Introduction: Antitrust and Regulatory Update

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This issue marks the eighth year of a special feature of the *Review of Industrial Organization*: “Antitrust and Regulatory Update”. As has been true for the past few years, I asked the Chief Economists of the US Department of Justice’s Antitrust Division (DOJ), the Federal Trade Commission (FTC), the Federal Communications Commission (FCC), and the DG Competition of the European Union (DGComp) to write essays about the interesting aspects of the important antitrust and regulatory issues that confronted their agencies during this past year. I am pleased to report that all four individuals responded affirmatively, and the essays in this issue of the *Review* (all co-authored with career economists at their respective agencies) are the products of their affirmative responses.

As has been reflected in previous essays from these agencies, mergers and merger policy continue to be important for all four economics groups. The DOJ, FCC, and DGComp essays provide the economic analyses that were applied in the assessments of recent proposed mergers that came before their respective agencies. The FTC, in contrast, provides retrospective analyses of some past hospital mergers that had been consummated. This last essay reports, among other things, that not-for-profit hospitals appear to be as inclined to raise prices when given the market-power opportunity as are their for-profit brethren, and that hospital competition can be quite localized.

The essays from the other three agencies also address non-merger antitrust and regulatory issues. DGComp reports on a reformulation of the European Union’s approach to exclusionary actions by “dominant firms”, as well as the Commission’s prosecution of its *MasterCard* multilateral interchange fee case. The DOJ reports on its competition advocacy program, as well as its *amicus* brief in a case involving “reverse

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payments” with respect to a pharmaceutical patent settlement. And the FCC reports on the National Broadband Plan, which the agency is mandated to deliver to Congress in February 2010.

This brief summary cannot, of course, do adequate justice to the interesting analyses and discussions that are to be found in all four essays in this issue; but I hope that I have sufficiently stimulated the curiosity and interest of readers so as to encourage them to read the complete essays. As has been true in past years, *RIO* readers will find that reading these essays at greater length will be well worth their time.