

ILIA ANTITRUST GUIDELINES FOR ASSOCIATION MEMBERS

I. OVERVIEW

Trade associations, by their very nature as meetings of competitors, have the potential to raise serious antitrust issues. The penalties for violating the antitrust laws – prison time and fines – are steep. These Guidelines are intended to help you participate in a trade association without violating the antitrust laws.

A. Basic Antitrust Prohibitions

In a nutshell, the antitrust statutes prohibit competitors from entering into agreements, formal or informal, that distort or restrain competition. Antitrust statutes apply at trade association meetings and social events held inside or outside of the U.S. Competitors are prohibited from:

- Fixing or setting prices for selling products or services;
- Allocating geographic markets or customers between or among competitors;
- Bid rigging, bid rotation or otherwise distorting the bidding process;
- Boycotting customers or vendors;
- Agreeing upon levels of production or output; and,
- Conspiring to exclude competitors from the market.

II. RULES

In addition to the prohibitions above, you should follow these Rules:

- Clear Objectives*** – A trade association should be organized with clear objectives. Meetings of the trade association should be consistent with and in furtherance of those objectives.
- Official Organization*** – Don't attend a meeting of competitors unless it is held under the auspices of an officially recognized body, such as a trade association.
- Association Communications Must be Pre-Approved*** – Any communications (including e-mails) sent on behalf of the ILIA by ILIA members (draft minutes, meeting announcements, agendas, proposed standards, letters, etc.) must be pre-approved by antitrust counsel.

- D. **All ILIA Gatherings Must Occur at an Official ILIA Meeting** -- All gatherings of members to discuss ILIA business must be held at an ILIA meeting that is attended by and monitored by counsel.
- E. **“No Rump Sessions”** – Don’t break off from the main meeting and hold a “rump session” with a few members of the ILIA to discuss items of special interest related to the ILIA. Stick with the group.
- F. **Agenda Required for All Meetings** – All ILIA meetings and subcommittee meetings must have an approved agenda distributed in advance that lists the subjects that will be covered at the meeting.
- G. **Minutes** - Minutes that accurately reflect who participated in the meeting and what occurred must be kept for all ILIA meetings. Meeting minutes must be approved by antitrust counsel prior to distribution.
- H. **Information Exchanges** – Don’t exchange non-public, competitively sensitive data with other ILIA members or provide it to the trade association without checking first with counsel.
- I. **Membership** – Trade association membership should be open to all companies that meet objective criteria.
- J. **When in Doubt, Consult** – If you aren’t sure whether a certain activity or course of action is permissible, contact your ILIA attorney.