

NAPF Antitrust Policy and 10 Rules

When Ted asked me to write something for the newsletter, I had many ideas. But, somehow, it was immediately clear to me that I only had one real option for my first contribution to the Pipeline.

If you have attended one of the annual meetings, you know that NAPF has an antitrust policy. NAPF's policy is:

It is our policy to comply fully with the letter and spirit of the law governing the Association's operations and to conduct its affairs in keeping with the highest legal and ethical standards. It is the responsibility of each member to insure that this policy is faithfully adhered to at all times.

The body of legislation referred to as the "antitrust laws" is highly technical and impacts many aspects of our relationships with customers, suppliers and competitors. While it is not expected that every employee of every member will be fully versed in the antitrust law, every employee should have a working knowledge of the permissible activities involved in his work and to seek guidance from his superior or legal counsel concerning any matter about which there may be a question.

NAPF is serious about compliance with the antitrust laws. You should be too. Your company should have a similar antitrust policy specific to your firm. NAPF encourages active and aggressive education of key personnel about the antitrust laws.

As part of NAPF's policy, we have identified Ten Rules for Compliance. Know these and make sure your employees know them. The Ten Rules are:

Rule Number One

Compete vigorously and independently at all times and in every ethical way. Do not discuss or exchange competitive information (such as prices, costs, sales, production, territories and customers) with any competitor, and avoid any understanding or "gentlemen's agreement" with any competitor. "Competitor" includes others with whom you are competing for the purchase or sale of goods and services.

Rule Number Two

Avoid any discussion of customer or supplier selection with any other customer or supplier and do not attempt to dictate to your customers their prices or practices.

Rule Number Three

Record and document in your files the source of your information about competitors and the basis for any business decisions which might be subject to suspicion.

Rule Number Four

Act at all times so everyone will know that you are competing vigorously.

Rule Number Five

Avoid any tactics which could be construed as being designed to exclude all competitors or to destroy particular competitors.

Rule Number Six

Do not attempt to force from a customer an agreement that she will buy all of her requirements solely from the company, or that she will deal with the company exclusively.

Rule Number Seven

Do not require a customer to buy one product or service as a condition to your selling her a second product or service.

Rule Number Eight

Avoid any marketing or other programs which could be characterized as unfair or deceptive; and always adhere to the principles of honesty, frankness and forthrightness in the sale of the company's products and services.

Rule Number Nine

Always charge all customers who are in competition with each other the same price for the same product unless the difference in price can be justified.

Rule Number Ten

Any services, assistance or payments offered or made to any customer should be made or offered to all competing customers on a proportionally equal basis.

Avoid trouble!

Avoid costly investigations and litigation!

Adopt an antitrust policy and educate your employees!

You will be glad you did!