

Sherman Act, as amended, 15 U.S.C. 1. The United States brought this action to enjoin NCPG from engaging in a territorial allocation along state lines for the provision of problem gambling services in the United States. The proposed Final Judgment, filed at the same time as the Complaint, requires NCPG to eliminate the anticompetitive conduct identified in the Complaint. A Competitive Impact Statement filed by the United States describes the Complaint, the proposed Final Judgment, the industry, and the remedies available to private litigants who may have been injured by the alleged violation. Copies of the Complaint, proposed Final Judgment and Competitive Impact Statement are available for inspection at the Department of Justice in Washington, DC, in Room 200, 325 Seventh Street, NW., and the Office of the Clerk of the United States District Court for the District of Columbia, Washington, DC.

Interested persons may address comments to Marvin N. Price, Jr., Chief, Chicago Field Office, Antitrust Division, U.S. Department of Justice, 209 S. LaSalle Street, Suite 600, Chicago, IL 60604, (telephone: (312) 353-7530), within sixty (60) days of the date of this notice.

Competitive Impact Statement

The United States of America, pursuant to section 2(b) of the Antitrust Procedures and Penalties Act ("APPA"), 15 U.S.C. 16(b)-(h), files this Competitive Impact Statement relating to the proposed Final Judgment submitted for entry in this civil antitrust proceeding.

I. Nature and Purpose of the Proceeding

On June 13, 2003, the United States filed a civil antitrust Complaint alleging that the National Council on Problem Gambling, Inc. ("NCPG") had violated Section 1 of the Sherman Act, 15 U.S.C. 1. The NCPG is a national trade association controlled by its state affiliates. Its activities are directed toward advancing the interest of its state affiliates who offer products and services to address the social problem of compulsive gambling. The NCPG does not distribute products or services through its affiliates. All NCPG officers except one where elected from the ranks of its state affiliates, which control the NCPG board of directors.

The Complaint alleges that, from at least 1995 until at least 2001, the NCPG orchestrated an unlawful territorial allocation of problem gambling products and services along state lines. On June 13, 2003, the United States and the NCPG filed a Stipulation in which they consented to the entry of a proposed Final Judgment that requires the NCPG to eliminate the anticompetitive conduct identified in the Complaint.

Under the Final Judgment, the NCPG is prohibited from directly or indirectly initiating, adopting, or pursuing any

agreement, program, or policy that has the purpose or effect of prohibiting or restraining any Problem Gambling Service Provider ("PGSP") from engaging in any of the following practices: (1) Selling problem gambling services in any state or territory or to any customer; or (2) Submitting competitive bids in any state or territory or to any customer. Under the Final Judgment and thereafter, "problem gambling services" include all services relating to the treatment or prevention of problem or compulsive gambling, including dissemination of information regarding problem gambling, telephonic hot-line or help-line services, training of problem gambling counselors, certification of various problem gambling training programs, and provision of any product or service aimed at assisting problem gamblers. The NCPG is also prohibited from directly or indirectly adopting, disseminating, publishing, seeking adherence to, facilitating, or enforcing any agreement, code of ethics, rule, bylaw, resolution, policy, guideline, and standard, certification or statement that has the purpose or effect of prohibiting or restraining any PGSP from engaging in any of the above practices, or that states or implies that any of these practices are, in themselves, unethical, unprofessional, or contrary to the policy of the NCPG.

The Final Judgment further prohibits the NCPG from adopting, disseminating, publishing, seeking adherence to, facilitating, or enforcing any standard or policy that has the purpose or effect of: (1) Requiring that any PGSP obtain permission from, inform, or otherwise consult with any other PGSP before selling problem gambling services or submitting bids for the provision of problem gambling services in any state or territory or to any customer; or (2) requiring that any PGSP contract with, provide a fee or a portion of revenues to, or otherwise remunerate any other PGSP as a result of selling problem gambling services in any state or territory or to any customer. Finally, the NCPG is prohibited from adopting or enforcing any standard or policy or taking any action that has the purpose or effect of: (1) Sanctioning, penalizing or otherwise retaliating against any PGSP for competing with any other PGSP; or (2) creating or facilitating an agreement not to compete between two or more PGSPs.

The United States and the NCPG have agreed that the proposed Final Judgment may be entered after compliance with the APPA, provided that the United States has not withdrawn its consent. Entry of the Final Judgment would

terminate the action, except that the Court would retain jurisdiction to construe, modify, or enforce the Final Judgment's provisions and to punish violations thereof.

II. Description of Practices Giving Rise to the Alleged Violation of the Antitrust Laws

A. Description of the Defendant and Its Activities

The NCPS is a not-for-profit corporation organized and existing under the laws of the State of New York with its principal place of business in Washington, DC. All state affiliates are members of the NCPG board of directors. The NCPG's state affiliates, as a group, control a majority of the seats on its board of directors. The board has the sole authority to elect the NCPG's officers. As a trade association, the NCPG lobbies Congress for funding for problem gambling programs in general, conducts an annual conference, and offers books, videotapes and other publications about problem gambling.

The NCPG offers a few limited problem gambling services to its members. It maintains a website and sponsors a national telephone help-line, which is operated by the Texas affiliate. Other affiliates may pay to use this help-line in their own states or set up their own help-lines. The NCPG also sponsors a national gambling counselor certification program. This program does not train counselors, but generally accepts training conducted by state affiliates.

B. Description of the State Affiliates and Their Problem Gambling Services

The NCPG has 34 state affiliates. No state has more than one affiliate. All of the state affiliates are separately incorporated, non-profit corporations. The state affiliates provide problem gambling services to individuals, as well as government entities, casinos, racetracks, and others who are trying to assist problem gamblers. These problem gambling services include training and certification program for problem gambling counselors, telephone help-lines, and responsible gaming programs, workshops, and educational kits.

The NCPG does not create the services offered by its affiliates, nor does it significantly help its affiliates create these services. Each state affiliate creates its own individualized problem gambling services to meet the perceived needs of its customers. For example, some state affiliates target problem gambling in various ethnic populations, while others focus on problem gambling in high schools or among the elderly.