

Council of the Competition Commission

**Minutes of the 91st meeting held in Hearing Room 5
Monday 21 March 2011**

Present:

Council Members

Peter Freeman CBE, QC (Chairman)
Laura Carstensen
Peter Davis
Grey Denham
Dame Patricia Hodgson
David Saunders
Lesley Watkins
Roger Witcomb

In attendance

Jonathan Blackburn (for item 8)
Roland Green
Rebecca Lawrence
Rachel Merelie
Gail Scott
Caroline Wallace

1. Minutes from the meeting on 24 January 2011 (Item 1)

1.1. The minutes from the last meeting were approved.

2. Chairman's Report (Item 2)

2.1. The Chairman provided an oral report on recent events.

2.2. The European Commission had announced that Kai Uwe Kühn would become the new chief economist at DG Comp in May 2011.

2.3. Institutional reform would be discussed as a separate item. It was noted that competition authorities around the world were aware of the institutional reform debate and awaited the outcome of the consultation with interest.

2.4. A recommendation had gone to BIS Ministers regarding the appointment of the new CC Chairman, but the successful candidate had not yet been announced.

2.5. It was Peter Freeman's last Council meeting as CC Chairman. Council gave their warm thanks and appreciation for his hard work and valuable contribution over the last five years.

3. Chief Executive's Report (Item 3)

3.1. The Chief Executive presented his written report to the Council.

3.2. Since the last meeting it had been announced that BAA had not been granted leave to appeal from the Supreme Court. The BAA inquiry group would therefore continue

with the implementation of its remedies and intended to issue provisional conclusions in March 2011.

- 3.3. The two market investigations, Buses and Movies on Pay TV were heading towards provisional findings. The CC also had four mergers at various stages in the timetable, so the inquiry teams were currently very busy.
- 3.4. There were no new referrals expected on the immediate horizon, however, Ofcom had published its decision on mobile termination rates on 15 March 2011, which sets a charge control on mobile call termination rates for the next four years. This decision could potentially be appealed or intervened by several different parties. The appeal would then go through the CAT stage, where they would decide whether there were price control matters to be referred to the CC. If so, the CC might expect to receive one or more references in the autumn.
- 3.5. The CC was predicted to complete the financial year within its budget, which was a success given the pressure on spending and workload.

4. Review of Council risk register (Item 4)

- 4.1. The updated Council Risk Register was presented for discussion. The most significant risk currently facing the CC related to institutional change and the outcome of the consultation. This would be discussed as a separate item.

5. Update on institutional change (Item 5)

- 5.1. The Chief Executive gave an oral update on institutional change.
- 5.2. The BIS consultation document 'A competition regime for growth' had been published on 16 March 2011, with a closing date for response of June 2011. Ministers were expected to announce their decision on the issues covered by the consultation in the autumn.
- 5.3. The Chief Executive gave an outline of the key issues published in the consultation document to Council. This information had also been presented to staff at a Chief Executive seminar the week before. The policy team would be holding workshops inviting staff and members to contribute to the debate; the feedback from the workshops would be considered by the policy team when drafting the CC's official response.
- 5.4. The visit by the BIS Minister, Edward Davey, to meet staff, had been postponed to a later date.
- 5.5. The CC would be meeting with the OFT to discuss where there might be consensus from the two organisations in their response, although it was noted that both organisations would be submitting separate responses to the consultation. Senior members of staff would continue to meet other interested stakeholders to aid in the preparation of the CC's response.
- 5.6. It was agreed that it was important that staff should continue to be kept fully informed about the debate and that the CC should start to prepare people for possible future change. HR were asked to consider what additional training and development might be needed to ensure that staff were given full opportunity to refresh their current knowledge and also increase their skills in topics that might be valuable to a new authority.

6. Institutional reform: plans for engaging with stakeholders and responding to the consultation document (Item 6)

- 6.1. Council was presented with a paper from the policy team setting out how the CC planned to engage with its stakeholders before responding to the consultation document.
- 6.2. The CC had held a successful event on 15 March to debate the issues. CC members had also been consulted at the members' seminars in November 2010 and February 2011.
- 6.3. John Kirkpatrick would be appointed as Director of Policy at the end of March and would be responsible for collating the views of CC stakeholders, members and staff, and drafting the CC's official response. A draft response would be presented to Council at its next meeting in May 2011.

7. CC Business Plan 2011-12 (Item 7)

- 7.1. Council was presented with the final draft Business Plan for 2011/12. Council provided comment on the plan and suggested some minor changes. Subject to these changes Council approved the plan; it would be published on the website in early April 2011.

8. International work programme (Item 8)

- 8.1. Jonathan Blackburn presented the international work programme papers. Council supported the draft 'Best Practices on Cooperation in Merger Review' paper. The paper would now go to SMT, P&P and then back to Council for final approval.

9. Finalising guidance on conflicts of interest (Item 9)

- 9.1. Council approved the guidance; it would be published on the CC website shortly.

10. Review of travel and subsistence policy (Item 10)

- 10.1. The travel and subsistence policy for members and staff was presented to Council and Council was asked to consider if there should be any change made to the policy. Council considered the policy and agreed that given that members carried out an excellent service for relatively little cost, compared with full time expert staff or consultants, the travel and subsistence policy should not be changed.

11. Any other business

- 11.1. There was no other business.