



**POLICY TITLE: ASSOCIATION ANTITRUST COMPLIANCE**

**POLICY:** It shall be the policy of the Northwest Public Power Association to be in strict compliance with all Federal and State Antitrust laws, rules, and regulations.

**BACKGROUND:** The Northwest Public Power Association (“NWPPA”) is a non-profit, regional organization of members primarily consisting of municipal, quasi-municipal and cooperative electric utilities and associated companies. NWPPA is organized to provide education and other mutual support services to its members and associate members.

NWPPA utility members may be direct or indirect competitors under certain conditions, such as in the purchase and sale of wholesale electric power. NWPPA’s associate members also may be competitors in sales and purchases of their products and services.

NWPPA has a policy of strict compliance with all federal and state antitrust laws. NWPPA does not, and may not, play any role in the competitive decisions of its members or their employees, in any manner restrict competition in the electric utility industry. Any activities of NWPPA, its board members, officers, staff, committee chairs, committee members or members that violate the antitrust laws are contrary to NWPPA policy and potential detrimental to NWPPA’s and its members’ interests.

Participation by NWPPA utility and associate members in any NWPPA forum – be the forum in-person or in cyberspace, such as its ListServes, BaseCamp or similar forums - enables communication between actual or potential competitors. Accordingly, it is necessary participants in NWPPA sponsored forums to avoid any discussion of topics that concerns competition, prices or recommendations about sensitive competitive topics. Any agreements to fix prices or fees, pricing methods, to allocate markets, to boycott third parties or engage in product boycotts are per se illegal under the antitrust laws.

Even without a formal agreement, violations of antitrust laws may occur if participants discuss sensitive competitive information, such as pricing methods, and follow such discussions with parallel activities that indicate a tacit agreement.

The Association's membership and staff must be vigilant with respect to ten (10) problem areas regarding antitrust:

1. Price Fixing – pricing methods, fees and fee setting methods; current or future exchange of price information and cost information (including labor and employee compensations benefits) even in the absence of a written or oral agreement.
2. Agreement to Divide Customers, Territories or States – any understanding or agreement between members or competitors of an association involving the division or allocation of markets not sanctioned by state action.
3. Coordination of Bids – requests for bids or proposals.
4. Terms and Conditions – of sales or purchases, including payment and credit terms.
5. Specific Profit Levels.
6. Boycott of or Refusal to Deal – with any product or service supplier.
7. Development of Any List of Approved Customers – or suppliers of products or services.
8. Membership Restrictions – denial of membership to an applicant or denial of services to non-members may constitute a restraint of trade because such a denial may limit the ability of the applicant or non-member to compete.
9. Standardization and Certification – carelessly developed voluntary standards or certifications may be a violation of antitrust and properly developed standards or certifications must be administered in a non-discriminatory manner.
10. Industry Self Regulation – any codes developed by the membership and procedures to enforce said codes may create antitrust problems.

**PROCEDURES:** These policies and procedures apply to all membership, board, committee and other meetings of the NWPPA, and all meetings attended by representatives of NWPPA. Meetings are defined as gatherings of members and or non-members in-person, by phone or in cyberspace.

1. It is NWPPA's policy that at meetings attended by representatives of NWPPA, if discussion that borders on an area of antitrust sensitivity takes place, the NWPPA representative request that the discussion be stopped. If others continue such discussion, the NWPPA representative should excuse himself/herself from the meeting. Any such instances should be reported immediately to the NWPPA representative's supervisor.

2. It is NWPPA's policy that a copy of these Antitrust Compliance Policies and Procedures be given to each officer, director, committee member, official representative of member companies and NWPPA employees annually, and that the same be read and understood at meetings of the membership of NWPPA.

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**Date Approved:**      **October 11, 2011**

**Date Revised:**      **Proposed Revisions: February 18, 2011**

**Approved By:**      **NWPPA Board of Trustees**

**Approved By:**      *Will Letzgen*

**Title:**                      **Executive Director**