The Federal Trade Commission’s International Antitrust Program

Randolph Tritell and Elizabeth Kraus

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*Randolph Tritell is the Director, and Elizabeth Kraus the Deputy Director for International Antitrust, of the Federal Trade Commission’s Office of International Affairs. The views in this paper are their own and not necessarily those of the Federal Trade Commission or any Commissioner.
The Federal Trade Commission’s international antitrust program: (i) serves as an expert resource, supporting the FTC’s competition enforcement program by assisting with international aspects of investigations and litigation and guiding broader U.S. policy and engagement on international antitrust issues; (ii) promotes cooperation with competition agencies in other jurisdictions; and (iii) promotes convergence of international antitrust policies toward best practice.\(^1\) This paper presents the background and organization of the FTC’s international antitrust program and describes our main activities to further the program’s goals internally, through bilateral relations, and in multilateral fora.\(^2\)

I. Background and Organization of the Office of International Affairs

The Office of International Affairs, established in January 2007, brings together the functions and personnel formerly in the International Antitrust Division of the Bureau of Competition, the Division of International Consumer Protection of the Bureau of Consumer Protection, and the International Technical Assistance Office of the Office of the General Counsel. Its Director reports directly to the Chairman, and works closely with all of the FTC’s components.

The Office’s antitrust predecessor, the International Antitrust Division, was created in the Bureau of Competition in 1982 to investigate and prosecute cases with an international dimension – for example, cases involving a foreign party, evidence located abroad, or remedial action in another jurisdiction. As commerce became more international, an increasing number of the FTC’s antitrust investigations had an international component. As a result, in 1990, the investigation and litigation functions were moved to the operating divisions, and the International Antitrust Division provided support on international issues. The Office of International Affairs continues to serve that function, and also represents the agency in bilateral relations with other competition agencies and leads the FTC’s international antitrust policy initiatives in multilateral fora.\(^3\)

The Office is headed by a Director, Randolph W. Tritell (202-326-3051; rtritell@ftc.gov), and a Deputy Director for International Antitrust, Elizabeth Kraus (202-326-2649; ekraus@ftc.gov), who oversees the Office’s antitrust work. The Office has nine other antitrust attorneys, with the indicated primary portfolios:

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\(^1\) The Office often conducts its international antitrust policy work with the Foreign Commerce Section of the Department of Justice’s Antitrust Division.

\(^2\) For further information, see the Office’s antitrust webpage at http://www.ftc.gov/policy/international/international-competition.

\(^3\) The Office handles similar functions with respect to foreign consumer protection and data privacy agencies and policy issues.
II. An Internal and External Resource on International Antitrust

The Office of International Affairs supports the Bureau of Competition on international issues that arise in investigations and litigation. The Office works with staff on issues such as personal and subject matter jurisdiction, service of process, and obtaining evidence abroad, and assists our case teams in understanding foreign laws and procedures and how they intersect with FTC and other U.S. laws and procedures.

The Office also works with other U.S. agencies on issues of mutual interest. As one of the two federal antitrust agencies responsible for international antitrust policy engagement and cooperation, FTC works within the U.S. government to ensure that broader U.S. policy and engagement reflects an understanding of complex international antitrust issues and accepted principles of competition law, economics, and policy.

The Office regularly engages and welcomes interaction with businesses and practitioners concerning the application and enforcement of antitrust law and policy internationally, and provides extensive information on the FTC’s approaches and activities internationally. With our colleagues at the Department of Justice, we recently revised the agencies’ international antitrust guidelines, which provide guidance to business and practitioners on the agencies’ international enforcement policy and related investigative tools and cooperation with foreign agencies.\(^4\)

\(^4\) The agencies’ Antitrust Guidelines for International Enforcement and Cooperation (International Antitrust Guidelines) are available at https://www.ftc.gov/system/files/documents/public_statements/1049863/international_guidelines_2017.pdf. We also provide a host of information on the FTC’s international work and approaches on our webpage at https://www.ftc.gov/policy/international/international-competition.
III. Bilateral Relationships

Building and maintaining strong bilateral relationships with foreign competition agencies is a critical element of the FTC’s enforcement program. Given the many important FTC cases involving foreign parties, evidence located abroad, or parallel review with other agencies, effective cooperation with other agencies is a necessity. Cooperation enables the agencies to identify issues of common interest, improve our analyses, and avoid inconsistent outcomes.

The U.S. antitrust agencies cooperate with foreign competition agencies through formal and informal agreements and arrangements; cooperation also takes place in without such agreements. The United States has bilateral cooperation agreements with eleven jurisdictions: Germany (1976); Australia (1982); the European Communities (1991); Canada (1995); Brazil, Israel, and Japan (1999); Mexico (2000); and the competition enforcement agencies of Chile (2011), Colombia (2014), and Peru (2016).5 The U.S. antitrust agencies entered a Memorandum of Understanding with the Russian Federal Antimonopoly Service in November 2009,6 with the three Chinese antitrust agencies in July 2011, with the Indian competition authorities in September 2012, and with the Korea Fair Trade Commission in September 2015. The Recommendation of the Organization for Economic Cooperation and Development (“OECD”) on international competition cooperation is also an important informal cooperation instrument that covers the United States and its relations with other OECD members and participants.7 The OECD Recommendation and bilateral agreements promote practical enforcement cooperation through informal communications, underscore the importance of investigative assistance, including through the sharing of non-confidential information, and provide for confidentiality safeguards. While the early agreements were motivated primarily by a desire to reduce and manage conflicts that arose from extraterritorial enforcement of antitrust laws, modern agreements seek mainly to enhance enforcement cooperation. In addition to providing a legal framework for cooperation, the agreements have been catalysts to facilitate closer working relationships.8

In 1994, Congress enacted the International Antitrust Enforcement Assistance Act, which authorizes the United States to enter into mutual assistance agreements that, among other things, permit agencies to share parties’ confidential information and to use compulsory process to obtain evidence for the other jurisdiction’s competition agency. However, the United States has entered into only one such agreement, with Australia.9

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5 See http://www.ftc.gov/policy/international/international-cooperation-agreements for complete list.
6 Id.
8 The United States entered into enhanced positive comity agreements with the EC (1998) and Canada (2004) that include, inter alia, a presumption of deference to the other jurisdiction to take the lead on antitrust enforcement in certain circumstances. http://www.ftc.gov/policy/international/international-cooperation-agreements. These agreements have yet to be invoked (although there have been some examples of “informal” positive comity).
Pursuant to these arrangements, or often without, FTC staff cooperates with foreign agencies on individual cases and on developing competition policy. In fiscal year 2016, the FTC coordinated in 46 investigations, 41 merger, and 5 non-merger investigations. This cooperation included coordination with competition agencies from Australia, Belgium, Brazil, Canada, China, the European Union, Germany, India, Ireland, Japan, Korea, Mexico, South Africa, Taiwan, and the United Kingdom. The FTC’s review of several transactions, including the Staples/Office Depot merger, Ball Corporation’s acquisition of Rexam PLC, and Teva/Allergan, involved cooperation with multiple agencies.

When the FTC and a foreign agency review a matter that raises competition concerns in one or both jurisdictions, the agencies frequently exchange investigative information. This may include public information, as well as what we refer to as “agency confidential” information – information that the agency does not routinely disclose but on which there are no statutory disclosure prohibitions; examples include staff views on market definition, competitive effects, and remedies, and that the FTC is investigating a particular party. Parties to merger and conduct investigations routinely waive confidentiality protections to facilitate cooperation. Waivers are particularly valuable to the agencies, and can benefit parties by reducing information production burdens and avoiding incompatible remedies.

In 2013, the FTC and the Department of Justice’s Antitrust Division issued a joint model waiver of confidentiality for individuals and companies to use in merger and civil non-merger matters involving concurrent review by the FTC or DOJ and non-U.S. competition authorities. The model waiver is designed to streamline the waiver process to reduce the burden on individuals and companies, as well as to reduce the agencies’ time and resources involved in negotiating waivers. The FTC and DOJ International Antitrust Guidelines include a chapter dedicated to international cooperation that further elaborates on the agencies’ investigative tools, confidentiality safeguards, waivers of confidentiality, the types of information exchanged, and the legal basis for cooperation, among other things.

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Two recent cases underscore the depth and breadth of our cooperation. In *Staples/Office Depot*, Commission staff cooperated with staff from the antitrust agencies in Australia, Canada, and the European Union, resulting in the FTC and the Canadian Competition Bureau filing complaints to block the transaction in court on the same day.\(^{17}\) Through our international fellows program, we had a staff member from the Canadian Competition Bureau and from the EC’s DG Competition join our litigation teams. In *Ball/Rexam*, the FTC cooperated with antitrust agencies in Brazil, the European Union, and Mexico. In addition to cooperating on the analysis of the proposed transaction, we worked particularly closely with the parties and our counterparts to develop a coordinated review timetable that allowed for in-depth discussions of remedies, resulting in a global remedy package.\(^{18}\) While most of our enforcement cooperation is in merger investigations, we increasingly cooperate on non-merger enforcement matters. This cooperation is often aided by waivers provided by the parties.

In addition to cooperating on specific matters, the FTC works with other agencies to promote policy convergence. For example, with the DOJ, we continue our ad hoc working groups with the European Commission to discuss substantive and procedural issues that arise in merger and unilateral conduct investigations. One of our past merger projects resulted in the issuance of Revised Best Practices for Coordinating Merger Reviews.\(^{19}\) The Best Practices provide an advisory framework for interagency cooperation when one of the U.S. agencies and the European Commission’s Competition Directorate review the same merger. Similarly, the FTC, Department of Justice, and Competition Bureau Canada issued a set of “best practices” to make more transparent how they cooperate and coordinate merger reviews that affect the United States and Canada.\(^{20}\) The U.S. agencies also have participated in working groups with the competition agencies of Canada, Japan, Korea, and Mexico on issues including intellectual property and conduct by dominant firms, and participates in a series of informal workshops with staff from the Canadian Competition Bureau to share merger enforcement techniques and experience.

The FTC, along with the Antitrust Division, has devoted considerable resources to working with the Chinese antimonopoly agencies and the Competition Commission of India. We share experience and learning with officials who are involved in developing the law, regulations, and enforcement institutions and practices, with the aim of encouraging legal frameworks and practices based on sound competition principles and international good practice.\(^{21}\) The FTC and DOJ meet regularly with the three Chinese anti-monopoly


enforcement agencies to discuss substantive and procedural issues and to enhance our cooperative relationship. For example, the FTC and DOJ engaged with Chinese antimonopoly officials on the development of guidelines on application of the Anti-Monopoly Law to intellectual property. We also work through the United States government’s interagency processes to ensure that competition-related issues that arise in connection with China’s Anti-Monopoly Law that implicate broader U.S. policy interests are addressed in a coordinated and effective manner. This work resulted in competition outcomes in the Strategic & Economic Dialogue aimed at ensuring that China implements its competition law transparently and non-discriminatorily, and in the U.S.-China Joint Commission on Commerce and Trade, focused on independence in decision making, confidentiality, and coherence of AML and intellectual property rules.

IV. Activities in Multilateral Competition Fora

With competition laws and agencies in approximately 130 jurisdictions, it is particularly important that agencies seek to ensure that the system functions coherently. The U.S. agencies have played a lead role in promoting convergence towards best practices in competition policy and enforcement. Given differences in histories, cultures, legal systems, and levels of economic development, it is inevitable that differences in the wording and application of competition laws and policies will persist. We believe, however, that learning from the experience of others in handling similar issues, including those involving institutional arrangements, procedures, and the substance of antitrust enforcement, can promote convergence toward better practices.

Several multilateral organizations facilitate dialogue and convergence toward sound competition policy and enforcement, particularly the International Competition Network (ICN) and the OECD, and also the United Nations Conference on Trade and Development (UNCTAD), and regional organizations such as the Asia-Pacific Economic Cooperation (APEC). The FTC helped found the Inter-American Competition Alliance, which fosters enforcement cooperation in the Americas through regular conference calls on matters of mutual interest.

ICN. In October 2001, the FTC, DOJ, and 13 other antitrust agencies founded the ICN to provide a venue for competition agencies worldwide to work on competition issues of mutual interest. The ICN is unique in that it: has a broad membership – 132 agencies from 120 jurisdictions, i.e., almost all of the world’s competition agencies; works exclusively on competition issues; focuses on discrete projects aimed at procedural and substantive convergence through the development of consensual, non-binding recommendations and reports; and provides a significant role for non-governmental advisors from the business, legal, economic, consumer, and academic communities, as well as experts

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the Application of Antitrust Law to Intellectual Property Rights, ABA Section of Antitrust Law Antitrust in Asia: China, Beijing, China (May 22, 2014),


from other international organizations. Unlike in most international organizations, competition agency members organize and conduct the work directly rather than through a permanent Secretariat.

The ICN is organized into working groups comprised of agencies and non-governmental advisors. The current substantive working groups address agency effectiveness, cartels, competition advocacy, mergers, and unilateral conduct. The FTC currently co-chairs the ICN’s Merger Working Group (with the French and Canadian competition agencies) and previously co-chaired the ICN’s Agency Effectiveness Working Group (2012-2016), Unilateral Conduct Working Group (2006-2011), and Merger Notification and Procedures Subgroup (2001-2006). The FTC participates in these and other ICN working groups, and is an active member of the ICN’s Steering Group, which sets the ICN’s strategic direction.

The Merger Working Group’s mission is to promote the adoption of best practices to enhance the effectiveness of merger review processes, facilitate procedural and substantive convergence, and reduce the public and private time and cost of multi-jurisdictional merger reviews. The FTC co-leads a project examining and updating the ICN’s Recommended Practices on Merger Notification and Review Procedures and Recommended Practices on Merger Analysis. The Recommended Practices are ICN’s highest profile and most influential work product, providing sound benchmarks for merger rules and procedures.

Under the FTC’s leadership, the Agency Effectiveness Working Group developed ICN Guidance on Investigative Process, international best practice standards for procedural fairness in antitrust investigations, which were adopted by the ICN in 2015. The Guidance addresses the availability and use of effective agency investigative tools, transparency, engagement with the parties during an investigation, and the protection of confidential information. This is the most comprehensive agency-led effort to establish a benchmark to promote convergence in this sensitive area. The FTC continues to promote implementation of the Guidance through ICN initiatives and our technical assistance program.

Recently, the FTC was selected to lead the ICN’s internal efforts to promote implementation of ICN work product, notably its Recommended Practices. This includes the Recommended Practices on the assessment of dominance/substantial market power and on the application of unilateral conduct rules to state-created monopolies and the Recommended Practices for Merger Notification and Review – all of which were produced by working groups under the FTC’s leadership. The adoption by numerous ICN members of key aspects of the Recommended Practices, such as merger thresholds that incorporate an appreciable nexus between the transaction and the jurisdiction, and objectively quantifiable notification thresholds, is widely viewed as a major accomplishment of the ICN that has improved the merger review process for merging parties and competition agencies.

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Implementation and the promotion of learning on competition law and practice also motivates the ICN’s Training on Demand Project, which was founded and is led by the FTC. This project aims to develop a comprehensive online curriculum of training materials on competition law and practice, featuring multimedia presentations by leading competition officials, scholars, and practitioners. It has produced modules across the range of competition law topics, including market power, competitive effects, merger investigation, cartels, competition advocacy, state restraints, inspections and dawn raids, advice for new and young competition agencies and economic analysis.27

OECD. The FTC and DOJ represent the United States in the OECD’s Competition Committee. The OECD consists of thirty-five economically developed countries, with participation by non-member observers. It aims to promote sound economic policies and economic growth. Its Competition Committee provides a forum for senior representatives of members’ competition agencies to exchange ideas and discuss policies of mutual interest.28 It includes working parties that focus on competition issues in regulated sectors and on international cooperation and enforcement.

The Competition Committee’s primary goals are to: (i) review developments in competition laws and policies and identify best practices in competition policy and antitrust enforcement; (ii) foster convergence among national antitrust policies; and (iii) encourage increased cooperation among antitrust agencies. The Committee has developed non-binding but important Recommendations, including on antitrust enforcement cooperation, combating hard-core cartels, merger review procedures, and competition assessment.29 The Committee holds “roundtable” discussions to which the FTC contributes through United States submissions prepared with the Antitrust Division – for example, recently, on geographic market definition, public interest considerations in merger control, sanctions in antitrust cases, and fidelity rebates.30 It also developed multi-year projects on international cooperation, on evaluating the impact of competition enforcement actions, competition in the digital economy, and market studies. The FTC has played a lead role in these projects, notably as a key drafter of the revised OECD Recommendation concerning International Cooperation on Competition Investigations and Proceedings.31 The Committee holds competition peer reviews, high-level examinations resulting in OECD recommendations for changes in laws and policies that often contribute significantly to promoting reform in the reviewed jurisdiction. The Competition Committee also holds an annual Global Forum on Competition, at which members and numerous non-members discuss competition issues

27 http://www.internationalcompetitionnetwork.org/about/steering-group/outreach/icncurriculum.aspx. The materials are available in interactive, downloadable, and YouTube formats. Available modules include: the history and goals of competition policy, characteristics of effective agencies, market definition, market power, competition policy in developing countries, planning and conducting investigations, merger investigations and interviewing techniques, competitive effects, competition advocacy, an introduction to cartels, leniency, exclusive dealing, predatory pricing, and several shorter modules on discrete topics.
28 Information on the OECD’s competition policy work is available at http://www.oecd.org/competition/.
29 Recommendations are available at http://www.oecd.org/document/59/0,2340,en_2649_37463_4599739_1_1_1_37463,00.html.
relevant to developing countries and young agencies. The business community is represented at OECD through the Business Industry Advisory Council, which submits papers and is invited to participate in many of the sessions.

V. Trade and Competition Fora

The FTC works on issues at the intersection of trade and competition policies, including in trade agreements. The FTC, with DOJ, plays an active role in U.S. delegations that negotiate competition chapters in proposed free trade agreements. We also work with other U.S. government agencies to respond to issues at the intersection of trade and antitrust law and policy such as inappropriate or discriminatory use by other countries of competition laws to promote industrial policy.

The FTC co-chaired with the Office of the United States Trade Representative the U.S. delegation to the WTO Working Group on the Interaction between Trade and Competition Policy. While the EC and some other members supported initiating negotiations of a competition chapter in the Doha WTO round, the U.S. questioned the benefits of WTO competition rules, particularly if they would be subject to dispute settlement. Ultimately, the proposed competition chapter was dropped, largely as a result of opposition developing countries. The Working Group no longer exists.

Competition policy also arises in the context of negotiating bilateral and regional free trade agreements. Approximately half of the FTAs the United States has entered contain a competition chapter, including NAFTA and bilateral agreements with Australia, Chile, Colombia, Korea, Peru, and Singapore. The chapters typically include provisions on maintaining a competition law and agency, cooperation between the parties, and more recently, due process in antitrust investigations. These provisions are not subject to dispute settlement. The agreements also include disciplines that are subject to dispute settlement on certain state enterprises and designated monopolies.

VI. Technical Assistance

The FTC and the DOJ Antitrust Division provide technical assistance to countries undergoing transition to market economies and establishing new competition regimes. The program began in Central and Eastern Europe in the early 1990s and has expanded around the world.

In the past year, the FTC continued its robust program of international competition technical assistance, conducting 40 programs for officials from 64 countries, from Albania to Zimbabwe, and holding workshops in numerous jurisdictions including Argentina, Brazil, Chile, Indonesia, Mexico, Pakistan, Saudi Arabia, and Vietnam, along with regional programs for Africa, Central America, Southeast Asia, and Southeast Europe. Experienced antitrust lawyers and economists provided training in analytical and investigational skills using hypothetical cases to conduct simulated investigations involving issues that developing agencies typically encounter. This year, the FTC also conducted and oversaw an APEC-sponsored series of workshops on procedural fairness.

32 The FTC also provides technical assistance to consumer protection and data privacy agencies.
Many of our most successful programs also involve placing resident advisors with young competition agencies for several months. This allows our experts to provide on-the-job training in the context of the recipient agency’s current cases. Over the past year, we have placed resident advisors in India, Mexico, the Philippines, Central America, and the Ukraine. We continually assess where to concentrate our efforts and whether they have been successful.

The US SAFE WEB Act, enacted in 2006 and renewed through 2020, enables the FTC to host foreign competition and consumer protection agency officials and, in appropriate circumstances, provide them with access to non-public materials. This allows the officials to gain valuable experience by working with FTC case teams. Pursuant to this authority, the Office of International Affairs established an International Fellows and Interns Program under which foreign officials spend up to six months at the FTC learning how the FTC’s legal and economic staff conduct their work.\textsuperscript{33} When the Fellows return to their home agencies they can apply their experience in their work for their home agencies, share their learning with colleagues, and facilitate cooperation. To date, agency-wide, the FTC has hosted 103 international lawyers, economists, investigators, and technical experts from 35 jurisdictions, and will continue to expand the program. FTC attorneys and economists have also worked in the competition agencies of Canada, the EU, Mexico, and the UK as part of a staff exchange program.

**Conclusion**

In the increasingly interdependent global economy, the FTC’s international antitrust policy will continue to face new issues and challenges.\textsuperscript{34} The FTC’s Office of International Affairs continually seeks to evaluate and improve its operations based on best practices at home and abroad\textsuperscript{35} and welcomes input from stakeholders so that we can better advance the FTC’s missions and the interests of American consumers.

\textsuperscript{33} For further information on the program, see \url{http://www.ftc.gov/oa/officials.shtm}.
\textsuperscript{34} \textit{E.g.}, Edith Ramirez, Keynote Address at the 7th Annual Global Antitrust Enforcement Symposium, Georgetown University Law Center, (Sept. 25, 2013), \url{http://www.ftc.gov/sites/default/files/documents/public_statements/7th-annual-global-antitrust-enforcement-symposium/130925georgetownantitrustspeech.pdf}.
\textsuperscript{35} For example, OIA participated in the “FTC at 100” self-assessment program, conducting sessions with members of the antitrust community around the world to obtain feedback on our work and learn from others \url{http://www.ftc.gov/ftc/workshops/ftc100/index.shtm}.