

UKRN Consultation
Competition and Consumer Policy Directorate
Department for Business Innovation and Skills
1 Victoria Street
London
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CONSULTATION ON COLLABORATION BETWEEN ECONOMIC REGULATORS

easyJet welcomes the opportunity to respond to the Government's consultation on Collaboration between Economic Regulators. In addition to consulting with industry and seeking external expert advice, we believe there are important benefits in cooperation between regulators in terms of consistency of approach, sharing of best practice, lessons learned and peer review.

We note that the UK Competition Network exists to provide a forum for cooperation with the aim of achieving more consistent and effective use of competition powers across all sectors. We also note that Memorandums of Understanding have been signed between the Competition and Markets Authority and concurrent sectoral regulators which establish collaboration on areas within the framework of competition law, although we understand that these are not legally binding. We appreciate the benefits that these arrangements can bring.

In addition to the commitments to cooperate on the application of competition powers, we believe that collaboration within the UK Regulators Network can add value. We limit our response to this consultation to its relevance to the CAA and summarise here our key points which are set out in more detail in the attached response form.

- The commitment by the UKRN to consult on its forward plan and report on its delivery on an annual basis provide an opportunity, which we welcome, to identify areas of future cooperation. In particular, we welcome the inclusion of a project on market returns and cost of capital in the current UKRN work programme.
- In relation to that programme, we note that some issues may only be relevant to sub-groups of regulators and that the functioning of the UKRN should reflect this.
- The CAA's current consultations provide a good indication of where cooperation with other sector regulators could offer some benefit, namely in relation to guidance on consumer enforcement, the application of competition powers and economic licensing enforcement (which includes considering when co-regulation may be appropriate), and the economic regulation of new (runway) capacity.

- We note that the UKRN will consult with an external and independent panel of advisors on individual workstreams which we consider essential in ensuring that regulators' views are appropriately reviewed and challenged.
- We also consider that there are potential benefits of cooperation on best practice at an EU level.

In terms of the three options which the Government proposes for supporting and encouraging cooperation (monitoring progress and reviewing the effectiveness of the UKRN in 2015, providing guidance on the Government's approach to cooperation, or introducing a statutory duty on regulators to cooperate), we believe that regulators should consult between themselves and with industry on the areas where cooperation would add the greatest benefit. Option 1 provides an opportunity to review this arrangement in the future. We believe that Option 3 – introducing a statutory duty on regulators to cooperate - may be difficult to define in law.

We attach the response form with our more detailed response.

easyJet
1st December 2014