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INSTITUTE FOR REGULATORY  
LAW & ECONOMICS

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**2014 Seminar**

May 17- May 21

Aspen Meadows Resort – Home of the Aspen Institute

845 Meadows Road, Aspen, CO 81611

Phone: 1.800.452.4240

**AGENDA**

## Saturday, May 17- 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   | Phil Weiser and<br>Blake Reid | IRLE Seminar Room  |
| 2:45 – 3:45 p.m.       | The Five Prisms: Economic Analysis<br>of Regulation                     | Phil Weiser                   | 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,<br>Market Power and Merger Analysis | Phil Weiser                   | 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.
- Don Boudreaux and Russ Roberts, [Boudreaux on Coase](#), Library of Economics and Liberty EconTalk (Oct. 2013) (podcast).
- Ronald Coase and Russ Roberts, [Coase on Externalities, the Firm, and the State of Economics](#), Library of Economics and Liberty EconTalk (Oct. 2013) (podcast).
- Planet Money, [From Harvard Economist to Casino CEO](#), National Public Radio (Nov. 2011) (podcast).
- Planet Money, [Why Buying a Car is so Awful](#), National Public Radio (Feb. 2013) (podcast).
- Don Boudreaux and Russ Roberts, [Boudreaux on Public Debt](#), Library of Economics and Liberty EconTalk (March 2012) (podcast).
- Thomas McCraw and Russ Roberts, [McCraw on Schumpeter, Innovation, and Creative Destruction](#), Library of Economics and Liberty EconTalk (March 2012) (podcast).

### 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.\*](#)

## Sunday, May 18 – Economic Tools, Corporate Finance, and Political Entrepreneurship

| 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  | Lynne Kiesling | IRLE Seminar Room  |
| 9:30 – 10:45 a.m.  | Introduction to New Institutional Economics, Price Discrimination, and Vertical Integration | Phil Weiser    | IRLE Seminar Room  |
| 10:45 – 11:00 a.m. | Break   |                |                    |
| 11:00 – 12:00 p.m. | Public Choice & Political Entrepreneurship  | Phil Weiser    | IRLE Seminar Room  |
| 12:00 p.m.         | Lunch   |                |                    |
| 1:30 – 3:15 p.m.   | Introduction to Corporate Finance   | Eric Talley    | IRLE Seminar Room  |
| 3:15 – 3:30pm      | Break   |                |                    |
| 3:30– 5:00 p.m.    | Applications of Corporate Finance To Regulated Industries                                   | Eric Talley    | IRLE Seminar Room  |
| 5:00 – 6:30p.m.    | Break   |                |                    |
| 6:30 – 8:30 p.m.   | Dinner & Talk: Coase, Spectrum, and Fracking  | Phil Weiser    | Meadows Restaurant |
| 8:30 – 9:30 p.m.   | Evening Seminar (Optional): Lessons from the Financial Meltdown                             | Eric Talley    | Hefner Lounge      |

### Assigned Reading for Sunday:

- 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.
- 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.
- 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:**

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

## Monday, May 19 - Technology for Regulators 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 a.m. – 9:30 a.m.   | Competition in Retail Markets: Pricing, Market Power, and Economic Efficiency        | Phil Weiser                                | IRLE Seminar Room  |
| 9:30 a.m. - 10:45 a.m.  | Market Design Breakout Sessions: Taxi Cabs, Electric Markets and Broadband Pricing   | Lynne Kiesling, Doug Sicker, & Phil Weiser | IRLE Seminar Room  |
| 10:45 – 11:00 a.m.      | Break  |  |                    |
| 11:00 a.m. – 12:30 p.m. | Trends in Technology Development: Electric Power                                     | Doug Sicker                                | IRLE Seminar Room  |
| 12:30 p.m. – 2:00 p.m.  | Lunch  |  |                    |
| 2:00 p.m. – 3:45 p.m.   | Trends in Technology Development: Telecommunications                                 | Doug Sicker                                | IRLE Seminar Room  |
| 3:45 – 6:00 p.m.        | Break  |  |                    |
| 6:00 – 8:00 p.m.        | Dinner & Talk: Smart Grid Pricing and Lessons from the Olympic Peninsula             | Lynne Kiesling                             | Meadows Restaurant |
| 8:00 – 9:00 p.m.        | Evening Seminar (Optional): Successful Institutional Design for Accessibility Policy | Blake Reid                                 | Hefner Lounge      |

### Assigned Reading for Monday:

- James DeLong, [Avoiding a Tech Train Wreck](#) (2008).
- Paul Joskow, [Incentive Regulation and Its Application to Electricity Networks](#) (RNE 2008).
- 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:

- Mark Armstrong and David E. M. Sappington, [Regulation, Competition, and Liberalization](#), Journal of Economic Literature (June 2006).

## Tuesday, May 20- 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<br>with Vishal<br>Bajpai | IRLE Seminar Room   |
| 10:00 – 10:15 a.m. | Break  |  |   |
| 10:15 – 12:00 p.m. | Experimental Economics 101   | Rim Baltaduonis<br>with Vishal<br>Bajpai | 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   |  | <b>LA CANTINA</b><br><b>411 East Main Street</b><br><b>Aspen, Colorado 81611</b><br><b>970.925.3663</b> |

### 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). (*This paper will be distributed at the seminar.*)
- Katrina Jessoe & David Rapson, [Knowledge is \(Less\) Power: Experimental Evidence from Residential Energy Use](http://www.econ.ucdavis.edu/faculty/dsrapson/JessoeRapson_KnowledgePower.pdf) ([http://www.econ.ucdavis.edu/faculty/dsrapson/JessoeRapson\\_KnowledgePower.pdf](http://www.econ.ucdavis.edu/faculty/dsrapson/JessoeRapson_KnowledgePower.pdf)), Working Paper (2013).

## Wednesday, May 21 - 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. | The Economic Implications of the   | Lynne         | IRLE Seminar Room |

|                  |   |                                   |                   |
|------------------|---|-----------------------------------|-------------------|
|                  | Smart Grid  | Kiesling                          |                   |
| 10:30-11:15 a.m. | Wrap-up and Closing Comments<br>Program Review and Feedback   | Blake Reid<br>and IRLE<br>Faculty | IRLE Seminar Room |
| 11:15 a.m.       | Lunch buffet at Meadows Restaurant. To-go containers will be available for those that need to catch a flight. |                                   |                   |

**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).

## 2014 IRLE Faculty

### **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.

### **L. Lynne Kiesling**

[lynne@knowledgeproblem.com](mailto: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>.

### **Blake Reid**

[Blake.Reid@Colorado.EDU](mailto:Blake.Reid@Colorado.EDU)

Blake Reid studies, teaches, and practices in the intersection of law, policy, and technology. He is an Assistant Clinical Professor at Colorado Law, where he serves as the Director of the Samuelson-Glushko Technology Law & Policy Clinic (TLPC) and the Director of Fellowships and Special Projects at the Silicon Flatirons Center for Law, Technology and Entrepreneurship. Before joining the faculty at Colorado Law, Blake was a staff attorney and graduate fellow in First Amendment and media law at the Institute for Public Representation at Georgetown Law and a law clerk for Justice Nancy E. Rice on the Colorado Supreme Court. He is admitted to practice law in Colorado and the District of Columbia (inactive).

Blake earned his LL.M in Advocacy with distinction from Georgetown Law and his J.D. from Colorado Law, where he was the Editor-in-Chief of the Journal on Telecommunications and High Technology Law (JTHTL). He also earned his B.S. in Computer Science from the University of Colorado School of Engineering. Prior to law school, Blake was the Director of Information Technology at the Van Heyst Group, an international executive event-planning firm.

### **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](mailto: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 Ivalde & 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.

**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.