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ROBERT C. COLEMAN
ADMINISTRATIVE ASSISTANT

September 20, 1984

Dear Senate Colleague:

The Senate will soon consider legislation regarding federal antitrust laws and the impact they have on local governments. We would like to bring to your attention the necessity of supporting either the House bill, H.R. 6027, or S. 1578, a similiar bill reported by the Senate. Both are currently pending on the Senate Calendar.

Local government officials are hampered daily by the threat of antitrust liability cases and action must be taken immediately. The House bill -- which passed overwhelmingly by a 414-5 vote on August 8, 1984 -- clarifies the application of Federal antitrust laws and the impact they have on local governments. It limits antitrust action against local government units to suits for injunctive relief rather than money suits.

Recently reservations have been raised regarding the fairness of the retroactivity provisions that are included in both the House and Senate antitrust bills. In fact, there is a possibility that a Senate Amendment may be offered to prevent this legislation from applying to any case where a judgment has already been made but is still under appeal. This retroactivity provision is necessary because of 1978 and 1982 Supreme Court rulings which permitted such suits. If retroactivity is not included, then only those municipalities successfully sued between 1982 and 1984 would be liable for treble damages, and all those sued before and after those dates would be immune. Without it, Congressional intent would be difficult to interpret and would be blatantly inconsistent.

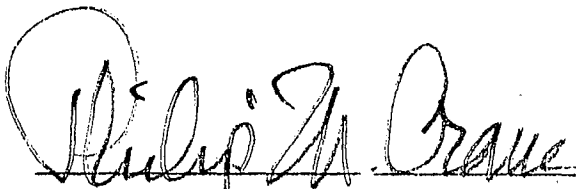
The retroactivity provision must be maintained to address the approximately 300 lawsuits currently pending against cities and other units of local government that have been filed since the Supreme Court rulings which permitted such suits. It will provide new hope for Lake County and Grayslake in their fight to reverse a stunning damage award assessed against them earlier this year. In this case, a Federal court ruled that Grayslake and Lake County must pay \$28.5 million in antitrust damages to a developer in a sewer hookup dispute. This judgment represents 6,000 percent of the property tax collected last year by the Village of Grayslake and 150 percent of the amount collected by all of Lake County. If Lake County were to increase its taxes to the maximum legal rate and still provide necessary services to its citizens, it would take the taxpayers 70 years to pay this judgment. Even if they used all of their cash reserves of \$14.8 million, payment would still require 35 years.

This is just one isolated case in which a treble damage judgment brought under Federal antitrust lawsuits could destroy an entire community. Because of this, we are sure you can clearly see why it is of utmost importance that protection be afforded to localities and local officials retroactively as well as prospectively.

We urge you to support S. 1578 without any amendments, because it is the proper "remedies approach". While it does not provide total immunity from antitrust violations, it relieves local taxpayers and local decision makers from the threat of treble damages. If this bill is altered or defeated, local taxpayers will foot the bill unjustifiably.

Your vote for a fair antitrust bill and against any amendments to delete the retroactivity provisions will be greatly appreciated.

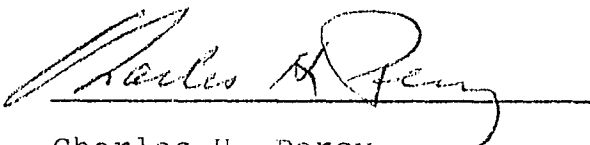
Sincerely,



Philip M. Crane, M.C.

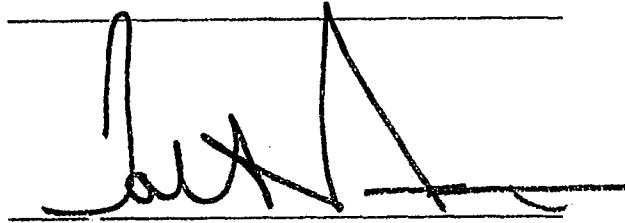


Henry J. Hyde, M.C.

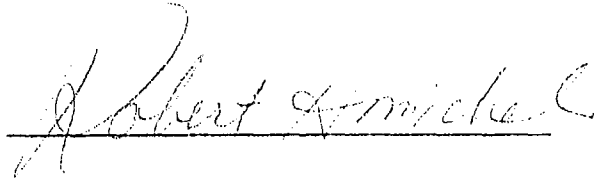


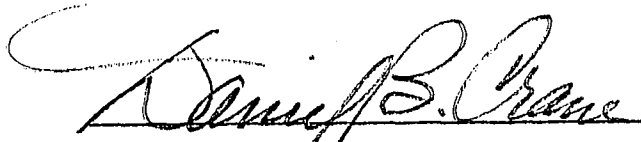
Charles H. Percy

Alan J. Dixon

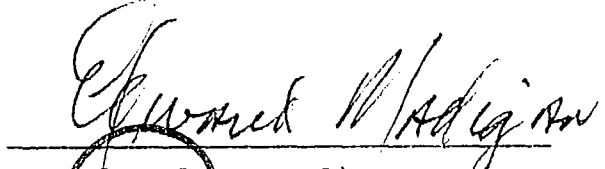


John E. Porter, M.C.

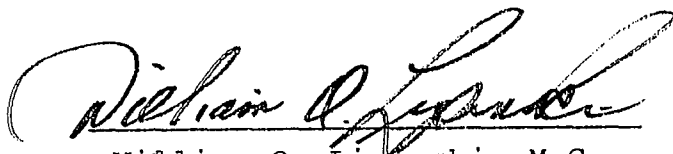




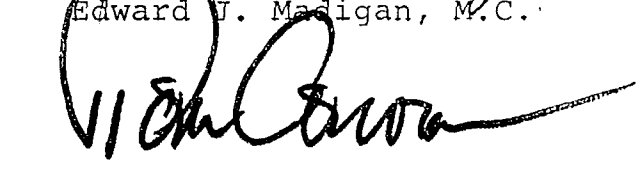
Daniel B. Crane, M.C.



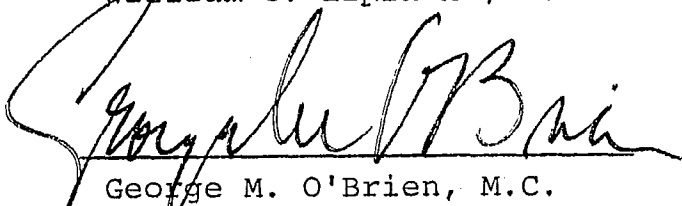
Edward J. Madigan, M.C.



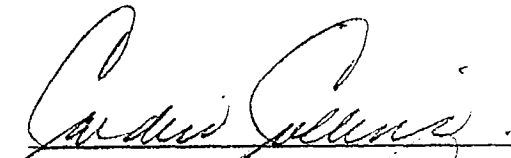
William O. Lipinski, M.C.



Tom Corcoran, M.C.



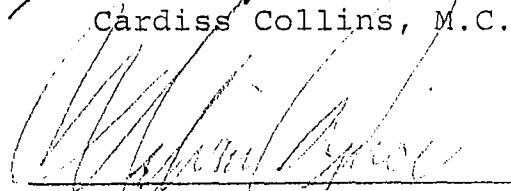
George M. O'Brien, M.C.



Cardiss Collins, M.C.



Sidney R. Yates, M.C.



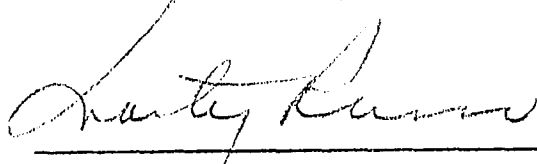
Melvin Price, M.C.



Richard J. Durbin, M.C.



Frank Annunzio, M.C.



Marty Russo, M.C.
