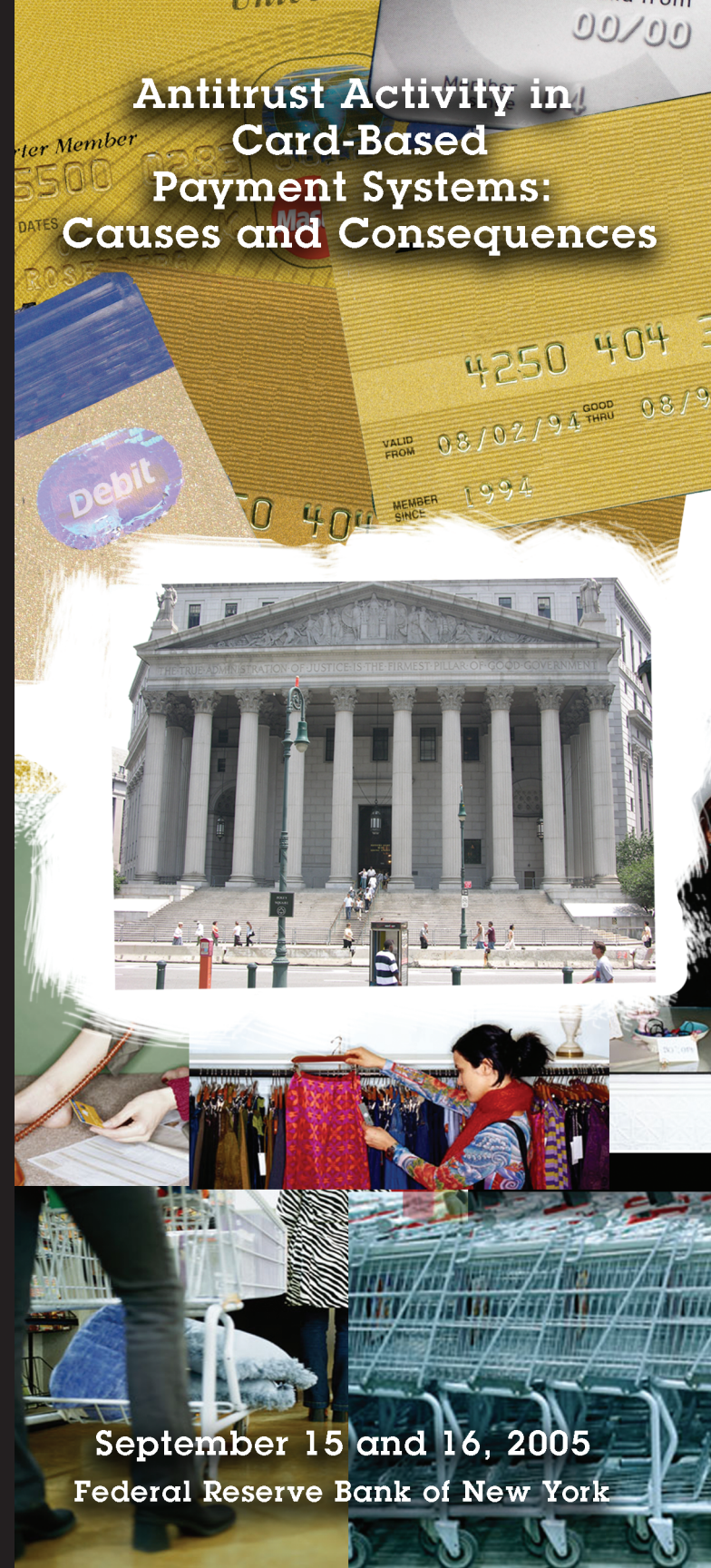


Antitrust Activity in Card-Based Payment Systems: Causes and Consequences



September 15 and 16, 2005
Federal Reserve Bank of New York

Conference Agenda

Antitrust Activity in Card-Based Payment Systems: Causes and Consequences

Federal Reserve Bank of New York
33 Liberty Street, New York, N.Y.
12th Floor Conference Center

SEPTEMBER 15-16, 2005

Jointly sponsored by the Federal Reserve Bank of New York and the *Review of Network Economics*

THURSDAY, SEPTEMBER 15

8:30 a.m. Continental breakfast and registration
9:00 a.m. Welcome: Christine Cumming, First Vice President, Federal Reserve Bank of New York

MORNING SESSION: 9:30 A.M. TO 12:00 NOON

Chair: Richard Porter, Federal Reserve Bank of Chicago

9:15 a.m. **Efficiency and Competition between Payment Instruments**

Presenter: Joseph Farrell, University of California at Berkeley

Discussant: Steve Salop, Georgetown University

10:00 a.m. **The Welfare Impact of Interchange Fees in Payment Card Networks**

Presenters: Jean-Charles Rochet, IDEI-GREMAQ, University of Toulouse; and Jean Tirole, IDEI-GREMAQ and Massachusetts Institute of Technology

Discussant: Luís Cabral, New York University

10:45 a.m. Morning break

11:00 a.m. **An Assessment of the Reserve Bank of Australia's Interchange Fee Regulation**

Presenters: Howard H. Chang, LECG; David S. Evans, LECG and University College of London; and Daniel D. Garcia Swartz, LECG

Discussant: Joseph Farrell, University of California at Berkeley

11:45 a.m. Lunch

AFTERNOON SESSION: 1:30 P.M. TO 5:15 P.M.

Chair: Donald Morgan, Federal Reserve Bank of New York

1:30 p.m. **Panel of Country Studies**

The Regulation of Payment Cards: The Mexican Experience

Presenter: José Luis Negrín, Banco de México

The Credit Card Industry in Israel

Presenters: David Gilo and Yossi Spiegel, Tel Aviv University

Interchange Fees in Various Countries: Developments and Determinants

Presenters: Stuart Weiner, Federal Reserve Bank of Kansas City; and Julian Wright, National University of Singapore

Commentator: Robin Prager, Board of Governors of the Federal Reserve System

3:30 p.m. Afternoon break

3:45 p.m. **Market Definition and Market Power in Payment Card Networks**

Presenters: Scott Thompson and Eric Emch, U.S. Department of Justice

Discussant: Larry White, New York University

4:30 p.m. **A Puzzle of Card Payment Pricing: Why Are Merchants Still Accepting Card Payments?**

Presenters: Fumiko Hayashi, Federal Reserve Bank of Kansas City

Discussant: Glenn Woroch, University of California at Berkeley

FRIDAY, SEPTEMBER 16

8:30 a.m. Continental breakfast

9:00 a.m. Welcome: Joseph Tracy, Director of Research and Statistics Group, Federal Reserve Bank of New York

MORNING SESSION: 9:15 A.M. TO 12:00 NOON

Chair: Peter Burns, Federal Reserve Bank of Philadelphia

9:15 a.m. **Platform Competition in Two-Sided Markets: The Case of Payment Networks**

Presenters: Sujit Chakravorti, Federal Reserve Bank of Chicago; and Roberto Rosen, University Ca' Foscari of Venice

Discussant: Michael Katz, University of California at Berkeley

10:00 a.m. **The No-Surcharge Rule and Card-User Rebates: Vertical Control by a Payment Network**

Presenters: Marius Schwartz, Georgetown University; and Daniel R. Vincent, University of Maryland

Discussant: Martin Perry, Rutgers University

10:45 a.m. Morning break

11:00 a.m. **Social Welfare and Cost Recovery in Two-Sided Markets**

Presenters: Wilko Bolt, De Nederlandsche Bank; and Alexander F. Tieman, International Monetary Fund

Discussant: Robert Hunt, Federal Reserve Bank of Philadelphia

12:00 noon Lunch (informal)

AFTERNOON SESSION: 1:00 P.M. TO 3:00 P.M.

Chair: James McAndrews, Federal Reserve Bank of New York

1:00 p.m. **Panel on Competition Policy in Card-Based Payment Systems**
An Alternative to Antitrust Regulation of Payment Systems

Presenter: John Simon, Reserve Bank of Australia
Public Policy Approaches to Interchange Fees: An Economic Assessment

Presenters: Margaret Guerin-Calvert, Competition Policy Associates; and Janusz A. Ordover, New York University and Competition Policy Associates

House of Cards: The Economics of Interchange Fees

Presenters: Alan Frankel and Allan Shampine, Lexecon

Commentator: Henry Ergas, CRA International

