Organisation de Coopération et de Développement Economiques
Organisation for Economic Co-operation and Development

02-Feb-2005

English - Or. English

DIRECTORATE FOR FINANCIAL AND ENTERPRISE AFFAIRS
COMPETITION COMMITTEE

DAF/COMP/GF(2005)2
Unclassified

Global Forum on Competition

THE RELATIONSHIP BETWEEN COMPETITION AUTHORITIES AND SECTORAL REGULATORS

Issues Paper

-- Session II --

This Issues Paper by the Secretariat is submitted FOR DISCUSSION under Session II of the Global Forum on Competition to be held on 17 and 18 February 2005.

JT00177871

English - Or. English

THE RELATIONSHIP BETWEEN COMPETITION AUTHORITIES AND SECTORAL REGULATORS

1. Introduction

1. In the past, relationships between competition authorities and sector regulators have at times involved disagreements over regulatory approaches, with relatively poor mechanisms for ensuring that both regulators' and competition authorities' views are taken into account. On the one hand, regulators have sometimes been felt to act more in the interests of the firm(s) they regulate than in the interests of consumers or promoting competition. On the other hand, competition authorities have sometimes been felt to ignore broader social objectives apart from increasing competition and to lack adequate technical knowledge about highly complex sectors.

2. Fractious relationships are not inevitable. Competition authorities and sector regulators should be on the same side because:

- Economic growth is enhanced by pro-competitive regulation, as suggested by recent research by the OECD and others.

- Many of the objectives of competition authorities and regulators are in fact very similar. For example, regulators often focus on preventing "excessive pricing", ensuring access to essential facilities and ensuring that barriers to entry are reduced. These objectives are shared by competition authorities in most OECD jurisdictions.

3. The ideal relationship between competition authorities and regulators is driven by a central government that promotes broad review of existing regulations with a pro-competitive lens, ensuring that a "competition culture" encompasses both sector regulators and competition authorities.

4. In practice, not many countries have yet achieved this ideal. To the extent the ideal has not reached, there are nonetheless a number of practical measures that governments can take to enhance pro-competitive regulation and improve the relationship between competition authorities and sector regulators. (OECD(1999, 2003a))[1]. This note outlines a number of these approaches.

5. Key elements for increasing the pro-competitive regulation include:

- The central government actively supports pro-competitive regulation;

- Instruments for co-operation are implemented by both competition authorities and regulators; and

- Overall principles of competition law enforcement are common across different sectors.

1. The relationships have been examined in many previous competition law and policy peer reviews, such as OECD(2004b), including through the OECD Regulatory Reform Review program, as well as in recent reviews of Norway (OECD(2003b) and Mexico (OECD(2004a).

2. Broad government efforts to promote competition benefit the economy

6. The development of pro-competitive regulation and the lowering of regulatory barriers are of vital economic importance both for ensuring that the benefits of competition will accrue to domestic consumers and for ensuring that domestic companies will have cost structures that enable them to succeed in international trade. Sector regulation affects the cost and quality of many key inputs of production, such as telecommunications, energy and transport. Pro-competitive regulation enhances the ability of firms within a regulated sector to adapt to changed technology, choose low-cost means of production, adapt to consumer preferences and set prices that more closely reflect the variable costs of production. As a result, governments can benefit their economies by encouraging pro-competitive regulation.

7. Australia provides a good example of what can happen when a government as a whole seeks to promote competition and make regulations more pro-competitive. Nearly two decades of economic stagnation and decline relative to other OECD economies led Australia to embark on an ambitious reform program, including reform of financial and labour markets and of competition policy. The implementation of the competition component, Australia's ambitious and comprehensive National Competition Policy, has made since the mid 1990s a substantial contribution to the recent improvement in Australian labor and multifactor productivity and economic growth. Australia's Productivity Commission estimates that Australian households' annual incomes are on average around A$7,000 higher as a result of competition policy. The most recent OECD review of Australia shows that the Australian economy is still benefiting from the program of widespread and deep reforms that started in the 1980s and was especially intensive in the 1990s. These made it easier to set macro policies in a stability-oriented medium-term framework. The combination resulted in a thirteen year long economic expansion period accompanied by low inflation, high resilience to external and domestic shocks, and very healthy public finances.

8. Pro-competitive regulation has been shown to enhance employment, increase productivity growth and promote investment.

- **Employment**. Nicoletti and Scarpetta (2001) find that product-market regulation has an impact on employment. They estimate that pro-competition policy developments in New Zealand and the UK have added around 2.5 percentage points to their employment rate over the period the period 1978-1998. Countries with more modest reforms, such as Greece, Italy and Spain have only added between 0.5 and 1 per cent to the employment rates through such reforms.

- **Productivity growth**. Nicoletti and Scarpetta (2003) find that "reforms promoting private governance [i.e., privatisation] and competition … tend to boost productivity. In manufacturing the gains to be expected from lower entry barriers are greater the further a given country is from the technology leader. Thus, regulation limiting entry may hinder the adoption of existing technologies, possibly by reducing competitive pressures, technology spillovers, or the entry of new high-tech firms. At the same time, both privatisation and entry liberalisation are estimated to have a positive impact on productivity in all sectors…. These results … point to the potential benefits of regulatory reforms and privatisation, especially in those countries with large technology gaps and strict regulatory settings that curb incentives to adopt new technologies."

- **Investment**. Alesina, Ardagna, Nicoletti and Schiantarelli (2003) find that "tight regulation of the product markets has had a large negative effect on investment. The data for sectors that have experienced significant changes in the regulatory environment suggest that deregulation leads to greater investment in the long-run". "The implications … are clear: regulatory reforms, especially those that liberalise entry, are very likely to spur investment".

3. Primary government tasks in regulated sectors

9. The primary potential government tasks faced in regulated sectors are among those below:[2]

- **Technical regulation:** setting and monitoring standards, managing license, and implementing sanctions so as to assure compatibility and to address privacy, safety, reliability, financial stability and environmental protection concerns;

- **Wholesale regulation:** ensuring non-discriminatory access to necessary core facilities, especially network infrastructures. By regulating the way in which natural monopolists provide access to their facilities, it is possible for governments to improve economic welfare by promoting lower access prices and greater supply;

- **Retail regulation:** measures to mitigate monopoly pricing or behaviour at the retail level;

- **Public service regulation**: measures to ensure that all consumers, regardless of social status, income or geographical location, have access to goods that are deemed of special social value, as with universal service obligations;

- **Resolution of disputes**: quasi-judicial powers may result in faster resolution of disputes than could be provided by a non-specialized court; and

- **Competition oversight:** controlling anticompetitive conduct and mergers. Competition regulation has a number of goals, one of the most important being efficient operation of markets. It seeks to prevent abuses of market power that result in unduly high prices, less innovation, lower choice and lower quality.

10. Increasingly, policy makers recognize that regulations should be designed to minimize their harmful effects on competition. For example, public service regulations designed to ensure universal access to services have frequently overstepped their original purpose and have served as a basis for preventing competition by protecting incumbents from entry. These entry prohibitions ensured that the incumbent would be able to cross subsidize from high profit products to low profit or money losing products. In fact, such restrictions on competition are often not necessary because universal service obligations can be met in the presence of competition. (OECD(2004c))

4. Competition authorities and regulators have different core competencies

11. Competition authorities and sector regulators have different core competencies. These core competencies influence the types of tasks best accomplished by each.

4.1 Sector regulators

12. Sectoral regulation is frequently overseen by sector regulators. Sector regulators typically have extensive, ongoing knowledge of the technical aspects of the products and services that are regulated. Sector regulators are likely better suited to technical regulation than competition authorities.

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2. This note does not discuss the issue of broader structural changes in governance, such as structural separation between competitive and non-competitive businesses or privatisation, as these changes often involve more parts of government than competition authorities and sector regulators. Such changes are discussed in the note for session I, "Bringing competition into regulated sectors," DAF/COMP/GF(2005)1, 25 January 2005. (OECD(2005b)

13. For example, in telecommunications, when adjacent spectrum is operated by two entities, there is a technical possibility that signals of one entity may interfere with those of the other. While some would suggest that a common law system could resolve any disputes related to interference (see, for example, Coase (1959)), policy makers have generally preferred to create an administrative body with oversight of interference issues. Sector regulators are well-suited to setting rules that will reduce interference or for overseeing parties' claims of undue interference from neighbouring spectrum. At times, though, even technical regulations can affect the conditions of competition, so competition policy issues can arise even with technical regulation. For example, rules on interference limit the number of potential competitors within a spectrum band. When technical regulations impact conditions of competition, there may be reason to involve competition authorities in design and oversight of such regulations.

14. Historically, regulators have often been closely related to ministries that manage or managed incumbent firm(s). Perhaps as a result, regulatory agencies are sometimes perceived as taking actions that appear to serve the interests of the firm(s) being regulated. Greater independence both from political power and the regulated sector are crucial for avoiding these perceptions. In many countries, regulatory institutions have indeed increased their levels of independence.[3]

15. Enforcement by sector regulators may be better suited when:

- Fast, definitive resolutions are needed;
- Ex post enforcement creates excessive uncertainty;
- Scientific and technical expertise is required to assess merits of arguments;
- The standards of proof required for competition law cases would not be met for achieving the socially desired regulatory outcomes; and
- Structurally similar situations are repeated and consistent basic rules are desired.

4.2 Competition authorities

16. Competition laws are frequently broadly overseen by competition authorities. The skills necessary for delineating relevant markets, assessing likelihood of harm to competition, assessing entry conditions and assessing significant market power are particularly well-suited to the expertise of competition authorities. While regulators may have skills in these areas, it is usually the case that competition authorities have a greater breadth of experience in competition law oversight and are adept at applying the competition law to different products and services. Competition authorities are best suited to competition law oversight.

17. In the process of applying competition laws in regulated sectors, competition authorities can often benefit from the technical expertise of sector regulators and should seek to co-operate with sector regulators to benefit from this expertise.

18. Competition laws frequently include abuse of dominance provisions that apply to "excessive" prices. In jurisdictions with such laws, abuse of dominance may be construed to limit monopoly pricing, a topic also of concern to regulators. (See the note for session III on "Abuse of Dominance in Regulated Sectors" (OECD(2005a).)

3. See, for example, OECD(2003a, 2004d).

- Enforcement by competition authorities may be better suited when:
- Defining markets for regulatory purposes is necessary;
- Ex ante regulatory enforcement risks distorting market outcomes, stifling new products and more generally creating costly errors;
- Markets will not require ongoing oversight; and
- Products of interest are subject to strategic manipulation that cannot be foreseen through regulation.

19. As for wholesale regulation, retail regulation, public service regulation and dispute resolution, the ideal role of competition authorities and regulators is less clear. In certain countries, such as Australia and the Netherlands, competition authorities have more direct roles in some of these areas of regulation. In absence of sector regulators, especially in non-OECD countries, competition laws are often invoked to govern unregulated sectors.

4.3 Competition authorities can provide valuable input for those tasks for which they are not primary enforcers

20. Even when competition authorities are not the best qualified institution to make determinations related to topics such as ongoing price, revenue, technical or other regulation, competition authorities do nonetheless have skills that are useful for some parts of regulation and that should be used as part of the regulatory process in key economic sectors. For example, many economic regulations are predicated on the idea that one or more firms in a product market have the ability to profitably raise prices. Regulators have not always made reasoned determinations of market power, while competition authorities are skilled in the reasoning related to product market definition. In the European Union, a recent electronic communications package was adopted in February 2002, including Directive 2002/21/EC. (European Parliament and the Council (2002)) This package identifies a three-step approach of:

- Identification of relevant markets;
- Determination of operators considered to hold significant market power; and
- The possibility of imposing ex ante obligations on specific operators considered to be dominant within the pre-defined markets.

21. Recommendation C(2003)497 on relevant product and service markets susceptible to ex ante regulation identifies 18 potentially regulated markets. (European Commission (2003)) The national regulatory authorities are responsible for determining the geographic scope of these markets. The national regulatory authorities are then responsible for making determination of operators considered to hold significant market power or "dominance." Findings of significant market power will then be a pre-condition for ex ante obligations, as defined in the Access Directive (2002/19/EC). The package would help focus regulation on products and services that are not fully competitive. It is expected that unnecessary regulations will be reduced. The national regulatory authority determinations are subject to review and comment by the European Commission; both in the development of the package and in reviewing determinations, DG Competition play a significant role.

5. Instruments of co-operation that merit consideration

22. While broad government programs are not always possible, improved co-operation between competition authorities and sector regulators is more easily implemented than broad government programs and is valuable for ensuring both that regulatory agencies take appropriate account of competition concerns and that competition authorities take appropriate account of technical and other regulatory concerns. At times, co-operation may occur naturally without any institutional support. Even so, co-operation can usually be enhanced, to the benefit of regulatory decision making. A variety of instruments exist for encouraging co-operation between competition authorities and sector regulators. No OECD country has in place all the options listed below. However, adopting a mixture of some of these instruments can be valuable for improving the process and outcomes of co-operation. These include:

5.1 Giving statutory powers to the competition agency for some aspects of sector regulation

23. At times, regulations may continue to apply to products and companies even after the need for regulation has passed. However, for reasons of institutional inertia and survival, regulatory agencies may not relinquish outdated regulatory powers or institute new powers in response to changed market conditions. A number of laws and regulations therefore predicate the applicability of regulation on the existence of substantial market power.

24. An example of this can be found in the laws and regulations of Mexico. Determinations of substantial market power are made by the Competition Commission, not the sector regulator, for sectors stated by the Seaport Law of 1993, the Law on Roads, Bridges and Road Transport of 1993, the Navigation Law of 1994, the Railroad Services Law of 1995, the Federal communications Law of 1995, the Civil Aviation Law of 1995 and the Airport Law of 1995, and the regulations of natural gas of 1995 and of pension funds of 1996. The Mexican Competition Commission is responsible for assessing whether entities, such as incumbent telecom operator Telmex, have substantial market power over a product or service. Such a finding is needed prior to regulation of the company's product or service. The telecom regulator then has the ability to regulate operators declared to hold market power. However, should the competition authority in the future alter its ruling in response to changed market conditions and assess that a firm that formerly had substantial market power for a product no longer does, the regulator then has no further right to regulate the firm in that product. Besides assessments of market power, a second area in which the Competition Commission plays a role is in making determinations to authorize economic agents to participate in privatisations or in public auctions for concessions, licenses and permits. (OECD(1999), p. 182, OECD(2004a), pp. 16-17)

5.2 Competition authorities and regulators can be given concurrent powers of enforcement of the national competition law

25. One way to ensure that both technical expertise and competition law expertise can express their views is to provide concurrent jurisdiction, in which both sector regulators and a competition authority have the right to bring cases under the national competition law. The UK's Competition Act of 1998, for example, provides concurrent powers for sector regulators in electricity, gas, telecommunications, water and railways, among other areas. The UK's implementing regulation Statutory Instrument 2000 No. 260 does not permit the exercise of functions by an authority while the same functions are being carried out by another authority, avoiding double jeopardy. It requires that when one authority has or may have concurrent jurisdiction, that authority shall notify other authorities with jurisdiction in advance of taking action. The relevant authorities are then to decide among themselves who shall exercise powers in relation to a given case. In case agreement is not reached, the Director General of Fair Trading shall inform the Secretary of State in writing. Authorities may make representations to the Secretary of State and the Secretary of State determines which authority shall exercise powers in relation to a given case. The

Statutory Instrument also permits the transfer of functions to another authority from the one who initially exercises functions and permits the staff of one authority to act as staff of the authority with decision power for a given case. (HMSO(2000))

5.3 Placing senior official of competition agency on oversight board for sector regulator and vice versa

26. Placing senior officials from regulators in board positions for a competition authority or senior competition authority officials in board positions can be an effective tool for ensuring that institutions take account of each other's interests. The Australian Competition and Consumer Commission (ACCC) has associate commissioners in addition to the five permanent commissioners. Associate commissioners can include appointees from Commonwealth and State regulatory agencies. For example, association commissioners have come from institutions such as the Australian Broadcasting Authority, the New South Wales Independent Pricing and Regulatory Tribunal and the Victorian Office of the Regulator General. At the same time, certain members of the ACCC have been appointed as associate members of the Australian Communications Authority. (OECD(1999), p. 107)

5.4 Providing competition authorities with the standing to submit public comments on the application of regulations that require written response by the regulator prior to final decisions

27. Ensuring that competition authorities have an opportunity to air their views and that regulatory agencies must respond to these views can provide an important avenue for promoting competition. In Italy, most sectors are subject to the national competition law (law No. 286 of October 10, 1990) as enforced by the Antitrust Authority (Autorità garante della concerrenza e del mercato). The exception is that in the banking sector, the sector regulator, the Bank of Italy, has the responsibility for the enforcement of the national competition law for agreements, abuses of dominant position and mergers. The competition authority nonetheless has the ability to submit its views on bank regulatory matters. After such a submission, the bank regulator must respond and cannot permit anticompetitive actions unless there are special circumstances (notably, system stability is at risk) and the competition authority agrees. (OECD(1999), p. 165)

5.5 Establishing a written framework that governs co-operation between sector regulators and competition authorities

28. One way to enhance co-operation over the long-term is to establish formal co-operation agreements. The Competition Authority of Ireland has instituted such formal agreements in accordance with the Competition Act of 2002, section 34(1). According to the Act, the purpose of enabling such agreements is to facilitate co-operation, avoid duplication of activities, and ensure consistency between decisions related to competition issues. The act requires that agreements contain:

- "a provision enabling each party to furnish to another party information in its possession if the information is required by that other party for the purpose of the performance by it of any of its functions",

- "a provision enabling each party to forbear to perform any of its functions in relation to a matter in circumstances where it is satisfied that another party is performing the functions in relation to that matter" and

- "a provision requiring each party to consult with any other party before performing any functions in circumstances where the respective exercise by each party of the functions

concerned involves the determination of issues of competition between undertakings….". (Competition Act 2002, Section 34(3))

29. A number of co-operation agreements have been established in Ireland. The Competition Authority has agreements with the Broadcasting Commission of Ireland (TCA(2002a)), the Commission for Aviation Regulation(TCA(2002b)), the Commission for Communications Regulation(TCA(2002c)), the Commission for Energy Regulation(TCA(2002d)) and the Office of the Director of Consumer Affairs(TCA(2003)). These co-operation agreements to ensure that the protections of confidentiality provided by one body are assured when that information is shared with another body and that information cannot be used for any purpose besides that for which it has been shared.

30. Even when an explicit, bilateral written agreement does not exist, co-operation can be enabled by legislation. In France, the telecommunications law and the energy law enable cooperation between the regulators and competition authority. The telecommunications law enables consultation between the Autorité de Régulation de Télécommunications and the Conseil de la Concurrence. Similarly, the energy law suggests that conduct related to abuse of dominance or restrictive agreements will be referred by the energy regulator, the Commission de Régulation de l'Energie (CRE) to the Conseil de la Concurrence. The law also promotes consultation between the CRE and the Conseil de la Concurrence. (OECD(2004e))

5.6 Encouraging personnel transfers or exchanges between sector regulator and competition authority

31. Staff transfers between a competition authority and a regulator, whether unilateral or bilateral, can significantly improve the process of communication between a regulator and competition authorities. Staff transfers have occurred both at senior management levels and at normal staff level. For example, in the U.S., the Chief of Staff of the Antitrust Division of the U.S. Department of Justice was appointed to be a commissioner in the telecommunications regulator, the Federal Communications Commission (FCC), and then proceeded to become the chairman of the FCC. In Finland, staff from the competition authority have found positions in regulators, such as the telecommunications authority. The transfers described above have occurred at senior levels. But transfers or exchanges can also happen at the staff level and can encourage improved communications at the staff level. Transfers or exchanges tend to work better when staff who are well known within an institution transfer to the other. In the U.S., an exchange of economics staff between the U.S. Department of Justice's Antitrust Division and the FCC enhanced knowledge, communication and understanding between economic staff of the institutions.

5.7 Exchanging information informally between sector regulator and competition authority

32. When a competition agency seeks to comment on the activities of a regulator, it can often be valuable to contact the regulator before making any official comments, in order to find the right people to whom comments should be addressed and to better understand reasons for regulations or proposed regulatory actions. At times, informal comments may be more effective than formal comments.

5.8 Head of competition authority can be given a cabinet level standing

33. Giving the chairperson of a competition authority a high-level status within top government hierarchy can be beneficial when independent regulators do not exist or when ministries retain many regulatory functions and maintain final decision powers. For example, in Korea, the Chairman of the Korean Fair Trade Commission has cabinet level standing within the government. Such standing can help to ensure that the competition authority is able to appeal directly to high level government for internal government dispute resolution and that competition authorities are not outranked by sector regulators.

5.9 Regulator and competition authority can be unified, ensuring internal consistency with respect to competition decisions

34. One way to ensure consistency in the approach towards competition law enforcement of a sector regulator and a competition authority is to merge the regulator with the competition authority. One example of merging a regulator with a competition authority occurs in the Netherlands, where the government has created chambers within the NMa for sector regulation. The energy regulator in the Netherlands, the Office of Energy Regulation (DTe) is placed under the oversight of the competition authority, the NMa. DTe is responsible for the implementation and supervision of the Electricity Act of 1998 and the Gas Act of 2000. In 2004, the Office of Transport Regulation was set up as another chamber in the NMa. The chamber model allows highly specialized knowledge related to sectors to exist within the structure of a competition authority focused on broad issues of improving competition.

6. Ensuring consistency in application of competition laws

35. Ensuring consistency in application of competition law across different sectors is an important goal. When competition authorities are responsible for competition law application in some areas and sector regulators are responsible in others, ensuring such consistency can be difficult. Consistency at a national level can help to ensure that international convergence of antitrust standards can occur, which is particularly important for ensuring that complex international transactions do not face a tangle of different rules that can weigh down transactions with excessive remedies. The UK has been one of the leading OECD jurisdictions in ensuring consistency.

6.1 Appeals route for competition decisions should converge

36. One practical and highly desirable method for ensuring such consistency is setting up a common appeals path, so that there is one court that has ultimate oversight of competition law cases, whatever their origin. This is particularly important in the UK, with concurrent jurisdiction between many sector regulators and the Office of Fair Trading (OFT), but is also important where sector specific laws may have competition impacts. In the UK, the Competition Appeals Tribunal is the common appellate body for decisions by the Competition Commission and by regulators with respect to application of competition law. In Poland, the Antimonopoly Court has jurisdiction both over competition authority cases and over appeals of regulation. “The broader jurisdiction promises to ensure that policies are applied consistently in competition cases and in sectoral regulation. Originally, the Court only reviewed AMO decision. In 1997, it was given the power to hear appeals from the new Energy Regulatory Authority. The telecoms regulator was added in 2000, and the railway regulator in 2001.” (OECD(2002), p. 26) In France, the path of appellate review of decision by the Conseil de la Concurrence and both the telecom and energy regulators is through a common court, the cour d’appel de Paris.

6.2 Regulatory impact assessment should take into account competition objectives, among other goals

37. Increasingly, central governments engage in regulatory impact assessments in order to ensure that new regulations are necessary and that their benefits exceed their costs, and that other alternative regulations would not succeed equally well. One portion of these assessments should include the impact on competition. The UK has developed this approach with a significant role held by the OFT. According to the Cabinet Office’s Regulatory Impact Unit, all Regulatory Impact Assessments “must include a Competition Assessment, except where the proposal solely affects the public services. The Cabinet Office describes a Competition assessment as one to “Provide an assessment of the competition impacts for each option (talk to OFT).” (UK Cabinet Office (2005b)) The OFT has published its own “Guidelines for Competition Assessment (OFT(2002)). Alternatively, the Cabinet Office releases a quick summary of key

features of a competition assessment. The test proceeds in two stages: first assessing whether there are potentially significant competitive effects from a regulation and second, if there are, performing an in depth analysis. With respect to a detailed analysis, the Cabinet Office states that "Carrying out this assessment can be complex and requires an understanding of competition issues. You will need the help of your departmental economists and should also consult the Regulatory Review Team at the OFT who will provide help with the competition analysis, as well as with drafting the assessment." (UK Cabinet Office (2005a)

6.3 Competition authorities should be given the right to intervene with respect to existing and proposed regulations that are potentially harmful to competition

38. At the stage of preparing new regulations or reviewing existing regulations, giving the competition authority the right to intervene helps to promote pro-competitive regulation. In the UK, the OFT can study both proposed and existing regulations. It can then issue a public report stating its views about what problems may exist in the regulation(s). Once this report has been issued, the government has undertaken to respond publicly within 90 days. Note that this right to intervene is not the same as a requirement that the competition authority submit opinions on all new regulations. Most competition authorities do not have the resources to review all new regulations.

7. Conclusion

39. One of the most powerful mechanisms for achieving pro-competitive regulation is to improve the co-operation and co-ordination between sector regulators and competition authorities. Central government support for pro-competitive regulation is justified in order to enhance growth and develop an economy that is better able to resist economic shocks.

- Central government should encourage pro-competitive regulation, by taking actions such as:
  - Appointing regulators with a proven interest in competition;
  - Including pro-competitive regulation as part of a sector regulator's mandate; and
  - Giving competition oversight functions to the competition agency, with technical backup from the sector regulator.
- Instruments of co-operation between sector regulators and competition authorities should be adopted, such as:
  - Giving statutory powers to the competition agency for some aspects of regulatory reviews;
  - Placing senior official of competition agency on oversight board for sector regulator and vice versa; and
  - Providing competition authorities with the standing to submit public comments that require written response by the regulator prior to final decisions.

- Mechanisms for ensuring domestic consistency in competition rules should be applied

  - To the extent that multiple agencies have competition oversight functions, a common appeal route should be created so that competition cases are governed by a common standard;

  - Regulatory impact assessment should take into account competition objectives, among other goals; and

  - Competition authorities should be given the right to intervene with respect to existing and proposed regulations that are potentially harmful to competition.

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