

## BIEC Antitrust Compliance Policy

The Book Industry Environmental Council (BIEC) has a policy of strict compliance with federal antitrust laws. The antitrust laws prohibit certain combinations and agreements among competitors. Members of an association such as BIEC can be considered competitors in the context of antitrust challenges even if their businesses are not in the same geographical area or in the same product line.

**The penalties for antitrust violations can be very severe, not only for BIEC but also for you as an individual.**

BIEC members cannot come to understandings, make agreements or otherwise concur on positions or activities that in any way tend to raise, lower or stabilize prices or fees, divide up markets or encourage boycotts. Each member must make an independent decision, without consultation with competitors, on how to conduct business and with whom to do business. Specifically, members should never agree on:

- Current or future prices or fees, price or fee changes, discounting, regulation of production and other terms and conditions of sale or of providing services. Members should be extremely careful about discussing prices or fees. Agreements on pricing and fees are clearly illegal. Even price or fee discussions by competitors, if followed by parallel action among the competitors on pricing or fees, can lead to antitrust investigations or challenges.
- Allocating or monopolizing territories or customers. Any agreement by competitors to “honor,” “protect” or “avoid invading” one another’s market areas or product lines would violate the law.
- Refusing to do business with those whose business practices you oppose. Members can discuss the policies or practices of suppliers and other third parties. However, you must never threaten, directly or indirectly, to act jointly to enforce changes to those policies or practices. Again, discussions followed by parallel action could, at the very least, trigger careful antitrust scrutiny.

Officers, directors and members of the BIEC should never make any representation, publicly or privately, which would appear to represent an official policy or position of BIEC without the express authorization of BIEC executives. The US Supreme Court has determined that recommendations or exhortations in antitrust areas by individuals who might appear to represent an association in some capacity can jeopardize the association. Those persons in positions of responsibility for BIEC must be especially cautious.

Antitrust laws are complicated. If any member is concerned that he or she may be in a “grey area,” that member should consult with the BIEC executive council or legal counsel. If the conversation among competitors at a BIEC meeting turns to antitrust-sensitive issues, participants should discontinue the conversation until legal advice is obtained or leave the meeting immediately. **Court cases have demonstrated that individuals that were present when an antitrust violation occurred, even when they did not actively participate in the conversation, were held personally accountable and liable for the antitrust violation.**