



## **FOR IMMEDIATE RELEASE**

April 22, 2004

### **Econolite Has Not and Does Not Engage in Illegal Bidding Practices**

Today, the Attorney General of California (the "AG") filed suit against Econolite, alleging anti-trust violations in its bidding and marketing practices in California. Throughout the AG's investigation, Econolite has cooperated fully with the AG, providing witnesses, documents, explanations and data. The principal complaint of the AG is that Econolite provided bids for packages of products with a lump sum price. In the view of the AG, that practice, which is, of course, common throughout American commerce, is illegal.

Econolite has not and does not engage in illegal bidding practices. When bidding its products, Econolite responds to requests from customers EXACTLY as the customer specifies. If the customer requires a lump sum bid for all of the equipment at a specified intersection, Econolite complies with that request. If contractors request that bids be unbundled, Econolite complies with those requests as well. The AG simply ignores the realities of the time proven method by which proposals are written, bid and let in California.

In insisting that products be unbundled, notwithstanding the requirements of the user, the AG will potentially create a safety hazard for the public. Users specify that all of the electronic equipment for an installation be provided by one supplier because they understand that they become responsible for integrating disparate pieces of equipment if they are forced to use equipment from multiple suppliers for one intersection. Econolite is dedicated to public safety and not only provides the equipment specified but trained professionals to attend the "turn on" of any new intersection installation. It saves the City money and guarantees a higher safety standard.

In its public pronouncements, the AG charges that manufacturers design their equipment so it will not work with products of competitors. Econolite has been in business for more than 70 years. Its principal objective has always been to design and build reliable, innovative, affordable equipment. In the last decade, information technology advances have made communication to and from and between intersections more desirable. Econolite has been a leader in introducing these new methods. Each competitor in the industry has been free, until fairly recently, to develop its own approach to communication. However, in making its accusation, the AG ignores the laws of California, which mandate that all equipment sold after 1996 will meet a common standard for communication. The protocol is known as the "AB3418 protocol". It is currently the standard in California, and Econolite fully complies with this standard.

Finally, the AG's action is demonstrative of the deplorable business climate for small business in California. Econolite is a family-owned business, operated and managed by Californians. Econolite is the last manufacturer of traffic control equipment based and owned in California, employing primarily California workers rather than operating primarily

offshore. The AG's lawsuit is not a referendum on bidding practices, it is an action threatening the livelihood of 275 California families. Econolite will defend itself vigorously to protect the Econolite family of customers, suppliers and employees. If a customer or user of Econolite products has questions about this lawsuit, you are welcome to call Michael C. Doyle, the CEO of Econolite at 714-630-3700.

**Press Release Contacts:**

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**About Econolite**

In business since 1933, Econolite Control Products, Inc. is a leading manufacturer of advanced traffic management equipment and systems, including advanced traffic controllers (both NEMA and ATC/2070), **Aries® icons®** and PYRAMIDS™, traffic management systems, Autoscope® video vehicle detection systems, arterial system masters, vehicle and pedestrian signals, traffic control cabinets, DCMS and a full line of maintenance services. [www.econolite.com](http://www.econolite.com)

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