

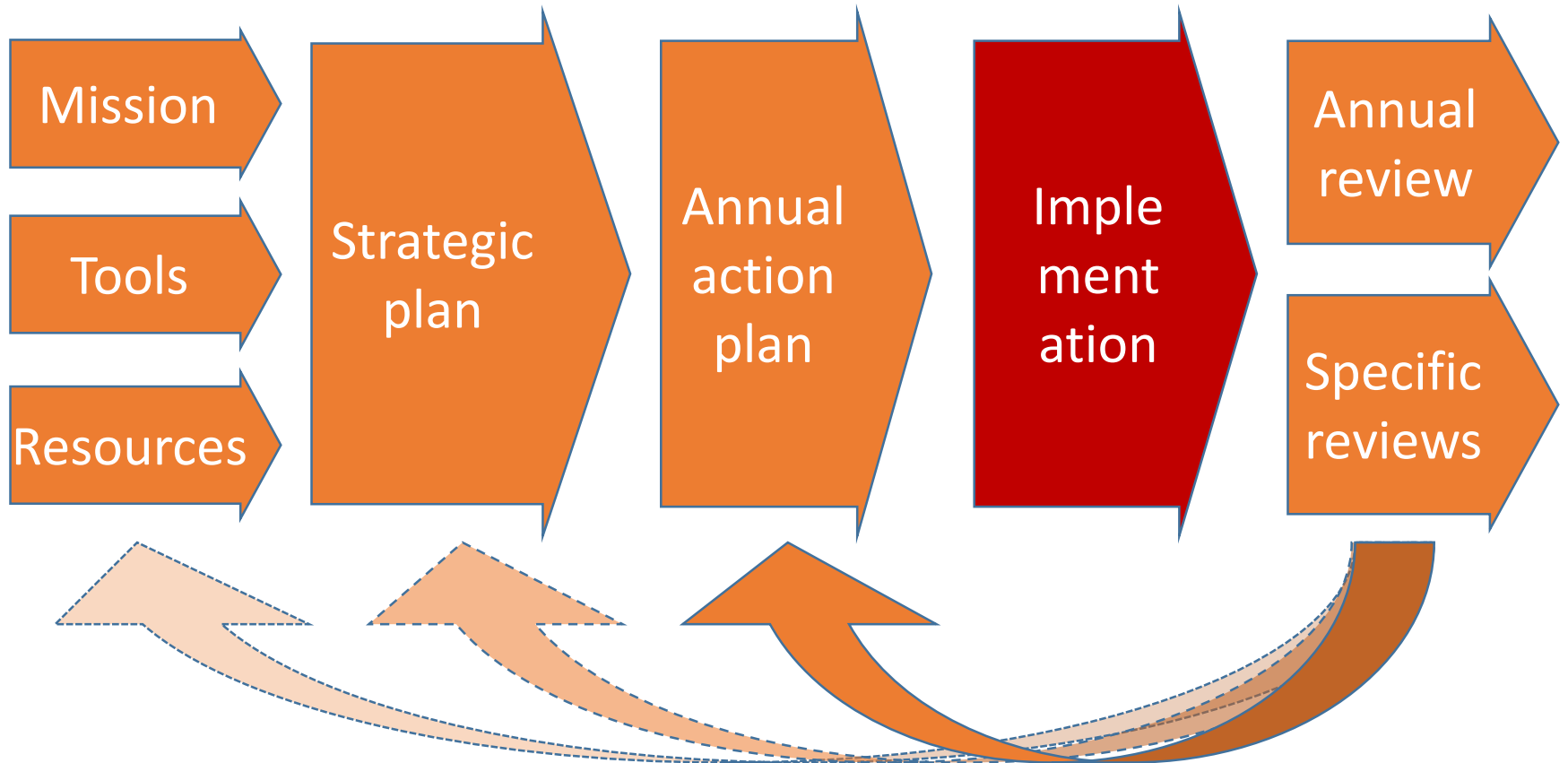
The CNMC Advocacy Strategy

2019 ICN Advocacy Workshop

Plenary I: The Life Cycle of Competition Advocacy: Design, Monitor and Evaluate

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Our Advocacy Strategy in 5 steps



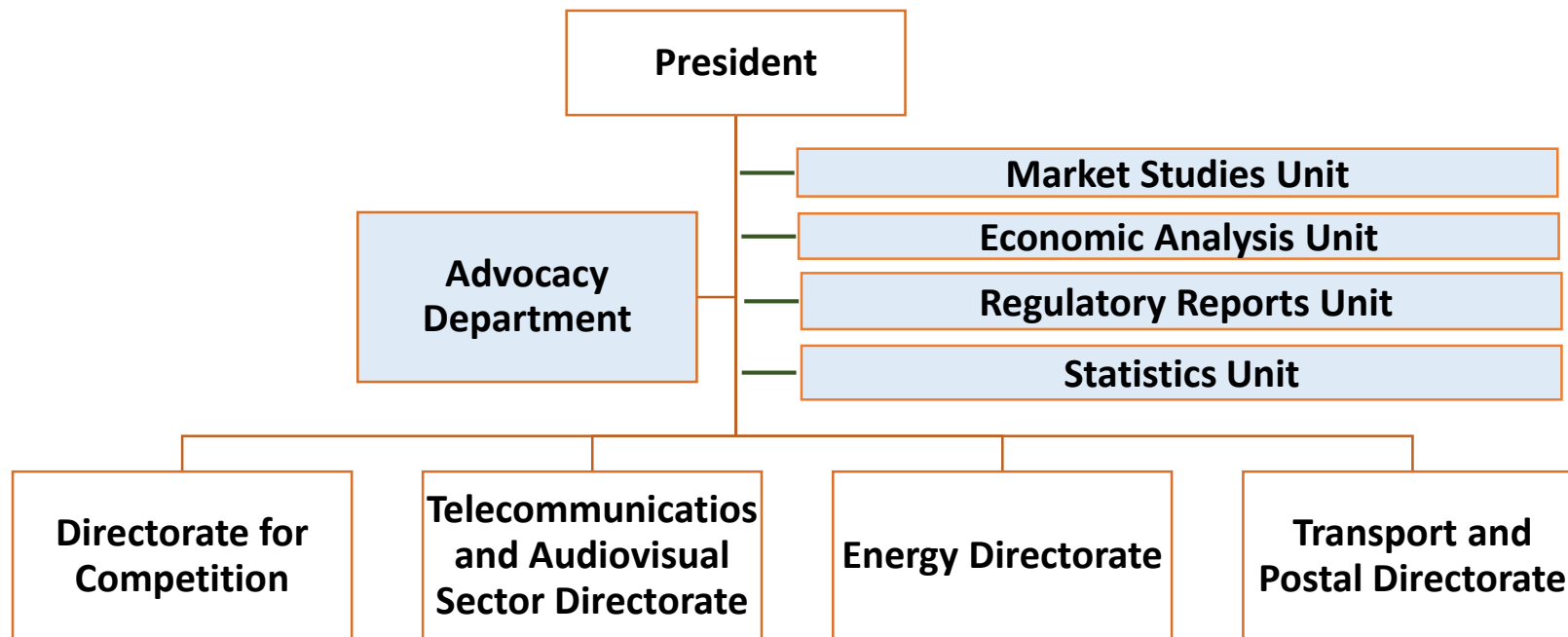
Our Mission

To preserve and promote competition in all sectors, to the benefit of consumers

Our Advocacy Tools

Actions	Initiation	Investigatory tools	Outcome	Addressees	Publicity
Market study	Following a request Ex officio	Meetings with stakeholders Mandatory RFIs	Policy recommendations	Government & public entities (central, regional, local)	Yes
Regulatory report					
Public action report					
Guide	Ex officio	Public consultation	Orientation	+ Market operators Consumers	
Court challenge			Court ruling	Government & public entities	

Our Advocacy Resources



- ✓ The Advocacy Department is independent from the enforcement directorate and reports directly to the President
- ✓ The department has a multidisciplinary team of circa 40 employees (50% economists, 20% lawyers, 15% engineers, 15% administrative staff), and is structured in 4 units.

Strategic Plan

- ✓ *Approved in 2014, following a public consultation, presented to the Spanish Parliament*
- ✓ *Strategic objectives (general guiding principles)*
e.g. scientific rigour, transparency, predictability, independence
- ✓ *Strategic priorities (more focused guiding principles)*
e.g. publication of a studies work plan, promotion of efficient economic regulation, interaction with public sector and stakeholders

Annual Action Plan

- ✓ *Specific actions to attain the strategic objectives and priorities*

- ✓ *Activity actions*
e.g. to conduct a market study on ports, to review the guide on public procurement

- ✓ *Process actions*
e.g. to improve detection of local regulatory restrictions, to improve economic analysis

Our Advocacy Activity in 2018

Efficient economic regulation

- ✓ 3 market studies (short-term housing rentals, air-traffic control, fintech)
- ✓ 25 regulatory reports
- ✓ 6 court challenges

Public procurement

- ✓ 14 reports on public tenders
- ✓ 21 trainings with public officials

Public aid

- ✓ Annual report on public aid
- ✓ 2 reports on public concessions

Explaining the benefits of competition

- ✓ 2 appearances of the CNMC President before the Parliament
- ✓ +70 public interventions
- ✓ +100 replies to consultations

Annual Review

- ✓ *Focus on compliance with the Annual Plan*
- ✓ *Review of all planned actions. If not 100% compliance: explanation + correction measures*
- ✓ *Publicity of the results of the evaluation*

Specific Reviews

- ✓ *Focus on efficacy of the action*

- ✓ *Qualitative indicators:*
 - Impact on media, social networks, academia
 - Enhanced understanding of competition issues
 - Recommendations and/or proposed outputs taken into consideration, i.e. modified regulations

- ✓ *Quantitative indicators:*
 - Focus on competition outcomes (price, quality)
 - Time- and resource-consuming



Case study: road fuel saga

- ✓ *Road fuels – a sector of special interest: high concentration, high barriers to entry (long-term contracts, land planning restrictions)*
- ✓ *6 market studies between 2008 and 2016 (+ ongoing work)*
- ✓ *Regulatory achievements:*
 - 2009: reduction of planning restrictions in commercial land*
 - 2012: amendment of the hydrocarbons law to introduce stricter rules on the monopolist of oil pipelines and storage facilities (CLH) and limit duration of exclusive supply contracts*
 - 2015: main operators sell stakes at CLH*
 - 2016: central government and 4 regions amend regulation to ease installation of unmanned petrol stations*

Some lessons learned

- ✓ *Standardizing process for advocacy actions enhances efficiency, transparency, reputation and credibility*
 - *CNMC's methodology for market studies (2016)*

- ✓ *The value of advocacy planning*
 - *A combination of advocacy instruments is usually better to tackle competition concerns*

- ✓ *The value of reviewing advocacy*
 - *High advocacy efficacy of review tools (e.g. monitoring reports, scoreboards, quantification of welfare gains)*



Thank you!