Competition Policy in the European Union

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and

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Preface

This book has been written for the uninitiated who have had little occasion to delve into the workings of Directorate-General IV of the European Commission, the body in charge of European competition policy. We know from our own experience that very many students approach the European Union's restrictive practices policy, the regulation of European mergers and acquisitions, and the control of European monopolies, with trepidation. This is not at all surprising. The literature on competition policy is immense, and frequently assumes a legal or economic background. It often seems too arcane or technical for non-specialists, and many are understandably put off as a result.

Contrast this perception of the European competition regime with the coverage the policy gets in the specialist European and financial press. Here, European competition policy is often identified as one of the most 'sexy' of the European policies. Indeed, the role of the European Commission, which involves so-called 'dawn raids' on the offices of allegedly miscreant firms and the imposition of massive fines on multinational companies, which has serious implications for national and regional industrial and economic policies, and which places the policy firmly at the heart of the single market project, serves to make the European competition regime a potentially controversial and highly political and politicised policy field.

Herein lies the justification for our book. Given the gap that exists between these two very different perceptions of European competition policy, we realised that there was also a gap in the literature. As authors of this book, we are convinced that European competition policy is no more complex or 'technical' than any other European policies. Our mission, then, was to write an introductory study of the policy that would be accessible to students of all disciplinary backgrounds, and anyone else with an intellectual or professional interest in the subject, without losing any sense of its complexity. It aims to invite a new audience to explore what is truly a fascinating aspect of the EU's work.

Two stylistic points are worthy of note at this point. First, assuming it is ratified, The Treaty of Amsterdam will result in the renumbering of many of the treaty provisions referred to in this book. Where this is the case the pre-Amsterdam numbering is used in the text, with the new post-Amsterdam changes given in square brackets immediately following. Second, the series style is to use European Union (EU) throughout except when referring to a specific constituent organisation or exclusively to a period before the creation of the EU in November 1993.

The book itself is based on our own separate original research, and has thus built upon our different interests and expertise. During the time we have spent working on competition issues we have inevitably built up a huge debt of thanks to numerous people who have informed, inspired and supported us in this project. While a comprehensive list would require a book in itself, we would particularly like to thank Stephen Wilks, without whom neither of us would be working on competition policy; Steven Kennedy and Neill Nugent for their constructive criticism and gentle encouragement; all those who gave their time to offer advice on individual chapters; and, most importantly our families, especially Lynn and Oliver, and our friends and colleagues, for their patience and moral support, particularly during the latter stages. It only remains to be said that all errors within the book remain, as ever and forever, on the consciences of the authors alone.

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List of Abbreviations

ABA	American Bar Association
BEUC	European Bureau of Consumers' Unions
BKartA	Bundeskartellamt (German Federal Cartel Office)
CEECs	Central and East European Countries
CET	Common External Tariff
CFI	Court of First Instance
CLP	Competition Law and Policy Committee (of the GATT)
CMLR	Common Market Law Reports
DG	Directorate-General
DGI	Directorate-General I (formerly covering all external relations matters)
DGII	Directorate-General II (Economic and Financial Affairs)
DGIII	Directorate-General III (Industry)
DGIV	Directorate-General IV (Competition)
DGVII	Directorate-General VII (Transport)
DGXIII	Directorate-General XIII (Telecommunications)
DGXVI	Directorate-General XVI (Regional Policies and Cohesion)
DGXVII	Directorate-General XVII (Energy)
DTI	Department of Trade and Industry (UK)
EC	European Community
ECJ	European Court of Justice
ECO	European Cartel Office
ECR	European Court Reports
ECSC	European Coal and Steel Community
ECU	European Currency Unit
EEA	European Economic Area
EEC	European Economic Community
EFTA	European Free Trade Association
EP	European Parliament
EU	European Union
EURATOM	European Atomic Energy Community

FTC	Federal Trade Commission (US)
GATT	General Agreement on Tariffs and Trade
GNP	Gross National Product
G7	Group of Seven (industrialised countries)
IEM	Internal Energy Market
IT	Information Technology
ITO	International Trade Organisation
KPN	Dutch Post Office
LS	Legal Service (of the Commission)
MCR	Merger Control Regulation
MEP	Member of the European Parliament
MMC	Monopolies and Mergers Commission
MTF	Merger Task Force
NAFTA	North American Free Trade Association
NCA	National Competition Authority
NTB	Non-Tariff Barrier
OECD	Organisation for Economic Cooperation and Development
OFGAS	Office of Gas Supply
OFT	Office of Fair Trading
OFTEL	Office of Telecommunications
OFWAT	Office of Water Supply
OJ	Official Journal
PHARE	Poland-Hungary Aid for Economic Reconstruction
PTO	Post and Telecommunications Office
R&D	Research and Development
SEA	Single European Act
SEM	Single European Market
SG	Secretariat-General
SME	Small and Medium-Sized Enterprise
TENs	Trans-European Networks
TEU	Treaty on European Union (Maastricht Treaty)
UK	United Kingdom
UNCTAD	United Nations Conference on Trade and Development
UNICE	European Employers' Association
US	United States (of America)
WTO	World Trade Organisation