and sale of seafood in, among other places, Dutch
9 Harbor, Alaska.

10 7. The Alaska Marketing Association ("AMA") is made a
11 defendant herein. The AMA is a non-profit corporation organized
12 under the laws of the State of Alaska, with its principal
13 office in Seattle, Washington. The AMA, which was established
14 pursuant to the Fishermen's Collective Marketing Act, 15
15 U.S.C. §§ 521-22, is composed of fishing boat operators
16 whose vessels harvest raw crab and sell the crab to processors,
17 including the defendant processors, operating in the Dutch
18 Harbor/Unalaska/Akutan area of the Alaska Peninsula. The
19 primary function of the AMA, and one in which it has engaged
20 during the period of time covered by this complaint, is
21 to represent its members in bargaining with such processors
22 concerning the price of crab to be sold by the members.

23
24 III

25 CO-CONSPIRATORS

26 8. Various firms and individuals not made defendants
27 in this complaint participated as co-conspirators with the
28

1 defendants in the violations alleged herein and performed
2 acts and made statements in furtherance thereof.

3 IV

4 TRADE AND COMMERCE

5 9. In recent years, the fishing grounds off the coast
6 of Alaska have been among the most commercially productive in the
7 world, generating raw fish sales of more than \$240 million in 1980.
8 One of the most important seafood products commercially harvested
9 in Alaska waters is crab, of which two varieties, king and tanner
10 (or "snow") crab, account for the vast bulk of the catch. In re-
11 cent years, the Bering Sea crab fishery -- which lies west of the
12 southern portion of the Alaska Peninsula -- has been by far the
13 most productive of the several Alaska crab fishing areas. The
14 Bering Sea king crab fishery accounted for more than 80 percent
15 of the 186 million pounds of Alaska king crab harvested in 1980
16 and 64 percent of the 121 million pounds of tanner crab harvested
17 in the same year. In 1980, crab processors operating in Dutch
18 Harbor, Unalaska, and Akutan -- Alaska's principal Bering Sea
19 fishing ports -- paid more than \$100 million to Bering Sea
20 fishermen for raw crab.

21 10. Bering Sea crab fishermen deliver their catch
22 alive to processors for freezing or canning. The processors
23 butcher the live crab and then, normally, boil it in the
24 shell before either removing the meat for canning or freezing
25 in blocks, or, more typically, freezing the crab parts in the
26 shell for sale in that form. Crab processed in the Dutch Harbor/
27 Unalaska/Akutan area is generally either shipped directly to Japan,
28 a principal consumer of Bering Sea crab, or transported
29 to Seattle -- where many of the processing companies own
30

1 storage and freezer facilities -- for warehousing pending
2 sale into various U.S. markets and Europe.

3 11. There are approximately 20 firms engaged in the pro-
4 cessing of Bering Sea crab. The defendant processors are
5 among the largest of these firms in the volume of crab they
6 buy and process, purchasing among them approximately 40%
7 of the Bering Sea crab harvested in the years covered by this
8 complaint. Fishing vessels whose operators are members of the
9 AMA account for approximately 50% of the crab harvested in the
10 Bering Sea. In practice, the prices negotiated for raw crab
11 between the AMA, on behalf of its members, and the defendant
12 processors, generally have been followed by other Bering Sea
13 processors and non-AMA-member fishermen.

14 12. Fishermen are permitted to join together in associations
15 such as the AMA to collectively market their catch, pursuant
16 to the Fishermen's Collective Marketing Act, 15 U.S.C. §§ 521-22.
17 That Act does not, however, authorize processors to join to-
18 gether in negotiating a purchase price with such associations.

19 13. During the period of time covered by this complaint,
20 the activities of the defendants and co-conspirators as described
21 herein were within the flow of and had a substantial effect
22 upon interstate commerce.

23 V

24 VIOLATION ALLEGED

25 14. Beginning in or about September 1976, and continuing
26 thereafter, the exact dates being unknown to the plaintiff, the
27 defendants and co-conspirators engaged in a combination and con-
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spiracy in unreasonable restraint of the aforesaid interstate commerce in violation of Section 1 of the Sherman Act (15 U.S.C. § 1).

15. The combination and conspiracy has consisted of an agreement, understanding and concert of action among the defendants and co-conspirators to fix the price to be paid by defendant processors for raw Pering Sea crab.

16. In forming and effectuating the aforesaid combination and conspiracy,

(a) the defendant processors: (i) jointly participated in raw crab price negotiating meetings with the defendant association during the course of which the defendant processors discussed and agreed with one another on the price they would pay for raw Pering Sea crab; and (ii) engaged in other meetings and communicated with one another with regard to the prices they would pay for raw Pering Sea crab; and

(b) the defendant association encouraged and participated in pre-season raw crab price negotiating meetings in which the defendant processors participated jointly and discussed and agreed with one another on raw Bering Sea crab prices.

VI

EFFECTS

17. The aforesaid combination and conspiracy has had the following effects, among others:

(a) the price of raw crab has been fixed and maintained at artificial and noncompetitive levels;

1 (b) sellers of raw crab have been denied the benefits
2 of free and open competition;

3 (c) competition in the purchase of raw crab has been
4 restrained.

5 PPAYER

6 WHEREFORE, plaintiff prays:

7 1. That the Court adjudge and decree that the defendants
8 and co-conspirators engaged in an unlawful combination and
9 conspiracy in restraint of the aforesaid interstate commerce
10 in violation of Section 1 of the Sherman Act.

11 2. That the defendants, their officers, directors,
12 employees, agents, representatives, successors, assigns, and
13 all persons acting or claiming to act on defendants' behalf,
14 be enjoined from continuing, maintaining, or renewing the
15 aforesaid combination and conspiracy, and from engaging in
16 any other combination, conspiracy, agreement or undertaking
17 having similar purposes or effects.

18 3. That the defendant processors be enjoined from
19 entering into, participating in, maintaining, or furthering
20 any agreement, understanding, arrangement, plan, combination
21 or conspiracy among themselves or with other processors to
22 fix, lower, determine, or maintain the prices or other
23 terms or conditions for the purchase of raw crab.

24 4. That the defendant processors be enjoined from
25 communicating among themselves or with other processors
26 concerning the price they are paying or intend to pay for
27 raw crab.

28 5. That the defendant association be enjoined from
29 engaging in raw crab price negotiations in which more than
30 one processor participates in any way.


1 6. That the defendant association be enjoined from
2 entering into, participating in, maintaining, furthering,
3 encouraging or facilitating any agreement, understanding,
4 arrangement, plan, combination, or conspiracy among processors,
5 including defendant processors, to fix, lower, determine, or
6 maintain the prices or other terms or conditions for the purchase
7 of raw crab.

8 7. That the plaintiff have such other and further
9 relief as the nature of the case may require and the Court
10 may deem just and proper.

11 Dated:

12 
13 WILLIAM F. BAXTER
14 Assistant Attorney General


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