

NMa Agenda 2006

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Foreword

This document is NMa's Agenda 2006, in which NMa sets out the areas to which it will give attention this year. The document also discusses the regulatory and law-enforcement instruments which will be used, in particular this year. Finally points relating to the quality of action taken by NMa will be discussed.

Why does NMa publish the Agenda 2006?

This is the third consecutive Agenda published by NMa setting out the most important areas requiring attention. The consultation round preceding its publication gave NMa the opportunity to test its ideas against those of interested parties, politicians, academics and other regulators. NMa attaches considerable importance to this and I therefore wish to express my thanks for the valuable responses we have received. In addition, the Agenda provides as much transparency as possible about the way in which NMa utilises its capacity with the aim of achieving the maximum effect on the operation of market forces. In 2006 NMa intends to act in line with the principles of sound regulation, as set out in the White Paper on Regulatory Frameworks [*Kaderstellende Visie op Toezicht*] ("less burden, more affect") drawn up by the Cabinet.

What is new in the Agenda 2006 compared to previous years?

- In 2006 NMa will emphasise instruments which clearly require an effort from undertakings to improve competition. These include instruments such as compliance programmes and leniency.
- Media & communication markets are included for the first time this year amongst the priority areas of attention. These are socially important markets on which innovation and dynamism may not be obstructed by restrictions on competition.
- This year, for the first time, NMa has identified a number of important areas of attention in relation to the quality of action taken by NMa. The steps taken by NMa to address these areas requiring attention and to guarantee the quality of the action it takes are discussed.

Experience shows that the problems which NMa deals with are often of such complexity and are so difficult to solve that it takes some time before the area of attention 'disappears from the agenda'. This year, NMa's Agenda therefore once again shows a considerable degree of continuity with NMa's Agenda 2005.

This Agenda does not alter the fact that NMa will continue to respond to current developments in 2006.

On behalf of the Board of Directors of the Netherlands Competition Authority, I wish to express the wish that we, together with you, politicians, businesses and consumers, will ensure that markets work better in 2006.

Pieter Kalbfleisch,
Chairman of the Board of Directors

1 Introduction

Making markets work. This is the mission of the Netherlands Competition Authority. A competitive environment promotes innovation and increases the competitive strength of our economy. This results in prosperity from which consumers, amongst others, benefit due to the better price/quality ratio of the products they purchase and increased choice. NMa promotes the operation of market forces and ensures that competition is effective.

NMa contributes to this mission by creating synergy between the regulation of compliance with the Competition Act and its sector-specific tasks in the energy and transport markets. In this way, the consistent application of instruments is guaranteed. For instance, the advantages of healthy competition can also be realised as far as possible in the regulated sectors. In 2006, NMa will further optimise the synergy between its various areas of work.

NMa endeavours to achieve the maximum favourable effect on competition on the market. Healthy competition contributes to prosperity in the Netherlands. This is the intended outcome of NMa's work. Action taken by NMa is aimed at removing restrictions on competition as effectively as possible. To achieve this, NMa makes use of its legal powers and uses a broad mix of instruments. Even in situations, such as in the energy and transport sectors, where full and free competition is not possible or desirable, NMa wishes to realise the advantages of direct competition between companies as far as possible and to pass on these advantages to consumers. NMa does so by introducing artificial, but nevertheless realistic, efficiency incentives and by ensuring that fair access exists to networks such as the railway infrastructure, electricity grids and gas networks. Promoting transparency and confidence in the market play an important role in this.

NMa's area of work is broad. NMa's various tasks, however, serve a common aim: achieving prosperity gains by making markets work.

2 Regulatory and enforcement instruments in 2006

NMa has various regulatory and enforcement instruments at its disposal. Maximum compliance with competition rules also requires an effort from companies and consumers. In 2006 companies will also be required to make an effort by changing their behaviour, insofar as this is necessary. In addition, consumers (and consumer organisations) play a central role.

Combination of regulatory styles by NMa

In order to act effectively, the method of regulation chosen is of considerable importance. To be effective in removing restrictions on competition, NMa uses various regulatory styles. The regulatory style which is the most suitable and effective will have to be determined from case to case. Each situation requires customised solutions. The choice in favour of a particular regulatory style has consequences for the instruments which NMa uses.

In 2006 NMa will continue to be directive and controlling in situations where a company commits a serious infringement. This style of regulation, based on an investigation into infringements, will remain the basis of action taken by NMa. In such cases, **sanctions**, in particular, are imposed, both in the form of fines and interdicts. NMa imposed a large number of sanctions in 2005 for infringements of both the Competition Act and the Electricity Act. Where necessary, NMa will also impose sanctions with a view to prevention, also with regard to sector-specific regulation. After all, it has been shown that firm action taken by NMa may be the turning point in making companies aware and changing their behaviour.

In addition, in 2006 NMa will use a more communicative regulatory style based on consultation in situations, for instance, which do not involve a serious infringement of the rules, which have little economic impact and where the company involved cooperates constructively in improvements.

In recent years, NMa has monitored market behaviour and developments in various sectors closely through market research. In this way, economic research is conducted into the level of competition on various submarkets with a view to the early identification of possible risks in the area of competition. This already takes place in a structural, institutionalised way within the financial sector (Financial Sector Monitor). The petrol market has also been the subject of constant attention in recent years through the annual sector scan. In 2006, NMa would like to make further use of this instrument. For instance, NMa's Office of Energy Regulation (DTe) will continue monitoring developments on the electricity and gas markets and the Office of Transport Regulation will conduct research into the railway market. The application of this instrument is also consistent with the strategy to carry out research in a number of sectors announced by the European Commission.

In addition to these instruments, NMa wishes to make use of its **advocacy** role (that is, its advisory role) in 2006. NMa is regularly asked to give advice as part of various policy processes. NMa can use the knowledge which it has gathered about markets and the operation of markets in advising departments, particularly where the departments are expected to develop policy which affects competition in a sector. This advocacy role has now been strengthened by section 5c(2) of the Competition Act. This section states that the Board of Directors of NMa may of its own accord report to ministers about the effects on competition of proposed or existing regulations or of a proposed or existing decision.

Within the framework of its policy with regard to enforcement instruments, NMa is in favour of a further extension of its statutory powers to intervene, particularly the possibility of accepting '**remedies**' proposed by undertakings. This is a power which also exists under European competition law. Embedding a power such as this in Dutch legislation will increase the effectiveness of enforcement and offers undertakings greater flexibility. It also results in consistency with European regulations.

Better embedding of competition rules in the business culture of the Netherlands is necessary. This is the reason that an effort is required from companies and consumers (or their representatives). In addition, to achieve healthy competition it is also important that consumers actively exercise their freedom of choice.

Responsibility of undertakings and consumers (and consumer organisations)

Compliance with the law is, of course, the responsibility of undertakings themselves. Dutch competition rules in their present form have been in existence for several years. NMa's decision-making and advisory practice and other case law have already provided considerable clarity on what is and is not permitted. Within this framework, NMa emphasises the role of branch organisations in informing and advising their members about competition and sector-specific rules in this regard.

Such compliance can be facilitated by the implementation of **compliance programmes** within a company or even within a sector. NMa welcomes such preventive measures, since such initiatives increase the awareness of companies and the likelihood of spontaneous compliance. It has emerged from consultations that companies expect more information from NMa about the criteria which NMa applies to such programmes. In NMa's opinion, drawing up and implementing a compliance programme is the responsibility of the undertakings themselves. After all, an undertaking or a branch is in the best position to determine which programme is most appropriate and the way in which it can best be enforced. NMa will take a cooperative stance and, where possible, will give guidance in response to questions.

NMa offers undertakings which have infringed the competition rules a **leniency programme**. This programme focuses on participants in cartels which can obtain exemption from the fine or a reduction in the fine by voluntarily informing NMa of the cartel. In this way, undertakings can themselves decide to distance themselves from their illegal practices and make a contribution to healthier competition in their sector. This instrument has proved its worth both nationally and internationally. Most respondents have also emphasised the usefulness and importance of NMa's leniency programme. A number of measures were also suggested to make the leniency programme more effective. NMa will include these points in the evaluation of the Leniency Guidelines, which will take place in 2006. NMa will organise a consultation for this.

It emerged from the consultation prior to NMa's Agenda 2006 that the fact that undertakings are confronted by various leniency regimes within Europe is a matter of concern. NMa is aware of this and in 2006, together with the European Commission and other Member States, will make every effort to provide greater clarity and to achieve better harmonisation of national leniency programmes within the European Union.

Compliance with legislation also depends on the extent to which companies or consumers are able to demand compliance. Competition on a market benefits if consumers and buyers are critical. If a company or consumer is the victim of an infringement of competition legislation, it is possible to institute civil law proceedings oneself. In such proceedings, one may argue that the competition rules have been infringed and that a loss has been suffered as a result. In this way, disadvantaged parties may have certain behaviour by undertakings prohibited or, on the contrary, may compel them to take action. The outcome of the

proceedings may be, for instance, an obligation to deliver or to provide compensation for losses incurred. NMa sees the importance of **civil law enforcement** and is working with the European Commission and other competition authorities to develop European policy which, for instance, will facilitate legal action for damages on the basis of competition law. At the national level, the Ministry of Economic Affairs is taking the lead in this.

3 Areas of attention in 2006

In this chapter an explanation is given of the areas to which NMa will give attention in 2006 in relation to the Competition Act, the energy acts and the transport acts. The areas of attention are sectors in which NMa will show specific interest in the coming year and to which it gives priority.

The areas of attention are selected on the basis of the criteria of market structure and market behaviour and their economic and social importance. A sector deserves special attention from NMa if it can be determined *a priori* that the market structure is in danger of promoting behaviour that distorts competition. The cause of this may be circumstances such as a small number of market players, high barriers to entry, a lack of transparency, asymmetrical information, and vertical and horizontal relationships between market parties. In addition, statutory provisions and self-regulation may restrict competition. In these sectors, increasing competition is expected to result in (considerable) prosperity gains.

The economic and social importance of a sector is determined, for instance, by the extent to which companies in this sector play an important role as a supplier or buyer within the economy. Its social importance, however, is also determined by the degree to which a sector or market is in a transitional phase. In a sector or market in transition, fundamental change occurs, for instance in the direction of more competition, which results from a new organisation of the market initiated by the government. In the case of sectors in transition, it is of considerable importance to supervise the operation of market forces properly to ensure that the behaviour of market parties does not obstruct this process. For this reason, it is therefore desirable that additional attention is paid to these sectors. The legislator has assigned specific duties to NMa with regard to the transport and energy sectors; these two sectors in transition are therefore always a special area of attention for NMa.

Of course, reports on the actual behaviour of market parties are relevant in this regard, for instance if large-scale infringements are observed. In selecting its areas of attention, NMa also takes into account its European and broader international environment. Cooperation with the European Commission and the other national competition authorities will be intensified further in 2006. NMa is also aware that a joint approach, for instance at the European level, may have a greater effect on the operation of market forces.

In general, NMa sets priorities within its areas of attention. For instance, NMa decides which suspected infringements are dealt with and which complaints are processed. Setting such priorities is necessary because a) NMa has limited capacity and resources and b) by doing so, action taken by NMa has the greatest effect on the market.

In the light of the above, NMa has selected the following areas of attention for 2006, in addition to the energy sector and the transport markets:

- Healthcare sector
- Media and communication markets
- Construction industry
- Financial sector
- Liberal professions

With regard to these sectors, there are no prior suspicions that legislation have been infringed. However, the proper operation of market forces in these sectors is of considerable importance to the entire economy or the lack of dynamism in these markets justifies additional attention.

Energy sector

The transition in the energy sector has not yet been completed. The Cabinet is in favour of splitting energy companies and introducing far-reaching liberalisation. The consultation round confirmed that monitoring the energy markets is still considered necessary. One of the areas emphasised in relation to this is consumer protection. Transparency is important in this regard.

In 2006 NMa will take an integrated approach to the energy sector; it will apply both general competition legislation and specific legislation. Within NMa, the Office of Energy Regulation (DTe) is responsible for supervising compliance with electricity and gas legislation. One of its core tasks is to regulate electricity grid and gas network tariffs. DTe monitors the gas and electricity markets, both with regard to production and distribution. NMa also supervises the networks by monitoring outage data and assessing quality and capacity documents.

One of the most important aims is guaranteeing consumer confidence in the operation of market forces. The setting up of a joint information desk by NMa, OPTA and the Office of Consumer Affairs (which is to be set up and which will answer the consumers' questions on matters such as energy) should make a contribution to this. In addition, NMa wishes to strengthen the position of consumers on the energy markets. NMa safeguards the interests of consumers in the transitional phase in a concrete way, for instance by monitoring the administrative processes of energy companies.

In addition, NMa has defined the following priorities for the energy sector in 2006:

- increasing transparency on both the wholesale and the consumer markets;
- improving the operation of the gas market, for instance by ensuring that there are adequate marketplaces and sufficient flexibility;
- strengthening the liquidity of the electricity market, for instance by endeavouring to create a North-West European market, through improved transparency and by means of further research into measures such as virtual power plants;
- giving guidance to market parties and, in particular, to network companies with regard to the applicability of legislation in relation to refinancing;
- further stimulation of the development of the North-West European market with a view to improving the operation of the Dutch electricity wholesale market; in this area, NMa wishes to develop a long-term vision by:
 - stimulating the integration of the electricity market with that of Belgium and France in accordance with a jointly formulated roadmap;
 - involving Germany and Scandinavian countries in the development of market integration; and
 - analysing the relevant geographical market, for which research will be conducted into the development of the energy markets from an international perspective.

Finally, mention must be made of the fact that the Board of Directors of NMa will evaluate the Electricity Act and the Gas Act in 2006. Further consultation will take place on this in 2006.

Transport markets

Within NMa, the Office of Transport Regulation is responsible for compliance with transport legislation.

Strict regulation of competition on the transport markets is necessary for as long as undertakings acquire a (temporary) monopoly through privately granted concessions or, alternatively, on the basis of licences granted for transport or the management of infrastructure, such as ProRail, or on the basis of a licence for an indefinite period, as in the case of Schiphol Airport. The aim of the transport acts is to avoid a situation where undertakings can abuse their market position.

The consultation has confirmed that transport is very much at the centre of attention and that access to these markets is generally considered important. In addition to confirming that it is necessary to examine the railway user tariffs closely, attention was given to market power and the danger of cartel agreements. A good example of an issue which will be raised in the coming year is the agreements in relation to the development and introduction of the public transport smartcard.

The regulation of aviation will change when the Aviation Act [*Wet luchtvaart*] comes into force. The rules governing tariffs and the determination of tariffs will be stricter and more transparent. The Office of Transport Regulation will ensure that the tariffs which Schiphol charges airline companies comply with these rules. The amended Aviation Act is expected to come into force during 2006.

The high-speed rail link (*HSL-Zuid*) and the Betuwe rail link (*Betuweroute*) will come into operation in 2007. This means that the user tariffs for these lines and the annual timetable for 2007 for the entire railway network will have to be approved in 2006. This will be done in accordance with new rules governing user tariffs and the allocation of capacity. In the railway sector, the Office of Transport Regulation will focus in 2006 on the new user tariffs and the scheduling of the annual timetable for 2007.

The Office of Transport Regulation has the role of an adviser to the Minister of Transport, Public Works and Water Management with regard to specific legislation and regulations, and policy proposals. In 2006 this will apply to legislation and regulations in relation to pilotage services and policy with regard to the Port of Rotterdam.

Healthcare sector

In the healthcare sector, the transition to (regulated) competition is underway with the coming into force of the new Health Insurance Act [*Zorgverzekeringswet*]. To guarantee sound competition in this sector, it is crucial that the incentives to compete are not weakened, for instance by the formation of cartels or the emergence of parties with a dominant position.

Merger regulation in this sector will therefore continue to be of considerable importance in 2006, as emerged from the consultation. It is plausible that NMa will be confronted in 2006 by a continued trend towards concentration of healthcare providers and health insurers. In order to adequately assess any mergers, NMa will continue to invest in knowledge of the market. To do so, in 2006 NMa will increase insight through market research, in particular into the geographical dimension of the hospital and AWBZ markets,.

The Cabinet intends to introduce the Healthcare Market Organisation Act [*Wet Marktordening Gezondheidszorg (WMC)*] as of 1 April 2006. With the coming into force of this Act, the Office of Health Regulation [*Nederlandse Zorgautoriteit (NZa)*] will be established. NZa is the result of a merger of the Medical Charges Board [*College Tarieven Gezondheidszorg*]/Office of Health Regulation and the Supervisory Board for Health Care Insurance [*College Toezicht Zorgverzekeringen*]. NMa will retain its task of applying the Competition Act to the healthcare sector, even after NZa has been established. One of the tasks of NZa is to

regulate the markets for healthcare provision, healthcare insurance and healthcare procurement. NZa's measures will focus on realising and/or stimulating competition on the healthcare markets.

If one or several parties has appreciable market power, which may reduce the development of a market, NZa may impose specific obligations on such parties. NMa retains its exclusive power to take action against the abuse of a dominant position, to supervise the prohibition on cartels and to assess mergers on the basis of the Competition Act. The meaning of concepts such as 'appreciable market power', as applied by NZa, and 'a dominant position', the abuse of which may be penalised by NMa, is very close. To ensure the consistent interpretation of these concepts, coordination will take place between NZa and NMa. The most important difference in enforcement by NZa and NMa is the fact that NZa may impose obligations in advance on parties with appreciable market power (*ex ante*), while NMa can correct and penalise parties which have abused a dominant position afterwards (*ex post*).

Good cooperation between NMa and NZa will increase the effectiveness of regulation. The cooperation and division of tasks between NMa and NZa are set out at present in a preliminary cooperation protocol between CTG/Zaio and NMa and a supplementary cooperation protocol between CTZ and NMa. This protocol includes, for instance, agreements on the nature of cooperation where the powers of the regulators coincide. When the Healthcare Market Organisation Act comes into force, the present cooperation agreements will be amended in line with the new situation.

In 2006, NMa's Financial Sector Monitor will conduct research, for instance into developments on the health insurance market. Quantitative research into this specific market will be carried out in cooperation with NZa to provide a basis for the definition of the market in competition cases. Where possible, to avoid an unnecessary administrative burden, NZa's market monitoring activities will be used. In addition, further research activities will be coordinated with NZa to avoid overlaps.

As is usual in relation to markets in transition, market players in the healthcare sector also appeared to have many questions with regard to what was or was not permitted under competition law. This once again emerged from the consultation. In 2005 NMa gave added attention to the provision of information in this sector. In 2006 NMa will also give attention to advocacy and the provision of information. NMa will extend and amend the Healthcare Sector Guidelines [*Richt snoeren voor de Zorg*] in 2006 in the light of recent developments. For instance, attention will be paid to forms of cooperation recently developed between healthcare providers. Furthermore the division of tasks between NMa and other healthcare regulators, in particular NZa, will also be discussed in the Guidelines.

Media and communication markets

Innovation and integration are taking place at a rapid rate in the media and communication markets. Due to changes on these markets, the market positions of undertakings active on these markets are also changing. An example of this is the integration of cable companies, broadcasting companies and production companies. These developments make it crucial for a competition authority to operate on the basis of high-quality and up-to-date market knowledge. This is necessary in order adequately to assess mergers on these markets in the light of continuous developments *and* to combat any abuse of dominant positions effectively. The dynamism and innovation of these markets may not be obstructed by restrictions on competition. The consultation confirmed NMa's intention to pay attention to this.

With the abolition of the fixed book price for school textbooks, this market is moving from a situation where it was not possible to compete on price to a situation where this is possible. This is a market characterised by

a high level of concentration. Where the law governing fixed book prices allows for competition between publishers, this may not be restricted. This wish was also expressed by the parties to the consultation round. In 2006 NMa will ensure that this development is not obstructed by anti-competitive practices.

Questions arose during the consultation with regard to what is permitted under competition law in relation to the sale of software products and related services. In 2006 NMa will invite a number of companies active in the software branch to exchange ideas on this.

In these markets advice given to government institutions by NMa may also prove to be an effective instrument. The aim of enforcement is to give a wide berth to innovation in these sectors and to ensure that consumers receive the maximum benefit from this. Of course, NMa works closely in this area with the Independent Post and Telecommunications Authority [*Onafhankelijke Post en Telecommunicatie Autoriteit (OPTA)*] and the Dutch Media Authority [*Commissariaat voor de Media*].

Construction industry

The current investigations into the construction industry were largely completed in 2005. Cartel structures were exposed in the installation engineering sector, the large civil engineering and utility engineering subsector, the construction of cables and pipelines, horticultural services and the production of various concrete products. The extensive sanctions procedures, whereby undertakings were given the opportunity to participate in an accelerated procedure, will be completed in 2006. In the coming year, the construction sector will therefore remain an important sector for NMa's work.

NMa not only imposes fines in the construction industry, but also does more. NMa will focus its supervision on the parameters of competition, particularly in (sub)sectors with a high degree of concentration because cartel formation at an unprecedented scale was observed in the construction industry. This supervision will entail monitoring current developments, promoting leniency and, where necessary, continuing to investigate and impose sanctions on cartels. NMa will do so to establish whether changes have occurred on the market. The ultimate aim is to make these markets work through efficient operations and innovation, resulting in prosperity gains.

To achieve this aim, the efforts made by construction companies themselves continue to be of the utmost importance. For instance, through the introduction and enforcement in practice of a compliance programme, construction companies can themselves contribute to the necessary change of culture. If requested, NMa will give advice in this regard.

Finally, NMa will conduct market research in 2006 into housing corporations to enable NMa to assess mergers in this sector adequately.

Financial sector

The financial sector will also remain an area of attention for NMa in 2006. The important developments in payment services and the insurance market are the reason for further research in these areas. This also links up to the activities of the European Commission, which has announced that it will pay more attention to this sector in the form of sector research. International cooperation between the European competition authorities and the Commission is therefore expected to become more intensive. An example of this is the informal network of the European Competition Authorities, within which NMa is currently the chairman of the Financial Services Working Group. This working group, for instance, will prepare recommendations in

2006 for the European Commission in relation to SEPA (switching and access to payments).

Furthermore in 2006 NMa will supervise the introduction of a sector-wide compliance programme in the banking sector.

The Financial Sector Monitor carries out permanent economic research into competition in the various submarkets of the financial sector. In earlier FSM publications it was concluded that, in general, the financial sector has an increased risk of restrictions on competition. The sector is highly concentrated, considerable cross-holdings exist and there is information asymmetry between buyers and sellers. The products offered in this sector are often complex and usually have a long-term character. As a result, providers and their customers have a close relationship. In addition, the financial sector is characterised by a wide variety of activities, institutions of various forms and a wide variety of product-market-customer combinations.

In 2006 the effects of the recent "Payment Services Covenant in Relation to PIN Services" will be analysed. NMa will also pay attention in 2006 to intensifying its cooperation with, for instance, the Netherlands Authority for the Financial Markets [*Autoriteit Financiële Markten (AFM)*], the Dutch Central Bank [*De Nederlandsche Bank (DNB)*], the Dutch Public Prosecution Service and the Fiscal Information and Investigation Service and Economic Investigation Service [*Fiscale inlichtingen en opsporingsdienst (Fiod)-Economische Controle Dienst (ECD)*].

This supervision ought to result in greater transparency and better embedding of competition rules in the sector. As a result, competition on the various submarkets should increase.

Liberal professions

NMa intends to make a permanent contribution to improving competition in the liberal professions. The traditional instruments, such as reports, interdicts and fines, are not always the most efficient way of doing so. NMa has therefore opted initially to use instruments such as advocacy and providing information in these sectors.

In 2004 NMa commenced its research into the effects of the professional codes of conduct of lawyers, civil law notaries, accountants and architects in relation to competition law. The initial results of this research were the point of departure for discussions with the various professional organisations. The question of whether the rules applied by the professional groups are (still) necessary and proportionate in the light of the objectives which they serve is at the heart of the discussions. After all, it is conceivable that some rules are no longer necessary or are disproportionate and under certain circumstances may obstruct the operation of market forces.

In 2006 the outcomes of these processes will be published, for instance in the form of consultation documents. It is important that the professional organisations are continuously aware of whether a particular rule is proportionate in relation to its intended aim. In many cases, after all, the professional organisations themselves draw up the rules. It is therefore of considerable importance that the professional organisations are also aware of the effects that some rules may have on competition. For some professional groups, this will require a change of policy.

4 Quality of action taken by NMa in 2006

The instruments NMa uses to realise its mission were discussed in the previous chapters. The areas on which NMa will focus were also mentioned. A number of points emerged from the consultation with regard to the quality of action taken by NMa across the board. These relate to cooperation, independence and professionalism. These points are discussed in this chapter in the context of NMa's regulatory activities. As in previous years, NMa will pay attention to these points in 2006 with a view to promoting effective regulation.

It emerged from the consultation that there is a need for clarity on the demarcation of the tasks of the market regulators. NMa strives to provide optimal transparency, for instance through co-operation protocols which it draws up with various regulators. These protocols set out the relationship between NMa and these regulators and how NMa coordinates its activities with these regulators. Cooperation at all levels continues to be as important, both nationally and internationally, not only to ensure effective and decisive action, but also with a view to reducing the administrative burden. Our ambition is to take action selectively and to adopt a tailor-made approach.

NMa and OPTA consult each other to determine which organisation can best deal with cases in the electronic communication sectors on the basis of a cooperation protocol. This decision depends, for instance, on the legal possibilities, available capacity and available expertise. In addition, agreements have been made on the uniform interpretation of concepts. This cooperation took place as we envisaged and will be continued in 2006. In relation to financial matters, cooperation between AFM and NMa was strengthened in 2006 in relation to monitoring. The introduction of the Financial Supervision Act [*Wet Financieel Toezicht*] offers further prospects for intensification of this cooperation in other areas. This will also be given further form in 2006. In addition, in 2006 NMa will draw up a cooperation agreement together with the Dutch Central Bank. With regard to healthcare-related topics, cooperation between NMa and the Office of Health Regulation is essential. This cooperation is described in more detail in the description of this area of attention.

Where possible, NMa wishes to intensify cooperation in 2006 at the European and international levels. NMa participates actively in meetings and working groups, for instance within the framework of the International Competition Network (ICN), the European Competition Network (ECN) and the Organisation for Economic Cooperation and Development (OECD). In 2006, NMa will organise the International Cartel Workshop within the framework of ICN. In addition, NMa promotes knowledge development and cooperation between authorities at the case level.

It is appropriate that an autonomous administrative body such as NMa should account for the choices that it makes and the results it achieves. In addition, external evaluations guarantee the independence of action taken by NMa. Within the statutory framework for this, the Netherlands Court of Audit [*Algemene Rekenkamer*] will therefore carry out an audit of NMa in 2006.

Since 1 January this year NMa has had its own Economic Bureau. This Bureau will stimulate academic evaluation and debate on the effects of action taken by NMa with a view to improving the quality of regulation by increasing insight into its effects. By estimating the generic outcomes of action taken by NMa,

an attempt will be made to increase insight into the social gains of competition policy. The aim of this is continuously to improve the quality of action taken by NMa and to maximise its effectiveness.