

Section A: Administration

A-3 Anti-trust and Competitive Practices

Review Responsibility: Board of Directors

Policy Statement: Trade associations are associations of competitors who work together to accomplish common goals that are appropriate under U.S. law. Trade associations cannot take actions intended to diminish competition among its members.

Members of an association cannot use the association to accomplish objectives that would benefit single members, or select groups of members by diminishing competition. An association's activities must be generally consistent with its goals and objectives when its membership is examined as a whole.

An area of recent emphasis among regulators and the judiciary is the effects of innovation on competition. Associations cannot take actions to diminish innovation, and therefore competition.

A particularly significant issue often is the establishment by an association of standards, guidelines, or codes of conduct. Associations cannot establish standards, guidelines, or codes of conduct that cannot be reasonably met by current or prospective members or that have the intent of reducing competition or innovation.

Meetings, conference calls, and other activities among ASTA's members, including meetings of the Board of Directors and the association's committees and task forces, and other activities in which members participate representing ASTA (e.g. ESA and IOSTA meetings), should be occasions when members:

- Discuss regulatory, legislative, or scientific issues relevant to the spice industry, and ASTA's mission and critical objectives.
- Identify and implement actions to advance the mission and critical objectives.
- Participate in a forum to identify and implement solutions to industry problems.
- Discuss issues important to the operation and administration of the association.

Meetings, conference calls, and other activities among ASTA's members, including the Board of Directors and the association's committees and task forces, and other meetings in which members participate representing ASTA, cannot be used to:

- Discuss actions by ASTA or its members that are intended to discourage competition or innovation among members.
- Discuss prices, pricing policies or any marketing policy with an indirect effect on pricing.
- Discuss the manipulation of the supply of spices through coordinated action so that prices would be affected.
- Discuss the division or allocation of markets or customers.

- Establish “blacklists” or boycotts of suppliers, purchasers, or competitors.
- Coerce members to implement particular programs or policies.
- Resolve problems particular to a single ASTA member or a small, select group of members with the intent of diminishing competition.

Purpose: To assure that ASTA conducts its business in a manner consistent with U.S. law and regulations regarding competitive practices.

Procedure:

1. An annual orientation session will be conducted prior to the first meeting of the newly elected Board of Directors each year. This session will include details on the legal responsibilities of Board members, including conflict of interest and competitive practices issues. The ASTA Policy on Anti-trust and Competitive Practice will be reviewed at this session and any issues identified by Board members, counsel or staff will be addressed.
2. The ASTA Policy on Anti-trust and Competitive Practice will be distributed prior to each meeting of the Board of Directors with a reminder from the Executive Director that all Board members need to review the policy and follow it while conducting business on behalf of the Association.
3. If during the course of the Board meeting an issue arises that has potential anti-trust or competitive practice implications, the issue will be tabled until legal counsel can review it and determine the appropriateness of further deliberation. Such issues may be identified by the Executive Director and Board Members.

Approved: May 2003

Amended: January 2008