

Missouri, with its office and principal place of business located at 8413 Excelsior Drive, Suite 140, Madison, WI 53717.

2. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the Respondent, and the proceeding is in the public interest.

ORDER

I.

IT IS HEREBY ORDERED that, as used in this Order, the following definitions shall apply:

- A. “NAAB” or “Respondent” means National Association of Animal Breeders, Inc., its directors, boards, officers, employees, agents, representatives, committees, divisions, successors, and assigns.
- B. “Antitrust Laws” means the Federal Trade Commission Act, as amended, 15 U.S.C. § 41 *et seq.*, the Sherman Act, 15 U.S.C. § 1 *et seq.*, and the Clayton Act, 15 U.S.C. § 12 *et seq.*
- C. “Artificial Insemination Business” means any business relating to the collection, processing, and freezing of bull semen, and the sale or purchase of bulls or bull semen.
- D. “CRADA” means a cooperative research and development agreement authorized by the Federal Technology Transfer Act of 1986, 99 P.L. 502, 100 Stat. 1785, 15 U.S.C. § 3710a *et seq.*
- E. “FTC Settlement Statement” means the statement attached to this Order as Appendix A.
- F. “Member” means a member of NAAB, including any regular or associate member, as defined in NAAB’s Bylaws.
- G. “Regulating” means (1) adopting, maintaining, recommending, or encouraging that Members follow any Regulation; (2) taking or threatening to take formal or informal disciplinary action; or (3) conducting formal or informal investigations or inquiries.
- H. “Regulation” means any rule, regulation, resolution, interpretation, ethical ruling, policy, commentary, or guideline.
- I. “Research Project” means research and development activity (1) conducted by NAAB, or (2) conducted pursuant to a CRADA or any other arrangement to which NAAB is a party, including but not limited to, research and development activity relating to genetic evaluations.

IV.

IT IS FURTHER ORDERED that:

- A. No later than thirty (30) days from the date this Order is issued, Respondent shall:
1. For a period of five (5) years, post and maintain the following items in the link on the homepage of NAAB's website entitled "Antitrust Compliance":
 - (a) An announcement that states "NAAB has agreed to change its practices relating to the use by members of technology and information developed through cooperative research and development programs to comply with the FTC Consent Order;"
 - (b) The FTC Settlement Statement; and
 - (c) A link to the Federal Trade Commission's website that contains the press release issued by the Commission in this matter.
 2. Distribute electronically or by other means a copy of this Order to its board of directors, officers, employees, and Members.
- B. For a period of five (5) years after this Order is issued, Respondent shall distribute electronically or by other means, a copy of the FTC Settlement Statement to each:
1. New Member no later than thirty (30) days after the date of commencement of the membership; and
 2. Member who receives a membership renewal notice, at the time the Member receives such notice.
- C. For a period of five (5) years after this Order is issued, Respondent shall require that each Member delegate certify that he or she has received and read the FTC Settlement Statement as a condition to allowing the Member delegate to attend Respondent's annual convention or any other Respondent event in which Member delegates participate.
- D. Respondent shall maintain and make available to Commission staff for inspection and copying upon reasonable notice records adequate to describe in detail any:
1. Action against any Member taken in connection with the activities covered by Paragraph II. of this Order, including but not limited to enforcement, advisory opinions, advice or interpretations rendered; and

2. Complaint received from any person relating to Respondent's compliance with this Order.

V.

IT IS FURTHER ORDERED that from the date this Order is issued until November 2, 2020, Respondent shall design, maintain, and operate an antitrust compliance program to ensure compliance with this Order and the Antitrust Laws pursuant to the terms set forth in Paragraph IV. of the

- A. Access, during business office hours of the Respondent and in the presence of counsel, to all facilities, and access to inspect and copy all books, ledgers, accounts, correspondence, memoranda and all other records and documents in the possession, or under the control, of the Respondent related to compliance with this Order, which copying services shall be provided by the Respondent at its expense; and
- B. To interview officers, directors, or employees of the Respondent, who may have counsel present, regarding such matters.

IX.

IT IS FURTHER ORDERED that this Order shall terminate on September 26, 2037.

By the Commission.

Donald S. Clark
Secretary

SEAL:
ISSUED: September 26, 2017

APPENDIX A

(Letterhead of NAAB)

Dear Member:

As you may know, the Federal Trade Commission investigated the Resolution approved by NAAB's Board of Directors on October 14, 2008, titled "NAAB Resolution Regarding Access to USDA Genomic Transmitting Ability." The Resolution, which expired on February 28, 2013, relates to the results of a Cooperative Research and Development Agreement with the Agricultural Research Service of the United States Department of Agriculture. Policy 5 of the Resolution stated that:

GPTAs may only be obtained for bulls owned by the submitter or as to which the submitter has a written and signed agreement for purchase of at least 30% or lease of a bull, or an exclusive marketing agreement within the United States. Bull owners will receive GPTAs, unless explicitly stated otherwise in the purchase or lease agreement.

The Federal Trade Commission alleges that Policy 5 violated the Federal Trade Commission Act because it unnecessarily limited competition in the way members may use genomic predicted transmitting abilities (GPTAs) commercially.

To end the investigation expeditiously and to avoid disruption to its core functions, NAAB voluntarily agreed, without admitting any violation of the law, to the entry of a Consent Agreement and a Decision and Order by the Federal Trade Commission. As a result, NAAB will not create or enforce rules or guidelines that restrict how members can use any technology or information that results from research and development conducted through NAAB, to the extent such rules or guidelines are not reasonably necessary to achieve procompetitive benefits that likely would offset the anticompetitive harms.

The Decision and Order also prohibits NAAB from regulating or restraining price competition among its members, including ado0n 10(4)-2((e)6(r)5(s)1(,) pr)3(o-10((a)6(mo)2(n13.9.16(y)22(m(y)2)2(0)t(y)2