



**School of Arts
and Social Sciences**
CITY UNIVERSITY LONDON

CENTRE FOR COMPETITION AND REGULATORY POLICY (CCRP)

THE BRITISH UTILITY REGULATION MODEL: BEYOND COMPETITION AND INCENTIVE REGULATION?

9.30am - 5pm

Monday, 31 March 2014

New Academic Building, NAB.LG.01

London School of Economics and Political Science

The Littlechild Report was published over 30 years ago. It represented a landmark in thinking about the regulation of telecommunications and other utility industries. It also left a significant policy impact with a legacy that includes independent regulatory institutions, incentive based regulation and a focus on the role of competition. This model became the standard recipe for utility reforms in the UK, the EU and globally.

Three decades later, the discussion about how to regulate infrastructures is characterized by a considerable degree of uncertainty as to the way ahead. Regulatory instruments and strategies as well as the role of competition are under challenge across sectors and jurisdictions. Similarly, the boundaries that distinguish independent regulatory and competition authorities from other organizations and from government policy have become more blurred, while the landscape of regulated firms has also changed considerably.

This one-day conference reflects on the legacy and contemporary relevance of the Littlechild Report. It brings together leading practitioners and scholars to discuss the current challenges in utility regulation across different sectors in the UK, the OECD world and in the context of developing countries.

PROGRAMME

Time	Session	Chair
09.30	Registration at NAB.LG.01	
10.00 – 11.15:	Session 1: British Utility regulation – Lessons from Three Decades of reform	Martin Lodge, LSE.
	<i>Speakers:</i> Jon Stern CCRP, City University, Stephen Littlechild, EPRG, Cambridge University & Martin Lodge, LSE.	
COFFEE		
11.30 – 13.00	Session 2: UK Experience since 2003 and Outlook	Xeni Dassiou, Director CCRP, City University, London
	<i>Lead speaker:</i> Chris Bolt	
	<i>Panelists:</i> Martin Cave, Imperial College, Cathryn Ross, Ofwat, Richard Price, ORR, & Tony Prosser, Bristol University.	
LUNCH		
13.45 - 15.15	Session 3: EU and OECD Experience and Outlook	Frank Vibert, LSE.
	<i>Lead speaker:</i> Pierre Larouche, University of Tilberg & CERRE.	
	<i>Panelists:</i> Alberto Potoschnig, ACER, Annetje Ottow, University of Utrecht, Mark Thatcher, LSE, Jonathan Mirrlees-Black, RARE Infrastructure & UCL Australia, & Bruce Mountain, CME Australia & Victoria Univeristy.	
COFFEE		
15.30 – 17.00	Session 4: Developing Countries Experience and Outlook	Geoffrey Myers, LSE & Ofcom.
	<i>Lead speaker:</i> Katherina Gassner, World Bank.	
	<i>Panelists:</i> Ian Alexander, CEPA, Jacint Jordana, Pompeu Fabre University & Liam Wren-Lewis, Paris School of Economics.	
17.00	Conclusion by Jon Stern and Martin Lodge. Followed by reception	

SPEAKER PROFILES

Ian Alexander is a Director at Cambridge Economic Policy Associates. He is a regulatory economist who has worked across regulated utility and infrastructure sectors in developed, transitional and developing countries. Ian has specialised in the area of regulatory finance, particularly in issues regarding the cost of capital and asset valuation. At CEPA, Ian is involved in regulation and competition, especially in the areas of water as well as energy and transport.

Chris Bolt has worked in the field of economic regulation for more than twenty years, holding senior roles in both the public and private sectors.

An economist, he joined the Government Economic Service in 1975 and worked in a number of departments, including HM Treasury. After working on water privatisation, he held senior roles at Ofwat (1989-1994), the Office of the Rail Regulator (1994-1999, including a short time as the interim Regulator), and Transco plc (1999-2002). Most recently, he was the statutory Arbiter for the London Underground Public-Private Partnership Agreements (2002-2011), and the first Chairman of the Office of Rail Regulation (2004-2009). He was a member of DfT's expert group on airport regulation (2008-2009) and of the Advisory Board for the Rail value for money study (the McNulty review, 2010-2011). He was also a member of the Advisory Council of Infrastructure UK from 2009-2013. Chris now provides independent regulatory advice to both companies and regulators. He is the independent expert on the Steering Group for the current HMT/BIS review of regulation.

Martin Cave is a regulatory economist specialising in competition law and network industry. He has held professorial positions at Warwick Business School and Brunel University. In 2010/11 he was BP Centennial Chair at the London School of Economics. He is now Visiting Professor at Imperial College Business School. Since 2012, he has been Deputy Chair of the Competition Commission.

Xeni Dassiou is Reader in Economics at City University London. She is also Director of the Centre for Competition and Regulatory Policy at City University. She specialises on regulation and competition policy. Her wider research interests are in industrial organisation theory and competition policy. Her publications focus on the theme of transactions bundling as an instrument of price discrimination.

Katharina Gassner is a Senior Economist of the World Bank's Sustainable Development Network. She is an expert in network regulation and has worked in various areas relating to infrastructures, including policy and sector reform advice, public-private service delivery options, applied regulatory studies and econometric research. Before joining the World Bank in 2003, Katharina worked for OXERA.

Jacint Jordana is professor of Political Science and Public Administration at the Universitat Pompeu Fabra. He has a PhD in Economics (Universitat de Barcelona, 1992). He has been visiting fellow at the Australian National University, Wissenschaftszentrum Berlin, University of California (San Diego) and Konstanz University. From 2005 to 2010 he was co-chair (together with David Levi-Faur) of the *ECPR standing group on Regulatory Governance*. Currently, he is director of the Institut Barcelona d'Estudis Internacionals (IBEI), an inter-university research institute devoted to international studies. His main research area is focused to the analysis of public policies, with special emphasis being laid on regulatory policy and regulatory governance (see <http://www.globalreg-project.net/>).

Pierre Larouche is Professor of Competition law at Tilburg University and Vice-Director of the Tilburg Law and Economics Centre (TILEC). he is also Professor at the College of Europe (Bruges) and the Institut d'Etudes Politiques in Paris. His teaching and research interests include competition law, telecommunications law, media law, European Community law and common European law of torts. He is also one of the chief editors of the *Journal of Network Industries*.

Stephen Littlechild was a member of the Monopolies and Merges Commission from 1983 to 1988 and Director General of Electricity Supply from 1989 to 1998. Since 1999, he has been an international consultant on privatisation, regulation and competition, especially in electricity and telecommunications sector. He is Emeritus Professor at the University of Birmingham, where he was previously Professor of Commerce (1975-1994) and Honorary Professor (1994-2004).

Martin Lodge is Professor of Political Science and Public Policy at the Department of Government and incoming Director of the Centre for Analysis of Risk and Regulation at the London School of Economics.

Jonathan Mirrless-Black is a management consultant and investment analyst with a particular focus on energy, infrastructure and environmental markets. advised on strategic energy industry issues in the UK, Eastern and Western Europe, Asia and Latin America. He is also Visiting Professor at UCL Australia.

Bruce Mountain is Director at CME Australia and a doctoral researcher on energy regulation in Australia at Victoria University. He is an energy economist with a specialisation in the economic regulation of networks, the design of electricity markets and renewable energy policies. He has mainly worked in Australia, Britain and South Africa, and offered advice to energy regulators, government departments, industry and its associations, energy users and their associations, lenders, investment banks and other organisations.

Geoffrey Myers is a Visiting Professor in the Department of Government at LSE and Director of Competition Economics at Ofcom. He has been an economist in competition and regulatory analysis since 1991. Prior to Oftel and Ofcom, he worked at the Office of Fair Trading and the Jamaican Office of Utilities Regulation (the independent cross-sector regulator for electricity, telecoms and water).

Annetje Ottow is Professor of Public Economic Law at the University of Utrecht. She concentrates on the fields of market regulation and regulators, competition and European law. Her current work focuses on independent regulators, with a specific focus on the institutional design and the supervisory and enforcement instruments used. Annetje was Vice President and Non-Executive Board member of OPTA, the former Dutch post and telecommunications authority. She was appointed non-executive director of the UK Competition and Markets Authority(CMA) in July 2013.

Alberto Pototschnig, an economist and econometrician by training, is the first Director of the European Agency for the Cooperation of Energy Regulators, established pursuant to Regulation (EC) no. 713/2009. Before joining the Agency, he was a Partner in Mercados EMI, an international consultancy specialising in the energy sector, where he served as CEO and Deputy Chairman. He previously served as Director of Electricity Regulation in the Italian Energy Regulatory Authority (AEEG), as the first CEO of the Italian Electricity Market Operator and as adviser to the Italian Government. Since 2004, he has been an adviser at the Florence School of Regulation, where he regularly teaches on energy regulation.

Richard Price is Chief Executive of the Office of Rail Regulation. Richard has worked as a policy advisor and economist in public and private sectors since the late 1980s. He has spent a large part of his career at the Treasury, he was chief economist at the Home Office and at Defra where he developed the policy framework for reducing carbon emissions across government. He was non-executive director of Etc Venues Limited. After a stint in the Prime Minister's Strategy Unit, Richard led industrial policy at the Treasury. Across public and private sectors, Richard had worked on business finance, policy and regulation, advising businesses and government on economic regulation and the finance of large infrastructure projects and utilities.

Tony Prosser is Professor of Public Law at the University of Bristol and Visiting Professor at the College of Europe in Bruges. He has written extensively on regulation of utilities and other regulatory institutions; his most recent major publications are *The Regulatory Enterprise* (OUP 2010) and *The Economic Constitution* (OUP 2013). He is currently working on allocation of public expenditure and models of economic constitution. His main teaching interests are administrative law and social and legal theory.

Cathryn Ross became Chief Executive of Ofwat in October 2013. Before that she was Executive Director of Markets and Economics at the Office of Rail Regulation (ORR), where she led the latest rail regulatory review and was responsible for ORR's work in the areas of access, competition and consumer policy. Cathryn is an experienced regulatory and competition economist and has worked across a number of different sectors advising on economic, regulatory and competition issues. She has served with the Competition Commission, and has held board-level positions at the Office of Rail Regulation, and previously at Ofwat. She was Director of Markets and Economics at Ofwat between 2008 and 2011.

Jon Stern is an Honorary Visiting Professor and a founder member of the Centre for Competition and Regulatory Policy in the Department of Economics at City University London. He has been a Competition Commission Panel Member since 2013. Jon has been a Senior Advisor at CEPA (Cambridge Economic Policy Associates) and NERA (National Economic Research Associates). He is an Associate Researcher at EPRG, Cambridge and at the LSE CARR Centre. He is currently a member of the ORR academic panel and regularly works as an economist peer reviewer for a range of institutions. He has published many academic papers on infrastructure industries and their regulation.

Mark Thatcher is Professor of Comparative and International Politics, Department of Government, London School of Economics. He studied at Oxford and also qualified as a Barrister. His research expertise lies in comparative public policy and regulation in Europe, and specifically; regulation of network industries; independent regulatory agencies; EU policy making and regulation; regulation of sovereign wealth fund investment; heritage policy and regulation of historic buildings. Recent publications include: *Internationalisation and Economic Institutions: Comparing European Experiences* (Oxford University Press 2007/9), which won the 2008 Charles Levine Prize awarded by the International Political Science Association, 'The creation of European regulatory agencies and its limits', *Journal of European Public Policy* 18:6 (2011) 790-809 and 'European Commission merger control: Combining competition and the creation of larger European firms', *European Journal of Political Research* (online 2013).

Frank Vibert is Senior Visiting Fellow at the Department of Government at the London School of Economics. He is the founder director of the European Policy Forum and he was senior advisor at the World Bank and senior fellow at the United Nations University WIDER Institute, Helsinki. His publications include *Democracy and Dissent, The Rise of the Unelected*.

Liam Wren-Lewis is a Research Fellow at the Paris School of Economics. His research has focused on the ways in which infrastructure regulation in developing countries needs to be different from that in more developed countries. He completed his PhD at the University of Oxford under the supervision of John Vickers, and prior to his current position was an economist in the Ministry of Finance in Malawi.