



Department of Justice

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JUSTICE DEPARTMENT MOVES TO BLOCK RETAILERS OF SCUBA AND DIVING EQUIPMENT FROM CURBING MAIL ORDER COMPETITION

WASHINGTON, D.C. -- The Justice Department today sued a trade association of retailers of scuba and diving equipment for trying to curtail direct mail order sales by manufacturers and distributors that cut into retail business.

The Scuba Retailers Association Inc., based in Somerville, Massachusetts, was accused of using its magazine and threatening to use the magazine display space of its members to discourage manufacturers from selling directly to consumers. The Association represents 450 retailers of scuba and diving equipment nationwide.

The Department's complaint, filed in U.S. District Court in Fort Lauderdale, Florida, seeks to block that practice and to allow consumers full access to scuba gear and equipment by mail or through retail outlets, as they choose.

The Department's complaint alleges that Scuba Retailers Association representatives told a snorkel manufacturer that the Association's trade magazine would carry a critical article about the company and that it would be "blackballed" in the industry if it did not stop selling snorkels through the mail. According to the complaint, the manufacturer soon halted its recently implemented mail order initiative.

The complaint further alleges that Scuba Retailers Association representatives told a popular diving magazine that its members would

not carry the magazine in their stores if they accepted ads for scuba gear mail-order houses. Retail dive stores compete with mail-order vendors which often sell scuba diving equipment at a discount price. The Department alleges that as a result of the pressure from Scuba Retailers Association, the magazine decided not to accept mail-order ads.

Anne K. Bingaman, Assistant Attorney General in charge of the Antitrust Division, said "This action seeks to ensure that consumers can get scuba equipment through the mail as well as from dive shops. Those who participate in this popular and challenging sport deserve the best prices and quality a competitive market can deliver."

Bingaman continued, "Like the recent cases against the American Bar Association and the National Association of Automobile Dealers, this is an instance of anticompetitive conduct by a trade association. Trade associations perform a number of useful and entirely proper services for their members, but they must resist the temptation they face as associations of direct competitors to engage in collusive activity. Scuba Retailers Association crossed the line."

This complaint is the third action filed by the Department in recent months to halt anticompetitive conduct by a trade association.

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