

Pierre Buigues and Patrick Rey (eds)
The Economics of Antitrust and Regulation in Telecommunications
 —Perspectives for the New European Regulatory Framework
Edward Elgar, 2004, 576 pages
 ISBN 1843765101

This book is a fascinating but curious publication which will delight specialists and may infuriate other readers. First, it is not really a book at all—it is a record of a conference held in Brussels in September 2002. So it gives a genuinely interesting one-time snapshot of the views of various opinion-makers and commentators at that time. This is made quite clear in the book's subtitle and in the Foreword, but it would be a mistake to buy this book in the expectation of its being a textbook on the subject matter indicated in its main title.

Late 2002 was a crucial time in the development of the communications industries across Europe. In March of that year, the European Commission had adopted a series of directives designed to build on the liberalisation of European telecoms markets. The rules-based approach which had driven liberalisation and harmonisation in telecoms was to be replaced by a flexible framework, derived more closely from competition law. Regulatory measures in future would be based on identification of so-called "relevant markets", an assessment of market power in those markets, and application of appropriate regulatory remedies to players with market power. The remedies were to be selected from a menu of possible remedies contained in the directives. The whole process was to be undertaken in each EU member state by the national regulatory authority (such as the UK's Oftel (now Ofcom) or Germany's RegTP).

This is the context for the conference which the book records. What of its substance? The first point to note is that the authors are generally either academics or officials of the European Commission. Most of the authors were involved in the creation of the 2002

regulatory framework, either directly or as advisers. The contributions of the various authors reflect this. Chapters by EC officials tend to be rigorous records, carefully put together, written in a balanced way, tending towards the historical, and sometimes just slightly bland. For example, for those readers interested in the background to the 2002 directives and the policy which sits behind them, Pierre Buigues's excellent chapter, "The Competition Policy Approach" provides the best account I have seen. Similarly, for the background to the Commission's approach to defining relevant markets, you could do no better than Christian Hocepiéd's description in chapter five. (Note that Hocepiéd's paper is updated from the original conference to take into account the Commission's recommendation on relevant markets, which was not issued until February 2003). The chapter by Lambros Papadias on collective dominance is a highly balanced account of a difficult issue.

Chapters by contributors from an academic background are slightly different in tone. As one would expect, these chapters tend to be more didactic and are generally focussed on some quite specific economic issues. They are sometimes controversial and can make for more stimulating reading. For non-specialists they will also sometimes be difficult to follow and, for readers not directly interested in mathematical expressions of economic concepts, otiose. Consider, for example, the chapter on market definition in telecoms by Jordi Gual of IESE Business School, Barcelona. The chapter provides a useful overview of some of the issues, elucidates some concepts with mathematical formulae, and also focuses on some specific areas. One of these issues is that of market definition in the context of call termination on mobile telephony. There are some important points made here. For casual readers, it is important to note that, unlike in the chapters by Commission officials, the views expressed in other chapters cannot be said

to be in any way representative of Commission policy, of views held within the commission or, necessarily, prevailing wisdom elsewhere. Equally, to be fair to publishers and authors alike, no such claims are made.

Other chapters—Martin Cave's excellent summary of economic issues raised by the regulatory framework is the best example—manage to tread the fine line between the limpid, balanced approach of a civil servant and the more discursive, adventurous commentary of some of the academic contributions. These chapters are the most rewarding for the reader.

The book is graced by an introduction from Mario Monti and topped off by nearly 200 pages of primary source materials (mostly directives). This latter section is quite unnecessary in a publication which makes no claim to being a reference work. The materials are all available on the web. The vast majority of readers will already be familiar with them and will not be delighted by the need to keep yet another copy on their bookshelves.

The conference of September 2002 which this book records would have been a fascinating and highly topical event. A lot of the book is still relevant and there is very little which can be said to be wrong or disproven by the passage of time. Equally, however, it does not generally reflect the considerable developments since then.

This book will provoke admiration from telecoms-regulation specialists and others with an interest in abstruse areas of industrial policy. It provides a valuable historical record of an important time in the development of telecoms regulation. However, from today's perspective, some two years on from the conference which it records, it is, to a degree, superseded by events. It is therefore more properly described as interesting rather than useful.

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