

## Statement of the Federal Trade Commission

In the Matter of Music Teachers National Association, Inc., File No. 131-0118  
In the Matter of California Association of Legal Support Professionals, File No. 131-0205  
December 16, 2013

The Federal Trade Commission is today issuing for public comment proposed consent orders with two professional associations, the Music Teachers National Association, Inc. (“MTNA”) and California Association of Legal Support Professionals (“CALSPRO”).<sup>1</sup> We take this step because we have reason to believe that these professional associations and their respective members have violated the antitrust laws by agreeing not to engage in fundamental forms of competitive activity.

MTNA, the umbrella organization for about 500 state and local music teacher associations across the country, is a professional association of over 20,000 private music teachers. Collectively, MTNA members generate an estimated \$500 million in annual revenues. In 2004, MTNA revised its code of ethics and imposed a ban on solicitations, prohibiting teachers from actively recruiting students from one another. A number of MTNA affiliates have adopted even more aggressive competitive restrictions, including prohibitions on certain advertising, charging less than the community average, and offering scholarships or free music lessons. CALSPRO, a California association of legal support service

members from offering discounted rates to rival members, and recruiting employees of competitors through advertising, and recruiting employees of competitors.

Professional associations like MTNA and CALSPRO engage in procompetitive functions, including adopting codes of ethics that benefit competition and consumers. But, because of the close collaborations among competitors, the Commission believes that the anticompetitive restraints imposed by such organizations constitute unfair conduct.

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Competing for customers, cutting prices, and recruiting employees are hallmarks of vigorous competition. Agreements among competitors not to engage in these activities injure consumers by increasing prices and reducing quality and choice. Absent a procompetitive justification, these types of restrictions on competition are precisely the kind of unreasonable

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restraints of trade that the Sherman Act was designed to combat. *See, e.g., Nat'l Soc'y of Prof'l Eng'rs v. United States*, 435 U.S. 679 (1978) (condemning ethics restriction on competitive bidding). For a professional association to proscribe honest competition as “unethical” behavior is particularly problematic because, as the Supreme Court has recognized, association members can be “expected to comply in order to assure that they [do] not discredit themselves by