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ANTITRUST UPDATE

The Local Government Antitrust Act of 1984

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Congress approved the Local Government Antitrust Act of 1984 on October 11. Since 1982, when the U.S. Supreme Court ruled against the City of Boulder, CO, in a cable television case, remedial antitrust legislation has been sought by cities with cable franchises and has been a high priority of the National League of Cities.

The effective date was September 24, 1984, 30 days before the date on which the President signed the bill.

The legislation just passed is a compromise. Cities, which are subject to antitrust suits in such activities as contracting, zoning, and waste collection, as well as cable franchising, can be heartened by the law's prohibiting the payment of any monetary damages by local governments. This is expected to reduce the attractiveness of suits against the city, which under previous law could have been required to pay triple damages.

On the other hand, this law overturns the ban on antitrust actions by the Federal Trade Commission which was enacted into law August 30, 1984 (PL 98-411). Consequently, it is likely that the FTC will file complaints against cities for a variety of municipal actions on the ground that Congress has given the FTC a mandate to eliminate anticompetitive regulatory practices by municipalities.

NOTE

For further information, including the text of the statute, contact MTAS Intergovernmental Affairs Consultant Dennis Huffer, phone 615/255-6418 in Nashville.

The material presented in this report was drawn primarily from an article by Cynthia Pols, Legislative Counsel, National League of Cities, that appeared in the October 22, 1984, issue of Nation's Cities Weekly.

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