

PCI ANTITRUST COMPLIANCE GUIDELINES

Introduction

Free and open competition results in the most efficient allocation of goods to the greatest number of people at the lowest cost. Antitrust laws were enacted to ensure that vigorous competition exists in the American economy. It is in the interest of PCI and its Members to comply with Antitrust laws at all times.

Guidelines

PCI performs a valuable and legitimate function in encouraging the development of technology and markets for its members' products. However, because PCI brings competitors together and facilitates dialog among them, its activities carry inherent antitrust risks. The following guidelines are intended to help participants in PCI activities avoid these risks. They are general in nature: following them does not guarantee compliance with the law and deviating from them does not mean that the law was necessarily violated.

Do Not Discuss:

- current or future prices (be careful with past prices).
- factors related to pricing (cash discounts, credit terms, etc.).
- increases or decreases in prices.
- standardizing or stabilizing prices.
- pricing procedures.
- a competitor's pricing, or that its prices constitute unfair trade practice.
- what is a fair profit margin.
- controlling sales.
- dividing or allocating markets.
- refusing to deal with a company because of its pricing or distribution practices.
- other business-related information that is not reasonably required to conduct PCI business (costs, sales, profitability, distribution, etc.)

Report Violations

If a participant in any PCI meeting or other PCI activity feels that the discussion is improper with respect to antitrust laws, the participant should object, and, if such discussion persists, should leave the room. Any participant who believes that antitrust laws have been violated should immediately notify the PCI President.

Group boycotts

Association members have been sued for agreeing not to do business with certain customers or suppliers and for attempting to block a competitor from access to a market. Unfair or biased standards-setting activities have been challenged as group boycotts.

Data Dissemination

Antitrust law allows an association to disseminate composite data regarding past and projected transactions. The exchange of company-specific information, including current or proposed prices and future production projections, is generally prohibited.

Guilt by Association

PCI Members and other participants must be vigilant when it comes to antitrust violations. The illegal discussions or activities of some association members may be attributed by association to others who were not directly involved. Association members have been sued for knowing of questionable activity but not actively objecting to it, and associations have been sued for the unauthorized anti-competitive actions of their members.