



Department of Justice

FOR IMMEDIATE RELEASE
TUESDAY, MARCH 27, 2001
WWW.USDOJ.GOV

AT
(202) 514-2007
TDD (202) 514-1888

JUSTICE DEPARTMENT APPROVES COST INFORMATION EXCHANGES AMONGST TRUCKLOAD MOTOR CARRIERS

Washington, D.C. -- The Department of Justice today announced that it would not challenge a proposal by truckload motor carriers under which they would exchange cost information in an attempt to increase the efficiency of their operations. The Department's Antitrust Division said that it is unlikely that such exchanges will raise prices, reduce output or cause any other harm to competition.

The Department's position was stated in a business review letter from John M. Nannes, Acting Assistant Attorney General in charge of the Antitrust Division, to counsel for the Truckload Carriers Association (TCA).

TCA is the national trade association of for-hire motor carriers that haul freight in full truckloads. This industry is both highly competitive and unconcentrated. The 10 largest firms account for only 7 percent of industry revenues, and the number of firms grew by 19 percent between 1997 and 2000. TCA wants to develop a "benchmark project" to help its members identify the lowest cost or other best-performance measures in various management and operations areas, and to discover what "best practices" lead to best performance.

To obtain relevant cost and other performance information, TCA proposes to identify through survey questionnaires and discussions the costs and other items that would be most useful for it to review and use as benchmarks. The survey would not contain information about competitively sensitive items. The results of the surveys would be made available in aggregate form for purchase. The surveys would be conducted in compliance with guidelines contained in the Justice Department and Federal Trade Commission Statements of Antitrust Enforcement Policy in Health Care (Aug. 1996).

TCA would also host periodic meetings of Best-Practice Discussion Groups to gain insights from the top performances shown in the surveys and to consider recommending particular practices. Each group would be open to for-hire truckload carriers of all revenue-brackets and types of operation, on a voluntary, first-come, first-served basis. Meetings would be monitored by an antitrust attorney. The use of any information or recommended best-practice that results from the benchmark project would be left to the unilateral voluntary decision of each participant.

Nannes stated that “the fact that the information to be exchanged will deal with costs, subject to the prophylactic measures outlined in your letter, makes it unlikely that such exchanges will raise prices, reduce output, or cause any other harm to competition. . . . Similarly, the open procedures and the voluntary nature of any use of the information developed under the benchmarking project would seem to substantially reduce any antitrust concerns over the proposed discussions and best-practices recommendations. Moreover, to the extent that cost savings that result from TCA’s proposed conduct are passed on, in whole or part, to customers, the proposed benchmarking project may have procompetitive effects.”

Under the Department’s Business Review Procedure, an organization may submit a proposed action to the Antitrust Division and receive a statement as to whether the Division will challenge the action under the antitrust laws.

A file containing the business review request and the Department’s response may be examined in the Antitrust Documents Group of the Antitrust Division, Suite 215, Liberty Place, 325 7th Street, N.W., Department of Justice, Washington, D.C. 20004. After a 30-day period, the documents supporting the business review will be added to the file.

###