

MIT Department of Economics
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INDUSTRIAL ORGANIZATION II: 14.272

[M/W 9:00-10:30, E51-361, Recitation TBA]

This course is a continuation of 14.271. It covers theoretical and empirical research related to the design and effects of government policies focused on the structure, behavior and performance of firms and markets. The emphasis is on antitrust, economic regulation, deregulation, and privatization policies and on the behavior of the regulatory and political institutions involved in formulating and implementing these policies. The following four books will be on reserve in Dewey; You should have acquired Tirole for 14.271. The two Laffont & Tirole books are likely to be of particular value, and their purchase is recommended. They are available at the MIT Press Bookstore on Main Street (not the Coop). Ask for an MIT student discount. The Armstrong, Cowing and Vickers book is useful, but is getting dated.

J. Tirole, *The Theory of Industrial Organization*, Cambridge: MIT Press, 1988. (Tirole; should have been purchased for 14.271).

J.-J. Laffont & J. Tirole, *A Theory of Incentives in Regulation and Procurement*, Cambridge: MIT Press, 1993. (Laffont & Tirole)

J.J. Laffont & J. Tirole, *Competition in Telecommunications*, Cambridge: MIT Press, 2000. (Laffont & Tirole II)

M. Armstrong, S. Cowan, and J. Vickers, *Regulatory Reform -- Economic Analysis and British Experience*, Cambridge: MIT Press, 1994. (Armstrong et al.)

In the list that follows, starred items are required, and copies should be on reserve. The list's length reflects an attempt to provide a useful bibliography for further study and research.

Readings access: Many required readings can be downloaded from the indicated web sites, including JSTOR and other e-journal websites accessible through MIT's library VERA system using a computer connected to the MIT system. For more information, see the MIT library's VERA website: http://river.mit.edu:591/mitlibweb/FMPro?-db=RS_Items.fp3&-Lay=web&-format=ro_search.htm&-findany (If this or other links do not work when you click on them, try pasting the URL into your browser window.) Individual access to current AEA journals (*American Economic Review*, *Journal of Economic Perspectives*, and *Journal of Economic Literature*) is available online at e-AEA for members. Student (junior) membership rates are \$31 per year (you get all 3 journals). See <http://www.aeaweb.org>. The *RAND* Journal has a 4-year student subscription rate of \$60 (add \$20 to include electronic access). See <http://www.rje.org>.

A 14.272 readings packet containing non-downloadable required readings for which copyright fees are reasonable is available for purchase at Graphic Arts in the basement of E52.

Grading in this course will be based on in-class mid-semester and final examinations, and a referee report on an assigned paper. Several problem sets will be distributed during the term, but these will not directly affect grades.

1. ANTITRUST: OVERVIEW

- * "Executive Summary of the Antitrust Laws." *Kaye, Scholer's Antitrust Deskbook*, Kaye, Scholer, Fierman, Hays & Handler, 1992, NY, pp. 3-19.
- * Introduction to EC Competition Law," *Kaye, Scholer's Antitrust Deskbook*, Kaye, Scholer, Fierman, Hays & Handler, 1992, NY, pp. 237-242.

2. ANTITRUST: HORIZONTAL MERGERS AND MONOPOLIZATION

A. Theory and Evidence

- * J. Farrell & C. Shapiro, "Horizontal Mergers: An Equilibrium Analysis," *American Economic Review*, 80 (March 1990), 107-126. (JSTOR)
<http://links.jstor.org/sici?sici=0002-8282%28199003%2980%3C107%3AHMAEA%3E2.0.CO%3B2-W>
 - * R. D. Willig, "Merger Analysis, Industrial Organization Theory, and Merger Guidelines," *Brookings Papers on Economic Activity: Microeconomics*, 1991, pp. 281-332. (JSTOR)
<http://links.jstor.org/sici?sici=1057-8641%281991%291991%3C281%3AMAIOTA%3E2.0.CO%3B2-I>
- G. Andrade, M. Mitchell, and E. Stafford, "New Evidence and Perspectives on Mergers," *Journal of Economic Perspectives*, 15 (Spring 2001), 103-20.
- B. Holmstrom and S. N. Kaplan, "Corporate Governance and Merger Activity in the United States: Making Sense of the 1980s and 1990s," *Journal of Economic Perspectives*, 15 (Spring 2001), 121-144.
- * A. Banerjee & W. W. Eckard, "Are Mega-Mergers Anticompetitive? Evidence from the First Great Merger Wave," *Rand Journal of Economics* 29 (Winter 1998), 803-827.
 - * G.L. Mullin, J.C. Mullin, and W.P. Mullin, "The Competitive Effects of Mergers: Stock Market Evidence from the U.S. Steel Dissolution Suit," *Rand Journal of Economics*, 26 (Summer 1995), 314-330. (JSTOR)
- R.A. Prager, "The Effects of Horizontal Mergers on Competition: The Case of the Northern Securities Company," *RAND Journal of Economics*, 23 (Spring 1992), 123-133. (JSTOR)
- R. McAfee & M. Williams, "Can Event Studies Detect Anticompetitive Mergers?" *Economic Letters*, (1988), 199-203.
- * S. Ellison & W. P. Mullin, "Gradual Incorporation of Information: Pharmaceutical Stocks and the Evolution of President Clinton's Health Care Reform," *Journal of Law and Economics*, XLIV (April 2001), 89-160.
<http://www.journals.uchicago.edu/JLE/journal/issues/v44n1/004102/004102.web.pdf>

M. Pesendorfer, "Horizontal Mergers in the Paper Industry" NBER Working Paper 6751, October 1998. Revised November 2000.

<http://aida.econ.yale.edu/~martinpe/paperpaper.pdf>

S. T. Berry & J. Waldfogel, "Do Mergers Increase Product Variety? Evidence from Radio Broadcasting," *Quarterly Journal of Economics*, 116 (August 2001), 1009-1025. (Catchword)

B. Horizontal Merger Policy

- * US Department of Justice, *Horizontal Merger Guidelines* (revised 1997).

http://www.usdoj.gov/atr/public/guidelines/horiz_book/hmg1.html

J. B. Baker, "Empirical Methods in Antitrust Litigation: Review and Critique," *American Law and Economics Review*, 1999, 386-485.

- * J. Hausman and G. Leonard, "Economic Analysis of Differentiated Product Mergers Using Real World Data," *George Mason Law Review*, 5(3), 1997, 321-344.

- * A. Nevo, "Mergers and Differentiated Products: The Case of the Ready-To-Eat Cereal Industry," *Rand Journal of Economics*, Autumn 2000, 395-421.

G.J. Werden and L.M. Froeb, "The Effects of Mergers in Differentiated Products Industries: Logit Demand and Merger Policy," *Journal of Law, Economics, and Organization*, 10 (October 1994), 407-26.

- * U.S. DOJ Complaint Regarding Proposed Merger of WorldCom and Sprint.

<http://www.usdoj.gov/atr/cases/f5000/5051.htm>

M. Sullivan, "The Effect of the Big Eight Accounting Firm Mergers on the Market for Audit Services," Economic Analysis Group Discussion Paper, U.S. Department of Justice, Antitrust Division, March 17, 2000, EAG 00-2

S. Dalkir & F.R. Warren-Boulton, "Prices, Market Definition, and the Effects of Merger: Staples-Office Depot (1997)," in J.E. Kwoka, Jr. and L.J. White, eds., *The Antitrust Revolution: Economics, Competition, and Policy*, 3rd ed. Oxford: Oxford University Press (1999), pp. 143-165.

3. ANTITRUST: VERTICAL INTEGRATION, VERTICAL CONTRACTS AND MARKET POWER

- * Tirole, Chapter 4 (including supplementary section).

- * S. Salop and D. Scheffman, "Raising Rivals' Costs," *American Economic Review*, vol. 73, May 1983, 267-271. (JSTOR)

<http://links.jstor.org/sici?sici=0002-8282%28198305%2973%3C267%3ARRC%3E2.0.CO%3B2-G>

- * J.A. Ordover, G. Saloner, & S.C. Salop, "Equilibrium Vertical Foreclosure," *American Economic Review*, 80 (March 1990), 127-142. (JSTOR)
<http://links.jstor.org/sici?sici=0002-8282%28199003%2980%3C127%3AEVF%3E2.0.CO%3B2-M>

 - B. Douglas Bernheim and Michael Winston, "Exclusive Dealing," *Journal of Political Economy*, February 1998, 64-103.

 - J. B. Heide, et.al., "Exclusive Dealing and Business Efficiency," *Journal of Law and Economics*, October 1998, 387-407.

 - * B. Klein, "Market Power in Aftermarkets," *Managerial and Decision Economics*, Vol. 17, 143-164 (1996). JSTOR.
<http://links.jstor.org/sici?sici=0143-6570%28199603%2F199604%2917%3C143%3AMP1A%3E2.0.CO%3B2-W>

 - C. Shapiro, "Aftermarkets and Consumer Welfare: Making Sense of Kodak," *Antitrust Law Journal*, Vol. 63 at 483 (1995).

 - S. Salop & M. Riordan, "Evaluating Vertical Mergers: A Post-Chicago Approach," *Antitrust Law Journal*, 1995, 513-568.

 - O. Hart & J. Tirole, "Vertical Integration and Market Foreclosure," *Brookings Papers on Economic Activity: Microeconomics*, 1990, 205-286. (JSTOR)

 - R. Gilbert & J. Hastings, "Pricing Vertical Integration in Gasoline Supply: An Empirical Test of Raising Rivals' Costs," University of California Energy Institute, POWER Working Paper PWP-084, July 2001. <http://www.ucei.org/PDF/pwp084.pdf>

 - S.J. Ornstein & D.M. Hanssens, "Resale Price Maintenance: Output Increasing or Restructuring? The Case of Distilled Spirits in the United States," *Journal of Industrial Economics*, 36 (September 1987), 1-18. (JSTOR)

 - F. Lafontaine, "Agency Theory and Franchising: Some Empirical Results," *Rand Journal of Economics*, 23 (Summer 1992), 263-283. (JSTOR)

 - * T. F. Bresnahan, "The Economics of the Microsoft Case," mimeo 2001.
[http://www.stanford.edu/~tbres/Microsoft/The Economics of The Microsoft Case.pdf](http://www.stanford.edu/~tbres/Microsoft/The_Economics_of_The_Microsoft_Case.pdf).

 - * S.C. Salop and R. Craig Romaine, "Preserving Monopoly: Economic Analysis, Legal Standards and Microsoft" *George Mason Law Review*, 7(3), September 1999, 617-671
- Microsoft case (U.S. DOJ site):
http://www.usdoj.gov/atr/cases/ms_index.htm

4. THE POLITICAL ECONOMY OF REGULATION

- * R. G. Noll, "Economic Perspectives on the Politics of Regulation," in R. Schmalensee & R.D. Willig (eds.), *Handbook of Industrial Organization*, Volume 2, Amsterdam: North-Holland, 1989, Ch. 22, 1253-1287.

Armstrong et al, Chapter 1.
- * G.J. Stigler, "The Theory of Economic Regulation," *Bell Journal of Economics*, 2 (Spring 1971), 3-21. (JSTOR)
<http://links.jstor.org/sici?sici=0005-8556%28197121%292%3C3%3ATTOER%3E2.0.CO%3B2-N>

J.P. Kalt & M.A. Zupan, "Capture and Ideology in the Economic Theory of Politics," *American Economic Review*, 74 (June 1984), 279-300. (JSTOR)

S. Peltzman, "The Economic Theory of Regulation after a Decade of Deregulation," *Brookings Papers on Economic Activity: Microeconomics*, 1989, 1-60. (JSTOR)

R.A. Posner, "Taxation by Regulation," *Bell Journal of Economics*, 2 (Spring 1971), 22-50. (JSTOR)
- * J. A. Hausman, "Taxation By Telecommunications Regulation," NBER Working Paper No. 6260, November 1997. <http://www.nber.org/papers/w6260>

M. McCubbins, R. Noll, & B. Weingast, "Administrative Procedures as Instruments of Political Control," *Journal of Law, Economics and Organization*, 3 (1987), 243-277.

P.L. Joskow, N.L. Rose, and C.D. Wolfram, "Political Constraints on Executive Compensation: Evidence from the Electric Utility Industry," *Rand Journal of Economics*, 27 (Spring 1996), 165-182. (JSTOR)

D. Palia, "The Impact of Regulation on CEO Labor Markets," *Rand Journal of Economics*, 31 (Spring 2000), 165-179.

P.L. Joskow & R. Schmalensee, "The Political Economy of Market-Based Environmental Policy: The 1990 U.S. Acid Rain Program," *Journal of Law and Economics*, XLI (April 1998), 37-84.
- * R. Kroszner and P. Strahan, "What Drives Deregulation? Economics and Politics of the Relaxation of Bank Branching Restrictions," *Quarterly Journal of Economics*, 114 (November 1999), 1437-1467. (Catchword)
<http://lucia.catchword.com/v1=1443328/cl=14/nw=1/rpsv/catchword/mitpress/00335533/v114n4/s10/p1437>

R.A. Posner, "Theories of Economic Regulation," *Bell Journal of Economics*, 5 (Autumn 1974), 335-358. (JSTOR)

J.Q. Wilson, "The Politics of Regulation," in J.Q. Wilson (Ed.), *The Politics of Regulation*, Cambridge: Harvard University Press, 1980.

R. Prager, "Using Stock Price Data to Measure the Effects of Regulation: The Interstate Commerce Act and the Railroad Industry," *Rand Journal of Economics*, 20 (Summer 1989), 280-290. (JSTOR)

B.R. Weingast & M.J. Moran, "Bureaucratic Discretion or Congressional Control? Regulatory Policymaking by the Federal Trade Commission," *Journal of Political Economy*, 91 (October 1983), 765-800. (JSTOR)

M. K. Olson, "Regulatory Reform and Bureaucratic Responsiveness to Firms: The Impact of User Fees in the FDA," *Journal of Economics, Management, and Strategy*, 9 (Fall 2000), 363-398. (CATCHWORD)

5. GOVERNMENT VERSUS PRIVATE OWNERSHIP

* W. Megginson and J. Netter, "From State to Market: A Survey of Empirical Studies of Privatization," *Journal of Economic Literature*, 39 (June 2001), 321-389. (e-JEL for AEA members)

J. Vickers & G. Yarrow, "Economic Perspectives on Privatization," *Journal of Economic Perspectives*, 5 (Spring 1991), 111-132. (JSTOR)

A. Shleifer, "State versus Private Ownership," *Journal of Economic Perspectives*, 12 (Fall 1998), 133-50.

R. Teeple & D. Glycer, "Cost of Water Delivery Systems: Specific and Ownership Effects," *Review of Economics and Statistics*, 69 (August 1987), 399-408. (JSTOR)

* R. La Porta & F. López-De-Silanes, "The Benefits of Privatization: Evidence from Mexico," *Quarterly Journal of Economics*, 114 (November 1999), 1193-1242. (Catchword)
<http://lucia.catchword.com/vl=1443328/cl=14/nw=1/rpsv/catchword/mitpress/00335533/v114n4/s4/p1193>

A. E. Bartel & A. Harrison, "Ownership versus Environment: Why Are Public Sector Firms Inefficient?" NBER Working Paper No. 7043, March 1999.
<http://papers.nber.org/papers/w7043.pdf>

D.E.M. Sappington & J.E. Stiglitz, "Privatization, Information and Incentives," *Journal of Policy Analysis and Management*, 6 (1987), 567-582.

Laffont & J. Tirole, Chapter 17.

A. Shleifer & R.W. Vishny, "Politicians and Firms," *Quarterly Journal of Economics*, 109 (November 1994), 995-1026. (Catchword)

A. Galal, L. Jones, P. Tandon, and I. Vogelsang, *Welfare Consequences of Selling Public Enterprises*, Oxford: Oxford University Press, 1994, Chapter 23.

M. Boycko, A. Shleifer, and R.W. Vishny, "Privatizing Russia," *Brookings Papers on Economic Activity*, 1993, 139-192. (JSTOR)

P.L. Joskow, R. Schmalensee, and N. Tsukanova, "Competition Policy in Russia During and After Privatization," *Brookings Papers on Economic Activity, Microeconomics*, 1994, 301-381. (JSTOR)

6. EFFICIENT REGULATION OF MONOPOLIES

A. The Natural Monopoly Problem

- * R. Schmalensee, *The Control of Natural Monopolies*, Lexington: D.C. Heath, 1979, Chapters 1 and 2.
- * W.W. Sharkey, *The Theory of Natural Monopoly*, Cambridge: Cambridge University Press, 1982, Ch. 2 and 4.
- * F. Gasmi, J.J. Laffont and W. W. Sharkey, "The Natural Monopoly Test Reconsidered," IDEI Working Paper No. 91. September 1999.
<http://www.idei.asso.fr/English/EPresent/index.html>

A.E. Kahn, *The Economics of Regulation, Volume 1*, New York: John Wiley, 1970, Chapters 3-7.

W.J. Baumol, J.C. Panzar, & R.D. Willig, *Contestable Markets and the Theory of Industry Structure*, San Diego: Harcourt, Brace, Javanovich, 1982, Chapters 3, 4, and 7.

B. Optimal Pricing with Full Information

- * R. Braeutigam, "Optimal Policies for Natural Monopolies," in R. Schmalensee & R.D. Willig (eds.), *Handbook of Industrial Organization, Volume 2*, Amsterdam: North-Holland, 1989, Chapter 23, 1290-1345. (useful overview and general reference)
- * Laffont and Tirole (1993), pages 19-34.
- * Laffont and Tirole (II), pages 60-66, 73-80.
- * S. Brown and D. Sibley, *The Theory of Public Utility Pricing*, Cambridge: Cambridge University Press, Chapter 3.

G.R. Faulhaber, "Cross-Subsidization: Pricing in Public Enterprises," *American Economic Review*, 65 (December 1975), 966-977. (JSTOR)

A.E. Kahn, *The Economics of Regulation, Volume 1*, New York: John Wiley, 1970, Chapter 2.

W.J. Baumol, J.C. Panzar, & R.D. Willig, *Contestable Markets and the Theory of Industry Structure*, San Diego: Harcourt, Brace, Javanovich, 1982, Chapter 8.

R.B. Wilson, *Nonlinear Pricing*, New York: Oxford University Press, 1993, Chapters 4 and 5.

K. Palmer, "A Test for Cross Subsidies in Local Telephone rates: Do business Customers Subsidize Residential Customers," *Rand Journal of Economics*, 23 (Autumn 1992), 415-431. (JSTOR)

C. Rate of Return Regulation

- * W.J. Baumol & A.K. Klevorick, "Input Choices and Rate-of-Return Regulation: An Overview of the Discussion," *Bell Journal of Economics and Management Science*, 1 (Autumn 1970), 162-190.
<http://links.jstor.org/sici?sici=0005-8556%28197023%291%3C162%3AICARRA%3E2.0.CO%3B2-7>

E.E. Bailey, *Economic Theory of Regulatory Constraint*, Lexington: D.C. Heath, 1973.

D. Institutions and Mechanisms for Asymmetric Information

- * P.L. Joskow & R. Schmalensee, "Incentive Regulation for Electric Utilities," *Yale Journal on Regulation*, 4 (December 1986), 1-49.
- * Laffont & Tirole, Chapters 1 & 2; Chapters 3 & 9 are recommended.
- * Laffont & Tirole (II), pages 37-60.

J.-J. Laffont, "The New Economics of Regulation Ten Years After," *Econometrica*, 62 (May 1994), 507-537. (JSTOR)

A. Shleifer, "A Theory of Yardstick Competition," *Rand Journal of Economics*, 16 (Autumn 1985), 319-327. (JSTOR)

Armstrong et al, Chapters 2 & 3 and Section 4.4.

D. Baron, "Design of Regulatory Institutions and Mechanisms," in R. Schmalensee & R.D. Willig (Eds.), *Handbook of Industrial Organization, Volume 2*, Amsterdam: North-Holland, 1989, Chapter 24, 1347-1447.

T. Lewis & D. Sappington, "Regulating a Monopolist with Unknown Demand," *American Economic Review*, 78 (December 1988), 986-998. (JSTOR)

R.J. Gilbert and D.M. Newbery, "The Dynamic Efficiency of Regulatory Constitutions," *Rand Journal of Economics*, 25 (Winter 1994), 538-554. (JSTOR)

E. Price Caps and Related Regimes

- * Laffont & Tirole II, pages 66-73, 84-96

Armstrong et al, Chapter 6.

- * R. Schmalensee, "Good Regulatory Regimes," *Rand Journal of Economics*, 20 (Autumn 1989), 417-436. (JSTOR)

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M. Crew and P. Kleindorfer, Incentive Regulation in the United States: Some Lessons," *Journal of Regulatory Economics*, May 1996, pp. 211-226.

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F. Auction-Based Approaches

H. Demsetz, "Why Regulate Utilities?" *Journal of Law and Economics*, 11 (April 1968), 55-66.

Laffont & Tirole, Chapters 7 and 8.

P.C. Cramton, "Money Out of Thin Air: The Nationwide Narrowband PCS Auction," *Journal of Economics & Management Strategy*, 4 (Summer 1995), 267-343.

B. Chakravorti, W.W. Sharkey, Y. Spiegel, and S. Wilkie, "Auctioning the Airwaves: The Contest for Broadband PCS Spectrum," *Journal of Economics & Management Strategy*, 4 (Summer 1995), 345-373.

E. Engle, R. Fischer and A. Galetovic, "Least Present Value of Revenue Auctions and Highway Franchising," NBER Working Paper No. 6689. <http://www/nber.org/papers/w6689>

P.L. Joskow, R. Schmalensee, and E.M. Bailey, "The Market for Sulfur Dioxide Emissions," *American Economic Review*, 88 (September 1998) 669-685.

7. THE EFFECTS OF ECONOMIC REGULATION AND DEREGULATION

A. Overview

* P.L. Joskow & N.L. Rose, "Economic Regulation and its Effects," in R. Schmalensee & R.D. Willig (eds.), *Handbook of Industrial Organization, Volume 2*, Amsterdam: North-Holland, 1989, Ch. 25, 1450-1506.

P.L. Joskow & R.G. Noll, "Economic Regulation during the 1980s," in M. Feldstein (Ed.), *Economic Policy During the 1980s*, University of Chicago Press, 1994. (Useful general survey and reference)

B. Access Pricing and Competition in Telecommunications

* Laffont & Tirole II, Chapter 1, Chapter 2 (pp. 80-84), Chapter 3, Chapter 4, Chapter 7 [The rest of the book is recommended]

* R. Crandall and J. Hausman, "Competition in U.S. Telecommunications Services: Effects of the 1996 Legislation," *Deregulation of Network Industries* (Peltzman and Winston, eds.), Brookings Press, 2000. <http://web.mit.edu/14.272/www/hausman.pdf>

- * D. Kridel, D. Sappington and D. Weisman, "The Effects of Incentive Regulation in the Telecommunications Industries: A Survey," *Journal of Regulatory Economics*, May 1996, pp. 269-306.

 - * J.A. Hausman, "Valuing the Effect of Regulation on New Services in Telecommunications," *Brookings Papers: Microeconomics*, 1997, 1-54. JSTOR
<http://links.jstor.org/sici?sici=1057-8641%281997%291997%3C1%3AVTEORO%3E2.0.CO%3B2-T>
- Armstrong et al., Ch. 7.
- J.-J. Laffont and J. Tirole, "Creating Competition Through Interconnection: Theory and Practice," *Journal of Regulatory Economics*. November 1996, pp. 227-256.
- Laffont & Tirole, Chapters 5 and 6.
- J.-J. Laffont, P. Rey, and J. Tirole, "Network Competition: I. Overview and Nondiscriminatory Pricing," *Rand Journal of Economics* 29 (Spring 1998) 1-37.
- J.-J. Laffont, P. Rey, and J. Tirole, "Network Competition: II. Price Discrimination," *Rand Journal of Economics* 29 (Spring 1998) 38-56.
- J.A. Hausman, T. Tardiff, and Alexander Belinfante, "The Effects of the Breakup of AT&T on Telephone Penetration in the United States," *American Economic Review*, 83, May 1993, 178-184. (JSTOR)
- W.E. Taylor & L. Taylor, "Postdivestiture Long-Distance Competition in the U.S.," *American Economic Review*, 83 (May 1993), 185-190. (JSTOR)
- P.W. MacAvoy, "Tacit Collusion Under Regulation in the Pricing of Interstate Long-Distance Telephone Services," *Journal of Economics & Management Strategy*, 4 (Summer 1995), 147-185.
- S. Kahai, D. Kaserman and J. Mayo, "Is the 'Dominant Firm' Dominant? An Empirical Analysis of AT&T's Market Power," *Journal of Law and Economics* 39 (October 1996) 497-517.
- S.G. Donald & D.E.M. Sappington, "Explaining the Choice Among Regulatory Plans in the U.S. Telecommunications Industry," *Journal of Economics & Management Strategy*, 4 (Summer 1995), 237-265.
- A.D. Mathios & R. P. Rogers, "The Impact of Alternative Forms of State Regulation of AT&T Direct-Dial, Long-Distance Telephone Rates," *RAND Journal of Economics*, 20 (Autumn 1989), 437-453. (JSTOR)
- S. Greenstein, S. McMaster, & P. Spiller, "The Effect of Incentive Regulation on Infrastructure Modernization: Local Exchange Companies' Deployment of Digital Technology," *Journal of Economics & Management Strategy*, 4 (Summer 1995), 187-236.

C. Regulation and Deregulation in Electricity

- * G. Stigler & C. Friedland, "What Can Regulators Regulate?" *Journal of Law and Economics*, 5 (October 1962), 1-16.

- * S. Peltzman, "George Stigler's Contribution to the Analysis of Economic Regulation." *Journal of Political Economy*, October 1993, pp. 819-832. (JSTOR)
<http://links.jstor.org/sici?sici=0022-3808%28199310%29101%3C818%3AGSCTTE%3E2.0.CO%3B2-3>

- R. Schmalensee, "An Expository Note on Depreciation and Profitability under Rate-of-Return Regulation," *Journal of Regulatory Economics*, 1 (September 1989), 293-298.

- G.A. Jarrell, "The Demand for State Regulation of the Electric Utility Industry," *Journal of Law and Economics*, 21 (October 1978), 269-295.

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- P.L. Joskow, "Regulatory Failure, Regulatory Reform and Structural Change In The Electric Power Industry," *Brookings Papers on Economic Activity: Microeconomics*. 1989. (JSTOR)

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- W. Hendricks, "The Effects of Regulation on Collective Bargaining in Electric Utilities," *Bell Journal of Economics*, 6 (Autumn 1975), 451-465. (JSTOR)

- A. Sweeting, "The Wholesale Market for Electricity in England and Wales: Recent Developments and Future Reforms," MIT Center for Energy and Environmental Policy Research, Working Paper MIT-CEEPR 2000-007, September 2000.
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- P. Joskow and J. Tirole, "Transmission Rights and Market Power on Electric Power Networks," *Rand Journal of Economics*, Autumn 2000, 450-487.
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- W.W. Hogan, "Contract Networks for Electric Power Transmission," *Journal of Regulatory Economics*, 4 (1992), 211-242.

- * C. D. Wolfram, "Measuring Duopoly Power in the British Electricity Spot Market," *American Economic Review* 89(4), September 1999, 805-826.

- * C. D. Wolfram, "Strategic Bidding in a Multiunit Auction: An Empirical Analysis of Bids to Supply Electricity in England and Wales," *Rand Journal of Economics*, Vol. 29, No. 4, 703-725, Winter 1998.
- * A. Sweeting, "The Effect of Falling Market Concentration on Prices, Generator Behavior and Productive Efficiency in the England and Wales Electricity Market, 2001.
- * D. Newbery and M.G. Pollit, "The Restructuring and Privatization of British CEGB -- Was it Worth It?" *Journal of Industrial Economics*, September 1997, pp. 269-303.

P.L. Joskow, "Restructuring, Competition and Regulatory Reform in the U.S. Electricity Sector," *Journal of Economic Perspectives*, Summer 1997, pp. 119-138.
- * S. Borenstein and J. Bushnell, "An Empirical Analysis of the Potential for Market Power in California's Electricity Industry," *Journal of Industrial Economics* 47 (September 1999), 285-324.
<http://www.ucei.berkeley.edu/ucei/PDFDown.html>
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