

**Public Regulation**  
**New Perspectives on Institutions and Policies**

edited by Elizabeth E. Bailey

The MIT Press  
Cambridge, Massachusetts  
London, England

## Contents

|                                                                                 |            |
|---------------------------------------------------------------------------------|------------|
| List of Contributors                                                            | vii        |
| Series Foreword                                                                 | ix         |
| Preface                                                                         | xi         |
| <b>I</b>                                                                        |            |
| <b>DESIGN AND FORMATION OF REGULATORY REGIMES</b>                               |            |
| <b>1</b>                                                                        |            |
| <b>Information and Regulation</b>                                               | <b>3</b>   |
| David E. M. Sappington and Joseph E. Stiglitz                                   |            |
| <b>2</b>                                                                        |            |
| <b>Judicial Review of Questions of Law and Policy</b>                           | <b>45</b>  |
| Stephen G. Breyer                                                               |            |
| <b>3</b>                                                                        |            |
| <b>Modern Political Economy and the Study of Regulation</b>                     | <b>73</b>  |
| Thomas Romer and Howard Rosenthal                                               |            |
| <b>4</b>                                                                        |            |
| <b>The Regulatory Surge of the 1970s in Historical Perspective</b>              | <b>117</b> |
| Elizabeth Sanders                                                               |            |
| <b>II</b>                                                                       |            |
| <b>ASSESSMENT OF REGULATORY PERFORMANCE</b>                                     |            |
| <b>5</b>                                                                        |            |
| <b>General Equilibrium Analysis of Natural Gas Price Regulation</b>             | <b>153</b> |
| Dale W. Jorgenson and Daniel T. Slesnick                                        |            |
| <b>6</b>                                                                        |            |
| <b>Experimental Evaluation of the Contestable Markets Hypothesis</b>            | <b>191</b> |
| Glenn W. Harrison                                                               |            |
| <b>7</b>                                                                        |            |
| <b>Risk Analysis and Relevance of Uncertainties in Nuclear Safety Decisions</b> | <b>227</b> |
| M. E. Paté-Cornell                                                              |            |

|                                                                                                             |  |     |
|-------------------------------------------------------------------------------------------------------------|--|-----|
| <b>8</b>                                                                                                    |  |     |
| <b>Cartels That Vote: Agricultural Marketing Boards and Induced Voting Behavior</b>                         |  | 255 |
| Jonathan Cave and Stephen W. Salant                                                                         |  |     |
| <b>9</b>                                                                                                    |  |     |
| <b>An Assessment of the Efficiency Effects of U.S. Airline Deregulation via an International Comparison</b> |  | 285 |
| Douglas W. Caves, Laurits R. Christensen, Michael W. Tretheway, and Robert J. Windle                        |  |     |
| <b>10</b>                                                                                                   |  |     |
| <b>Occupational Disease Remedies: The Asbestos Experience</b>                                               |  | 321 |
| Leslie I. Boden and Carol Adaire Jones                                                                      |  |     |
| <b>11</b>                                                                                                   |  |     |
| <b>Industrywide Regulation and the Formation of Reputations: A Laboratory Analysis</b>                      |  | 347 |
| Andrew F. Daughety and Robert Forsythe                                                                      |  |     |
| <b>Index</b>                                                                                                |  | 399 |