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PVC Pipe Manufacturers/Antitrust: Erie County Water Authority Files Class Action Complaint Alleging Violations



Walter Wright, Jr. wwright@mwlaw.com (501) 688.8839

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The Erie County Water Authority ("Erie") filed a Class Action Complaint in the United States District Court (Northern District of Illinois) against seven PVC pipe manufacturers alleging violations of certain federal antitrust laws. See Case No. 1:24-cv-11531.

Erie describes itself as being located in Erie County, New York and operating a public water system.

The civil antitrust action is stated to be filed on behalf of Erie and the proposed Classes consisting of all local government entities and/or private companies which:

- 1. Provide drinking water to the public or which are responsible for public sewage and wastewater services; and,
- 2. Purchased PVC municipal water pipes indirectly for end use from one of seven United States PVC manufacturers from at least January 1, 2021, to present.

The Complaint was filed against the following companies:

- Atkore, Inc.
- Diamond Plastics Corporation.
- IPEX USA LLC.
- JM Eagle, Inc.
- National Pipe & Plastics, Inc.
- Otter Tail Corporation.
- Westlake Corporation.
- OPIS.

(Collectively, "Defendants").

Erie's Complaint is stated to arise from an alleged conspiracy by Defendants to fix prices and overcharge both Erie and the Class for PVC municipal water pipes ("PVC Pipes"). It alleges that the demand for PVC Pipes is relatively stable due to the prevalence of construction projects and infrastructure maintenance in the United States and that the market for PVC Pipes was approximately \$3.3 billion in 2022.

The PVC Pipes are utilized to carry municipal, potable (i.e., drinking) water supply from reservoirs, lakes, and rivers to treatment facilities, and from there to water mains that distribute water throughout the community. They are also noted to be used in wastewater collection systems. For purposes of Erie's

Complaint, PVC Pipes are defined as those manufactured to the American Water Works Association AWWA C900 standards.

The Defendants are alleged to control approximately 90% of the wholesale market for PVC Pipes in the United States.

The Complaint alleges during the Class Period that the Defendants and their Co-Conspirators:

...conspired and combined to fix, raise, maintain, and stabilize the price of PVC Pipes in the United States. Defendants did so by communicating through an information-exchange firm called OPIS, which enabled the Defendants to discuss and signal their pricing activities, gain access to standardized pricing data from their competitors, and collectively extract artificially inflated profits from their customers. OPIS went far beyond just facilitating the private and non-public sharing of information: OPIS served again and again as a conduit between Defendants, allowing them to communicate their intentions on pricing in furtherance of their antitrust conspiracy.

The Complaint seeks injunctive relief under Section 1 of the Sherman Act and for treble damages under the antitrust laws, unfair competition laws, consumer protection laws, and unjust enrichment common laws of several states against Defendants.

A copy of the Complaint can be downloaded here.