

Manheim, Partners File MPS-Related Request With DOJ

March 12, 2015

ATLANTA —Today, Manheim and a number of industry participants filed a request with the U.S. Department of Justice (DOJ) seeking confirmation that the industry's planned multi-platform system (MPS) is in compliance with antitrust laws.

The MPS effort, which is open to all participants, is designed to drive innovation, increase competition and deliver more efficiency and benefits to auctions, consignors, dealers and, ultimately, retail customers, officials said. Industry participants include WTG Global (Whann Technology Group), an independent digital auction technology company, BSC America Inc., a large regional auto auction company and Columbus Fair Auto Auction, an individual auction.

"This important action adds to the momentum building and due diligence around MPS and keeps the project on track to produce live transactions this year," said Janet Barnard, president of Manheim North America. "As an industry leader, we take very seriously the need to innovate to address the changing needs of our customers and the long-term interests of our industry."

"We are proud to be part of the collective effort to establish an MPS that links auctions, consignors, dealers and industry members, and allows bidding across virtual auction marketplaces," said Keith Whann, founder of Whann Technology Group. "Constructed as a marketplace of marketplaces, it will enable each of our auction customers — at no additional cost — to have a microsite on WTG Global that would also be integrated into MPS. This enables each auction to enhance their customer's experience and maintain the feel of a local auction, yet have the reach to sell vehicles worldwide."

Specifically, the detailed request filed with the DOJ by industry participants seeks to obtain a business review letter that sets forth the DOJ's enforcement intentions with respect to MPS.

As the request explains, MPS, since its conception, has been planned with anti-trust principles in mind — namely, to foster a robust, competitive and more efficient and transparent digital marketplace — that will bring tangible benefits to customers. The core elements of MPS include:

- Accessibility. It will be open to large and small wholesale auto auctions and their customers, and they will have multiple means of accessing the system.
- Protection of Competition-Sensitive Business Data. Auction fees and other proprietary data will not be shared among participating auctions.
- Limited Costs to Participants. Auctions will incur modest costs that reflect only what is needed to maintain and update the system.

"Manheim remains committed to having MPS positioned as an industry-wide effort," Barnard added. "Our leadership believes that concerns expressed around anti-trust risks and high costs are unfounded because MPS has been shaped with these issues in mind from the outset."

MPS is not a new concept and business arrangements like it have been successfully established in other sectors of the economy, officials noted. The system essentially acts as a central clearinghouse, along the lines of similar models that exist today within the real estate, airline and financial services industries.