Administrative Procedure Act, 55
Adverse selection problem, 22, 23, 25, 28
Agency action
  Congressional monitoring of, 87–88
  and constituent groups, 88
  judicial review of, 45–68
  and policymaking, 55–67
Agricultural marketing boards, and
induced voting behavior, 255–280
Agricultural price supports, 136–137
Airline deregulation, 142, 285–315, 378–379
cost-function analysis of efficiency effects of, 285–315
total factor productivity study of, 296–300
Alternating strategies, 357
Alternative economic policies, ordering of, 153–186
Americans for Democratic Action, 99, 101
Antitrust policy, 137–140, 378
Arrow-Debreu model, 11–12
Arrow’s impossibility theorem, 173
Asbestos, and occupational disease, 321–343
Atomic Energy Commission, 230, 231
Auctions, as means of control, 13–14, 16, 20
Auditing, 24–25
Austen-Smith, D., 82
Automobile industry regulation, 56–59, 62–63
Averch-Johnson model, 4, 27

Bailey, E., 285
Bankruptcy constraints, 23, 342
Bargaining problems, 5
Baron, D., 22, 24, 27
Barten, A. P., 158
Barth, P. S., 337, 341, 342
Baumol, W. J., 191–192, 198–200, 202, 212
Bayesian probability, 237–238, 240
Beck, N., 99
Becker, G. S., 74, 78, 79, 80, 86
Behavioral effects of regulation, 347–379
Belgium, air carrier agreement with, 293
Bensel, R. F., 119
Bergson, A., 153
Bergstrom, T. C., 264

Bernhardt, M. D., 95
Bertrand-Nash assumption, 191–192, 201–205, 207, 210–212
Besanko, D., 24
Bigham, T. C., 105
Boden, L. I., 321–343
Brenner, M. A., 285
Breyer, S. G., 45–68
Brock, W. A., 200–201
Browne, S. D., 285
Bureau of Alcohol, Tobacco and Firearms, 48

Canada, airline regulation in, 287, 288, 291
Cartels
  agricultural marketing, 255–280
  in political decision making, 78–80
Cave, J., 255–280
Caves, D. W., 285–315
Chile, airline deregulation in, 287, 288
Christensen, L. R., 285–315
Civil Aeronautics Board, 288, 306
Clean Air Act of 1970, 133–134
Clodius, R. L., 260, 261
Coal Mine Health and Safety Act of 1969, 321
Coase theorem, 5
Collusive equilibrium, 356–358, 360–361, 369
Commitment, limited, 31–32
Comparative performance, 29–31
Competition, imperfect, 4, 378
Congruence property, 274
Consumer behavior, econometric model of, 154–163
Consumer groups, 60–61, 79, 136
Consumers’ surplus, 199, 376, 377
Contestable markets hypothesis, 191–212
Control, government
  auctions as means of, 13–14, 16, 20
  hierarchy of, 6–11
  importance of, 11–12
  indirect control, 4, 5
  locus of, 14–17
  under nationalization, 8, 12
  under regulation, 8
Control, government (cont.)
reasons for, 4–6
residual control, 11
Cooperation, and industrywide regulation, 347–379
Core and periphery industrialized regions, 118–144
Cost-function analysis, of airline deregulation, 285–315
Cournot equilibrium, 356, 358, 360, 366, 369
Cournot quantity game, 264–265
Courts. See Judicial review; Product liability litigation

D Dalton, H., 175
Daughety, A. F., 347–379
Debtors, effect of government control on, 7–8
Demand functions, 153–154
Demand side model of regulation, 7
Demski, J., 29, 30
Denzau, A., 90
Department of Agriculture, 279
Department of Energy, 165
Department of Health and Human Services, 53
Department of Labor, 322
Department of Transportation, 56
Deregulation. See also Airline deregulation
airline industry, 142, 285–315, 378–379
and interest groups, 80
and reputation formation, 349, 366–379
railroad industry, 142
trucking industry, 142
Diewert, W. E., 297
Dixit, A., 201
Downs, A., 82
Duopoly experiments, 194, 196, 198, 348–379
Dynamic General Equilibrium Model, 165, 166, 183

E Eads, G., 343
Eckert, R., 89
Econometric model, of aggregate consumer behavior, 154–163
Economic interests, and regulatory structure, 89–99
Electric Power Research Institute, 228
Energy conservation programs, 134
Entry barriers, 197–200
Environmental Protection Agency, 52, 85, 97, 227, 230, 240
Environmental regulation, 5, 6, 133, 227
Equitable marketing opportunity, 257
Expenditure function, 154, 157, 160, 176, 177
Externalities, 5
Federal Communications Commission, 62
Federal Highway Administration, 63–64
Federal Power Commission, 62
Federal Trade Commission, 86, 90, 91
Fenno, R., 101
Finsinger, J., 29
Fiorina, M., 82–84, 89, 91
First-best outcome, 22–24, 29
Forsythe, R., 347–379
Foster, J. R., 285
Free rider problem, 8, 260, 264
Friedman, J. W., 353, 373
Friendly, Henry, 46, 48
Gas industry regulation, 132–133
general equilibrium analysis of, 153–186
General equilibrium analysis, 14
of natural gas price regulation, 153–186
Geographically distributive policies, 103–106
Geographic influences, on regulation, 118–144
Germany, air carrier agreement with, 293
Graham, D. R., 285
Greenwald, B., 4

Hammond, E. C., 324
Hammond, P. J., 171, 174
Harrison, G. W., 191–212
Heller, E., 334
Heston, R., 296, 308
History of regulation, 118–144
Holmstrom, B., 27
Household welfare function, 154
Hudson, E. A., 165
Incentive problem, 24
Information
biased, 60
dissemination of, 327–329
imperfect, 4–7, 13, 16–18, 23–24, 28–29
perfect, 4
private, 22–25
probabilistic, 238
and regulatory behavior, 3–33
toxicity and exposure information, 325–329, 337, 340
and unobservable actions, 22
Ingberman, D., 82, 95
Institutional structure, 6–11, 81
Insurance coverage, and occupational
disease litigation, 342
Insurance industry regulation, 4–5, 347
Interest groups, 80, 82
cartel interests, 78–80
constituent interests, 93–106
consumer groups, 60, 61, 79
support groups, 101–104
International Air Competition Act of 1979, 291
International Air Transport Association, 293, 294
Interstate Commerce Commission, 105
Israel, air carrier agreement with, 293
Johnson, W. G., 334
Jones, C. A., 321–343
Jorgenson, D. W., 153–186, 307
Joskow, P. L., 89
Judicial review
deferential attitude, 47, 49, 51, 52, 54, 55, 56
independent attitude, 47, 48, 56
of legal interpretations, 46–55, 65
of policy decisions, 55–67
Kahn, A., 288
Kakalik, J. S., 335
Kalt, J. P., 93, 95, 99, 102, 103
Kaplan, D. P., 285
Kau, J. B., 99
Ketcham, J., 203
Klevorick, A., 73
Knieps, G., 201
Kramer, G. H., 73
Kravis, I. B., 296, 308
Krehbiel, K., 98–99
Laffont, J., 22, 24, 25
Land-use planning, 134
Landes, W. A., 328
Lau, L. J., 154
Legal interpretations by agencies, 46–55, 65
Legal issues, in occupational disease litigation, 329–332
Legislatures
and constituent’s interests, 93–106
delegation of regulatory authority by, 83–84
direct legislation by, 83–84
dominance model of, 87–88
geographically distributive policies of, 103–106
ideological voting in, 94–99, 101–102, 103, 106–107
models of, 81–108
periodicity in activity of, 118
pivots in, 90–93
policy choice by, 85–86
roll call voting, 94, 95, 98–100, 103, 105
Likelihood functions, 238
Linhart, P., 29
Loeb, M., 13, 23, 30, 191
Loury, G., 264
Luke, M., 197, 198, 199, 200, 203
Mackay, R., 90
Magat, W., 13, 23, 30, 191
Market allocation schemes, 259, 260
Marketing cartels, agricultural, 255–280
McCubbins, M., 85
McKee, M. J., 191–192, 194–197, 201–204, 212
Meyer, J. R., 285–286
Moe, T. M., 91–92, 99
Money metric individual welfare, 163–171
Money metric social welfare, 178–186
Moral hazard problem, 22–25, 29, 331–332, 342
Moran, M., 86, 90–91, 99, 105
Morrison, S. A., 287
Multiple regulators, 32
Myerson, R., 22
Nalebuff, B., 29, 30, 31
National Commission on Food Marketing, 261
Index 402

National Labor Relations Board, 47, 51, 91, 107
Nationalization, 4, 5
control hierarchy under, 8, 12
similarity to nonnationalized firms, 8, 10
Netherlands, air carrier agreement with, 293
New Deal legislation, 122, 125–128, 143
New Zealand, airline deregulation in, 287, 288
Nuclear power regulation, 33
licensing process, 231
retrofit of existing plants, 228, 231
risk analysis in safety decisions, 227–251
uncertainty in risk assessment and management, 241–250
Occupational disease, 321–343
Occupational Safety and Health Act of 1970, 322
Occupational Safety and Health Administration, 96, 106–107, 137, 230
Oil industry regulation, 132–133
Olson, C. a., 334
Ordering of alternative economic policies, 153–186
Oster, C. V., Jr., 285–286
Palfrey, T. R., 353
Panzar, J. C., 191–192, 198–200, 202, 212
Pareto efficiency, 4, 12, 17, 153, 171, 173
Partial equilibrium analysis, 14–15
Paté-Cornell, M. E., 227–251
Peltzman, S., 74, 78–79, 93, 99, 101–102
Phillips, S., 90
Plott, C. R., 277, 278, 353
Policy decisions
by agencies, 55–67
by legislatures, 85–86
judicial review of, 55–67
research into policy formation, 73–108
Political Action Committees, 94, 95
Political economy. See also Legislatures;
Voting models
alliances behind regulation movement, 117–144
core and periphery economies, 118–144
policy formation research, 73–108
price theory of, 75
Political models, 81
Political parties, 77–78, 100, 118–119, 125–126, 131, 140, 143–144
Political power function, 79
Political representation, localism of, 118–119, 122, 126, 131, 140, 143–144
Pollak, R. A., 154, 176
Polyani, K., 117
Poole, K. T., 94, 95, 99, 100, 103, 104
Posner, R. A., 78, 328
Pricing
Laspeyre’s index, 29
monopoly pricing, 14, 16, 17
Principal-agent model, 6–11, 19, 32, 88, 239
Prisoner’s Dilemma game, 348
Probabilistic risk analysis, 228–251
Producer allotment schemes, 259, 262, 271–273, 276
Producers’ surplus, 199
Product liability litigation, 322, 329–343
Profit maximization, and agricultural marketing cartels, 261, 275
Protectionism, 122, 125, 140–141
Public utility regulation, 4, 89, 125
Radner, R., 29
Railroad industry regulation, 142, 347
Railroad Retirement Board, 53
Ramsey prices, 14, 16
Rate setting bureaus, 347, 377
Reaction functions of firms, 356
Reciprocal Trade Agreements Act, 122, 125
Regulation, 4, 5, 7, 45, 75. See also Environmental regulation; Public utility regulation; Nuclear power regulation
Regulator–firm interaction, 18–32
Regulatory structure
and economic behavior, 89
and economic interests, 89–99
and legislators’ preferences, 82–85, 90
Rent extraction, 22, 25
from established firms, 17–18
Reputation formation, 347–379
Reuter, P., 343
Riordan, M., 24, 30
Risk analysis
in nuclear safety decisions, 227–251
uncertainty in, 241–250
Risk aversion, 23, 29
Index 403

Total factor productivity study, of airline deregulation, 296–300
Trading areas, 119
Tretheway, M. W., 285–315
Triopoly experiments, 355–379
Trucking industry regulation, 63–64, 142, 347, 377–378

Uncertainty, in risk assessment and management, 241–250
United Kingdom, air carrier agreements with, 293
Utility function, 154, 157, 158

Varian, H. R., 264
Viscusi, W. K., 334
Vogelsang, I., 29, 201
Volume, administrative committees restricting, 255–280
von Wieszacker, C. C., 199
Voting behavior, of agricultural marketing boards, 255–280
Voting models, 77
average characteristics models, 99–101, 103
Congressional dominance model, 87–88
constituent interest models, 93–106
geographic redistribution in, 103–106
ideological voting models, 81, 94–99, 101–102, 103, 106–107
multidimensional voting, 86, 90
pivotal decision makers, 90–93
support group models, 101–104
undimensional models, 81, 94–99, 101–102, 103, 106–107

Wage and price controls, 96, 134
Wage differentials, and workplace hazards, 325, 331, 332, 334, 337, 340, 341
Wallerstein, I., 118
Weingast, B. R., 86, 88, 90–91, 99, 105
Welfare comparisons, 153, 154, 163–171
economics, 4
individual, 154, 174
money metric, 163–171
William, A. W., 203
Willig, R. D., 191, 192, 198, 199, 200, 202, 212
Windle, R. J., 285–315
Winston, C., 287
Workers' compensation, 330–331, 339–340

Zecher, R., 90
Zellner, A., 302
Zupan, A. M., 93, 95, 99, 102–103