



FTCNewsLine is an on-line quarterly newsletter of the **FAIR TRADING COMMISSION** that contains information on competition matters dealt with by competition agencies from around the world. The aim is to provide insights into some of the matters that are prosecuted in other jurisdictions; and to assist persons in better identifying issues that may pose competition concerns.

Competition legislations are specific to each jurisdiction and activities that are prohibited in one jurisdiction are not necessarily prohibited in other jurisdictions. For information on the prohibitions under the Jamaica's competition legislation, the **FAIR COMPETITION ACT**, please visit our website at www.jftc.gov.jm.

In this Issue we feature matters undertaken by the FTC during the period April 1, 2011 to June 30, 2011.

FTC undertakes assessment of competition issues relating to REDJet's application

In June 2011, Airone Holdings Limited, a St. Lucian company with a subsidiary trading in Jamaica as REDJet, lodged a complaint with the FTC alleging that protracted delays on the part of the Jamaica Civil Aviation Authority in processing its application for route rights is frustrating its attempts to offer low cost commercial regional flights to and from Jamaica.

This issue raises competition concerns; and accordingly the FTC is reviewing the competition implications of the situation.

FTC commences investigation into Digicel's "Facebook Zero"

The Fair Trading Commission (FTC) has launched an investigation into Digicel's "Facebook Zero" promotion. Several consumers complained that credit have been deducted from their account balance after accessing *zero.facebook.com* from their mobile handset. The promotion supposedly allows for Digicel subscribers to access Facebook free of charge from their mobile phones, provided that they stayed within certain parameters.

The complaints raise issues that could constitute the offence of *Misleading Advertising* in breach of section 37 of the Fair Competition Act (FCA).

Having conducted its own test, the FTC has determined that the allegations are not unfounded; and accordingly has written to Digicel regarding the matter. The FTC is now awaiting a response.

FTC evaluates the Digicel/Claro proposed acquisition transaction

The FTC has completed its assessment of the likely effects of the proposed acquisition of Oceanic Digital Jamaica Limited (Claro) by Digicel Jamaica Limited (Digicel) on competition in the telecommunication sector. On March 11, 2011 Digicel announced that it had signed an agreement to acquire América Móvil's Claro business in Jamaica, and in return Digicel would sell its business in El Salvador and Honduras to América Móvil.

The conclusions of the assessment will be placed on our website by July 29, 2011.

Transport Authority relaxes tinting rules for public-passenger vehicles

On March 30, 2011, the Honorable Michael Henry, Minister of Transport & Works, announced that every public passenger vehicle (PPV) is allowed to have a 35 percent tint. This relaxation of the enforcement of the rules surrounding the tinting of windows and windshields on PPV follows on the FTC's intervention.

In March 2011, the FTC wrote to the Transport Authority requesting clarification regarding the inconsistency in the application of section 15B of the Traffic Authority Regulations, 2005, which stated that "the owner, driver or operator of a vehicle shall not install or cause to be installed in that vehicle, curtains, screens or other similar device which will prevent an inward view of the vehicle." The FTC had received a complaint from a PPV operator that his application for a PPV licence was denied on the basis that his vehicle had a light factory tint on the rear windows, while other public transport operators (including JUTC operated buses) were allowed to operate with tinted windows.

The FTC is of the view that the action on the part of the Ministry of Transport & Works served to remove the inconsistency in the enforcement of the Traffic Authority Regulations.

Whilst the issue complained about does not fall within the purview of the FCA, an advocacy approach was adopted by the FTC, in an attempt to ensure that the relevant rules are applied equally to all competitors in similar situations.

FTC to pursue model year vehicle discrepancy complaints more vigorously

In recent times, the FTC has been receiving a significant number of complaints regarding model year discrepancy with respect to motor vehicles. The complaints mainly involve persons purchasing motor vehicles under the impression that it is of a certain year, only to discover later on that the vehicle was actually older than represented. In most instances, the car dealers maintain that the vehicle was sold as the year as displayed on the Japanese Registration & Cancellation Certificate and the Custom Entry C78 Form.

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OTHER NEWS

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12th Shirley Playfair Lecture scheduled for September 13th

The 12th Shirley Playfair Lecture will be held at 3:00 pm on September 13, 2011, at the Jamaica Pegasus Hotel. This year's theme is "*Coordinating to Compete: Limitations in the Motor Vehicle Insurance Sector*". As is customary, the Lecture is open to the general public; and admission is free.

2012 Annual Magazine

In January 2012, the Fair Trading Commission will publish its sixteenth annual magazine, **Competition Matters**. The magazine provides insight into competition issues by drawing together interesting articles and news relating to competition and consumer protection. This year's theme "*Competition in a Recovering Economy*" will explore the scope for competition as a driver of economic growth.

We are currently soliciting for publication articles relating to the theme, of between 1,000 and 1,500 words. The cutoff date for submissions is September 1, 2011.