



FTCNewsLine is an on-line quarterly newsletter of the **FAIR TRADING COMMISSION** that contains information on competition matters dealt with by the Fair Trading Commission as well as 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 legislation is 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 (FCA)**, please visit our website at www.jftc.gov.jm.

In this Issue, we feature matters undertaken by the FTC during the period April 1 to June 30, 2014.

FTC zooms in on distributor of eyeglasses

The FTC is now conducting an investigation into allegations of misleading advertising by a company which sells eyeglasses i.e. frames and lens. The allegations are that the company has misleadingly represented by advertising that it will supply "complete glasses" at a certain price, which it does not do. Consumers have asserted that the company advertises what appears to be a competitive price, but were told that they would have to pay more for the eyeglasses.

FTC comments on JPS submission for rate increase

The FTC submitted comments to the Office of Utilities Regulation (OUR) for its consideration of a rate increase to JPS. With regard to JPS' proposal, the FTC advised that: (a) replacing the current Price Cap regime with a Revenue Cap regime is likely to lessen the incentives for JPS to establish an efficient tariff structure; (b) introducing a wholesale rate designed to encourage its largest customers to remain entirely on the grid is internally inconsistent with the JPS' proposal to replace the price cap regime with a revenue cap regime; and (c) reducing the rate review period from five years to three years would likely frustrate the ability of the OUR to monitor and evaluate the JPS.

Further, that increasing JPS' residential tariff by 21% on average; (ii) increasing its general service tariff by 15% on average; and (iii) reducing its commercial and industrial tariff by 1.5% on average, is likely to discourage an efficient use of scarce production resources, and therefore will unlikely result in savings to consumers.

MegaMart adjusts shelf-talkers

MegaMart Wholesale Club has revamped the format of its shelf-talkers subsequent to the FTC advising the Wholesale Club of the potential breach it faced by using the previous format of its shelf-talkers. The Commission acted on complaints made by customers of MegaMart, who were

displeased that they were confused and misled in certain instances by the positioning of the single item price versus the wholesale price on the shelf-talkers.

FTC completes review on Realtors Association of Jamaica proposal

The FTC reviewed the Realtors Association of Jamaica's (RAJ) proposal for a new requirement to its members - mandatory subscription to the National Association of Realtors (NAR), one of the largest trade associations for real estate professionals in the United States, as a condition of RAJ membership.

Our analysis revealed that, while the proposal is unlikely to harm consumers in the relevant market since it does not harm competing suppliers or property listing services, it is likely to lead to efficiencies by enhancing the value of the property listing service offered by the RAJ.

Court date set for FTC suit against Crichton Automotive Limited

The FTC suit against Crichton Automotive Limited is set to be heard in the Supreme Court on July 24, 2014. The matter arose following an investigation into an allegation of Misleading Advertising. The allegation is that Crichton misled a customer regarding the model year of a Nissan Sunny motor car. At the time of sale, the car was represented as a 2007 model, but subsequently valuator's have indicated that it is a 2005 model.

OTHER NEWS

FTC Competition Law and Policy Course

The FTC will be hosting its 2-day Intermediate Level Course in Competition Law and Policy on July 28-29, 2014, at the offices of the Ministry of Industry, Investment & Commerce, 4 St. Lucia Avenue, Kingston 5.

In March 2014, the General Legal Council accredited the Course for the purposes of its Continuing Legal Professional Development program. Attorneys-at-Law participating in the Course will be awarded ten (10) credits towards the program during 2014.

Registration form and Course information are attached and are available on the FTC website at www.jftc.gov.jm. As space is limited, registrants are encouraged to register early. Registration closes on July 22, 2014. The course fee is \$45,000 per person; however a group rate of \$40,000 applies for a group of 3 or more persons from the same organization. This fee includes tuition, lunch, coffee breaks and course materials.

15th Shirley Playfair Lecture for September 2014

The 15th Annual Shirley Playfair Lecture is scheduled for September 9, 2014 at the Jamaica Pegasus Hotel in Kingston, Jamaica. This year's theme is "Competing in the Hub" and the lecture will be delivered by Dr. Fritz Pinnock, Executive Director of the Caribbean Maritime Institute.