

Report on:

ICN Chief/Senior Economists Workshop

held at:

***University of British Columbia
Vancouver, Canada***

September 12-13, 2016

Report prepared by:

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*Affiliations of the authors: Nigel Caesar is a Competition Law Officer at the Competition Bureau of Canada; Renée Duplantis (previously T.D. MacDonald Chair in Industrial Economics at the Competition Bureau of Canada) is a Principal in the Toronto Office of the Brattle Group; and Thomas (Tom) Ross is the UPS Foundation Professor of Regulation and Competition Policy in the Sauder School of Business at the University of British Columbia. The authors gratefully acknowledge the assistance of Jessie Lam from the Sauder School in the organization of the Workshop and in the preparation of materials for this report.

I. Introduction

On September 12-13, 2016 the Canadian Competition Bureau and the Sauder School of Business at the University of British Columbia jointly hosted an International Competition Network (ICN) Chief/Senior Economists Workshop at the downtown Vancouver campus of the University of British Columbia (UBC). Over thirty Chief and Senior Economists from ICN member agencies participated in two days of discussions on a set of topics of particular importance to economists working in competition authorities. Also in attendance were a few academics who served as session leads and other hosts/organizers from the Canadian Competition Bureau and the Sauder School of Business.

This report to the ICN is intended to serve as a record of this important event by: (i) reviewing its design and organization; (ii) summarizing the presentations and discussions; (iii) providing results of a participants' survey; and (iv) proposing next steps toward the possible regularization of similar meetings. Additional materials are provided in appendices.

II. Background

In November 2008, the Canadian Competition Bureau hosted a small meeting of approximately thirty participants from Asia, North and South America, Europe and the Middle East in Ottawa to discuss topics such as (i) Empirical Methods in Antitrust, (ii) Appropriate tests in Anticompetitive Exclusion; and (iii) the Role of Economists in Enforcement Agencies. The productive sessions and valuable networking that characterized that meeting led many in attendance to agree that regular meetings of chief or senior agency economists would be valuable. Over the next several years, informal discussions with a variety of agency economists and ICN officials led to a realization that such meetings would be best implemented under the auspices of the ICN. At the ICN Annual meeting in Warsaw in 2013, during a breakout session on competition economics and the role of economists in authorities, participants expressed an interest in seeing more ICN-related activities focused on economics. Eventually, with the approval of the ICN Steering Group, a decision was made to move forward with an ICN Chief/Senior Economists Workshop in September 2016.

To begin planning for the workshop an informal group was assembled to brainstorm ideas for content and organization of the event. This group was moderated by Tom Ross of the Sauder School at UBC (and a former T.D. MacDonald Chair of Industrial Economics at the Canadian Competition Bureau) and included

- (i) Renée Duplantis, then of the Canadian Competition Bureau
- (ii) Kenneth Heyer, then of the U.S. Federal Trade Commission
- (iii) Robert Majure, Antitrust Division of the U.S. Department of Justice
- (iv) Martin Mandorff, Swedish Competition Authority
- (v) Massimo Motta, then of DG Competition, European Commission
- (vi) Michele Pacillo, Italian Competition Authority
- (vii) Simon Roberts, U. of Johannesburg (previously of the South African Competition Commission)
- (viii) Ralph Winter, U. of British Columbia

The group was supported by Nigel Caesar, of the Canadian Competition Bureau and Cynthia Lagdameo of the U.S. Federal Trade Commission.

Out of discussions within this advisory group, the outline of the event emerged. Key decisions taken by this group involved the event's focus on chief and senior agency economists (one per agency unless space would permit a second; NGAs would not be invited), the use of academic leads for each main discussion topic, the length of the workshop (two full days with working luncheons), the number of major topic sessions (four, with a half day for each) and the organization of each session (involving a presentation by a leading academic, case presentations and open discussion).

The major topic areas selected for this workshop were:

- i) *Unilateral Effects Analysis: Experiences Using Different Methods*
- ii) *Vertical Restraints in Digital Markets*
- iii) *Screening for Cartels*
- iv) *Merger Remedies*

In addition, topics for less formal discussions over lunch were identified:

- v) *Economists in Competition Authorities: Organization, Hiring, Training and Retention*
- vi) *Economists in the ICN: Increasing Engagement and Influence*

With this outline, the organizing team of Nigel Caesar, Renée Duplantis and Tom Ross, supported by event planner Jessie Lam of the Sauder School, moved forward with the detailed planning of the Workshop.

III. Workshop Overview

The main part of the Workshop was organized around the four major topics listed above and consisted of four main sessions of three hours each. About a quarter of each session was taken up with the session's academic lead's introduction and review of the relevant literature. The middle half of each session was then devoted to two case presentations by authority economists, and the final quarter allocated to open group discussion, moderated by the academic lead, in which authority representatives shared experiences and views. A modified version of the Chatham House Rule was invoked – attendees were told they were free to use information provided by any speaker at the Workshop but that they may not identify the speaker or his/her institution.

A copy of the final program is attached here as Appendix 1.

The four academic leads are all globally-recognized experts in their areas. Professor Aviv Nevo, recently moved to the University of Pennsylvania, led the session on unilateral effects; Professor Fiona Scott Morton of Yale University led the session on vertical restraints in digital markets; Professor Joseph Harrington of the University of Pennsylvania led the session on screening for cartels; and Professor John Kwoka of Northeastern University led the session on merger remedies. Short biographies of the academic session leads is provided in Appendix 2.

The luncheon session on economists in competition authorities was discussed by Martine Dagenais of the Canadian Competition Bureau and the luncheon discussion on economists in the ICN was discussed by Nigel Caesar, Renée Duplantis and Tom Ross.

In advance of the workshop, a list of pre-reading materials recommended by the academic session leads was provided (with links) to attendees. This list is included in Appendix 3.

The Workshop included a total of 45 economists. Of this, 34 were chief/senior economists from 31 different ICN-member authorities in 28 different jurisdictions. The other 11 attendees included the academic session leads and other hosts/organizers. A list of all attendees and their affiliations is provided in Appendix 4.

IV. Session Reviews

In this section of the report, we provide a brief overview of the presentations and discussions in each of the workshop sessions. The slides for each presentation can be found in Appendix 5. (Click on opening slide to review the full deck.)

A. Unilateral Effects

Professor Aviv Nevo led the session with an introduction to the use of different techniques to assess unilateral effects in merger reviews. He discussed three different techniques: the use of UPP and GUPPI analyses; the use of cross sectional regression analyses; and the use of merger simulations. For each technique, he discussed the data necessary to implement the technique, the pros and cons of each approach, and a brief case example.

The first case study was presented by Eshien Chong of the Autorité de la Concurrence (France) on “The use of (G)UPPI for assessing unilateral effects.” He discussed the increasing use of these tests in France to gauge risks of unilateral effects but highlighted some of the challenges that have arisen when using these tests in practice. Specifically, he discussed the issues around the estimation of diversion ratios, assessing the appropriate profit margin to use in the analysis and the relevant critical thresholds based on their experiences with the Acquisition of Metrobus by JCDecaux (out-of-home-advertising) and the Acquisition of Darty by Fnac (consumer electronics, cultural product and electrical appliances retailers).

The second case study was a joint presentation by Gaston Palmucci of the Fiscalía Nacional Económica and by Maria de la Luz Domper of the Tribunal de Defensa de la Libre Competencia (Chile). Mr. Palmucci discussed the “GE Appliances Acquisition by AB Electrolux” and the Fiscalía’s use of UPP to quantify the competitive effects. Ms. de la Luz Domper then discussed “Unilateral effects in horizontal mergers: the Chilean experience” focusing on the Tribunal’s challenges in the use of UPPI in the SMU-SdS (supermarkets) merger.

The open discussion generated a lot of comments and questions from the authorities, including:

- It was noted that the US Department of Justice, Antitrust Division has made publically available significant computer code supporting a wide variety of merger simulation models – details were provided to help authorities access this software, which can be downloaded by anyone to run unilateral effects simulations.
- There was a discussion about the right thresholds for a GUPPI test – generally agreed that the case context was important, no set thresholds were supported.

- Some authorities indicated that they would present UPP or GUPPI evidence but judges tended to rely on simple market shares.
- Finally, it was noted that even with UPP, GUPPI and simulations, other inputs will always be important – e.g. corporate documents, surveys – but these models can help organize our thinking.

B. Vertical Restraints in Online Markets

Professor Fiona Scott Morton led the session with an introduction to the different types of online vertical restraints. She discussed the three different types of restraints: those associated with single brand restrictions; those associated with platform restrictions; and those that are a combination of brands and platforms. For each type of restriction she provided an overview of the issue, discussed the leading economics literature and provided case examples of where these restrictions have been challenged.

The first case study was presented by Arno Rasek of the Bundeskartellamt (Germany) on “Price Parity Obligation for Retailers on the Amazon Marketplace.” His presentation covered the Amazon case in detail, including the theories of harm investigated by the authority and the efficiencies considered.

The second case study was presented by Graeme Woodbridge of the Australian Competition and Consumer Commission on “Vertical Restraints in Digital Markets – some case studies.” His presentation covered Tooltechnic’s proposal to impose resale price maintenance on retailers of Festool branded power tools in Australia as well as NARTA’s (buying group) proposal to require member retailers to abide by minimum advertising prices on particular electrical goods.

The open discussion generated significant discussion from the authorities – a few of the major discussion points were:

- There was a discussion of whether it matters who asks for the vertical restraint, the upstream or downstream entity.
- Regarding the German Amazon case it was discussed that this matter also involved issues surrounding search as well as issues surrounding Amazon as a product catalogue (product descriptions / reviews).
- Finally, whether agents single-home (use only one platform) or multi-home (use multiple platforms) is clearly important but that choice is also endogenous.

C. Screening for Cartels

Professor Joe Harrington led the discussion on screening for cartels. His presentation covered the use of screening mechanisms to detect cartel activity. Specifically, he discussed how to screen (techniques for using structural breaks and collusion markers for detection, as well as data anomalies), where to screen (screening markets with a relatively high probability of collusion) and the screening of government procurement auctions.

The first case presentation was given by Liberty Mncube of the Competition Commission of South Africa on “The Commission’s scoping studies and the cement cartel.” His presentation discussed the scoping study the Commission undertook into the infrastructure and construction sector and how those results led to the raids of the market participants and eventual settlement with several firms.

The second presentation was given by Alexis Walckiers of the Belgian Competition Authority on the “Use and limits of sector screening in Belgium.” His presentation discussed the Belgian Price Observatory’s synthetic composite indicator, which is based on profit margins, churn, foreign imports and barriers to entry. Thus far, this indicator has been used for prioritization and advocacy, but it has not uncovered any cartels.

The open discussion generated several comments and questions, including the following:

- About 15 authorities said they were doing some screening but only one had secured a conviction on a case discovered by screening.
- There was agreement that there is a lot of benefit of using screening mechanisms in public procurement auctions and this is where a number of authorities said they were focusing their attention –better data, though it has required agreements with procurement agencies which are sometimes reluctant.
- Finally there was also a discussion on how to distinguish between tacit and explicit collusion.

D. Merger Remedies

Professor John Kwoka led the discussion on merger remedies. In his presentation he covered the use of structural and conduct remedies by competition authorities, as well as several studies on the empirical evidence on merger retrospectives.

The first case presentation was given by Giulio Federico of the European Commission on “The EC experience in merger remedies.” Using recent cases as examples, he focused on the issues of scale (how much capacity or how many product lines would be necessary to divest in order to clear a transaction), scope (which additional assets may need to be included in a remedy package to ensure competitiveness and viability) and the potential for foreclosure (issues related to independence and competitiveness arising from carve-our divestitures and access remedies).

The second case presentation was given by Hi-Lin Tan of the Competition Commission of Singapore on “Merger Remedies: Case Presentation – Singapore.” Using the SEEK/JobStreet Merger as a basis, he discussed Commission’s competition assessment, the structural and behavioural commitments offered and the Commission’s assessment of the remedy package.

During the open discussion, several comments and questions were raised including the following:

- How well do we manage the divestiture process – can we be assured that the best buyer is the one that gets the assets? Often we have little control – buyer might be “friendly”

- Increasingly merging firms are coming to agencies with a proposed fix – the agency has to then fight both the merger and the fix – makes it tempting to take the fix
- Some agencies are doing more work to look back at the effectiveness of the remedies they have secured.
-

E. Economists in Competition Authorities

Martine Dagenais, of the Canadian Competition Bureau led the lunchtime discussion on the role of economists in competition agencies. She specifically spoke about the Canadian Bureau's experiences in hiring, training and retaining economists. She made the following points:

- The economists in the Economic Analysis Directorate are ultimately responsible for all economic theory and quantitative work that is analyzed during the development of cases.
- More recently, the Bureau decided to conduct most of its quantitative work in-house. The two main benefits of this approach has been the enhanced professional development of the economists and the substantial reduction of the cost, relative to outsourcing the work.
- The hiring challenge at the Bureau is that the pool of potential economists with competition experience that could be recruited is limited. As such, the Bureau has hired economists at the Masters level, in addition to some with doctoral degrees.
- Training at the Bureau is mostly conducted on-the-job in the context of enforcement files. However in the past, the agency has leveraged its relationships to have foreign authorities send their skilled personnel to Canada to provide training to Bureau economists.
- Wherever possible, the Bureau offers its economists international training opportunities, as well as the ability to attend any economist-related conferences.

During the lunchtime discussion, various ideas were discussed on recruiting and training economists. Some authorities indicated that: (i) they use executive exchanges; (ii) they provide internal courses to train economists; and, (iii) that they second younger economists to more established agencies to gain experience. While some agencies indicated they give their economists time for their own research, many indicated they could not afford to do so.

F. Economists in the ICN

Nigel Caesar of the Canadian Competition Bureau, Renée Duplantis (formerly of the Canadian Competition Bureau) and Tom Ross from the University of British Columbia led the lunchtime discussion on ICN work products and integrating economists more into the Working Groups of the ICN. To that end, the existing ICN work products were discussed, as well as the history of creating this workshop and possibilities for future workshops and seminars for economists were discussed.

During the lunchtime discussion, feedback was provided on the current shortage of economists active in the ICN and various ways to increase that participation was discussed.

- Many agencies indicated they were not aware of the ICN work products and that most emails from the ICN do not get routed to the economists. As a result, it was suggested that an ICN economists' list-serve be created to keep economists informed of the ICN work products and meetings.
- There was a lot of support expressed for workshops such as this one as well as other means for allowing economists to be more involved in the ICN. For example, there was interest in hosting periodic webinars, with the suggestion that the first webinar should cover the R-based simulation package discussed during the unilateral effects session. Other suggestions included presentations on how to speak economics to non-economists.
- Many agencies agreed that workshops like this one should occur but they should not occur on the margins of the ICN annual meetings as economists rarely get permission to attend those meetings.
- Finally, there was a recognition that the ICN needs more contribution into its work product by economists – and more work product on economics-related issues.

V. Post-Workshop Feedback

A post-Workshop survey was conducted on-line from September 23, 2016 onward with workshop participants from competition authorities. The organizing/host team and the academic leads were not invited to participate in the survey. In the end we received responses from 29 of the 33 eligible participants.

Complete results to the survey are provided below in Appendix 6 and include both the specific responses to the multiple-choice questions posed and the comments provided into comment boxes on the survey. We asked questions related to the design of the Workshop, the organization of individual sessions, the session topics themselves and even included questions on the more informal networking aspects of the Workshop, such as the welcome reception, meals and breaks.

Some key observations from the survey:

- i. Participants enjoyed the event and found it highly valuable.
- ii. They would definitely like it repeated, at least once every two years.
- iii. Participants liked the format, including the combination of academic lead presentations, case studies and general discussion. The use of the luncheons for further organized discussions was also generally appreciated, though the inclusion of some more unstructured time for informal discussions between participants was also suggested.
- iv. While the length of the Workshop drew general approval there was interest by a substantial minority in a slightly longer Workshop.
- v. While many would like to include more junior economists in similar events in the future, there was broad agreement that the number of participants should not get too large.

VI. Conclusions and Next steps – Suggested Plan of Action

In terms of the level of interest, engagement of participants and the quality of the presentations and discussion the Workshop exceeded the expectations of its organizers. It is clear to us that there is a strong desire to provide both economics-focused activities generally and activities specifically targeted for agency economists to supplement other ICN programming. We think that providing more economics-related content will both provide significant value to agency economists and encourage their active engagement with ICN activities more generally (e.g. on Working Group projects).

To achieve this goal, we recommend the following:

- (i) We believe that economics needs a “home” in the ICN structure and we recommend that a specific mandate to support economics-related activities and programs be given to the Agency Effectiveness Working Group;
- (ii) We can start to move toward additional programming by first creating an agency economist list-serve to facilitate discussion and networking;
- (iii) We should work to ensure that ICN materials are received by economists (this does not always happen now we learned);
- (iv) As an initial initiative, we suggest that one or two teleconference sessions be developed over the next year. A topic suggested and well-received at the Workshop was one related to the use of the software provided by the U.S. Department of Justice to conduct merger simulations; and
- (v) Finally, we would like to see work begun soon to develop plans for another chief/senior (or broader) economists workshop to be held, tentatively, within two years. Ideally this will involve an authority, possibly working with a university partner, stepping forward to host and coordinate the event.

List of Appendices Accompanying the Report

Appendix 1: Workshop program

Appendix 2: Short biographies of academic session leads

Appendix 3: Suggested Pre-reading material for attendees

Appendix 4: List of attendees and affiliations

Appendix 5: Major Session Slides

Session 1 Slides: “Unilateral Effects Analysis: Experiences Using Different Methods”

- a. Introduction by Professor Aviv Nevo
- b. Case 1 from France, by Eshien Chong
- c. Case 2 from Chile, by Maria de la Luz Domper and Gaston Palmucci

Session 2 Slides: “Vertical Restraints in Digital Markets”

- d. Introduction by Professor Fiona Scott Morton
- e. Case 3 from Germany, by Arno Rasek

f. Case 4 from Australia, by Graeme Woodbridge

Session 3 Slides: “Screening for Cartels”

g. Introduction by Professor Joseph Harrington

h. Case 5 from South Africa, by Liberty Mncube

i. Case 6 from Belgium, by Alexis Walckiers

Session 4 Slides: “Merger Remedies”

j. Introduction by Professor John Kwoka

k. Case 7 from the European Commission, by Giulio Federico

l. Case 8 from Singapore, by Hi-Lin Tan

Appendix 6: Participants’ survey results

APPENDIX 1



Competition Bureau
Canada

Bureau de la concurrence
Canada



International
Competition
Network

UBC SAUDER
SCHOOL OF BUSINESS

Conference Program

**ICN Chief/Senior Economists Workshop
University of British Columbia
Robson Square Campus
Rooms C150/C180
Vancouver, Canada**

September 12-13, 2016

Program

Sunday, September 11

7:00 p.m.: Welcome reception – Four Seasons Hotel (Chartwell, Main Lobby Level)

Monday, September 12

8:00 to 8:30 a.m.: Continental breakfast on site

8:30 to 8:45 a.m.: Welcome Remarks

John Pecman, Commissioner of Competition, Canadian Competition Bureau

8:45 to 9:00 a.m.: Introductions and review of workshop objectives

9:00 a.m. to 12:00 p.m.: (break at 10:20): Session 1

Topic: Unilateral Effects Analysis: Experiences using Different Methods

Session Leader: Professor Aviv Nevo, University of Pennsylvania

Opening presentation: 40 minutes

Case 1 Presentation (France: Eshien Chong): 40 minutes

Break

Case 2 Presentation (Chile: Maria de la Luz Domper and Gastón Palmucci): 40 minutes

Group Discussion: 40 minutes

12:00 noon to 1:30 p.m.: Working Lunch: Roof, Fairmont Hotel Vancouver

Discussion Topic: Economists in Competition Authorities: Organization, hiring, training and retention

Discussion Moderator: Martine Dagenais, Canadian Competition Bureau

1:30 to 4:30 p.m. (break at 2:50): Session 2

Topic: Vertical Restraints in Digital Markets

Session Leader: Professor Fiona Scott Morton, Yale University

Opening presentation: 40 minutes

Case 3 Presentation (Germany: Arno Rasek): 40 minutes

Break

Case 4 Presentation (Australia: Graeme Woodbridge): 40 minutes

Group Discussion: 40 minutes

**6:30 p.m.: Workshop Dinner – Teahouse in Stanley Park
Bus pick-up at Four Seasons Hotel**

Tuesday, September 13

8:00 to 9:00 a.m.: Continental breakfast on site

9:00 a.m. to 12:00 p.m. (break at 10:20): Session 3

Topic: Screening for Cartels

Session Leader: Professor Joseph Harrington, University of Pennsylvania

Opening presentation: 40 minutes

Case 5 Presentation (South Africa: Liberty Mncube): 40 minutes

Break

Case 6 Presentation (Belgium: Alexis Walckiers): 40 minutes

Group Discussion: 40 minutes

12:00 noon to 1:30 p.m.: Working Lunch: Roof, Fairmont Hotel Vancouver

Discussion Topic: Economists in the ICN: Increasing engagement and influence

Discussion Moderators: Nigel Caesar, Canadian Competition Bureau; Renée Duplantis, Brattle Group; and Tom Ross, University of British Columbia

1:30 to 4:30 p.m. (break at 2:50): Session 4

Topic: Merger Remedies

Session Leader: Professor John Kwoka, Northeastern University

Opening presentation: 40 minutes

Case 7 Presentation (European Commission: Giulio Federico): 40 minutes

Break

Case 8 Presentation (Singapore: Hi-Lin Tan): 40 minutes

Group Discussion: 40 minutes

4:30 p.m. (approx.): Workshop Close

6:00 p.m.: Optional Dinner – Location TBD

APPENDIX 2

Short Biographies of Academic Session Leads

- Aviv Nevo is the George A. Weiss and Lydia Bravo Weiss University Professor at the University of Pennsylvania, with appointments in the Department of Economics in the School of Arts & Sciences and the Department of Marketing in the Wharton School. He is also a Research Associate at the National Bureau of Economic Research and Professor in the Kellogg School of Business. He received his Bsc from Tel Aviv University, and AM and PhD from Harvard University. He taught at the University of California, Berkeley from 1997 to 2004, and was at Northwestern University 2004-2016. His work focuses on empirical industrial organization and econometrics. In 2013-2014, Professor Nevo served as the Deputy Assistant Attorney General for Economic Analysis at the Antitrust Division of the U.S. Department of Justice.
- Fiona M. Scott Morton a Professor of Economics at the Yale University School of Management (SOM), where she has been on the faculty since 1999. Her area of academic research is empirical industrial organization, with a focus on empirical studies of competition in areas such as pricing, entry, and product differentiation. Her published articles range widely across industries, from magazines, to shipping, to pharmaceuticals to internet retailing, and is published in leading economics journals. From 2011-12, Professor Scott Morton served as the Deputy Assistant Attorney General for Economics at the Antitrust Division of the U.S. Department of Justice, where she helped enforce the nation's antitrust laws. At Yale SOM, she teaches courses in the area of competitive strategy. She served as Associate Dean from 2007-10 and in 2007 she won the School's teaching award. She has served in an editing role on various academic economics journals, has won several research grants from the National Science Foundation, and is a Research Associate at NBER. Professor Scott Morton has a BA from Yale and a PhD from MIT, and previously taught at the Graduate Schools of Business at the University of Chicago and Stanford University. She is a frequent speaker at seminars and conferences across the United States and Europe.
- Joseph Harrington is the Patrick Harker Professor at The Wharton School of the University of Pennsylvania. He has published more than 80 articles in economics and antitrust journals, one of which received an Honorable Mention for the Jerry S. Cohen Award for Antitrust Scholarship. He has given many keynote and distinguished lectures including the New Frontiers Lecture in London, the Heath Memorial Lecture at the U. of Florida Levin College of Law, the Competition Policy Lecture at CRESSE, and addresses at the annual meetings of EARIE, the Chilean Economic Association, and the German Economic Association. Professor Harrington has presented his research on collusion and

cartels before various competition authorities including those of Chile, the EU, Japan, South Africa, and the U.S.A. He is a co-author of the textbook “Economics of Regulation and Antitrust” and is the author of a monograph “How Do Cartels Operate?”

- John E. Kwoka is the Neal F. Finnegan Distinguished Professor of Economics at Northeastern University in Boston. He has previously taught at several universities and served in various capacities at the U.S. Federal Trade Commission, the Antitrust Division of the U.S. Department of Justice, and the Federal Communications Commission. Professor Kwoka is a member of the Boards of Directors of the Industrial Organization Society and of the American Antitrust Institute, and a member of the Merger Working Group of the International Competition Network. His book *The Antitrust Revolution*, co-edited with L.J. White, is a compilation of case studies of major antitrust proceedings and is now in its sixth edition. His most recent book *Mergers, Merger Control, and Remedies: A Retrospective on U.S. Policy* evaluates the effects of mergers and the effectiveness of merger control and remedy policy and has recently been published by MIT Press.

APPENDIX 3

Suggested pre-reading material for attendees

Unilateral Effects

Sections 3.4.3 and 3.4.4 (pages 24-34) of “The Role of Economists and Economic Evidence in Merger Analysis”, ICN Merger Working Group, 2013.

Vertical Restraints in Digital Markets

Pages 35-49 of “Online Vertical Restraints Special Project Report” ICN 2015, prepared by the ACCC

Screening for Cartels

Joseph Harrington, “Detecting Cartels” from the Handbook of Antitrust Economics (2008); MIT Press. Recommended sections: Introduction, section 6.1 (but skipping the discussion of specific papers in 6.1.1, 6.1.3, and 6.1.4); skimming through section 6.2; and 6.4.

Joseph Harrington, “Thoughts on why certain markets are more susceptible to collusion and some policy suggestions for dealing with them”, OECD Background paper (2015) - skip section 5 (unless one has an interest in cement cartels)

Hans W. Friederiszick & Frank P. Maier-Rigaud, “Triggering Inspections *ex officio*: Moving beyond a passive EU cartel policy”, *Journal of Competition Law and Economics*, Vol 4 (advanced access 2008). Suggested reading sections IV-VII.

Merger Remedies

ICN Merger Remedies Guide (2016), pages 2-28. (Annexes may be useful as well.)

John Kwoka, “Merger Remedies: An Economic Incentives Perspective”, mimeo, Northeastern University, August 2016.

APPENDIX 4

List of attendees and affiliations

	Country	Name	Authority	Title
1	Australia	Woodbridge, Graeme	ACCC	Chief Economist
2	Austria	Gruber, Johannes	Austrian Comp. Auth	Senior Economist
3	Belgium	Walckiers, Alexis	Belgian Comp. Auth	Chief Economist
4	Brazil	Resende, Guilherme Mendes	CADE	Chief Economist
5	Canada	Caesar, Nigel	Comp. Bureau	Comp Law Officer
6	Canada	Dagenais, Martine	Comp. Bureau	Assoc. Deputy Commissioner
7	Canada	Johnson, Paul	Comp. Bureau	TD Macdonald Chair
8	Canada	Pecman, John	Comp. Bureau	Commissioner
9	Canada	Ross, Tom	Academic	Professor
10	Canada	Duplantis, Renee	Consultant	Principal, Brattle Group
11	Canada	Winter, Ralph	Academic	Professor
12	Canada	Parra, Alvaro	Academic	Assistant Professor
13	Chile	de la Luz Domper, Maria	Tribunal	Economist Judge
14	Chile	Palmucci, Gaston	FNE	Chief, Unilateral
15	Denmark	Røende, Thomas	Comp. & Cons. Auth.	Chief Economist
16	El Salvador	Flores, Gabriella	Super. de Compet.	Coordinator of Anticompetitive Practices
17	El Salvador	Hernandez, Rebeca	Super. de Compet.	Coordinator of Merger Control
18	European Comm.	Federico, Giulio	DG Comp	Head Mergers, CET
19	France	Chong, Eshien	Autorité de la Concurrence	Senior Economist, Office of CE
20	Germany	Rasek, Arno	Bundeskartellamt	Chief Economist
21	Hong Kong	Beling, Dennis	HKCC	Chief Economist
22	Hong Kong	Shiu, Gary	OFCA	Principal Economist
23	Iceland	Þráinsson, Valur	Icelandic Comp. Auth	Economist
24	India	Chakrabarti, Sayanti	Competition Comm.	Joint Director (Economics)
25	Israel	Pnini, Tal	Deputy Chief Economist	Israeli Antitrust Authority
26	Japan	Shimozu, Hideyuki	JFTC	Chief, Economic Analysis Team
27	Kenya	Onyancha, Stellah	Comp. Authority of Kenya	Manager, M&A
28	Lithuania	Kapustaite, Juste	Comp. Council of Rep Lithuania	Chief Expert
29	Mexico	Espino Bravo, Juan Manuel	COFECE	Gen Dir for Economic Studies
30	Mexico	Sandoval, Misael	COFECE	Director of Economic Affairs
31	Netherlands	van Sinderen, Jarig	ACM	Chief Economist
32	Norway	Jørgenson, Tveito	Norwegian Comp. Auth	Acting Chief Economist

Report on ICN Chief/Senior Economists Workshop

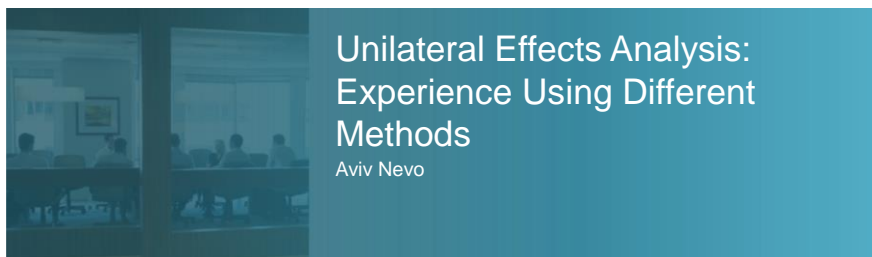
		Andreas		
33	Singapore	Fung, C.H. Herbert	CCS	Director, Business & Economics Division
34	Singapore	Tan, Hi-Lin	CCS	Senior Principal Economist
35	South Africa	Mncube, Liberty	SACC	Chief Economist
36	Spain	García-Verdugo Sales, Javier	CNMC	Chief Economic Advisor
37	Taiwan	Hu, Tzu-Shun	TFTC	Dep. Dir. Dept of Planning
38	Turkey	Sesli, Evren	Turkish Comp. Auth	Senior Competition Expert/Senior Economist
39	USA	Harrington, Joseph	Academic	Professor
40	USA	Jin, Ginger	Federal Trade Commission	Deputy Director, Antitrust
41	USA	Kwoka, John	Academic	Professor
42	USA	Majure, Bob	Department of Justice	Economics Director of Enforcement
43	USA	Nevo, Aviv	Academic	Professor
44	USA	Scott Morton, Fiona	Academic	Professor
45	Vietnam	Tran, Mai Hien	Vietnam Comp. Council	Commissioner, Head VCC Permanent Office

APPENDIX 5

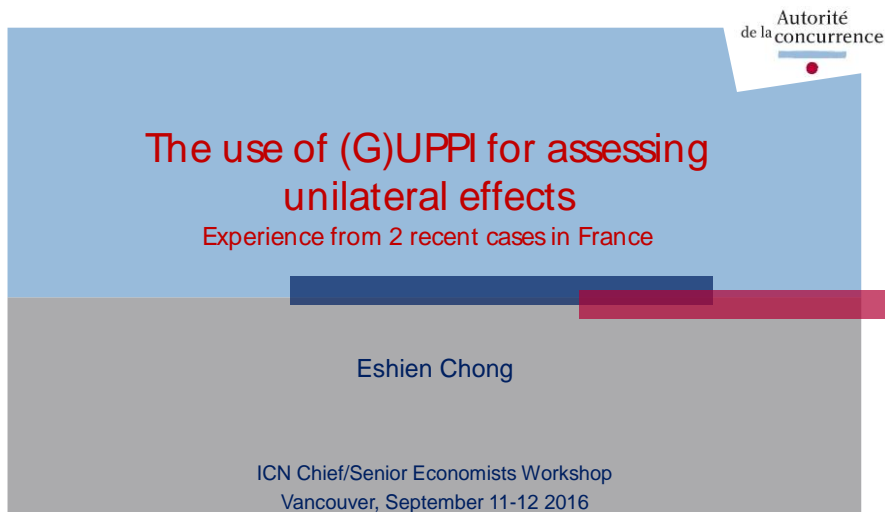
MAJOR SESSION SLIDES

**Click on first slide to begin the power point presentation*

Session 1 Slides “Unilateral Effects Analysis: Experiences Using Different Methods”



Chief Economists Workshop, Vancouver
September 12, 2016



Unilateral effects in horizontal mergers:
the Chilean experience

María de la Luz Domper

Economist Judge TDLC

mdomper@tdlc.cl

September 12, 2016

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**GE Appliances Acquisition
by AB Electrolux**


FISCALIA
NACIONAL
ECONOMICA



Gaston Palmucci
National Economic Prosecutor - Chile

VANCOUVER, SEPTEMBER 2016

Session 2 slides: “Vertical Restraints in Digital Markets”



Yale SCHOOL OF MANAGEMENT

Online Vertical Restraints: an overview


Fiona Scott Morton, Yale University

ICN Chief Economist Workshop 2016
Vancouver, BC

ICN Chief/Senior Economists Workshop

Price Parity Obligation for Retailers on the Amazon Marketplace

Vancouver, 12 September 2016

 Bundeskartellamt

The views expressed are those of the presenter and do not necessarily reflect those of the Bundeskartellamt.

Arno Rasek
Chief Economist
Bundeskartellamt

www.bundeskartellamt.de 12 September 2016



Vertical Restraints in Digital Markets – some case studies

ICN Chief/Senior Economists Workshop

12 September 2016

**Dr Graeme Woodbridge
Chief Economist
ACCC**

Session 3 Slides: “Screening for Cartels”

**Cartel Screening
ICN Chief/Senior Economists Workshop
University of British Columbia**

Joe Harrington

Penn - Wharton

September 12-13, 2016

Joe Harrington (Penn - Wharton) Cartel Screening September 12-13, 2016 1 / 76

The Commission's scoping studies and the cement cartel

ICN Chief/Senior Economists Workshop in Vancouver
September 12-13, 2016

Dr Liberty Mncube
(Chief Economist
Competition Commission South Africa
Libertym@compcom.co.za)

competition regulation for a growing and inclusive economy

competition commission
south africa

1



Use and limits of sector screening in Belgium

12 September 2016
ICN, Vancouver

Alexis Walckiers
Belgian Competition Authority and ECARES-Université libre de Bruxelles

Session 4 slides: “Merger Remedies”

MERGER REMEDIES:

An Economic Incentives Perspective

John Kwoka

ICN Chief Economists Workshop
Vancouver September 2016



The EC experience in merger remedies

ICN CE Workshop
Vancouver, September 2016

Giulio Federico

Head of Unit (Mergers), Chief Economist Team, DG
Competition

Disclaimer: the views expressed are those of the speaker only and cannot be regarded as stating an official position of the European Commission.

Competition



*Tan Hi Lin
Senior Principal Economist
Competition Commission of Singapore*

APPENDIX 6

Participant's survey results

Question 1:	For me the workshop was		
	Was not particularly useful	3.5%	(1)
	Was somewhat useful	3.5%	(1)
	Was very useful	55.2%	(16)
	Was among the most useful conferences/workshops I have participated in over the last few years.	37.9%	(11)
Question 2:	Should this workshop be repeated?		
	Yes	100.0%	(29)
	No	0.0%	(0)
Question 3:	If this is to be repeated regularly, with what frequency?		
	Annually	69.0%	(20)
	Every two years	31.0%	(9)
	At least three years in between	0.0%	(0)
Question 4:	There were just under 50 attendees at the Workshop.		
	This was too many people - fewer would be better.	0.0%	(0)
	This was a good size, but would not want it to be much bigger.	82.8%	(24)
	The workshop could be much bigger (e.g. 100) and be as useful.	17.2%	(5)
Question 5:	If it is to be repeated should attendance be open to more junior agency economists?		
	Yes, even if this means the number of attendees is substantially larger	17.2%	(5)
	Yes, but the overall size of the workshop should be controlled	48.3%	(14)
	No, there is value to a meeting of only chief or senior economists - there could possibly be different meetings involving junior economists.	34.5%	(10)
Question 6:	Was the application of the Chatham House Rule appropriate for this workshop?		
	Yes	100.0%	(29)
	No	0.0%	(0)

Question 7:	Length of the whole workshop (2 full days):		
	It was too short, better to add another 1/2 or full day.	31.0%	(9)
	It was about the right length.	69.0%	(20)
	It was too long, better 1 or 1.5 days	0.0%	(0)
Question 8:	We had four main sessions, each was three hours. On the length of each main session (i.e. not including the luncheon discussions):		
	Three hours was too much time for each topic	3.5%	(1)
	Three hours was about the right amount of time for each topic	96.6%	(28)
	Three hours was not enough time for each topic	0.0%	(0)
Question 9:	On the design of the sessions - each main session had three components: a presentation by the academic Session Lead, two case presentations, and a group discussion period. (You may check more than one answer to this question.)		
	This design was good, keep all components	96.6%	(28)
	Remove or reduce the presentation by the academic Session Lead	6.9%	(2)
	Remove or reduce the case presentations	0.0%	(0)
	Remove or reduce the time for general discussion	0.0%	(0)
	I have an idea for an additional component; see my comment in the comment box below	3.5%	(1)
Question 10:	Working luncheons - we used the luncheons to discuss other issues. Was this a good idea or would it be better to leave the luncheon time for individual conversations and networking?		
	It was a good idea to use the luncheon time for further group discussions.	42.9%	(12)
	It would have been better to let participants use the luncheon for individual conversations and networking.	28.6%	(8)
	It would have been best to have one working luncheon and one luncheon without a group discussion.	28.6%	(8)
Question 11:	Was “Unilateral effects” a good topic?		
	Yes	96.6%	(28)
	No	3.5%	(1)

Question 12:	Was “Vertical restraints in on-line markets” a good topic?		
	Yes	93.1%	(27)
	No	6.9%	(2)
Question 13:	Was “Screening for cartels” a good topic?		
	Yes	86.2%	(25)
	No	13.8%	(4)
Question 14:	Was “Merger remedies” a good topic?		
	Yes	89.3%	(25)
	No	10.7%	(3)
Question 15:	Was having the welcome reception the night before a good idea?		
	Yes	82.1%	(23)
	No	17.9%	(5)
Question 16:	Was having a group dinner on the first night a good idea or would it be better to let attendees do what they wish for dinner?		
	Yes - group dinner a good idea	96.6%	(28)
	No - group dinner not a good idea	3.5%	(1)
Question 17:	Was having an optional dinner on the second evening a good idea?		
	Yes	79.3%	(23)
	No - there is no need for an optional dinner	17.2%	(5)
	No - there should be a dinner, but everyone should be encouraged to attend (i.e. not optional)	3.5%	(1)
Question 18:	Were coffee and lunch breaks long enough?		
	Yes, both were long enough	96.6%	(28)
	Coffee breaks long enough, lunch not long enough	0.0%	(0)
	Lunch long enough, coffee breaks not long enough	0.0%	(0)
	Neither were long enough	3.5%	(1)