

Western Energy Institute

Antitrust Guidelines



The purpose of antitrust statutes is to preserve a free and competitive economy. As a result, laws generally prohibit any agreement or combination among competitors which unreasonably restrain trade.

Membership in the Western Energy Institute does not constitute an antitrust violation. Competitors may legitimately meet and discuss matters concerning their industry, provided they do so without a specific and continuing purpose, understanding or agreement to pursue actions tending to unreasonably restrict commerce. Activities ordinarily considered appropriate for discussion include:

- *Reports on general and industry economic trends;*
- *Research and demonstrations of technology relating to the solution of industry problems;*
- *Demonstrations of cost control methods by which member companies can become more efficient and profitable;*
- *Reports on effective marketing or manufacturing techniques;*
- *Reports on new and improved products;*
- *Discussions of energy supply and utilization; and*
- *Reports on governmental developments and their impact on the industry.*

Meetings, however, afford obvious opportunities for antitrust transgressions. By definition, members of any trade association engage in concerted activities related to mutual commercial concerns. Lawful association activities may constitute forbidden conduct if these in any way result in explicit or tacit agreements which fix, raise, lower, or stabilize prices, limit production, allocate markets, establish discriminatory standards, or otherwise unreasonably restrain free trade.

The Western Energy Institute's policy is to conduct activities in strict compliance with all applicable antitrust laws and to avoid any appearance of impropriety. This requires the efforts and cooperation of executives, membership and counsel. The following guidelines are intended to prevent the initiation of inappropriate discussions or actions:

1. Do not engage in discussions or activities which may tend to:

- a. Fix or otherwise restrict the prices charged or paid for goods or services;
- b. Allocate markets, sales territories or customers between members;
- c. Initiate or encourage boycotts of specific products or services, or refusals to deal with designated customers or suppliers;
- d. Limit production levels of members and otherwise restrict the availability of products or services;
- e. Purposely hinder or disparage the competitive efforts of non-members;
- f. Coerce or encourage members to refrain from competing;
- g. Limit, impede or exclude anyone of the manufacture, production or sale of goods or services;
- h. Promulgate or encourage unfair or misleading practices involving advertising, merchandising of products or services; or
- i. Condition or tie the purchase of one product or service to the purchase of another product or service.

2. Do not discriminate against competitors when:

- a. Developing standards or specifications for products or services;
- b. Setting ethical standards; or
- c. Dealing with customer credit information.

3. Do not exchange data concerning prices, production levels and costs, or customer credit, however, the exchange of past data (as distinguished from future data) does not in itself constitute a violation of antitrust laws if the past data reflects composite or average figures without identifying a company or if the past data is from public sources.

4. Do not participate in the dissemination of suggested price lists of members.

5. Do not participate in informal "rump sessions" outside the formal sessions which disregard these guidelines.

The above guidelines are not intended and should not be understood as a comprehensive summary of all antitrust problem areas. These guidelines are intended to familiarize members with the broad contours of antitrust prohibitions so that the antitrust compliance policies are achieved.

If a conversation or activity such as those listed above begins, STOP IT IMMEDIATELY! **BE AWARE THAT THESE GUIDELINES ALSO APPLY TO CASUAL DISCUSSIONS THAT OCCUR OUTSIDE OF FORMAL WESTERN ENERGY INSTITUTE SESSIONS.** If there are any questions concerning the application of antitrust laws, the area should not be discussed without first reviewing it with legal counsel.