



Office of the Secretary

UNITED STATES OF AMERICA
FEDERAL TRADE COMMISSION
WASHINGTON, D.C. 20580

February 27, 2012

Charles C. Murphy
Vaughan & Murphy
260 Peachtree Street, N.W. Suite 1600
Atlanta, Georgia 30303

Re: *In the Matter of Sigma Corporation, File No. 101 0080, Docket No. C-4347*

Dear Mr. Murphy:

Thank you for your comments regarding the proposed consent order accepted by the Federal Trade Commission for public comment in the above-captioned matter. Your letter, submitted on behalf of Electrosteel USA, LLC (“EUSA”), proposes that the Commission take additional remedial measures to restore competition in the market for ductile iron pipe fittings (“DIPF”). EUSA is a competitor or respondent Sigma Corporation (“Sigma”).

The Commission’s complaint in this matter alleges, *inter alia*, that the three largest U.S. sellers of DIPF -- Sigma, Star Pipe Products (“Star”), and McWane, Inc. (“McWane”) -- exchanged information documenting their monthly sales of DIPF; that this information exchange was in furtherance of an illegal conspiracy among the three manufacturers to fix DIPF prices; and that this information exchange is independently illegal because it facilitated coordinated pricing of DIPF.

You propose that the Commission’s Order require the public disclosure of the information that was improperly shared among Sigma, Star, and McWane, including data pertaining to annual sales, geographic demand, and the scope and size of rebates offered to distributors. You suggest that disclosure of this information would better equip EUSA to compete in the future with the three parties to the information exchange.

The information exchange challenged in the Commission’s complaint collected and disseminated only monthly sales of DIPF in the United States, and operated only during the latter half of 2008. During 2008, this information could be used by the three manufacturers to monitor each others’ adherence to a price fixing scheme. It is not apparent to the Commission (from your letter or otherwise) that the disclosure of this information today, as you propose, would enhance competition.

Your comment also suggests that the Commission issue a public notice of these proceedings, in order that purchasers of DIPF will be alerted to the potential need to “reexamine their material specifications.” The Complaints against Sigma, Star and McWane are a matter of public record, as is this letter. At the time of this writing, the Commission understands that no fewer than five private plaintiffs have filed suit in federal District Court seeking damages from McWane, Star and Sigma. Materials relating to the Commission’s ongoing administrative litigation in *In the Matter of McWane, Inc., and Star Pipe Products, Ltd., Docket No. 9351*, are available at <http://www.ftc.gov/os/adjpro/d9351/index.shtm>.

The Commission has determined that the public interest would best be served by issuing the Decision and Order in final form without the modifications you suggest. A copy of the final Decision and Order is enclosed for your information. Relevant materials also are available from the Commission’s website at <http://www.ftc.gov>.

It helps the Commission’s analysis to hear from a variety of sources in its work on antitrust and consumer protection issues, and we appreciate your interest in this matter.

By direction of the Commission.

Donald S. Clark
Secretary