Index

Abelson, Alan 251
Abidjan 93
accountability 113, 115, 118, 119, 139
adaptation
contracting model 293–300, 304–12, 318, 323–6
contractual design 70–71
costs 68, 71, 75–8
electricity marketing contracts data 300–304
of governance 205–10
long-term contracts 289–93, 312–13
private contracting 46–7
procurement problems 68–9
public contracting 54
and regulation 4–5
and transaction cost economics 15
added value 339, 341
Administrative Procedure Act (APA) 270
advertising 232–3
AES 303, 314, 322
agency theory 358
air pollution 27, 28, 33–5, 40
Alice 332, 333, 337, 338, 339
Alleman, J. 342
America Competes Act 254–5, 265
Andres, Luis 3, 115, 116, 117, 120, 123, 125, 127
antitrust actions 291, 292, 301, 333
Aoki, M. 204
AOL 332, 333, 337, 338, 339
applications (telecommunications)
discrimination 155–8
innovation 154–6
network access 151–3, 162–5, 166–7
network capacity 159–62, 165, 166
arbitration 19–20, 101–2, 103
Argentina
credibility of institutions 358
electricity sector 122, 147, 211
governmental opportunism 49
water regulation 93, 94, 95, 99, 101
Arrow, Kenneth 14, 228
Arthur Andersen 259
Asia 328
asset-specificity 295, 296, 354–5, 368
asymmetric information
consumers 344–6
core transactions 89–90
electricity rate review case studies 273–84
rate reviews 5, 270–273, 284–6
and regulation 268–70
Asynchronous DSL (ADSL) 333
Atkins, James Blake 285
Atlanta 59–60
Attorney General 279, 280
auctions 31, 39, 68
Australia 37, 40, 211, 218, 334, 358
Austria 332, 334
autonomy 113, 115, 118, 119, 139
aviation 198, 210–212
award mechanisms 73–5
Baconton Power, LLC 303, 320
Bajari, Patrick 68, 69, 77, 79
Baldwin, Clariss 199
Barbados 111, 122, 147
bargain-then-ripoff pricing 338
Barnard, Chester 15, 18
Baron, D.P. 268, 286
Becker, G.S. 227, 354
behavioural theory of the firm 361, 362, 364, 366
Belgium 332, 334
benchmarking 102
Berle, Adolf 23
‘big bang’ changes 361–5
Birmingham News 251
Black Hills Corporation 314, 321
Regulation, deregulation, reregulation

Blagojevich, Rod 278, 279
Bloomberg, Michael 248, 251
Bolivia 120, 122, 147
*Boston Globe* 251
boundaries, between competitive and regulated activity 198–204
bounded rationality 17
Box, Charles 278, 279
Brazil 120, 122, 147
break-even constraint 220
broadband communications
capacity 159–62, 165, 166
discrimination 155–8
free riding 168
innovation 154–6
network neutrality 151–3
non-neutral alternatives 162–5
regulation 3, 151–3, 166–7
broadband internet market
growth of 153, 156
market share in Europe and OECD 332–3
regulation 329–31, 342–3
reregulation 342–3, 344–7
switching costs 5, 327–9, 333–41
Brown, Ashley C. 115, 116, 117
Buchanan, James 10
Buenos Aires 93, 94, 95, 99, 101
building construction 78, 79
cable (broadband) 328, 334, 339, 340, 343
California
collection contracts 68, 69, 76–7, 78, 79
deregulation 172, 232
electricity crisis 175, 196, 211, 359, 365
equity returns 282, 284
Canada 31, 37, 40, 334, 335
capital markets 247–9, 250–254, 260–261
capture, rule of 31–2
Caribbean see Latin America and Caribbean Region (LAC)
electricity sector
Carnegie Mellon University 16
Carruth, H. Clay 285
Cave, M. 342
Cegetel 332, 337, 338, 339, 340
cellular telephony 336
centralization 94, 207
Chaffee, John 257
Chamber Commission (Commission on the Regulation of Capital Markets in the 21st Century) 249, 251, 260
Chandler, Alfred D., Jr. 18
Chao, H. 200
Chatel's law 346, 348
Cheung, Stephen 28
Chile
credibility of institutions 358
electricity sector 111, 120, 122, 125, 148
individual transferable quotas (ITQs) 37–8, 40
water regulation 87, 93, 100, 102, 359
Chisari, Omar 114
choice, and contract 10–12
Citizens Utility Board (CUB) 279–80, 281
Civil Investigative Demands (CIDs) 301
Clark, Kim 199
Cleco Evangeline 303, 322
Club Internet 332, 333, 335, 337, 338, 339
Clyburn, Mignon 285
can 189
Coase, Ronald 1, 13–14, 23
codified knowledge 268, 271–2, 275–6
Cohen, Robert H. 234
cohesion 91–5, 100, 103–4
collective bargaining 19–20
Colombia 122, 125, 147–8
command and control regulation 28–9, 35–6, 96
commercial contract 20
Commission on the Regulation of Capital Markets in the 21st Century (Chamber Commission) 249, 251, 260
commitment 57
Committee on Capital Markets Regulation (Paulson Committee) 247–8, 251, 253, 260
Commons, John R. 11–12, 19
commons, losses of the 28, 29
Index

Commonwealth Edison (ComEd)
electricity marketing contracts 319
equity rate of return 281–2, 284
external information 277–8
interest groups 279–80
political influence 278–9
rate case 278–83
rate reviews 273–4, 275
regulatory resources 276
companies see small firms
compensation 59
see also two-part compensation
competition
broadband internet market 331, 344–7
capital market competitiveness 247–9, 250–254, 260–261
electricity sector 174, 175, 196–7, 313
telecommunications networks 151–3
US legislation 254–5
competition policy 344–7
competitive bidding 67–9, 73–5, 78, 79–80
competitive reform
competitive markets 197–8
electricity sector 196–9
governance structure 205–10
modularity 199–204
unbundling 198–9
complexity 57, 70–73
concession contracts 49, 56–60, 61, 98
consumer associations 345
consumers 160–161, 344–6
Consumers Utility Board (CUB) 277–8
contract duration
and adaptation 289–93
contracting model 293–300, 304
data 302–3
and debt financing 299–300
and veto provisions 292, 299, 300, 310–313
contract law 19–21, 22
contracting
adaptation 75–8, 289–93, 312–13
award mechanisms 73–5
concession contracts 49, 56–60, 61, 98
contractual design 70–71, 82, 206, 358–9, 361, 366
contractual incompleteness 70
dispute resolution 100–103
electricity marketing contracts data 300–304
incentives 71–3
model 293–300, 304–12, 318, 323–6
regulation through 97–9
relational 46–7
role of 2
system coherence 94
and transaction cost economics 10–12, 79
water provision 104
see also private contracting; public contracting
contractual design 70–71, 82, 206, 358–9, 361, 366
control of access prices (CAP) 330
control of retail prices (CRP) 330
Coral Power, LLC 303, 320
core transactions
role of 84, 89–91
and technical integrity 91–5, 100, 103
Correa, Paulo 115, 116, 118
cost efficiency 354–5
Costa Rica 122, 148
cost-plus contracts
adaptation costs 75–8
award mechanisms 73–5, 79
incentives 71–3
nature of 71
as procurement mechanism 69
costs 88, 224, 245–7, 250–254, 271
see also switching costs
Côte d’Ivoire 93
Cox, Archibald 19–20
Cox, Christopher 246–7, 248, 249, 256
credibility 56–7, 208, 358
credit crisis 244, 258–9
critical infrastructures 84, 85–8, 89, 91–5, 99, 100, 103
Crocker, K. 290
cross-subsidization 230–31, 359
crowding-out hazard 307–8, 312–13
Cullum, P. 336, 342
Cyprus 332
Czech Republic 332, 334
Dal Bó, Ernesto 51
deadweight losses 227, 354
Debreu, Gérard 14  
debt financing 290, 294, 295, 296, 299–300, 308  
decentralization 94  
Defense Contract Audit Agency (US) 62  
Delmas, Magali 3, 360  
DeMint, Jim 255  
Democrats (US) 248, 249, 255, 257–8, 278–9, 285  
Demsetz, Harold 12  
Denmark 332, 334, 335  
deregulation  
air pollution emission permits 34–5  
change in the extent of 365–9  
deadweight losses 227  
definition 173  
economic theories of change in 351–6  
effects of 3–4, 170–171  
electricity sector 3–4, 171–3, 196–7  
empirical analysis 121–6, 146, 177–81  
empirical studies of change in 356–61  
environmental performance of 171, 175–7, 187–91  
fisheries 36–9  
political science explanations of change in 361–5  
productive efficiency 171, 173–5, 181–7, 189–91  
property rights 27–8  
renewable energy 175–7, 187–91, 212  
sequencing 203–4  
US Postal Service (USPS) 216–17, 225, 232  
Di Tella, Rafael 51  
Digital Subscriber Line (DSL) 328, 334, 335, 339, 340, 343  
Directive 02/58/EC 330–331, 333, 343  
Directive 97/33/EC 329–30  
discrimination  
incentives 157–8, 162–3  
and innovation 155–6  
and investment 160–162  
methods 163–5  
priority of use 159–60  
dispute resolution 100–103  
Dodd, Christopher 249, 255  
Dominican Republic 122, 148  
Donaldson, William 245  
Dreze, Jacques 23  
Duesenberry, James 18, 22  
Duke Energy  
competition 175  
electricity marketing contracts 301, 315, 320  
equity rate of return 284  
external information 277  
interest groups 283–4  
political influence 283–4, 285  
rate case 283–4  
rate reviews 273, 274–5  
regulatory resources 275–6  
duration see contract duration  
Dyner, I. 174  
economic implications of regulation 87–8  
economic rents 225, 226–9, 230–31  
economic theory 217, 225–31, 351–6, 369  
economies of scale 88  
Ecuador 120, 122, 148  
efficiency 176, 360  
efficient adaptation hypothesis 289–90, 313  
El Salvador 122, 149  
Elam, Elliot 283  
electricity generation 28, 34  
Electricity Regulatory Governance Index (ERGI) 113, 118, 120, 133–5, 141  
electricity sector  
adaptation of regulation 5  
behavioural theory of the firm 364  
California 175, 196, 211, 359, 365  
change in the extent of 367  
competition 174, 196–7, 313  
competitive reform 196–9  
contracting model 293–300, 304–13, 318, 323–6  
efficiency, measures of 176  
empirical analysis 121–6, 146, 177–81
environmental performance 171, 175–7, 187–91
generation capacity 301–2, 303
generators 290–293
governance 3, 111–13, 133–40, 142, 205–10
information sources 272
Latin America and Caribbean Region (LAC) 111, 147–50
literature 117, 118
marketers 290–293
marketing contracts 290–293, 300–304, 315, 319–22
modularity 199–204
ownership 114, 127–9, 141
regulatory governance framework 118–21
regulatory institutions 129–33, 134, 141
unbundling 198–9
see also Commonwealth Edison (ComEd); Duke Energy
electronic bill presentation and payment (EBPP) 232
emissions
air pollution permits 33–5, 40
command and control regulation 28
and deregulation 175–7, 182, 187–91
green power 172, 176
empirical studies of regulation 356–61
England 201
Enron 252
environmental performance in electricity sector
and deregulation 171, 175–7, 187–91
empirical analysis 180, 181, 182
green power 172, 176
Environmental Protection Agency 272
equal sharing rules 30–31
equilibrium
change in the extent of 365–6
economic theories of regulation 351–6
empirical studies of regulation 356–61
equity financing 296
equity rate of return 281–2, 283–4
Estache, Antonio 112, 114, 118
Estonia 332
Europe 328, 329–31, 332–3, 352
European Union (EU) 218
evidence, in rate reviews 269–70
Exelon 282, 320
expenses, utility rate reviews 283
experience, of regulators 268, 269–70, 271–2, 275
external information 272, 276–8
external shocks 58–9
externalities 14, 88
Farrell, Joseph 157–8, 339
Federal Acquisition Regulations (FARs) 68
Federal Energy Regulatory
Commission (FERC) 300–301, 319–22
Felten, Edward 163
Fibre To The Home (FTTH) 328, 334
financial structure 290, 293–300, 304
Finland 217, 332, 334
‘fire alarms’ (in public contract supervision) 50
firms see small firms
first order changes 362, 366
first-possession rules 29–30, 31, 36, 37, 39–41
fisheries 27, 28, 35–9, 40, 41
fixed-price contracts
adaptation costs 75–8
award mechanisms 73–5, 78–9
incentives 71–3
nature of 71
as procurement mechanism 68–9
flexibility 57, 60, 289
Ford, Lula 279
Foreign Corrupt Practices Act (FCPA) 257–8
formal organization 18
404 see Sarbanes–Oxley Act (SOX)
France
Basin Agencies 103
broadband internet market 328, 329, 331, 335, 337, 339, 346
market share of broadband 332–3
France Telecom 331, 332–3, 335, 337, 338, 339, 340, 341
franchising 98
Index

interest groups 279–80
political influence 278–9
rate reviews 273–4, 275
regulatory resources 276
Illinois Industrial Energy Consumers (IIEC) 279, 280
incentives
adaptation costs 75–8
alignment 11
award mechanisms 73–5
coherence 104
contracting framework 70–73
price discrimination 157–8
public contracting 2, 53–4
regulation 78–80
incumbents, in broadband markets 332–3, 346
independence of regulatory institutions 115
independent judiciary 100–101
independent regulator model 114, 118, 120
Independent System Operator (ISO) 4, 201, 202
individual transferable quotas (ITQs) 28–9, 36–9, 40
informal organization 18
information asymmetry
consumers 344–6
core transactions 89–90
electricity rate review case studies 273–84
rate reviews 5, 270–273, 284–6
and regulation 268–70
infra-national agencies 103
infrastructure 84, 85–8, 89, 91–5, 103, 352
innovation 154–6, 342–3, 355
institutions
design 359–60
empirical studies of regulation 357–9
and governance 206–10
micro-institutions 84
political science 361–5
and reform 204
regional 103
tools 120
transparency 120
see also regulatory institutions

integrity 86–7, 91–5
interest groups 50–51, 269, 272–3, 279–80, 283–4
internal controls 246
internal shocks 58
internalizing complementary efficiencies (ICE) 157
Internet see broadband internet market
Internet service providers (ISPs) Europe 329–31, 332–3
OECD area 332–3
regulation limitations 342–3
reregulation 344–7
switching costs 327–9, 333–41
investment 160–162, 219
Ireland 332, 334
issue saliency 250
Italy 328, 332, 334
Jamaica 122, 149
Japan 63, 334, 335
Jenkins, Holman 251
Johannsen, Katja Sander 116
Joskow, Paul 114, 174, 199, 359, 361, 364
journalists 250–254
judicial review 100–101, 103
Kahn, E. 359
Kappel Commission (President’s Commission on Postal Organization) 220
Kelman, Steven 52
Kim, B. 173
King, S. 328
Knight, Frank 14–15, 16
knowledge 268, 271–2, 275–6, 286
Kole, Stacey R. 173
Korea 334, 335
Kraakman, R. 294
Krafft, Jackie 5, 341
Kreps, David 12
labor 19, 219, 220, 229
Laffont, Jean-Jacques 68
land permits 27
Lange, Oskar 22
Larsen, E.R. 174
Latin America 57, 58, 63, 99, 116
<table>
<thead>
<tr>
<th>Page</th>
<th>Section</th>
</tr>
</thead>
<tbody>
<tr>
<td>382</td>
<td>Regulation, deregulation, reregulation</td>
</tr>
</tbody>
</table>
Index

Myers, Ransom A. 35
Myerson, R.B. 268, 286

national journalists 250–254
national newspapers 250–254
near decomposability 17
negative externalities 14
negotiation 68–9, 73–5, 78–9, 100–101
see also renegotiation
Netherlands 218, 332, 334
network industries 352
network neutrality
(telecommunications)
applications competition 151–3
capacity 159–62, 165, 166
definition 151
discrimination 155–8
innovation 154–6
non-neutral alternatives 162–5
regulation 166–7
networks 88
Neuf telecom 332, 333, 337, 338, 339, 340
Nevitt, J. 310
new institutional economics 1, 152, 361–5
New York 248, 253
New York Stock Exchange (NYSE) 248
New York Times 251, 253
New Zealand 38, 40, 217, 334
Newbery, David 203–4
newspapers 250–254
Nicaragua 122, 149
nodal pricing 202
Noll, R. 360
Noos 333, 337, 338, 339
Normative Analysis as Positive Theory (NPT) 217, 225–31
Norris, Floyd 251
North, Douglass 1, 55, 205, 206, 362
North Carolina 277
North Carolina Utilities Commission (NCUC) 277
Norway 334
Nuclear Regulatory Commission (NRC) 272
O’Connell-Diaz, Erin 279
oil 31–3, 40, 41, 48
oligarchy 17
open-access 28
opportunism
governmental opportunism 48–50, 55, 61
in public contracting 47–8
third-party opportunism 50–56, 61
Oren, S. 200
Organisation for Economic Co-operation and Development (OECD) 332–3, 334
organization theory 16–18, 21
organized labor 219, 220, 229
ownership 114, 127–9, 141, 231
Panama 122
paradigm
changes 361–5
policy paradigm 363, 366
postal services 226, 236
resource allocation paradigm 10, 12, 21
partial deregulation 173–5, 189–91
Paulson, Henry M. (Hank) 247
Paulson Committee (Committee on Capital Markets Regulation) 247–8, 251, 253, 260
Peck, S. 200
Peltzman, S. 227, 352, 353–4, 357
pensions 222–3, 280, 282–3
Perez, Yannick 4, 208
Perloff, J.M. 229
Peru 120, 122, 150
pharmaceutical industry 269–70
Philippines 93, 99
physical specificity 87
Poland 332, 334, 335
policy paradigm 363, 366
political autonomy 119
political influence
Commonwealth Edison (ComEd) 278–9
critical infrastructures 91–2, 93, 99, 100
Duke Energy 283–4, 285
economic rents 225
and the media 249–54
public contracting 45
rate reviews 278–9
on regulation 35–6, 254–6, 261–2, 355
SOX reform 256–62
US Postal Service (USPS) 218–21
utility maximization 352–3
political science 361–5, 369
Portugal 332, 334
postage stamp pricing of electricity 201
Postal Accountability and
Postal Rate Commission 221, 223
Postal Regulatory Commission 222
Postal Reorganization Act (1970)
220–221, 223
postal service (US) see US Postal
Service (USPS)
poverty 359
Prescott, J.E. 173
price caps 175, 198
price comparison 345
price controls 330, 352
price discrimination
incentives 157–8, 162–5
and investment 160–162
and priority of use 159–60
prices, and regulation 356–7
Priest, George L. 230
priority of use 159–60
private contracting 21, 45, 46–7, 61, 96
private goods, and public goods 190
private ordering 11
private-interest theory see economic
theory
privatization
competitive markets 197–8
governance structure 205–10
modularity 199–204
performance 113–14, 127–9, 141
public contracting 54
unbundling 198–9
water sector 98
probity transactions 52
procurement
adaptation costs 75–8
award mechanisms 73–5
contractual design 70–71, 82
incentives 71–3
public sector process 67–9, 78–80
productive efficiency in electricity
profit 271
property rights
air pollution emission permits 33–5, 40
allocation of 2, 29–31, 39–41
core transactions 90
and deregulation 27–8
fisheries 35–9, 40, 41
oil and gas reservoirs 31–3, 40, 41
water provision 104
Public Company Accounting Oversight
Board (PCAOB) 244, 247, 255
public contracting
compensation 59
concession contracts 56–60
governmental opportunism 48–50, 55, 61
opportunism in 47–8
and private contracting 2, 45, 61
scrutiny in the US 50
termination 59
third-party opportunism 50–56, 61
see also public procurement
public goods, and private goods 190
public highway construction 76–8
public opinion 259–60
public ordering 11
public ownership of resources 29
public procurement
adaptation costs 75–8
award mechanisms 73–5
contractual design 70–71, 82
incentives 2, 71–3
process of 67–9, 78–80
see also public contracting
Public Service Enterprise Group
(PSEG) 277
public utilities 171–3, 270–273, 352
Public Utility Commissions (PUCs)
270–273, 275, 281, 286
Public Utility Regulatory Policies Act
(1978) 171–2
Public-Private Participation 104
puzzles 362, 364
Rappoport, P. 342
rate base 282–3
rate cases 280–284
rate of return 281–2, 283–4
Index

rate reviews
asymmetric information 5, 268–70, 271, 284–6
Commonwealth Edison (ComEd) 273–4, 275
Duke Energy 273, 274–5
factors affecting 270–273
political influence 278–9
regulatory resources 275–6
reciprocity 211–12
redeployment 343
reform 203–4, 256–62
regional governance 94–5, 100, 107
regional institutions 103
regional newspapers 250–254
regulation
and adaptation 4–5
air pollution emission permits 33–4
asymmetric information 268–70
broadband communication networks 3, 151–3, 166–7
capital markets competitiveness 247–9
change in the extent of 365–9
command and control regulation 28–9
contracts, use of 97–9
disadvantages 27
economic theories of change in 351–6
empirical studies of change in 356–61
fisheries 35–6
historical context 351
incentives 78–80
institutional 106
limitations of 342–3
media coverage 249–54
micro-institutions 95–9
oil and gas property rights allocation 32
political influence on 35–6, 254–6, 261–2, 355
political science explanations of change in 361–5, 369
public contracting 60
public procurement 78–80
of securities 243–5
self-regulation 211
theories of 225–31
and transaction cost economics 1–2
transaction costs 78–80
US Postal Service (USPS) 217–25
of water 83, 84–5, 103–4
regulators 269–70, 274
regulatory autonomy 119
regulatory capture 203
Regulatory Framework Index (RFI) 116
regulatory governance see governance
regulatory institutions
empirical analysis 121–6, 146
framework of regulatory governance 118–21
governance 111–13, 133–40, 142
literature 113–18
as mechanisms of regulation 356
ownership 127–9, 141
performance impact of 129–33, 134, 141
Regulatory Quality Index 117
regulatory resources 271–2, 275–6
regulatory tools 120
relational contracting 46–7, 54, 57
relationship-specific investments 327
remediableness test 54
renegotiation
and contract duration 289–93
contracting model 293–300
core transactions 90
data 303
micro-institutions 95, 99, 103
waterworks contract, Atlanta 59–60
see also negotiation
renewable energy
and deregulation 175–7, 187–91, 212
empirical analysis 180, 181, 182ents
asymmetric information in rate reviews 286
contracting model 293–300
liberalization of US Postal Service (USPS) 225, 226–9, 230–231
vertical rents 291, 292, 294, 318
Republicans (US) 246–7, 248, 254–6, 257–9, 278–9, 283, 285
reregulation
broadband internet market 342–3, 344–7
change in the extent of 365–9
economic theories of change in 351–6
empirical studies of change in 356–61
political science explanations of change in 361–5
Sarbanes–Oxley Act (SOX) 4, 256–62
US Postal Service (USPS) 216–17, 224–5
resource allocation paradigm 10, 12, 21
rights, and governance 205–6
Rious, V. 202
risk 89–90
risk-sharing
contracting model 293–300, 304
data 303
and debt financing 300
electricity marketing contracts 290–292
long-term contracts 290
and veto provisions 292, 300, 312–13
road building 76–8, 198
Romano, Roberta 4
Rossi, J. 189–90
Rossi, Martin 112, 114, 118
Rubin, Paul H. 101
Rufin, Carlos 204
rule of capture 31–2
Russo, Mike 3
Ryan, George 276
saliency 250
Salies, Evens 5, 341
Samuelson, Paul 18, 22
San Francisco Chronicle 251
Santiago-de-Chile 87, 93, 100, 102
Sarbanes–Oxley Act (SOX)
capital markets competitiveness 247–9
Congressional response to 254–6
media response 249–54
post-enactment opposition 244–5
provisions of 243–4
reregulation 4, 256–62
small firms’ compliance costs 245–7, 250–254, 259–60
Saunders, William 275–6, 285
Savedoff, William 49
Schumer, Charles 248, 251
Schwartz, Thomas 50
Scott, Anthony 28
second order changes 362, 366
Section 404 see Sarbanes–Oxley Act (SOX)
Securities and Exchange Commission (SEC)
capital markets competitiveness 247–9, 260–261
reports 245–7, 251, 253
Sarbanes–Oxley Act (SOX) effects 243, 255, 256
securities regulation 4–5, 243
securities regulation see Sarbanes–Oxley Act (SOX)
self-interest 17
self-regulation 211
Shapiro, C. 339
Shelanski, Howard 3, 342
Shelby, Richard 255
Shirley, M. 358
shocks 57–9
short-term contracts 289–93
Shulman, Harry 19
Shy, O. 338–40
Sidak, J.G. 226
Simon, Herbert 12, 17
Sirtaine, Sophie 114, 117
site specificity 87
Sloan, Allan 251
Slovakia 332, 334
Slovenia 332
small firms 245–7, 250–254, 258, 259–60
Smith, James L. 32, 33
Smith, S.P. 229
social transparency 120
social welfare 91–2, 158, 352–3, 356–7, 359
sociology 17–18
South Carolina Electric and Gas (SCE&G) 276
South Carolina Public Service Commission (SCPSC)
external information 277
interest groups 283–4
decision-making 283–4, 285
political influence 283–4, 285
deployable resources 275–6
regulatory resources 275–6
SOX see Sarbanes–Oxley Act (SOX)
Spain 332, 334
Spiller, Pablo 2, 49, 56, 206, 207, 209, 356, 358
Spitzer, Eliot 248
Spulber, D. 226
stability 209–10
standard opportunistic behaviour 47
state
air pollution emission permits 33–4
commons, regulation of the 28–9
and competitive reform 208–10
fisheries 35–6
governmental opportunism 48–50, 55, 61
intervention, need for 14
and the media 250
oil and gas property rights allocation 32
ownership 231
political influence on regulation 35–6, 254–6, 261–2, 355
role of 151–2, 362
SOX reform 254–62
utility maximization 352–3
State Owned Enterprises (SOEs) 105
Stelzer, I. 342
Stern, Jon 115
Stigler, George 23, 352, 356, 360, 366, 368
Stone, Barron 274
subprime mortgage crisis 244, 258–9
subscription pricing 336
Summers, Clyde 20
sunk costs 295
supra-national agencies 103
Sweden 217, 332, 334, 335
Swiss Federal Banking Commission (SFBC) 116
switching costs
broadband internet market 5, 327–9
market share 333–41
regulation 342–3
reregulation 344–7
Switzerland 334, 335
tacit knowledge 268, 271–2, 275–6, 286
Tadelis, Steve 2, 68, 77, 79
taxation 359
technical integrity 86–7, 89, 91–5
technological separability 199
technology 88, 100, 334, 336–7, 340–341
Tele 2 332, 333, 337, 338, 339
telecommunications
Europe 329–31, 332–3
Latin America and Caribbean Region (LAC) 116
OECD area 332–3
regional governance 107
regulation limitations 342–3
reregulation 344–7
switching costs 333–41
unbundling 198
telecommunications networks
capacity 159–62, 165, 166
discrimination 155–8
free riding 168
innovation 154–6
network neutrality 151–3
non-neutral alternatives 162–5
regulation 166–7
termination 59
Theodore, Nick 285
third order changes 363, 366
total allowable catch (TAC) 36, 37, 38, 39
tradable use permits 27
transaction cost economics
development of 9–10, 21–2
tort transactions 14
empirical studies of regulation 357, 360–361
equilibrium by regulation 354–5
and governance 2, 11–12, 47, 261, 362
internal controls 246
and law 19–21
and organization theory 16–18
and public procurement 68–9
and regulation 1–2

transaction costs
adaptation 75–8
award mechanisms 73–5
broadband communications 153, 335
contractual design 70–71
economizing on 13–15
procurement 68–9
property rights 29–31
regulation 78–80

transmission system, of electricity 201–2, 308
Transmission System Operator (TSO) 4, 201, 202
transparency 113, 115, 118, 119, 120, 139

Trinidad and Tobago 120, 122
Tsebelis, Georges 208, 209
Turkey 334, 335, 358
two-part compensation
contracting model 304
and debt financing 300
electricity marketing contracts 290–291
and veto provisions 292, 300, 312–13

Ukraine 358
Unaccounted For Water (UFW) 106
unbundling monopolies 198–9
uncertainties 89–90
uniform allocation rules 30–31
uniform rates 229–31
United Kingdom (UK) 49, 63, 332, 353, 358
see also Great Britain
United States (US)
air pollution emission permits 33–5, 40
broadband internet market 328, 334, 335
concession contracts 59–60
deregulation 171–3, 177–81, 232, 353, 359–60
electricity transmission network 201
environmental performance of electricity sector 171, 175–7, 187–91
governance 207
governmental opportunism 49–50
Independent System Operator (ISO) 4, 201, 202
individual transferable quotas (ITQs) 28–9, 40
oil and gas property rights allocation 40
property rights allocation 31–3
public contract scrutiny 50
public procurement 69, 78
regulation 243–5, 352, 355
telecommunications legislation 254–5
utilities rate reviews 270–273
water allocation 29
see also Sarbanes–Oxley Act (SOX); US Postal Service (USPS)
unitization 32–3
universal service 226
universal service obligation (USO) 330
Uruguay 122, 150
US Department of Justice 301
US Postal Service (USPS)
liberalization 4, 216, 217–25, 231–3
reregulation 216–17, 224–5
structure of 217–25
theories of regulation 225–31
worksharing 4, 223–4, 227–8, 232, 233, 239
utilities 171–3, 270–273, 352
utility maximization 352–3

Vanden Bergh, Richard G. 209
Vanuatu 93
Venezuela 48
vertical integration 13, 14, 54, 151–3, 197
vertical rents 291, 292, 294, 318
veto players 197, 207, 208–10
veto provisions
antitrust actions 291, 292
and contract duration 292, 299, 300, 310–13
Index

contracting model 293–300, 304, 309
data 301, 303
electricity marketing contracts 291
long-term contracts 290
and two-part compensation 292, 300, 312–13

Wachter, M.L. 229
Wagner Act (1935) 19
Walsh, Gary 276
Washington Post 251, 253

water
   accessibility 86–7
   coherence of organization 91–5
   command and control regulation 29
   concession contracts 58
   contractual design 358–9
   core transactions 89–91
   critical infrastructures 85–8
   governmental opportunism 49
   micro-institutions 95–103
   provision of 83–4
   regulation of 83, 84–5, 103–4
   tradable use permits 27
   waterworks contract, Atlanta 59–60
Waterson, M. 341
Waferman, L. 342
Weingast, B.R. 208
Weiser, Philip 157–8
welfare 91–2, 158, 352–3, 356–7, 359
Wiggins, Steven N. 33
Williams Energy Marketing & Trading 303
Williamson, Dean 5
Williamson, Oliver E.
   adaptation costs 68, 71
   competitive reform 197
   contracts 206
   debt financing 290, 295
   equilibrium based on transaction costs 352, 354–5
   governance 47, 250, 261, 362
   multidisciplinary approach 6
   probity transactions 52
   redeployment 343
   relationship-specific investments 327
   remediableness test 54
   technological separability 199
   transaction cost economics 1
   vertical relationships 153
Wilson, R.B. 200
wind power 302, 303
worksharing 4, 223–4, 227–8, 232, 233, 239
World Bank 83, 125, 141
Worm, Boris 35
Wright, Kevin 276, 279