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AMERICAN WIRE CLOTH INSTITUTE
GROUND RULES FOR TRADE ASSOCIATION ACTIVITIES

Trade associations provide many meaningful services to their members and frequently provide a unified voice in dealings with government agencies, private standards writing organizations and the like. However, because most trade association activities bring competitors together in a closed environment their activities and your participation in them must be constantly monitored by legal counsel to insure compliance with all antitrust laws. You, therefore as a member of the American Wire Cloth Institute, must be thoroughly familiar with the ground rules for trade association activities, both to protect yourselves and to protect other members of the Institute.

An association itself may engage in anticompetitive practices or may afford a convenient and suggestive site for collusion. Even in those situations where contact may be innocent, they frequently may have an appearance of guilt. It is therefore imperative that all members be aware of, and adhere to, the following guidelines:

PRICES: All discussions of prices at association meetings must be strictly avoided. This includes, in addition to actual price schedules, consideration of discounts, terms, dating or anything directly or indirectly reflecting on the price. Never reach an agreement or understanding with any competitor, whether implicit or explicit, as to prices or conditions of sale, or give the impression such understandings or agreements exist.

MARKETING: Never discuss or reach any agreement or understanding with respect to the allocation of markets or customers, reciprocal buying treatment or price-cutting competitors or distributors, credit risks or the boycott of suppliers or customers.

MEETINGS: Attend meetings involving competitors, suppliers or customers only under the sponsorship of the association and do not attend unscheduled splinter gatherings held apart from regular meetings at which all attending members are not present. Attend association meetings only for which an acceptable agenda has been provided and for which minutes records are kept which accurately reflect the events which have transpired. Counsel must be present at all meetings whether general, special or committee meetings.

STATISTICS: Under the proper circumstances and supervision, it is appropriate for trade associations to collect trade statistical or past transactions with reference to prices, production, inventory and sales. However, collection and dissemination of current material, especially prices, should be treated confidentially and only consolidated reports available for member review. Individual statistical participation may never be discussed. In no instance should access to the raw data be given to any member or committee. The published statistics should always be in composite form and not reveal the data of any individual member.

STANDARDS: Standard-making programs are lawful activities for trade associations. However, standards making procedures should be open to all interested parties including non-members. Proprietary products or methods of production may never be the subject of a standard. The standard must never attempt to prejudice or limit the ability to compete by a member or competitor.

It should be understood that most business executives are aware of the potential dangers of loose contact with competitors. It is better to be overly cautious about questionable involvements and to seek advice of counsel than to participate in a discussion or "rump-session" which your better judgment tells you may be dangerous.

Remember, the Antitrust Laws are designed to encourage free and open competition and to impose severe penalties for any circumstance which will tend to limit or inhibit competition.

By following these guidelines, you can enjoy the constructive and pleasant features of trade association gatherings without fear of antitrust consequences.