

I·R·L·E

INSTITUTE FOR REGULATORY
LAW & ECONOMICS

2013 Seminar
May 18, 2012- May 22, 2013
Aspen Meadows Resort – Home of the Aspen Institute
845 Meadows Road, Aspen, CO 81611
Phone: 1.800.452.4240

AGENDA

Saturday, May 18- Welcome to Aspen; Introduction to Modern Economic Analysis

Time	Session	Instructor(s)	Location
11:00 a.m. – 2:00 p.m.	Resort check in		
2:15 – 2:30 p.m.	Seminar Registration & Refreshments		IRLE Seminar Room
2:30 – 2:45 p.m.	Welcome and Orientation	Ray Gifford	IRLE Seminar Room
2:45 – 3:45 p.m.	The Five Prisms: Economic Analysis of Regulation	Ray Gifford	IRLE Seminar Room
3:45 – 4:00 p.m.	Break		
4:00 – 5:45 p.m.	The Double Oral Icebreaker	Lynne Kiesling	IRLE Seminar Room
5:45 – 6:45 p.m.	Optional Happy Hour		Hefner Lounge
6:45 – 8:30 p.m.	Dinner & Talk: Antitrust Economics, Market Power and Merger Analysis	Greg Rosston	Meadows Restaurant

Reading Before Seminar:

- Thomas McCraw, *Prophets of Regulation*, chapters 2, 7, and 8 (1984).
- Ronald H. Coase, [Nobel Prize Lecture](#) (1991).
- Oliver Williamson, [Why Law Economics and Organization?](#), Annual Review of Law and Social Science (Dec. 2005), Vol. 1, Pages 369-396.

Optional Reading Before Seminar:

- Richard A. Posner, [Taxation by Regulation](#), 3 Bell J. Econ. 22 (1971).
- Joseph A. Schumpeter, [Capitalism, Socialism & Democracy](#) (1942), Chapter 7.
- F.A. Hayek, [The Use of Knowledge in Society](#), The American Economic Review (1945).

Assigned Reading for Saturday:

- J. Bradford DeLong, [Creative Destruction's Reconstruction: Schumpeter Revisited, Chronicle of Higher Edn.](#)
- Timothy Muris, [Improving the Economic Foundations of Competition Policy.](#)

Optional Reading for Saturday:

- Alfred E. Kahn, [The Deregulatory Tar Baby](#), 21 J. Reg. Econ. 35 (2002).
- Richard A. Posner, [Antitrust in the New Economy](#), University of Chicago Working Paper (2000).

Sunday, May 19 - Technology for Regulators and Corporate Finance

Time	Session	Instructor(s)	Location
7:00 – 8:15 a.m.	Hot Breakfast Buffet available in the Meadows Restaurant		
8:15 – 8:30 a.m.	Light Breakfast Buffet available outside the IRLE Seminar Room in the Koch Lobby		
8:30 – 10:15 a.m.	Trends in Technology Development: Telecommunications	Doug Sicker	IRLE Seminar Room
10:15 – 10:30 a.m.	Break		
10:30 – 12:00 p.m.	Trends in Technology Development: Electric Power	Doug Sicker	IRLE Seminar Room
12:00 – 1:30 p.m.	Lunch		
1:30 – 3:15 p.m.	Introduction to Corporate Finance	Eric Talley	IRLE Seminar Room
3:15 – 3:30 p.m.	Break		
3:30 – 5:00 p.m.	Applications of Corporate Finance To Regulated Industries	Eric Talley	IRLE Seminar Room
5:00 – 6:30 p.m.	Break		
6:30 – 8:30 p.m.	Dinner & Talk: Consumer Protection and Behavioral Economics	Howard Shelanski	Meadows Restaurant
8:30 – 9:30 p.m.	Evening Seminar (Optional): Lessons from the Financial Meltdown	Eric Talley	Hefner Lounge

Assigned Reading for Sunday:

- James DeLong, [Avoiding a Tech Train Wreck](#) (2008).
- Ivo Welch, [A First Course in Corporate Finance](#) (2008) Chapters 2 & 8.
- Economist Intelligence Unit, [Regulatory Risk: Trends and Strategies for the CRO](#) (2005).
- Ian Alexander and Timothy Irwin, [Price Caps, Rate-of-Return Regulation, and the Cost of Capital](#) (1996).
- M. Schmidt, [Regulation by Formula: Tools to Facilitate Changing Utility Economics](#), (March 2010).
- PWC, [We Need to Talk About Capex](#).

Optional Reading for Sunday:

- Timothy A. Luehrman, [Investment Opportunities as Real Options](#) (1998).
- [Public Utilities Fortnightly, 2009 ROE Survey](#) (Sept. 2009).

Monday, May 20 – Economic Tools, Political Entrepreneurship, and Market Design

Time	Session	Instructor(s)	Location
7:00 – 8:15 a.m.	Hot Breakfast Buffet available in the Meadows Restaurant		
8:15 – 8:30 a.m.	Light Breakfast Buffet available outside the IRLE Seminar Room in the Koch Lobby		
8:30 – 9:30 a.m.	Introduction to Regulation	Greg Rosston / Ray Gifford	IRLE Seminar Room
9:30 – 10:30 a.m.	Introduction to New Institutional Economics, Price Discrimination, and Vertical Integration	Howard Shelanski	IRLE Seminar Room
10:30 – 10:45 a.m.	Break		
10:45 – 12:00 p.m.	Public Choice & Political Entrepreneurship	Phil Weiser	IRLE Seminar Room

12:00 p.m.	Lunch		Meadows Restaurant
1:30 – 2:30 p.m.	Market Design, Pt 1: The Case of Wholesale Power Markets	Ray Gifford	IRLE Seminar Room
2:30 - 3:45 pm	Market Design Breakout Sessions: Taxi Cabs, Electric Markets and Broadband Pricing	Ray Gifford / Phil Weiser/Howard Shelanski/Lynne Kiesling	IRLE Seminar Room
3:45 – 4:00 p.m.	Break		
4:00 – 5:00 p.m.	Competition in Retail Markets: Pricing, Market Power, and Economic Efficiency	Greg Rosston	IRLE Seminar Room
5:00 – 6:00p.m.	Break		
6:00 – 8:00 p.m.	Dinner & Talk: Technological Change and Institutional Change	Phil Weiser	Meadows Restaurant
8:00 – 9:00 p.m.	Evening Seminar (Optional): Experimentation and Institutional Change, The Case of the Natural Gas Policy Act and the Texas Electric Market	Ray Gifford/Lynne Kiesling	Hefner Lounge

Assigned Reading for Monday:

- Paul Joskow, [Incentive Regulation and Its Application to Electricity Networks](#) (RNE 2008).
- Phil Weiser, [Alfred Kahn as a Case Study of a Political Entrepreneur: An Essay in Honor of His 90th Birthday](#) (2008).
- Pierre Lemieux, [The Public Choice Revolution](#), Regulation (Fall 2004), pp. 22-29.
- Dave Bohon, [Army Corps of Engineers Blows Mississippi River Levee](#) (2011).
- Daniel Gilbert & Rebecca Smith, [More Utilities Can't Prove Pipe Tests](#), Wall Street Journal (Apr. 18, 2011).
- Thomas Catan, [Apple's Mobile Rules To Get FTC Scrutiny](#), The Wall Street Journal (June 12, 2010).
- Arnold Kling, [The Institutions-Intensive Economy](#), Library of Economics and Liberty (Feb. 25, 2013).
- Richard Langlois, Design, Institutions, and the Evolutions of Platforms, [Journal of Law, Economics & Policy](#), Fall 2012 Issue, Volume 9, Number 1.
- Paul Joskow, [Natural Gas: From Shortages to Abundance in the U.S.](#), to be published in the American Economic Review (May 2013).
- Katrina Jesoe & David Rapson, [Knowledge is \(Less\) Power: Experimental Evidence from Residential Energy Use](#), (Feb. 29, 2013).

Optional Reading for Monday:

- Joseph Farrell & Philip J. Weiser, [Modularity, Vertical Integration, And Open Access Policies: Towards A Convergence Of Antitrust And Regulation In The Internet Age](#) (2003) pp. 86-90 and 97-127.
- Mark Armstrong and David E. M. Sappington, [Regulation, Competition, and Liberalization](#), Journal of Economic Literature (June 2006).

Tuesday, May 21- Auctions and Experimental Economics

Time	Session	Instructor(s)	Location
7:00 – 8:15 a.m.	Hot Breakfast Buffet available in the Meadows Restaurant		
8:15 – 8:30 a.m.	Light Breakfast Buffet available outside the IRLE Seminar Room in the Koch Lobby		
8:30 – 10:00 a.m.	Electric Power Auctions	Rim Baltaduonis with Taylor Smart	IRLE Seminar Room
10:00 – 10:15 a.m.	Break		
10:15 – 12:00 p.m.	Experimental Economics 101	Rim Baltaduonis with Taylor Smart	IRLE Seminar Room
12:00 p.m.	Lunch & Break		Meadows Restaurant
5:30 p.m.	Shuttle to Dinner		Front Lobby
6:00 – 8:00 p.m.	Dinner		LA CANTINA 411 East Main Street Aspen, Colorado 81611 970.925.3663

Assigned Reading for Tuesday:

- Stephen Rassenti, Vernon Smith & Bart Wilson, [Using Experiments to Inform the Privatization/Deregulation Movement in Electricity](#), Cato Journal (Winter 2002).
- Rimvydas Baltaduonis, [Simple-Offer versus Complex-Offer Auctions in Deregulated Electricity Markets](#), Working Paper (2009).
- Rimvydas Baltaduonis, Tihomir Ancev, Tim Capon & Taylor Smart, [Flicking the Switch: Retail Demand-Side Response under Alternative Electricity Pricing Contracts](#), Working Paper (2013). ****Please note this reading will be distributed at the workshop.****

Wednesday, May 22 - Putting It All Together: Back to the Real World

Time	Session	Instructor(s)	Location
7:00 – 8:15 a.m.	Hot Breakfast Buffet available in the Meadows Restaurant		
8:15 – 8:30 a.m.	Light Breakfast Buffet available outside the IRLE Seminar Room in the Koch Lobby		
8:30 – 10:30 a.m.	Lessons and Reflections on the Smart Grid	Lynne Kiesling	IRLE Seminar Room
10:30-11:15 a.m.	Wrap-up and Closing Comments Program Review and Feedback	Ray and IRLE Faculty	IRLE Seminar Room
11:15 a.m.	Boxed Lunches Available at the Lobby Main Bar or hot lunch available at Meadows Restaurant		

Assigned Reading for Wednesday:

- Paul Joskow, [Creating a Smarter Electricity Grid](#) (Winter 2012).
- L. Lynne Kiesling, [Promoting Innovation in the Electricity Industry](#).
- Dave Chassin and L. Lynne Kiesling, [Decentralized Coordination through Digital Technology, Dynamic Pricing, and Customer-Driven Control: The GridWise Testbed Demonstration Project](#) (2008).

2013 IRLE Faculty

Raymond L. Gifford

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Ray Gifford is the Director of the Institute of Regulatory Law and Economics, a senior adjunct fellow at the University of Colorado's Silicon Flatirons Center, member of its advisory board, and is a Partner at Wilkinson Barker Knauer, LLP. He counsels communications, electric and gas utilities and information technology companies on state and federal aspects of regulation, administrative law, and competition policy. He is an expert in public utilities law, principally as it relates to telecommunications and energy matters. He litigates on behalf of clients in state and federal courts, serving as an expert witness on utility regulation in federal and state courts, and at state utility commissions. In addition, his law and policy work focuses on antitrust, competition policy and intellectual property law. Before returning to private law practice, Ray was Chairman of the Colorado Public Utilities Commission, serving as the chief regulator in the state of Colorado of the telecommunications, electricity, natural gas and transportation industries.

L. Lynne Kiesling

lynne@knowledgeproblem.com

Lynne Kiesling is a Distinguished Senior Lecturer in the Department of Economics at Northwestern University. At Northwestern she is also a Faculty Member in the Northwestern Institute on Complex Systems (NICO) and a Faculty Affiliate in the Center for the Study of Industrial Organization (CSIO). Her specialization is industrial organization and regulatory policy. She also teaches undergraduate courses in principles of economics, environmental economics, and history of economic thought, and writes about economics as the editor/owner at the website Knowledge Problem. As a noted expert in demand response, end-use technology, and retail competition, she has been asked to speak to various academic, industrial, and regulatory groups about regulatory policy, institutional change, and experimental economic analysis of electric power market design. She has served as a peer reviewer for the U.S. Department of Energy and the National Science Foundation, and for academic journals including Energy Journal, Public Choice, and Review of Economics and Statistics. She has provided expert testimony in proceedings before the Federal Energy Regulatory Commission, the California Public Utilities Commission, the Illinois Commerce Commission, and the New York Public Service Commission. Her full CV is available at <http://faculty.wcas.northwestern.edu/~lki851/vita.pdf>.

Greg Rosston

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Gregory L. Rosston is a Senior Fellow and Deputy Director of the Stanford Institute for Economic Policy Research, Deputy Director of the Public Policy program at Stanford University and Professor of Economics (by courtesy). He teaches Economics and Public Policy courses on competition policy and strategy, intellectual property, and writing and rhetoric. He currently serves as the co-chair of the Department of Commerce Spectrum Management Advisory Committee.

Dr. Rosston served as Deputy Chief Economist at the Federal Communications Commission working on the implementation of the Telecommunications Act of 1996 and helped to design and implement the first ever spectrum auctions in the United States. In 2011, he was Senior Economist for Transactions for the Federal Communications Commission for the proposed AT&T – T-Mobile transaction. He co-chaired the Economy, Globalization and Trade committee for the 2008 Obama campaign and was a member of the Obama transition team on economic agency review and energy policy. Dr. Rosston received his

Ph.D. in Economics from Stanford University and his A.B. with Honors in Economics from University of California at Berkeley. He serves as an Advisory Board member for the Stanford Federal Credit Union, Sustainable Conservation, and as a Board member for the Nepal Youth Foundation.

Douglas C. Sicker

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Doug is the DBC Endowed Professor in the Department of Computer Science at the University of Colorado at Boulder with a joint appointment in, and director of, the Interdisciplinary Telecommunications Program. Doug recently was the Chief Technology Officer and Senior Advisor for Spectrum at the National Telecommunications and Information Administration (NTIA). Doug also served as the Chief Technology Officer of the Federal Communications Commission (FCC) and prior to this he served as a senior advisor on the FCC National Broadband Plan. Prior to this he was Director of Global Architecture at Level 3 Communications, Inc. Doug also served as Chief of the Network Technology Division at the Federal Communications Commission (FCC). Doug has also held faculty and industry positions in the field of medical sciences. Doug is a senior member of the IEEE, as well as a member of the ACM and the Internet Society. He has also served as chair of various program committees and on various federal advisory committees. His research and teaching interests include network security, wireless systems and network policy. For additional details please go to <http://spot.colorado.edu/~sicker>.

Eric Talley

etalley@law.berkeley.edu

Eric Talley is the Rosalinde and Arthur Gilbert Professor in Law, Business and the Economy at the University of California Berkeley (Boalt Hall) School of Law. He is a leading expert in the intersection of corporate law, governance and finance. For over 15 years, he has taught courses in law schools, economics departments and business schools, in topics that include Corporate Law, Commercial Law, Microeconomics, Corporate Finance, Mergers and Acquisitions, Quantitative Methods, Game Theory, Securities Regulation, and Law and Economics. He is also affiliated with the RAND Corporation's Institute for Civil Justice. Eric holds a bachelor's degree from the University of California, San Diego, a Ph.D. in economics from Stanford University, and a J.D. also from Stanford, where he served as articles editor for the Stanford Law Review. He has taught at UC Berkeley since 2005, serving as co-director of the Berkeley Center for Law, Business and the Economy. He has held teaching appointments at Harvard, Georgetown, California Institute of Technology, Stanford, University of Sydney (Aus), U. Miami, and the University of Southern California. From 2004-2006, he was the Ivadelle & Theodore Johnson Professor of Law and Business at the University of Southern California, with joint appointments in the Gould School of Law and the Marshall School of Business (finance and business economics group). From 2001-2004, he served as director of the USC Center for Law, Economics and Organization and of USC's Olin Program in Law and Rational Choice. He is a frequent commentator on the national radio show Marketplace, and speaks frequently to corporate boards and regulators on issues pertaining to fiduciary duties, governance, and corporate finance.

Howard Shelanski

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Howard Shelanski is Director of the Bureau of Economics at the Federal Trade Commission and Professor of Law (on leave) at Georgetown University. Before joining the Georgetown faculty, he was a professor of law at the University of California at Berkeley from 1997 to 2011, where he also served as a co-director of the Berkeley Center for Law and Technology. Shelanski's research focuses on antitrust and regulation.

Shelanski previously served in government on several occasions, as Deputy Director of the FTC's Bureau of Economics (2009-2011), as a Senior Economist at the President's Council of Economic Advisers (1998-1999), and as Chief Economist at the Federal Communications Commission (1999-2000). Before beginning his academic career, he practiced law in Washington, DC and served as a law clerk to Justice Antonin Scalia on the US Supreme Court, Judge Louis H. Pollak on the US District Court in Philadelphia, and Judge Stephen F. Williams on the US Court of Appeals in Washington DC.

Shelanski earned his JD and his Ph.D. in economics at the University of California at Berkeley and his BA at Haverford College.

Phil Weiser

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Dean Phil Weiser is the Dean of the Law School, Thompson Professor of Law, and Executive Director and Founder of the Silicon Flatirons Center for Law, Technology, and Entrepreneurship at the University of Colorado. Dean Weiser re-joined the Colorado faculty in June, 2011. From April 2010-June 2011, he served as the Senior Advisor for Technology and Innovation to the National Economic Council Director at the White House. From July 2009-April 2010, he served as the Deputy Assistant Attorney General at the United States Department of Justice's Antitrust Division.

Since first joining the CU faculty in 1999, Dean Weiser has worked to establish a national center of excellence in telecommunications and technology law, founding the Journal on Telecommunications & High Technology Law and the Silicon Flatirons Center for Law, Technology, and Entrepreneurship as well as writing and teaching in the areas of competition policy, innovation policy, and Internet policy. Over the last ten years, Weiser has co-authored three books (The Jury and Democracy: How Jury Deliberation Promotes Civic Engagement and Political Participation (Oxford University Press 2010), Telecommunications Law and Policy (Carolina Academic Press 2006), and Digital Crossroads: American Telecommunications Policy in the Internet Age (MIT Press 2005)), written numerous articles (in both law journals and publications such as the Washington Post and Foreign Affairs), and testified before both houses of Congress. He also remained engaged in public service, arguing a number of *pro bono* cases before the Tenth Circuit Court of Appeals, co-chairing the Colorado Innovation Council, and serving as the lead agency reviewer for the Federal Trade Commission as part of the 2008 Presidential Transition.

Prior to joining the Colorado Law faculty, Dean Weiser served as senior counsel to the Assistant Attorney General in charge of the Antitrust Division at the United States Department of Justice, advising him primarily on telecommunications matters. Before his appointment at the Justice Department, Weiser served as a law clerk to Justices Byron R. White and Ruth Bader Ginsburg at the United States Supreme Court and to Judge David Ebel at the Tenth Circuit Court of Appeals. Weiser graduated with high honors from both the New York University School of Law and Swarthmore College.

Rimvydas Baltaduonis

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Rimvydas (Rim) Baltaduonis, Ph.D., is an assistant professor in the Economics Department at Gettysburg College, Pennsylvania, and is currently visiting the University of Colorado Law School. Rim's broad fields of specialty are energy economics, industrial organization, experimental economics, and market design. His current research is focused on deregulated electricity markets. Lately, Rim examined the performance of auction mechanisms in wholesale power markets when electricity suppliers act strategically, institutions for emissions controls, and the efficiency of financial markets for power

transmission rights. At Gettysburg College, he teaches Industrial Organization & Public Policy, Energy Economics, and Experimental Economics. The National Science Foundation, the International Foundation for Research in Experimental Economics and the Australian Research Council have supported his research. Rim is also an Affiliate Researcher at the Resources, Energy and Environmental Markets Lab in the University of Sydney, Australia, and at El Centro Vernon Smith de Economía Experimental in Universidad Francisco Marroquín, Guatemala. Prior to assuming his position at Gettysburg College, Rim was an IFREE Visiting Post-doctoral Fellow in the Interdisciplinary Center for Economic Science at George Mason University and later at the Economics Science Institute at Chapman University. He holds a Ph.D. from the University of Connecticut.

Fellow & Staff

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