

**BOOKS (“SINGLE PRICE”), PRESIDENTIAL VETO AND FEDERAL LAW ON ECONOMIC COMPETITION.**

**2<sup>nd</sup>. Part.**

**I. THE MAXIMUM PRICE CONCEPT.**

1. THE PRESIDENTIAL VETO CONSIDERS THAT SETTING A MAXIMUM PRICE IS INEFFICIENT FOR MARKET’S COMPETITIVE CONDITIONS.
2. THE VETO DOCUMENT ARGUES THAT IS MORE EFFICIENT TO LET PRICES BE DETERMINED BY MARKET CONDITIONS.
3. YET THE LAW APPROVED BY CONGRESS DOES NOT STATE THAT A MAXIMUM PRICE CANNOT BE CHANGED EVER.
4. AS A MATTER OF FACT THE PRICE SO FIXED MUST BE A “SINGLE PRICE”. IT IS A MAXIMUM SELLING PRICE OVER WHICH THERE SHOULD NOT BE DISCOUNTS.
5. ACCORDING TO FLEC A VERTICAL RESTRAINT OF SUCH NATURE COULD BE UNLAWFUL ONLY IF EXECUTED BY AN ECONOMIC AGENT WITH MARKET POWER (AND UNDULY DISPLACES OTHER AGENT OR THWARTS HIS ACCESS OR GRANTS EXCLUSIVE ADVANTAGES, IN SUCH A WAY THAT HARMS CONSUMERS.)
6. THE VETO DOCUMENT DOES NOT IDENTIFY ANY SPECIFIC RELEVANT MARKET NOR WHO HAS SUBSTANTIAL POWER.

**II. CONCLUDING REMARKS.**

7. THE LAW APPROVED BY CONGRESS DOES NOT PREVENT ECONOMIC AGENTS FROM CHANGING MAXIMUM (“SINGLE”) PRICES ACCORDING TO MARKET CONDITIONS. THERE IS RIVALRY AMONG EDITORS EVEN INSIDE THE SAME BOOKSTORE.
8. WHETHER THE CONDUCT IS INEFFICIENT BECAUSE IT DOES NOT ALLOW PRICE DIFFERENTIATION FOR IDENTICAL BOOKS BASED ON LOCATION/RETAILER REMAINS TO BE PROVEN. PRICES ARE NOT THE ONLY ELEMENT OF COMPETITION AMONG RETAILERS. THERE IS NO CONCLUSIVE ARGUMENT TO SUSTAIN THAT CONSUMERS SHALL BE HARMED BY THE CONDUCT.
9. THE LAW APPROVED BY CONGRESS DOES NOT CONTAIN ELEMENTS TO DETERMINE THAT IT CAUSES ANTICOMPETITIVE CONDUCTS AS ESTABLISHED BY THE FLEC.

Álvaro R. Sánchez G.  
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