



Competition and Regulation European
Summer School and Conference (CRESSE)
Rhodes, Greece

C R E S S E 2 0 1 1

**Sixth International Conference on
Competition and Regulation**

1-3 July 2011
Rhodes, Greece

RODOS PALACE Luxury Convention Resort

CONFERENCE THEME:

*Advances in
the Analysis of Competition Policy and Regulation*

2011 CONFERENCE POLICY LECTURE:

Professor Jacques Crémer (Toulouse School of Economics)

J-J LAFFONT LECTURE:

Professor Michael D. Whinston (Northwestern University)

Organised by



**Athens University of
Economics and Business**



Who we are:

CRESSE is a Network of academics and professionals, practicing in Competition or Regulatory Authorities, Consultancies and Legal Practices, with an interest in Competition Policy and Sectoral Regulation. It was initiated by Prof. Y. Katsoulacos in 2005. The specific format and content of the CRESSE Summer School and Annual Conference has been influenced by the suggestions and ideas of a large number of people. Special mention should be made of Prof. M. Motta, Prof. Patrick Rey and Prof. D. Ulph.

The objective of CRESSE is threefold:

- (i) To organize an annual Conference in which some of the latest research in the areas of Competition and Regulation is presented and discussed;
- (ii) To organize an annual Summer School in which Visiting Faculty from a large number of European and US Universities, give the opportunity of high quality training to practitioners of competition policy and sectoral regulation that wish to be acquainted with the new economic literature and the recent legal developments;
- (iii) To disseminate research in the areas of competition policy and regulation and to contribute, through the organization of Round Tables, to public debates on specific policy issues.

Management:

The institution responsible for organising and administering CRESSE is the Athens University of Economics and Business (AUEB). Responsible for day-to-day management is Prof. Y. Katsoulacos (AUEB).

Conference and School Scientific Committee:

The CRESSE Scientific Committee consists of Prof. Joe Harrington, Johns Hopkins University (2010 -), Prof. P. Rey, University of Toulouse (2006 -), Prof. D. Ulph, University of St. Andrews (2006 -), Prof. P. Regibeau, University of Essex (2010 -), and Prof. Y. Katsoulacos, AUEB (2006 -), who also acts as Chairman and Coordinator. Prof. M. Motta (Barcelona Graduate School of Economics) was a member of the Scientific Committee from 2006 – 2010.

Conference Advisory Committee:

Prof. Bernardo Bortolotti,
Prof. Claude Crampes,
Prof. Vincenzo Denicolo,
Prof. Federico Etro,
Prof. Damien Geradin,
Prof. Peter Mollgaard,
Dr. Cristina Caffàra,
Prof. Michelle Polo,
Prof. Rune Stenbacka,
Prof. Dimitris Tzouganatos,
Prof. Tommaso Valletti,
Prof. Frank Verboven,
Prof. Nikolaos Vettas



DAY 1ST – FRIDAY 01/07/2011

10:30 – 10:50 REGISTRATION

10:50 – 11:00 WELCOME SPEECH
YANNIS KATSOULACOS, CRESSE Coordinator
 (Athens University of Economics and Business)

11:00 – 13:00 PLENARY SESSION

CHAIR:

YANNIS KATSOULACOS
 (Athens University of Economics & Business)

JOSEPH E. HARRINGTON (Johns Hopkins University)

*Corporate Leniency with Private Information:
 The Push of Prosecution and the Pull of Pre-Emption*

Discussant: **MARTIN PEITZ** (University of Mannheim)

STEFAN BEHRINGER (Universität Bonn) - **LAPO FILISTRUCCHI** (University of Florence, CentER and TILEC, Tilburg University)

*Predatory Pricing in Two-Sided Markets:
 Lessons from the UK Quality Newspapers in the '90's*

Discussant: **GEORG GÖTZ** (Justus - Liebig – University Giessen)

FEDERICO ETRO (University of Venice)

Leadership in Multi-sided Markets and the Dominance in Online Advertising

Discussant: **LAPO FILISTRUCCHI** (TILEC, CentER, Tilburg University & University of Florence)

CHRISTOS GENAKOS (Athens University of economics and Business) – **KAI-UWE KÜHN** (Chief Economist, DG COMP) – **JOHN VAN REENEN** (London School of Economics, Centre for Economic Performance, NBER & CEPR)

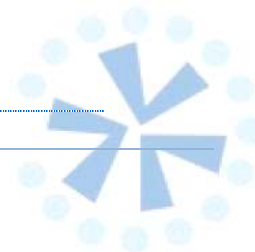
*Leveraging Monopoly Power by Degrading Interoperability:
 Theory and Evidence from Computer Markets*

Discussant: **MARC IVALDI** (Toulouse School of Economics)

13:00 – 14:00 LUNCH BREAK



14:00 – 16:00	PARALLEL SESSIONS 1 & 2
<p><u>CHAIR:</u></p> <p>NIKOLAOS VETTAS (Athens University of Economics & Business)</p>	PARALLEL SESSION 1: ANTITRUST & REGULATION
	<p>XENI DASSIOU (City University London) – DIONYSIUS GLYCOPANTIS (City University)</p> <p align="center"><i>Optimal Pure Bundling under Gaussian Demand</i></p> <p>Discussant: KONSTANTINOS SERFES (Benett S. LeBow College of Business, Drexel University)</p>
	<p>MINGHUA CHEN (Research Institute for Economics and Management, Southwest University of Finance and Economics) – ADAM D. RENNHOFF (Middle Tennessee State University) – KONSTANTINOS SERFES (Benett S. LeBow College of Business, Drexel University)</p> <p align="center"><i>Bundling, A La Carte Pricing and Vertical Bargaining in a Two-Sided Model</i></p> <p>Discussant: ANNA D’ANNUNZIO (Toulouse School of Economics)</p>
	<p>IZAK ATIYAS (Sabanci University) – TOKER DOGANOGLU (University of Southern Denmark at Odense & Sabanci University) – FIRAT INCEOGLU (Sabanci University)</p> <p align="center"><i>Economics of Collective Refusals to Supply</i></p> <p>Discussant: STEFFEN LIPPERT (Massey University)</p>
	<p>SIMONA FABRIZI (Massey University) – STEFFEN LIPPERT (Massey University) – CLEMENS PUPPE (Karlsruhe Institute of Technology, KIT)</p> <p align="center"><i>Suggested Retail Prices with Downstream Competition</i></p> <p>Discussant: FIRAT INCEOGLU (Sabanci University)</p>
	<p>GEORGE HOUPIS (Frontier Economics)</p> <p align="center"><i>Margin Squeeze '10 years after': What have we learned?</i></p> <p>Discussant: KONSTANTINOS PLOUMPIS (Hellenic Telecommunications Organisation SA (OTE))</p>
<p><u>CHAIR:</u></p> <p>ELIZABETE ERNSTSONE (Oxera Consulting Ltd)</p>	PARALLEL SESSION 2: SPECIAL POLICY SESSION ON ENFORCEMENT
	<p>RAKSHA DARJI, SUNEL GRIMBEEK & GILBERT MUZATA (Competition Commission South Africa)</p> <p align="center"><i>The Impact of Antitrust Fines on Firm Valuation in South Africa: The case of Pioneer Foods, Tiger Brands and Sasol Chemical Industries</i></p>



PETER T. DIJKSTRA, MARCO A. HAAN & LAMBERT SCHOONBEEK
(University of Groningen)

A Superficial or a Profound Antitrust Authority?

RAFAEL PINHO SENRA DE MORAIS (FGV, IPEA) & LUCIA HELENA SALGADO
(Institute of Applied Economics (IPEA), UERJ & Brazilian Antitrust Authority, CADE)

Recent Developments in Brazilian Antitrust: IP, Sham Litigation, Failing Firm

PANAGIOTIS N. FOTIS (Hellenic Competition Commission)

Antitrust Investigations & Firm's Damages: Evidence from Normal Returns

16:00 – 16:15 COFFEE BREAK

CHAIR:

JOSEPH HARRINGTON
(Johns Hopkins University)

16:15 -17:00 Invited Lecture

MARTIN PEITZ
(University of Mannheim)

Firm Reputation and Incentives to “Milk” Pending Patents

17:00 – 19:00

PLENARY SESSION: MERGERS & ANTITRUST

CHAIR:

PATRICK REY
(University of Toulouse)

ANNA D’ANNUNZIO (Toulouse School of Economics)

Program Quality and Exclusive Provision

Discussant: **MARIA LETIZIA GIORGETTI** (Università degli Studi di Milano)

CHRYSOVALANTOU MILLIOU (Athens University of Economics & Business & CESifo) -
EMMANUEL PETRAKIS (University of Crete)

Vertical Integration and Decreasing Rival's Cost

Discussant: **NIKOLAOS VETTAS** (Athens University of Economics and Business and EAGCP, DG-Competition, European Commission)

JAN BOUCKAERT (University of Antwerp) – **PETER M. KORT** (Tilburg University & University of Antwerp) – **STEFKA PETROVA** (University of Antwerp)

The Failing Firm Defense in Declining Markets

Discussant: **PATRICK REY** (University of Toulouse)

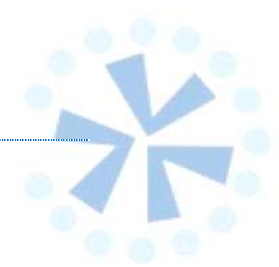


LAPO FILISTRUCCHI (TILEC, CentER, Tilburg University & University of Florence) –
TOBIAS J. KLEIN (TILEC, Netspar, CentER, Tilburg University) – **THOMAS MICHIELSEN**
(CentER, Tilburg University)

Merger Simulation in a Two-Sided Market: The Case of the Dutch Daily Newspapers

Discussant: **CHRISTOS GENAKOS** (Athens University of Economics and Business)

19:00 END OF FIRST DAY



Day 2ND – Saturday 02/07/2011

08:30 – 11:00	PARALLEL SESSIONS 3 & 4
<p>CHAIR:</p> <p>YOSSI SPIEGEL (Tel Aviv University and CEPR)</p>	PARALLEL SESSION 3 – REGULATION
	<p>MARC BOURREAU (Telecom ParisTech, CREST-LEI) – CARLO CAMBINI (Politecnico di Torino) – PINAR DOĞAN (Harvard Kennedy School of Government, Harvard University)</p> <p><i>Incentives to Migrate to Next Generation Networks: From “Old” to “New” Technology</i></p> <p>Discussant: STEPHAN SCHMITT (Institute for Regulatory Economics, WU Vienna University of Economics and Business)</p>
	<p>YAN LI (Norwich Business School, ESRC Centre for Competition Policy (CCP), University of East Anglia) – CATHERINE WADDAMS PRICE (Centre For Competition Policy, University of East Anglia)</p> <p><i>Effect of Regulatory Reform of Mobile Telecommunications on Efficiency</i></p> <p>Discussant: SIMONA FABRIZI (Massey University)</p>
	<p>CARLO CAMBINI (Politecnico di Torino) – YOSSI SPIEGEL (Tel Aviv University and CEPR)</p> <p><i>Investment and Capital Structure of Partially Private Regulated Firms</i></p> <p>Discussant: VITOR MARQUES (ERSE)</p>
	<p>KLAUS GUGLER (WU Vienna University of Economics and Business) – MARGARETHE RAMMERSTORFER (Institute of Finance, Banking and Insurance, WU Vienna University of Economics and Business) – STEPHAN SCHMITT (Institute for Regulatory Economics, WU Vienna University of Economics and Business)</p> <p><i>The Trade-Off Between Static and Dynamic Efficiency in Electricity Markets – A Cross Country Study</i></p> <p>Discussant: MARC BOURREAU (Telecom ParisTech, CREST-LEI)</p>
	<p>VITOR MARQUES (ERSE), ADELINO FORTUNATO (University of Coimbra) – ISABEL SOARES (University of Porto)</p> <p><i>Application of a Structural Model to the Spanish Electricity Wholesale Market</i></p> <p>Discussant: CARLO CAMBINI (Politecnico di Torino)</p>



<p><u>CHAIR:</u></p>	<p>PARALLEL SESSION 4 – ANTITRUST</p>
<p>FRANK VERBOVEN (Catholic University of Leuven and C.E.P.R.)</p>	<p>CATHERINE SCHAUMANS (Tilburg University) & FRANK VERBOVEN (Catholic University of Leuven and C.E.P.R.)</p> <p style="text-align: center;"><i>Entry and Competition in Differentiated Products Markets</i></p> <p>Discussant: MARTIJN A. HAN (Amsterdam Center for Law & Economics, ACLE)</p>
	<p>MARTIJN A. HAN (Amsterdam Center for Law & Economics, ACLE)</p> <p style="text-align: center;"><i>Short-Term Managerial Contracts Facilitate Cartels</i></p> <p>Discussant: FRANK VERBOVEN (Catholic University of Leuven and C.E.P.R.)</p>
	<p>WILLEM H. BOSHOFF (Stellenbosch University)</p> <p style="text-align: center;"><i>Market Definition as a problem of statistical inference</i></p> <p>Discussant: CEMIL OZBUGDAY (CentER, TILEC, Tilburg University)</p>
	<p>MARIA BIGONI (University of Bologna) – JAN POTTERS (CentER, Tilburg University) – GIANCARLO SPAGNOLO (University of Rome “Tor Vergata”, SITE, EIEF & CEPR)</p> <p style="text-align: center;"><i>Imperfect Monitoring, Flexibility and Collusion: Experimental Evidence</i></p> <p>Discussant: CHARLES ANGELUCCI (Toulouse School of Economics and ENSAE)</p>
	<p>OLIVIER BILLARD (Bredin Prat) – MARC IVALDI (Toulouse School of Economics) – SÉBASTIEN MITRAILLE (Toulouse Business School)</p> <p style="text-align: center;"><i>Evaluation of the Risks of Collective Dominance in the Audit Industry in France</i></p> <p>Discussant: BRUCE LYONS (School of Economics and ESRC Center for Competition Policy)</p>
<p style="text-align: center;">11:00 – 11:20 COFFEE BREAK</p>	
<p><u>CHAIR:</u></p> <p>PATRICK REY (University of Toulouse)</p>	<p style="text-align: center;">11:20 – 12:00 J J Laffont Lecture</p> <p style="text-align: center;">MICHAEL WHINSTON (Northwestern University)</p> <p style="text-align: center;"><i>Horizontal Merger Policy: New Work on an Old Problem</i></p>
<p>12:00 – 14:00</p>	<p>SPECIAL POLICY SESSION ON FINANCIAL REGULATION Jointly organised by CRESSE and Centre for Competition and Regulatory Policy (CCRP)</p>
<p><u>CHAIR:</u></p>	<p>THOMAS HUERTAS (FSA (UK) and European Banking Authority)</p> <p style="text-align: center;"><i>Fixing Finance: Are We There Yet?</i></p>

CRESSE CONFERENCE PROGRAMME



XENI DASSIOU
(City University
London)

GEOFFREY WOOD (CASS, City University)

The Shock of the Old

KERN ALEXANDER (University of Zurich)

Reforming International Financial Regulation

GIANCARLO SPAGNOLO (University of Rome “Tor Vergata”, SITE, EIEF & CEPR)

Some Open Issues in Financial Market Regulation

14:00 – 15:00 LUNCH BREAK

15:00 – 17:15

**SPECIAL POLICY SESSION ON COMPETITION POLICY ISSUES OF
OPTIMAL SEARCH AND ADVERTISING**

CHAIR:

**THIBAUD
VERGÉ**
(French
Competition
Authority)

EMANUELE TARANTINO (University of Bologna)

Search Engine and Foreclosure

JEAN-YVES ART (Microsoft)

Competition in search and search advertising – The legal perspective

LARS KJØLBYE (Covington & Burling)

Online search on mobile platforms: A new frontier or a re-run of desktop

BRUNO JULLIEN (University of Toulouse)

Online Advertising and Competition Policy: a Two-Sided Market Perspective

17:15 – 17:30 COFFEE BREAK

CHAIR:

**VOLKER
NOCKE**
(University of
Mannheim, CESifo
and CEPR)

17:30 – 18:15 CRESSE Conference Competition Policy Keynote Lecture

JACQUES CRÉMER

(Toulouse School of Economics (TSE))

Switching costs and network effects in competition policy

18:15 END OF THE SECOND DAY

20:30

Departure by bus for the Conference Dinner Restaurant

21:00 CONFERENCE DINNER





Day 3RD – Sunday 03/07/2011

08:30 – 11:00	PARALLEL SESSIONS 5 & 6
<p>CHAIR:</p> <p>TOMMASO VALLETTI (Imperial College London, Telecom ParisTech and CEPR)</p>	PARALLEL SESSION 5: REGULATION
	<p>CARLO REGGIANI (University of Manchester) – TOMMASO VALLETTI (Imperial College London, Telecom ParisTech and CEPR)</p> <p style="text-align: center;"><i>Net Neutrality and Innovation at the Core and at the Edge</i></p> <p>Discussant: JOÃO VAREDA (AdC and IST)</p>
	<p>PER AGRELL (Louvain School of Management and CORE, Université Catholique de Louvain) & AXEL GAUTIER (CREPP, HEC-Université de Liège and CORE, Université Catholique de Louvain)</p> <p style="text-align: center;"><i>A Theory of Soft Capture</i></p> <p>Discussant: CARMINE GUERRIERO (ACLE, University of Amsterdam)</p>
	<p>CARMINE GUERRIERO (ACLE, University of Amsterdam)</p> <p style="text-align: center;"><i>The Political Economy of (De)Regulation: Theory and Evidence from the U.S. Electricity Market</i></p> <p>Discussant: PER AGRELL (Louvain School of Management and CORE, Université Catholique de Louvain)</p>
	<p>SIMONA FABRIZI & STEFFEN LIPPERT(Massey University)</p> <p style="text-align: center;"><i>International Internet Roaming</i></p> <p>Discussant: YAN LI (Norwich Business School, ESRC Centre for Competition Policy (CCP), University of East Anglia)</p>
<p>DUARTE BRITO (Universidade Nova de Lisboa and CEFAGE-UE) – PEDRO PEREIRA (AdC and IST) – JOÃO VAREDA (AdC and IST)</p> <p style="text-align: center;"><i>Investment, Dynamic Consistency and the Sectoral Regulator’s Objective</i></p> <p>Discussant: TOMMASO VALLETTI (Imperial College London, Telecom ParisTech and CEPR)</p>	
<p>CHAIR:</p> <p>JENS JURGAN (University of Würzburg))</p>	PARALLEL SESSION 6: ANTITRUST
	<p>GEORGE DELTAS (University of Illinois, U-C) – ALBERTO SALVO (Northwestern University (KSM)) – HELDER VASCONCELOS (Univ. Católica Portuguesa)</p> <p style="text-align: center;"><i>Welfare-Enhancing Collusion and Trade</i></p> <p>Discussant: ELEFThERIOS ZAHARIAS (Athens University of Economics and Business)</p>



JUN ZHOU (Wirtschaftspolitische Abteilung, Bonn University)

***Evaluating Leniency and Modeling Cartel Durations:
Time-Varying Policy Impacts and Sample Selection***

Discussant: **GEORGE DELTAS** (University of Illinois, U-C)

RAFFAELE FIOCCO (Institute of Microeconomic Theory, Humboldt Universität zu Berlin) &
MARIO GILLI (Bicocca University)

Bargaining and Collusion in a Regulatory Model

Discussant: **LILIANE KARLINGER** (Università LUISS Guido Carli)

LILIANE KARLINGER (Università LUISS Guido Carli)

Implementing Collusion by Delegating Punishment: The Role of Communication

Discussant: **MARIO GILLI** (Bicocca University)

CHARLES ANGELUCCI (Toulouse School of Economics and ENSAE) & **MARTIJN A. HAN**
(Amsterdam Center for Law & Economics, ACLE)

Monitoring Managers Through Corporate Compliance Programs

Discussant: **MARIA BIGONI** (University of Bologna)

11:00 – 11:15 COFFEE BREAK

11:15 – 13:15

PARALLEL SESSIONS 7 & 8

PARALLEL SESSION 7: SPECIAL POLICY SESSION ON STATE AID

CHAIR:

**ANTONIS
METAXAS**

(Hellenic State Aid
Institute (HSAI) &
University of
Athens)

ERIK BROUWER (PricewaterhouseCoopers, CentER & TILEC Tilburg University,) & **FATIH
CEMIL OZBUGDAY** (CentER, TILEC, Tilburg University)

***Measuring the Extent of European State Aid Control:
An Econometric Analysis of the European Commission Decisions***

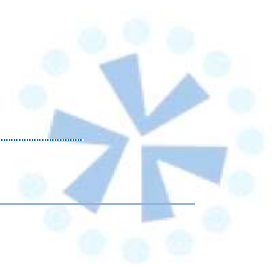
CAROLINE BUTS (PhD fellow of the Research Foundation-Flanders & Vrije University Brussel)
& **MARC JEGERS** (Vrije University Brussel)

A Note on ‘State Aid’ and Concentration: The Case of Belgium

ANTONIS METAXAS (Hellenic State Aid Institute (HSAI) & University of Athens)

***Selectivity of Asymmetrical Tax Measures and Distortion of Competition
in the Telecoms Sector***





ALENA ZEMPLINEROVA & EVA HROMADKOVA
(CERGE-EI)

Innovation and Competition

CHAIR:

BRUCE LYONS
(School of Economics and ESRC Center for Competition Policy, University of East Anglia)

PARALLEL SESSION 8: MERGERS

VOLKER NOCKE (University of Mannheim, CESifo and CEPR) & **MICHAEL D. WHINSTON** (Northwestern University and NBER)

Merger Policy with Merger Choice

Discussant: **YOSSI SPIEGEL** (Tel Aviv University and CEPR)

LUKE GARROD (ESRC Center for Competition Policy, University of East Anglia) & **BRUCE LYONS** (School of Economics and ESRC Center for Competition Policy, University of East Anglia)

Cooperation and Obfuscation in Merger Control

Discussant: **VOLKER NOCKE** (University of Mannheim, CESifo and CEPR)

FLORIAN SZÜCS (Vienna University of Economics and Business, Institute of Quantitative Economics)

Investigating Transatlantic Merger Policy Convergence

Discussant: **DRAGAN JOVANOVIC** (University of Düsseldorf, Düsseldorf Institute for Competition Economics (DICE))

DRAGAN JOVANOVIC & CHRISTIAN WEY

(University of Düsseldorf, Düsseldorf Institute for Competition Economics (DICE))

Merger Specific Efficiencies in Catch-Up Mergers

Discussant: **FLORIAN SZÜCS** (Vienna University of Economics and Business, Institute of Quantitative Economics)

CHAIR:

DAVID ULPH
(St. Andrews University)

13:15 – 14:00 Invited Lecture

Jointly organised by CRESSE and ESRC Project on Optimal Enforcement Procedures

PETER DAVIS

(Deputy Chairman, Competition Commission, UK)

The Merger Evaluation Process: Guidance from Simulation

14:00 END OF CONFERENCE

14:00-15:00 LUNCH BREAK





15:15 – 19:15 WORKSHOP ON OPTIMAL ENFORCEMENT PROCEDURES FOR COMPETITION POLICY



Project funded by the UK *Economic and Social Research Council*

Principal Researchers

DAVID ULPH

(University of St. Andrews)

&

YANNIS KATSOULACOS

(Athens University of Economics and Business)

CHAIR:
YANNIS KATSOULACOS
(Athens University of Economics and Business)

15:15 – 16:15 KEYNOTE TALK

KAI-UWE KÜHN

(Chief Economist, DG COMP)

TBA

16:15 – 17:30

PRESENTATION AND DISCUSSION OF PAPERS BY:

CHAIR:
PHILIP MARSDEN
(College of Europe, Bruges)

P. MOLLGAARD (Copenhagen Business School)

The Effects of Asymmetric Costs on Cartel Damages: The Importance of the Counterfactual

Discussant: **G. SPAGNOLO** (University of Rome “Tor Vergata”, SITE, EIEF & CEPR)

G. SPAGNOLO (University of Rome “Tor Vergata”, SITE, EIEF & CEPR)

Trust, Salience & Deterrence: Evidence from an Antitrust Experiment

Discussant: **M. POLO** (Bocconi University)

17:30 – 18:00 COFFEE BREAK

18:00 – 19:15

PRESENTATION AND DISCUSSION OF PAPERS BY:

CHAIR:
THIBAUD VERGE
(French Competition Authority)

M. POLO (Bocconi University)

Optimal Legal Standards and Accuracy in Antitrust Enforcement

Discussant: **D. ULPH** (University of St. Andrews)

Y, KATSOULACOS (Athens University of Economics & Business), **D. ULPH** (University of St. Andrews) and **E. METSIU** (Athens University of Economics & Business)

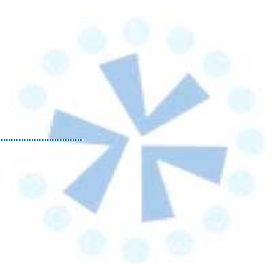
Optimal Welfare Standards for Competition Policy

Discussant: **B. LYONS** (School of Economics and ESRC Center for Competition Policy)

19:15 DRINKS

20:30 Dinner for Invited Workshop Participants and Partners





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