The attached document is submitted FOR APPROVAL at the next Working Party No. 2 meeting to be held in October 2000.
I. Adoption Of Draft Agenda


II. Approval Of Draft Summary Record From Last Meeting


3. The Netherlands and Switzerland, following up on a point in the summary record of the fifteenth meeting, noted that there was limited attendance by competition authorities at the recent joint CLP/MTC meeting on regulatory reform in maritime transport and urged other delegations to support such initiatives in future. The Secretariat noted that timing of the joint meeting was difficult for CLP delegates but the meeting was, in this case, successful at putting forward the competition perspective. The Secretariat asked delegates to consider whether further joint meetings of this kind should be pursued in future.

III. Roundtable On Competition In The Pharmaceutical Industry

4. On the basis of submissions from Australia, Czech Republic, France, Hungary, Italy, Japan, Korea, Mexico, Netherlands, New Zealand, Norway, Spain, Sweden, the United States, the European Commission and BIAC and a background paper prepared by the Secretariat [DAFFE/CLP/WP2(2000)4], the Working Party discussed regulatory reform and competition law enforcement issues arising in the pharmaceutical industry. An Aide Memoire of this discussion is being circulated separately as an Annex to this summary record [DAFFE/CLP/WP2/M(2000)2/ANN2]. In addition, the Secretariat will produce an Executive Summary of the roundtable, based on the discussion and the country submissions. This Executive Summary will be circulated as an Annex to this summary record [DAFFE/CLP/WP2/M(2000)2/ANN3].

IV. Proposed Council Recommendation On Vertical Separation

5. The Working Party heard the views of member countries on the revised draft of the OECD Council recommendation on the issues of vertical separation of regulated companies
[DAFFE/CLP/WP2(2000)2/REV1]. An Aide Memoire of this discussion is being circulated separately as an Annex to this summary record [DAFFE/CLP/WP2(2000)2/ANN4]. In brief, the majority of countries expressed support for continuing this line of work and expressed support for one or other of the two versions of the text set out in the revised draft. Norway and France noted opposition to the current draft. Canada expressed the view that it could not support the current draft on the grounds that the language did not go far enough. France suggested that further empirical work be done quantifying the benefits of vertical separation. The Working Party asked the Secretariat to prepare a note outlining experiences of member countries with vertical separation. Several countries noted they would make written submissions. These countries are requested to do so by the first week of September.

V. Regulatory Reform

6. The Working Party conducted Regulatory Reform reviews of specific sectors in Italy and Greece. In the case of Italy, the review focused on the sectors of electricity, gas and railroads, based on the Secretariat’s chapter [DAFFE/CLP/WP2(2000)5]. The Italian delegation, headed by Prof. De Vincenti, Economic Adviser to the Prime Minister, included representatives of the Ministries of Public Administration, Industry and Transport, as well as the Authority for Electricity and Gas and other economists from the Prime Minister’s office. The Italian delegation noted that the facts, upon which the analysis and recommendations were based, had changed in the gas sector following the adoption of a legislative decree that greatly addresses the concerns in the chapter. The Secretariat and the Italian government are working to produce an up-to-date chapter.


VI. Other Business

8. The Working Party discussed the scope of the roundtable on road transport which will take place at the next meeting of the Working Party on 23 October 2000 and decided that this roundtable should include a discussion of both regulatory and competition issues in both road freight (truckers) and road passenger (buses and taxis) transport.