



## PMTA ANTITRUST COMPLIANCE GUIDE

On April 3, 2014, the Music Teachers' National Association ("MTNA") entered into a Consent Order with the Federal Trade Commission ("FTC") as a result of alleged violations of antitrust laws which prohibit competitors ("music teachers") from engaging in actions that could result in an unreasonable restraint of trade. As a part of that settlement, MTNA agreed to publish an antitrust compliance guide, and a model of that guide to be used by MTNA as well as its state and local association affiliates.

PMTA, a professional association, is, by definition, a combination of competitors in the relevant market. As such, certain topics of conversation that may lead to anticompetitive conduct must not take place within the many communications that occur between PMTA members. The Phoenix Music Teachers Association ("PMTA") has adopted this PMTA Antitrust Compliance Guide so as to comport with the Consent Order.

The following **list of prohibited topics** is taken from the MTNA Antitrust Compliance Guide, the FTC/DOJ Collaboration Among Competitors Guidelines, and is adopted per the advice of counsel. These listed topics are potentially illegal when they arise in conversations among and between PMTA members. Neither PMTA members nor PMTA leadership ought to talk collectively (two participants are "collective") about:

- Current prices or hourly rates for music instruction;
- Current billing policies or procedures;
- What constitutes fair profit margins;
- Plans to increase or decrease prices or hourly rates;
- Ideas or plans to allocate or divide geographic areas from which to accept students;
- Ideas or plans not to refer students to non-member music teachers or schools;
- Terms and conditions of music instruction sales such as late charges, prompt payment discounts, and credit terms;
- Salaries of music school employees or the profitability of any individual music teacher or school;
- Ideas or plans not to purchase from suppliers unless they change or lower prices;
- Pricing policies regarding student vacation time and missed lessons;
- Prices to be charged for collateral goods sold by individual members such as sheet music;
- Complaints about non-member competitors, particularly about their prices or marketing techniques;
- Complaints about suppliers or plans to use a "favored" supplier;

- Refusing to do business with anyone in the relevant market on a collective basis.

Any questions about this antitrust policy of the PMTA should be directed to the CEO/Executive Director the MTNA Antitrust Compliance Officer, and/or the attorney for the PMTA.

Policy adopted: August 20, 2015

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Susan L. Traylor, PMTA President 2015-2017