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Press Release

Attorney General Announces Agreement Preserving Competition In Connecticut's Deicing Road Salt Market

November 20, 2009

Attorney General Richard Blumenthal today announced an agreement to increase competition in road salt industry by enabling a new vendor to enter the market.

The state's deicing road salt contracts for the upcoming season alone are worth more than \$15 million, making price competition critical to maintaining reasonable costs.

The agreement results from Blumenthal's anti-trust investigation of the consolidation of two giant deicing road salt companies, which threatened to jeopardize competition in the Connecticut market and increase costs for the state and municipalities.

Blumenthal alleged that the proposed acquisition by the International Salt Company's (ISCO) parent company, K+S, of Morton International, Inc. would substantially reduce competition and choices for towns and cities among bulk deicing road salt providers in Connecticut.

Under an agreement with Connecticut announced today, this newly merged deicing salt conglomerate must divest certain assets in Connecticut to enable a new state-approved road salt vendor -- Granite State -- to enter and compete in the Connecticut market.

K+S, a German company, is one of the world's leading suppliers of salt products and Morton, based in Chicago, is a leading salt vendor in North America, including Connecticut.

"This agreement averts a monopolistic road salt market that would reduce competition and choice, and threaten to increase road deicing costs for taxpayers," Blumenthal said. "Road salt is a hot commodity in a cold winter -- a necessary expense even in the best of times.

"When budgets are frozen -- along with roads -- Connecticut taxpayers cannot afford the risks of reduced competition. This agreement adds a new viable competitor to the market -- avoiding a salt supply stranglehold and enhancing competition. This new company, approved by the state, will receive the contracts and assets necessary to serve Connecticut. Towns and cities can piggyback on these competitive state contracts, and benefit from preserved price competition."

Blumenthal investigated in coordination with the Federal Trade Commission (FTC), which ultimately found that the proposed acquisition would violate federal antitrust laws -- creating the largest producer of deicing road salt for

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- >> DEPARTMENTS
- >> CONSUMERS
- >> CHILDREN
- >> SENIORS
- >> INDIAN
- >> CHARITIES
- >> HEALTH
- >> OPINIONS
- >> PRESS RELEASES
- >> RFP'S
- >> LEGAL RESOURCES
- >> EMPLOYMENT
- >> HELPFUL INFORMATION



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Connecticut, and diminishing competition and choice in the road salt market.

The agreement requires that ISCO divest several Connecticut road salt contracts, and portions of their rented stockpile space, trucking contracts and on-hand salt to a new competitor in the Connecticut market, Granite State.

While Granite State has operated in other New England states for many years, it has never bid on Connecticut contracts. Under the agreement announced today, Granite State now must perform under several of ISCO's contracts just as ISCO had performed the year before.

ISCO will also pay the state \$40,000 for the cost of its investigation and legal action under the agreement announced today.

Blumenthal thanked the FTC for its cooperation in the investigation, as well as the Connecticut Department of Transportation and the Department of Administrative Services. In addition, Blumenthal thanked those in his office who worked on the investigation -- Assistant Attorneys General Antonia Conti, Rachel Davis, Jose Salinas and Paralegal Holly MacDonald, under the direction of Assistant Attorney General Michael Cole, Chief of the Attorney General's Antitrust Department.

View the entire [Joint Stipulation](#) - (PDF-3122KB)

View the entire [K & S Summons and Complaint](#) - (PDF-1058KB)

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