

*Substituted
by H.C.R. 17
2/19/95
(P. 303)*

*2-7-95 Small Business, Econ. &
Dev. & Tourism
2-8-95 Do Pass*
FILED FEB 2 1995

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SENATE CONCURRENT RESOLUTION NO. 12

BY HALVORSON

(COMPANION TO LSB 1944HH BY CORMACK) **WITHDRAWN**
2-13-95

A Concurrent Resolution urging the Federal Trade Commission to amend a consent agreement that would require the divestiture of the Fort Dodge Friskies PetCare Plant.

WHEREAS, the Federal Trade Commission has published an agreement containing a consent order, file number 941-0124, dealing with the proposed acquisition of Alpo by Nestle Food Company; and

WHEREAS, Nestle Food Company owns a processing facility in Fort Dodge, Iowa, operating as Friskies PetCare Products; and

WHEREAS, the consent order requires Nestle to divest the Fort Dodge Friskies PetCare plant within 12 months; and

WHEREAS, Friskies PetCare Products has operated in Fort Dodge for more than 19 years and has been an excellent corporate citizen, providing good jobs and benefits to 141 employees; and

WHEREAS, the direct economic impact of the Friskies plant in Webster County and Fort Dodge approaches \$100 million per year; and

WHEREAS, the complaint filed with the Federal Trade Commission alleges that the acquisition of Alpo by the Nestle Food Company will eliminate substantial actual competition between Nestle and Alpo, increase the likelihood that Nestle will unilaterally exercise market power in the relevant market, and increase the

S.C.R. 12

WITHDRAWN

1 likelihood of, or facilitate collusion or coordinated
2 interaction among, firms in the relevant market; and

3 WHEREAS, the relevant market in the complaint is
4 the manufacture and production of canned cat food for
5 the geographic market of the United States of America;
6 and

7 WHEREAS, the Fort Dodge facility produces
8 24,000,000 cases of canned pet food per year of which
9 66 percent is canned cat food and 33 percent is canned
10 dog food; and

11 WHEREAS, Nestle officials have stated that they
12 will increase the production at other Nestle-owned
13 plants to replace the lost production from the sale of
14 the Fort Dodge plant; and

15 WHEREAS, the Federal Trade Commission has indicated
16 that it is unlikely that it will allow the sale of the
17 Fort Dodge plant to any other major competitor in the
18 pet food industry; and

19 WHEREAS, the citizens of Fort Dodge and Webster
20 County, the Mayor and City Council of Fort Dodge, the
21 Webster County Board of Supervisors, the employees of
22 Friskies, and the Webster County Industrial
23 Development Commission all believe that the remedy
24 proposed by the Federal Trade Commission will not
25 accomplish the stated goals, and will, in fact, result
26 in the loss of 141 good jobs in Fort Dodge and have a
27 disastrous effect on the local economy, including the
28 loss of more than \$200,000 per year in Iowa sales
29 taxes; NOW THEREFORE,

30 BE IT RESOLVED BY THE SENATE, THE HOUSE OF

1 REPRESENTATIVES CONCURRING, That the Federal Trade
2 Commission is urged to amend the agreement containing
3 consent order, file number 941-0124, so that Nestle is
4 not required to divest itself of the Fort Dodge
5 Friskies PetCare Plant; and

6 BE IT FURTHER RESOLVED, That the entire Iowa
7 congressional delegation, Governor Branstad, and the
8 Director of the Iowa Department of Economic
9 Development are urged to support the citizens of Fort
10 Dodge in their efforts to appeal to the Federal Trade
11 Commission to amend the consent order; and

12 BE IT FURTHER RESOLVED, That copies of this
13 resolution be sent to the Governor, the President of
14 the United States, the President of the United States
15 Senate, the Speaker of the United States House of
16 Representatives, the Chairperson of the Federal Trade
17 Commission, and members of the Iowa congressional
18 delegation.

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