

Minutes of the Joint Regulators' Group (JRG) meeting

Wednesday 16 September 2009 at 10 am at Ofcom

Present:

Sonia Brown, Monitor
Tim Brown, Postcomm
Sarah Chamber, BIS
Peter Culham, JRG Chair/Ofcom
David Edwards, Ofcom Secretariat
Nick Fincham, CAA
Sarah Harrison, Ofgem
Jackie Holland, OFT
Paul McMahon, ORR
Iain Osborne, NIAUR

Apologies:

Rob Ashely, Ofwat
Chris Bolt, PPP Arbiter

1. Minutes of previous meeting

Minutes of the meeting of 25 June 2009 were agreed with minor amendment to the list of attendees (Brian McHugh had attended from NIAUR and not Iain Osborne).

2. Regulation and competition policy – discussion with Sarah Chambers

Sarah Chambers had been invited to talk about regulation and regulatory and competition bodies from her perspective as Director, Consumer and Competition Policy at BIS. JRG members engaged in a wide ranging discussion and issues raised included the merits or otherwise of detailed and specific regulatory mandates, as opposed to more general duties; independence from government; the latter's changing ambitions for regulatory bodies; the importance of clarity and stability for regulated sectors but also the opportunity for regulators to evolve; and regulators' exercise of discretion.

3. The Competition Commission – experiences of the CAA and others

Nick Fincham spoke briefly about two recent CAA inquiries referred to the Competition Commission (CC), one concerning airport price controls and the other on BAA's airports. The latter inquiry was in its implementation stage and a number of issues remained in play or were of a confidential nature. Other members of the JRG commented on their experiences of CC inquiries and cases taken to the Competition Appeals Tribunal. JRG members were invited to relate their experience of review bodies at future meetings and Sarah Chambers requested that she be invited to attend as an observer.

4. Pensions issues

Peter Culham reported that a JRG meeting had been convened with The Pensions Regulator (TPR) on 17 July and this was followed by a JRG pensions workshop on 28 July. The former to understand the interaction of the TPR's regime and other regulator's regimes and the impact on regulated companies; and the latter to discuss treatment of pension deficits in price controls. Peter Culham reported that Ofcom had commissioned a paper by Ian Cooper, of the London Business School, on the effect of defined benefit pension plans on measurement of the cost of capital. JRG members could obtain a pre-publication copy of the paper from Nick Morris at Ofcom but should treat it with discretion prior to publication.

5. Any other business

There was no other business. The next meeting would be on 9 December at Ofcom.