

JUSTICE NEWS

Department of Justice

Office of Public Affairs

FOR IMMEDIATE RELEASE

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Justice Department Requires Martin Marietta to Divest Quarries to Preserve Competition in Connection With its Acquisition of Bluegrass Materials

Divestitures Will Preserve Competition in the Production and Sale of Aggregate in Forsyth and North Fulton County, Georgia and Washington County, Maryland Areas

The Department of Justice announced today that it will require Martin Marietta Materials, Inc. to divest quarries in Georgia and Maryland in order to proceed with its proposed \$1.625 billion acquisition from LG Panadero, L.P. of Panadero Corp. and Panadero Aggregates Holdings, LLC, the entities that own Bluegrass Materials Company, LLC.

The department's Antitrust Division and the Maryland Attorney General's Office filed a civil antitrust lawsuit in the U.S. District Court for the District of Columbia to block the proposed transaction. At the same time, the department filed a proposed settlement that, if approved by the court, would resolve the department's competitive concerns.

"Today's settlement will ensure that aggregate customers, and ultimately taxpayers, in Georgia and Maryland continue to benefit from vigorous competition for this critical input used in road construction," said Assistant Attorney General Makan Delrahim of the Antitrust Division. "The acquisition, as originally proposed, would have left customers in Georgia and Maryland with few competitive choices and given Martin Marietta the ability to increase prices and reduce customer service."

According to the department's complaint, Martin Marietta and Bluegrass produce and sell aggregate, an essential input in asphalt and ready mix concrete that is used in road building and other types of construction. The complaint alleges that, for a significant number of customers in and immediately around Forsyth and north Fulton County, Georgia, and in the Washington County, Maryland area, Martin Marietta and Bluegrass are two of only three competitive sources of aggregate qualified by the respective states' Departments of Transportation. According to the complaint, the loss of competition between Martin Marietta and Bluegrass would likely result in higher prices and poorer customer service for aggregate customers in these areas.

Under the terms of the proposed settlement, Martin Marietta must divest Bluegrass's Beaver Creek quarry in Hagerstown, Maryland, and all of the quarry's assets to an acquirer approved by the United States, in consultation with the State of Maryland. Martin Marietta must also divest the lease to its Forsyth quarry in Suwanee, Georgia, and all of the quarry's assets to Midsouth Paving, Inc., or an alternate acquirer approved by the United States. The department required an upfront buyer for the Forsyth quarry assets because of the unique nature of the lease being divested. Midsouth is a subsidiary of CRH plc and CRH Americas Materials, Inc. (commonly known in the industry as "Oldcastle").

The settlement includes several provisions designed to improve the effectiveness of the decree and the Division's future ability to enforce it.

Martin Marietta is a North Carolina corporation with its headquarters in Raleigh, North Carolina. Martin Marietta is a leading supplier of aggregate and heavy building materials in the United States, with operations in 26 states. In 2017, Martin Marietta had net sales of \$3.9 billion.

Bluegrass is a Delaware limited liability company with its headquarters in Jacksonville, Florida. Bluegrass operates 17 rock quarries, one sand plant, and two concrete manufacturing plants across Kentucky, Tennessee, South Carolina, Georgia, Pennsylvania, and Maryland. Bluegrass is owned by Panadero Aggregates Holdings, LLC, an entity majority-owned by Panadero Corp. LG Panadero, L.P., a Delaware limited partnership headquartered in New York, New York, owns Panadero Corp.

As required by the Tunney Act, the proposed settlement, along with the department's competitive impact statement, will be published in the Federal Register. Any person may submit written comments concerning the proposed settlement within 60 days of its publication to Maribeth Petrizzi, Chief, Defense, Industrials, and Aerospace Section, Antitrust Division, U.S. Department of Justice, 450 Fifth Street, N.W., Suite 8700, Washington, D.C. 20530. At the conclusion of the 60-day comment period, the court may enter the final judgment upon a finding that it serves the public interest.

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Attachment(s):

[Download Competitive Impact Statement](#)

[Download Complaint](#)

[Download Explanation of Consent Decree Procedures](#)

[Download Hold Separate Stipulation and Order](#)

[Download Proposed Final Judgment](#)

Topic(s):

Antitrust

Component(s):

[Antitrust Division](#)

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