

*Economics 220B*  
**ADDITIONAL ARTICLES FOR PRESENTATION**

Below are additional papers to consider for class presentation. They are ordered according to the original syllabus, and it is strongly preferred that presentations coincide with lectures on the corresponding subject. This list only scratches the surfaces, however, and so students are encouraged to track down other articles more in line with their interests. I only ask that the paper matches reasonably closely the material covered in class. In any case, it is best to discuss possibilities with me as early as you can.

**I. NATURAL MONOPOLY AND ITS REGULATION**

**1. History, Rationale and Methodologies [January 22]**

**2. Multiproduct Natural Monopoly & Sustainability [January 29]**

R. Shin and J. Ying, "Unnatural Monopolies in Local Telephone," Rand Journal of Economics, Summer 1992.

L. Pulley and Y. Braunstein, "A Composite Cost Function for Multiproduct Firms with an Application to Economies of Scope in Banking," Review of Economics & Statistics, 1992.

**3. Efficient, Equitable and Equilibrium Prices [February 5]**

G. Faulhaber and S. Levinson, "Subsidy Free Prices and Anonymous Equity," American Economic Review, 1981.

W. Brock and W.D. Dechert, "Dynamic Ramsey Pricing," William Brock and W. D. Dechert, International Economic Review, October 1985.

**4. Regulated Ratemaking in Theory and Practice [February 12]**

J. Panzar, "A Neoclassical Approach to Peak Load Pricing," Bell Journal of Economics, 1976.

J. Ordover and J. Panzar, "On the Nonlinear Pricing of Inputs," International Economic Review, October 1982.

**II. MONOPOLY REGULATION IN PRACTICE**

**5. Rate of Return Regulation [February 19]**

B. Greenwald, "Rate Base Selection and the Structure of Regulation," Rand Journal, 1984.

**6. Franchise Bidding [February 26]**

M. Riordan and D. Sappington, "Awarding Monopoly Franchises," American Economic Review, 1987.

M. Zupan, "The Efficacy of Franchise Bidding Schemes in the Case of Cable Tv: Some Systematic Evidence," Journal of Law and Economics, October 1989.

**7. Price Cap and Benchmark Regulation [March 5]**

- R. Brauetigam and J. Panzer, "Effects of the Change from Rate of Return to Price Cap Regulation," American Economic Review, 1993.
- L. Cabral and M. Riordan, "Incentives for Cost Reduction under Price Cap Regulation," Luis Cabral and Michael Riordan, Journal of Regulatory Economics, 1989.
- R. Brauetigam and J. Panzer, "Diversification Incentive under 'Price Based' and 'Cost Based' Regulation," Rand Journal of Economics, 20:3, Autumn 1989.
- D. Sappington, and D. Sibley, "Strategic Nonlinear Pricing under Price-cap Regulation," Rand Journal of Economics, Spring 1992.
- J. Kwoka, "Implementing Price Caps in Telecommunications," Journal of Policy Analysis & Management, 12:4, 1993.

**8. Survey of the Telephone and Cable TV Industries [March 12]**

- R. Prager, "Firm Behavior in Franchise Monopoly Markets," Rand Journal, Summer 1990.

**III. REALITY CHECKS**

**9. Effects of Regulation in the Electric Power Industry [March 19]**

- B. Roberts, G. Maddala and G. Enholm, "Determinants of the requested rate of return and the rate of return granted in a formal regulatory process," Bell Journal of Economics.

**10. Political Theories of Regulation and Deregulation [March 26]**

- C. Winston, "Economic deregulation: days of reckoning for microeconomists," Journal of Economic Literature, September 1993.
- T. Hazlett, "The Demand to Regulate Franchise Monopoly: Evidence from CATV Rate Deregulation in California," Economic Inquiry, vol. 29, 1991.

**11. Contracting vs. Administration [March 26]**

- J. Sidak and D. Spulber, "Deregulatory Takings and Breach of Regulatory Contract," NYU Law Review, 71:4, October 1996 (very long).

**IV. DESIGN OF OPTIMAL REGULATORY MECHANISMS**

**12. Overview of the New Economics of Regulation**

**13. Iterative and Dynamic Mechanisms [April 2 and 9]**

- R. Gilbert and D. Newbery, "The Dynamic Efficiency of Regulatory Constitutions," Rand Journal of Economics, Winter 1994.
- G. Blackmon and R. Zeckhauser, "Fragile Commitments and the Regulatory Process," Yale Journal on Regulation, 9:1, Winter, 1992.
- J. Logan, R. Masson and R. Reynolds, "Efficient Regulation with Little Information: Reality in the Limit?" International Economic Review, 30:4 November 1989.

**14. Agency Approach [April 9 and 16]**

- G. Biglaiser and A. Ma, "Regulating a Dominant Firm: Unknown Demand and Industry Structure," Rand Journal of Economics, Spring 1995.
- D. Sappington, and D. Sibley, "Regulating Without Cost Information: the Incremental Surplus Subsidy Scheme," International Economic Review, 29:2, May 1988.

**V. DEREGULATION WITH SPECIAL REFERENCE TO NETWORK INDUSTRIES**

**15. Entry Control, with and without Incumbent Regulation [April 23]**

- J.-J. Laffont and J. Tirole, "Access Pricing and Competition," European Economic Review, vol. 38, pp. 1673-1710, 1994.
- J.-J. Laffont and J. Tirole, "Creating Competition Through Interconnection: Theory and Practice," draft, 1994.
- M. Riordan, "Regulation and Preemptive Technology Adoption," Rand Journal, Autumn 1992.
- E. Auriole and J.-J. Laffont, "Regulation by Duopoly," Journal of Economic Management and Strategy, 1994.
- P. MacAvoy, D. Spulber and B. Stangle, "Is Competitive Entry Free? Bypass and Partial Deregulation in Natural Gas Markets," Yale Journal on Regulation, 6:2, Summer 1989.

**16. Efficient Pricing of Bottleneck Services [April 30]**

- J. Vickers, "Competition and Regulation in Vertically-related Markets," Review of Economic Studies, January 1995.
- N. Curien, B. Julien and P. Rey, "Pricing Regulation under Bypass Competition," draft, 1994.
- N. Economides and L. White, "Access and Interconnection Pricing: How Efficient Is the Efficient Components Pricing Rule," Antitrust Bulletin, 1995.
- T. Lewis and D. Sappington, "Access Pricing and Network Architecture," draft 1996.
- N. Economides, G. Lopomo and G. Woroch, "Strategic Commitments and the Principle of Reciprocity in Interconnection Pricing," draft, November 1996.

**17. Foreclosure and Essential Facilities [May 7]**

- D. Carlton and S. Salop, "You Keep on Knocking but You Can't Come In: Evaluating Restrictions on Access to Input Joint Ventures," University of Chicago, Center for the Study of the Economy and the State, Working Paper 111, April 1995.
- M. Whinston, "Tying, Foreclosure, and Exclusion," American Economic Review, vol.80, no. 4, 1990.
- K. Baseman, F. Warren-Boulton and G. Woroch, "Exclusionary Behavior in the Market for Operating System Software: the Case of Microsoft," forthcoming in Opening Networks to Competition: The Regulation and Pricing of Access, D. Gabel and D. Weiman, editors.
- M. Klass, and M. Salinger, "Do New Theories of Vertical Foreclosure Provide Sound Guidance for Consent Agreement in Vertical Merger Cases," The Antitrust Bulletin, Vol. 40, No. 3, pp. 667-698, 1995.
- D. Waterman and A. Weiss, "The Effects of Vertical Integration Between Cable Television Systems and Pay Cable Networks," Journal of Econometrics, 1996.
- G. Werden, "The Law and Economics of the Essential Facilities Doctrine," St. Louis University Law Journal, 32:2, Winter 1987.