

Economics 220B

The miscellaneous topics listed below are intended to get you thinking about a term paper. Most are applications to specific industries or specific regulatory policies. There are many more possibilities for research in theoretical aspects of regulation.

- Problems of erecting incentives for efficient investment and operation of natural monopoly facilities placed under common ownership in a specific case such as an electric power grid or an internet backbone.
- Efficient design of auctions to assign rights to common property resources such as radio spectrum or mineral/grazing rights.
- Compare the trend toward re-emergence of end-to-end monopoly in telephone with the vertical divestiture in electric power in terms of the tradeoff between vertical economies and anticompetitive behavior.
- Efficient design of duopoly policy in markets that are potentially natural monopoly (e.g., cellular telephone)
- The increased concentration of hospitals and HMOs through mergers and joint ventures and the implications for the price and availability of health services.
- Potential of labor and management sharing in the rents that accrue in trucking, railroad or other regulated industries.
- Motivation and long-run sustainability of bypass in the natural gas distribution industry under different regulatory regimes.
- Winners and losers from price ceilings, rationing and strategic reserves in the market for oil and gas.
- Effectiveness of different ratemaking practices (e.g., ROR vs. price caps) to encourage adoption of new technologies in a specific industry (e.g., electric power, telephone, health care).
- Apply principles of economic models of regulation to understand the passage of a particular piece of legislation that regulates, deregulates or re-regulates an industry (e.g., Airline Deregulation Act of 1978, Cable Act of 1992, Telecom Act of 1996).
- Cross country comparison (e.g., U.S. vs. Japan) of policy formation on a specific regulatory issue (e.g., regulation of nuclear power or deregulation of telephones), and the relation between the outcome and the possibilities for rent seeking under the different political systems.
- Policy alternatives toward a dominant firm that achieves a de facto standard in an industry exhibiting strong complementarities among component products (e.g., Microsoft and Intel).
- The use of structural separations or Chinese walls to guard against leveraging market power into complementary product markets.
- Compare performance of public enterprises relative to regulated private firms within or across industries (e.g., water, electric power, cableTV, airlines) and relate to management incentives and/or regulatory policies.
- Success of regulatory policy that uses a government-owned firm to compete against a dominant private firm.
- The relative effectiveness of alternative regulatory mechanisms to elicit relevant information, e.g., yardstick vs. iterative mechanisms.
- Success of privatization initiatives based on the nature of the post-privatization regulatory scheme especially with regards to rate regulation and the ease of competitive entry.
- Creating efficient incentives for disposal of nuclear and other kinds of hazardous waste.
- Tradeoff between efficiency and anti-competitiveness of mergers/alliances/joint ventures among local/long distance/cable/wireless companies aimed at exploiting multimedia opportunities.
- Comparison of solutions to pricing interconnection sold to competitors across different industries (e.g., phone v. electric power) or for a single industry across different countries.