

Virginia Ship Repair Association (VSRA) Antitrust Guidelines

Summary

The antitrust laws seek to preserve a free competitive economy in the United States and in commerce with foreign countries. As a general rule, competitors may not restrain competition among themselves through understandings or agreements as to the price, the production, distribution or nature of their products or services, or other agreements which unreasonably restrict competition. They may not act in concert to restrict the competitive capabilities or opportunities of their competitors, their suppliers, or their customers.

It is important to know that an “agreement” for antitrust purposes does not have to be written or specifically stated. All agreements can be inferred from conduct, surrounding circumstances and, most commonly, from notes, minutes, memoranda and other documents that, when read together, support a claim that an agreement was reached. Certain antitrust violations, including most agreements to restrict or eliminate competition, are prosecuted as criminal felonies and the penalties for conviction are severe. Government investigations and civil suits also can be very costly and disruptive to businesses. These guidelines are designed to enable VSRA and its members to avoid even the appearance of questionable activity.

Since VSRA’s activities involve cooperative undertakings and meetings among competitors, the following matters will not be discussed by the members without prior approval of counsel:

1. Current and future prices or discounts.
2. Conditions of sale, such as credit, insurance, transportation terms or warranties.
3. What constitutes a “fair profit level.”
4. Standardization or stabilization of prices.
5. Pricing procedures.
6. The pricing practices of any industry member.
7. Who will serve specific customers, markets or geographic areas.
8. Whether or not to deal with a competitor, customer or supplier.
9. Non-public marketing, product or service plans.
10. Non-public information concerning costs, profits, customers, booked business, etc.

Statement of Policy

“It is the policy of the Virginia Ship Repair Association and its members to comply strictly with all laws applicable to VSRA’s activities. The Board of Directors emphasizes the ongoing commitment of VSRA and its members to full compliance with federal and state antitrust laws.” A statement of this policy is to be made or distributed at all VSRA meetings to remind each member of this commitment and as a general guide for activities and meetings.

Responsibility for Antitrust Compliance

VSRA’s membership structure and programs have been carefully designed and reviewed to ensure their conformity with antitrust standards. Each VSRA member is equally responsible for antitrust compliance. Each VSRA member depends upon good judgment by all to avoid discussions and activities which could involve improper subject matter or improper procedures – or even the appearance of improper activity. VSRA staff members and VSRA members who are responsible for the preparation of meeting agenda strive to avoid subject matter for discussion which may have unintended implications, and counsel for VSRA provides guidance with regard to these matters. Thus, all concerned have an important and individual responsibility for assuring that VSRA activities comply with the antitrust laws.

Meeting Procedures

To avoid even the appearance of questionable activity, as well as to guard against inadvertent conduct, all VSRA meetings will be conducted in accord with the following procedures:

1. There will be a written agenda.
2. A standard antitrust warning will be given at the outset.
3. Accurate minutes of every meeting will be prepared, expeditiously sent to the participants, and approved at the next meeting.
4. In case of doubt about the propriety of a topic of discussion, consult staff management or counsel.
5. If a member has a reservation concerning remarks or discussion at a VSRA meeting, state the reservation.

Conclusion

These guidelines require VSRA members and staff to be vigilant to avoid behavior which may raise suspicions of illegal collusion. Antitrust laws are complex and far-reaching, and this statement is not a complete summary of all applicable laws. More detailed information is available upon request.

These guidelines are not intended to discourage VSRA's many legitimate activities. They are intended to highlight and emphasize certain basic precautions to enable members to conduct business with the knowledge that if they comply with the guidelines they will avoid antitrust problems. If you have a question as to whether certain conduct presents antitrust issues, seek the guidance of staff management, VSRA counsel, or your own counsel.