

National Association of Animal Breeders



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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 adopting any regulation that maintains or stabilizes the retail or wholesale prices, credit terms, or other monetary or non-monetary compensation relating to the sale or acquisition of bulls or bull semen, to the extent such restraints or regulations are not reasonably necessary to achieve procompetitive benefits that likely would offset the anticompetitive harms.

A copy of the Decision and Order is enclosed. It is also available on the Federal Trade Commission website at www.FTC.gov, and through the NAAB web site.

Sincerely,



Jay L. Weiker
President