

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

Application of Sprint Nextel Corporation) Case No. _____
for Approval of the Transfer of Control of)
Sprint Missouri, Inc., Sprint Long)
Distance, Inc. and Sprint Payphone)
Services, Inc. From Sprint Nextel)
Corporation to LTD Holding Company.)

TESTIMONY OF JOHN W. MAYO

ON

BEHALF OF

SPRINT NEXTEL CORPORATION

FILED²
MAR 07 2006
Missouri Public
Service Commission

August 23, 2005

Exhibit No. 6
Case No(s) 10-2006-0086
Date 2-17-06 Rptr Tt

**BEFORE THE PUBLIC SERVICE COMMISSION
STATE OF MISSOURI**

In the Matter

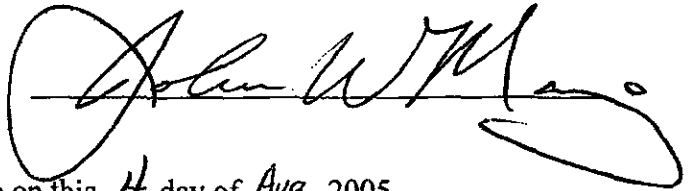
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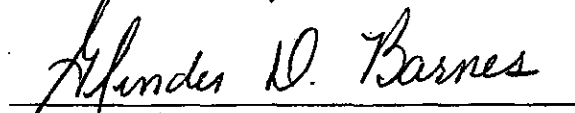
WASHINTON, D.C.)
) ss:
WASHINGTON, D.C.)

I, John Mayo being of lawful age and duly sworn, state the following:

1. I am currently representing the interests of Sprint Communications Company L.P. in this proceeding.
2. I have participated in the preparation of the attached Testimony in question and answer form to be presented in the above entitled consolidated cases;
3. The answers in the attached Testimony were given by me; and,
4. I have knowledge of the matters set forth in such answers and that such matters are true and correct to the best of my knowledge and belief.



Subscribed and sworn to before me on this 4 day of Aug, 2005.



Notary Public

My Appointment Expires:

12/14/06

TESTIMONY OF DR. JOHN W. MAYO

I. INTRODUCTION, QUALIFICATIONS AND PURPOSE OF TESTIMONY

Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A. My name is John W. Mayo. My business address is Georgetown University,
McDonough School of Business, Old North Building, 37th and O Streets, N.W.,
Washington, D.C. 20057.

Q. WHAT IS YOUR OCCUPATION?

A. I am Professor of Economics, Business and Public Policy at Georgetown
University in the McDonough School of Business. I am also the Executive
Director of the Center for Business and Public Policy in the McDonough School
at Georgetown University.

Q. WOULD YOU PLEASE SUMMARIZE YOUR QUALIFICATIONS?

A. Yes. I hold a Ph.D. in economics from Washington University in St. Louis
(1982), with a principal field of concentration in industrial organization, which
includes the analysis of antitrust and regulation. I also hold both an M.A.
(Washington University, 1979) and a B.A. (Hendrix College, Conway, Arkansas,
1977) in economics.

I have taught economics, business and public policy courses at
Georgetown University, Washington University, Webster University, the
University of Tennessee and at Virginia Tech (VPI). These courses include both

1 graduate and undergraduate classes in industrial organization, regulation and
2 antitrust.

3 I also have served in senior administrative positions. Beginning in the fall
4 of 1999 and continuing until July 2001, I served as Senior Associate Dean of the
5 McDonough School of Business and during academic years 2002-2004, I served
6 as Dean. Also, I have served as the Chief Economist, Democratic Staff of the
7 U.S. Senate Small Business Committee.

8 I have authored a number of articles and research monographs, and have
9 written a comprehensive text entitled Government and Business: The Economics
10 of Antitrust and Regulation (with David L. Kaserman, The Dryden Press, 1995).

11 I have also written a variety of specialized articles on economic issues in the
12 telecommunications industry. These articles include discussions of competition
13 and pricing in, and the industrial organization of, the telecommunications
14 industry. These articles have appeared in academic journals such as the RAND
15 Journal of Economics, the Journal of Law and Economics, the Journal of
16 Regulatory Economics, and the Yale Journal on Regulation. A more detailed
17 accounting of my education, publications and employment history is contained in
18 Exhibit JWM-1.

19
20 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

21 A. I have been asked by Sprint Nextel Corporation ("Sprint") to evaluate the public
22 policy merits of the proposed separation of its incumbent local exchange carrier
23 (ILEC) operations after its merger with Nextel is completed. For a variety of
24 reasons that I will describe below, I conclude that, indeed, the proposed

1 separation is in the public interest. My testimony, which describes the logic
2 behind my conclusion, is organized as follows. First, in Section II, I provide a
3 brief background discussion to frame the issue. Next, in Section III, I examine
4 specific considerations associated with the proposed separation. Finally, in
5 Section IV, I conclude the testimony.

6
7 **II. LEGISLATIVE AND POLICY GUIDEPOSTS**

8 **Q. CAN YOU PLEASE EXPLAIN WHAT SPRINT IS PROPOSING IN THIS**
9 **CASE?**

10 A. Yes. It is my understanding that Sprint plans to separate its wireline local service
11 operation into an independent, stand-alone operation. In December of 2004
12 Sprint and Nextel Communications, Inc. ("Nextel") entered into a merger
13 agreement pursuant to which, upon obtaining the requisite approvals, Nextel
14 would merge with and into a wholly owned subsidiary of Sprint. The required
15 approvals were obtained, and the merger has closed. In that merger agreement,
16 Sprint and Nextel agreed to use their reasonable best efforts to separate the ILEC
17 business of Sprint. As part of that transaction a new holding company has been
18 created, and control of the Sprint operating companies serving local customers
19 will be transferred to that holding company. The application before this
20 Commission asks for approval of that transfer of control.

1 **Q. IS THERE LEGISLATIVE GUIDANCE REGARDING THE CRITERIA**
2 **TO BE USED WHEN EVALUATING THE MERITS OF SPRINT'S**
3 **PROPOSAL?**

4 A. Yes. Section 392.300 RSMo of the Missouri statutes and 4 CSR 240-3.520 of the
5 Commission's rules appear to be the source of Commission authority to approve a
6 transfer of control of telecommunications facilities for the purpose of providing
7 service to Missouri customers. In making this determination under Rule 240-
8 3.520, the Commission must determine if the transaction is detrimental to the
9 public interest.

10

11 **Q. FROM AN ECONOMIC AND HISTORICAL PERSPECTIVE, ARE**
12 **THERE ADDITIONAL CONSIDERATIONS THAT SHOULD FRAME**
13 **THIS ISSUE?**

14 A. Yes. Any serious examination of industrial structure and industrial change will
15 find that firms are constantly re-organizing themselves, sometime in small ways
16 and sometimes in larger ways in order to perform more efficiently. The reason, of
17 course, is that in a capitalistic society, firms most generally create value for
18 shareholders by providing better services and products for consumers, bringing
19 new services to the marketplace and by providing these services in the most
20 efficient manner possible. Consequently, as firms strive to provide enhanced
21 services and create customer value for their offerings, they naturally and
22 continually seek to organize themselves in the most efficient manner possible. In

1 this sense, the proposed re-structuring by Sprint reflects the normalcy of industrial
2 re-organization.¹

3
4 **Q. IS THE RAPID TECHNOLOGICAL CHANGE THAT THIS INDUSTRY**
5 **IS UNDERGOING RELEVANT TO UNDERSTANDING SPRINT'S**
6 **ACTIONS?**

7 A. Yes. In industries undergoing significant technological change such as the
8 modern telecommunications industry, it is both natural and expected that the
9 frequency and significance of industrial re-organizations will be particularly
10 pronounced.² Indeed, the press of technological change in the
11 telecommunication industry has created a host of converging technological
12 platforms -- wireless, wireline and cable -- that have created an industry in
13 significant flux. This flux, rather predictably, is destroying the uniformity of
14 strategic interests and visions that characterized the industry in the past. The
15 result is that firms today can be expected to adopt quite different strategies
16 depending on their initial position within this broader industry. Indeed, as
17 observed by Harvard University economist Michael Porter, "Strategy is the

¹ Indeed, similar restructurings in other industries are quite common. See, e.g., Patrick A. Guaghan, Mergers, Acquisitions and Corporate Restructurings, John Wiley and Sons, Third Edition, 2002, pp. 393-429. Notable recent restructurings include spin-offs by American Express of its financial advisors unit and Viacom of the CBS and UPN networks. See also, Michael J. Critella "Back Where we Belong," Harvard Business Review, May 25, 2005, which describes Pitney Bowes organizational changes that have varied from a focus on organic growth, to establishing a diversified firm, to, more recently, engaging in spin-offs to achieve a "renewed focus on the core." (p. 58) For complementary discussion of the ongoing industrial re-organization in the chemical, computer and semiconductor industries, see Jeffrey T. Macher and David C. Mowery "Vertical Specialization and Industrial Structure in High Technology Industries," In Business Strategy over the Industry Lifecycle - Advances in Strategic Management, J.A.C. Baum and A.M. McGahan (Eds.) Volume 21, Elsevier Press, New York, 2004, 317-356.

² See, e.g., Debra Aron "Using Capital Markets as a Monitor: Corporate Spin-offs in an Agency Framework," RAND Journal of Economics, Vol. 22, Winter 1991, pp 505-518, who indicates that "Firms that are operating in rapidly changing markets are more likely to engage in spin-offs." (p. 506)

1 creation of a unique and valuable position, involving a different set of activities...

2 If there were only one ideal position, there would be no need for strategy....The
3 essence of strategic positioning is to choose activities that are different from
4 rivals'." ³

5
6 Consequently, some telecommunications firms may at this juncture choose to
7 consolidate different lines of business while others (like Sprint) may choose to
8 separate lines of business and customer groups. This is entirely appropriate and
9 normal given that different firms may be situated very differently within the
10 industry. The variation in the strategic visions and choices of individual firms
11 may be "messy" but it stems from a healthy quest that enhances the prospect for
12 consumer benefits as firms struggle for more efficient ways to organize
13 themselves to better serve customers. Thus, while some may speculate as to
14 whether "this" or "that" organizational form is "the right one" for the future, the
15 dynamics of this industry are sufficiently strong that it is difficult, if not altogether
16 impossible, to know which of the myriad strategies and organizational forms will
17 be ultimately rewarded by consumers and shareholders.⁴ Thus, while it is
18 common to observe, or engage in, "arm-chair" quarterbacking in the corporate
19 structuring arena, the most prudent policy is to provide deference to the nuanced
20 insights of firms that are seeking to establish the most efficient structure possible

³ See Michael E. Porter "What is Strategy?" Harvard Business Review November-December 1996, p. 61. - 78.

⁴ Consider, for instance, that Southwest Airline's operations as a point-to-point, low-frills airline defied accepted industry wisdom when it began operations in 1971. Today, Southwest's business model has emerged as a shining success. Similarly, few anticipated the success of Google when it began in the mid 1990s. Yet today, its market capitalization is roughly equal to that of Time Warner, the largest media company in the world.

1 within which to satisfy consumers. In sum, the natural quest by firms to position
2 themselves within the market so as to best and most efficiently satisfy customers
3 creates a natural and ongoing propensity for corporate re-organizations. And the
4 presence of rapid technological change very naturally accelerates these generally
5 salubrious effects of corporate reorganizations.

6
7 **Q. HAVE PREVIOUS STUDIES OF CORPORATE RE-ORGANIZATIONS**
8 **PROVIDED INSIGHTS REGARDING THE LIKELY CONSEQUENCES**
9 **OF SPIN-OFFS?**

10 A. Yes. Academicians have studied the motivations for, and consequence of, spin-
11 offs for a number of years. These studies have consistently found that spin-offs
12 are favorably viewed by the market.⁵ While the reasons are manifold and may
13 vary from one particular spin-off to the next, the most commonly noted reasons
14 for the favorable evaluation of spin-offs include the alleviation of managerial
15 diseconomies as the number and diversity of decisionmaking requirements is
16 reduced, an improved strategic focus by managers of the spun company, and the
17 ability to create clearer management incentive-contracts. Importantly, these
18 underlying drivers to improved corporate value are also factors that generally
19 inure to the benefit of consumers. The creation of a separate market valuation of
20 spun company's activities and assets is also found to create a transparency that

⁵ See, e.g., Miles, J. A. and J.D. Rosenfeld "The Effect of Voluntary Spin-off Announcements on Shareholder Wealth," Journal of Finance, Vol. 38, 1983, pp. 1597-1606. Hite, G.L. and J.E. Owers "Security Price Reactions Around Corporate Spin-off Announcements," Journal of Financial Economics, Vol. 12, 1983, 409-436; J.D. Rosenfeld "Additional Evidence on the Relationship Between Divestiture Announcements and Shareholder Wealth," Journal of Finance, Vol. 39, 1984, pp. 1437-1448; and, Patrick J. Cusatis, James A. Miles and J. Randall Woolridge "Restructuring through Spinoffs: The Stock Market Evidence," Journal of Financial Economics, Vol. 33, June 1993, pp. 293-311.

1 better enables valuation by shareholders. This improved transparency, in turn,
2 creates additional heightened incentives for managerial efficiencies. Additionally,
3 spin-offs have been shown to improve investment decisions by improving the
4 internal allocation of corporate capital.⁶

5
6 **III. SPECIFIC CONSIDERATIONS**

7 **Q. TURNING TO THE SPECIFICS, DOES THE PROPOSED SEPARATION**
8 **SERVE THE PUBLIC INTEREST?**

9 A. Yes. A variety of considerations point toward the prospective benefits from the
10 separation. At the outset, it is important to note that the separation provides for a
11 restructuring of organizational form but does so with a virtually seamless
12 transition for consumers. My understanding is that current customers of Sprint
13 Missouri, Inc, ("Sprint Missouri") will, upon completion of the separation, receive
14 uninterrupted service from this familiar and trusted telephone company. Indeed,
15 the company projects that it will offer the full portfolio of its existing services
16 with no degradation of quality.⁷ Consumer confusion, always a possibility in
17 corporate re-organizations, is significantly reduced in this instance as customer
18 service interface contacts will remain unchanged.⁸ The result is that while there
19 will be minimal, if any, disruption to consumers in the immediate wake of the
20 separation, the re-organization will set the stage for a variety of benefits as the
21 company efficiently re-organizes itself.

⁶ See Gertner, Robert, Eric Powers and David Scharfstein "Learning about Internal Capital Markets from Corporate Spin-offs," Journal of Finance Vol. 57, December 2002, pp. 2479-2506.

⁷ Testimony of Richard Lawson, pages 7.

⁸ Ibid.

1 Additionally, it is my understanding that the senior management team of
2 Sprint Missouri, with its extant expertise in providing high quality
3 telecommunications services, will largely remain in place.⁹ While this continuity
4 of management expertise should provide additional comfort regarding the public
5 interest merits of the separation, the heightened focus on, and accountability to,
6 the local market will increase senior managers' incentives for providing superior
7 and value-oriented telecommunications services within the local area.

8 Of particular note, the re-organization will permit the Sprint Missouri to
9 strategically and exclusively focus on its local base of wireline customers. The
10 merger of Sprint and Nextel in the wireless arena will have created a very large
11 and national company whose strategic interests are distinctly "wireless" and
12 "national". In contrast, Sprint Missouri will have the opportunity to focus its
13 competitive energies on providing value for, and securing the business of,
14 consumers within its local geographic footprint. This heightened focus and
15 reliance on its local customers for its financial success means that the company
16 will have maximal incentives to create valued and innovative services for these
17 customers. The re-organization, then, neatly aligns the firm's self-interest and
18 those of consumers. The result is that the re-organization creates the likelihood
19 of both improved efficiencies and improved consumer service.¹⁰

20 Additionally, by creating separate companies with distinct strategies, the
21 separation has the very real prospect of enhancing competition in the broad

⁹ Testimony of Richard Lawson, page 13.

¹⁰ The "local focus" has proven successful elsewhere in the industry. For instance, Cincinnati Bell, which focuses on serving customers in the greater Cincinnati area, has continually received J.D. Power and Associates' customer satisfaction ratings that are among the highest in the industry. See, e.g., 2003 Annual Report, Cincinnati Bell, p. 10.

1 telecommunications industry. In particular, once the separation is successfully
2 completed Sprint, with its very large wireless presence, will be free to
3 unambiguously and vigorously pursue wireless-oriented or wireless-cable-
4 oriented strategies that target local wireline company customers. The restructured
5 local exchange company, in contrast, will have every incentive to maintain its
6 local customer base by offering high quality and innovative telecommunications
7 services. The result is that the heightened competition will lead to improved
8 choices and service for telecommunications customers both in and outside of
9 Sprint Missouri's geographic footprint.

10

11 **Q. ARE YOU AT ALL CONCERNED THAT THE SPRINT SEPARATION IS**
12 **CONTRARY TO DIRECTION THAT RESTRUCTURING IS TAKING**
13 **AMONG OTHER ILECS SUCH AS VERIZON AND SBC?**

14 A. No. As I noted earlier, rapid technological change, here augmented by recent
15 federal court and regulatory decisions, is likely to cause specific
16 telecommunications firms to adopt quite different visions and strategies for their
17 companies' futures. These alternative visions stem from a variety of factors but
18 certainly the initial positions of the companies within the broader industry may
19 create completely different strategies for various companies as they individually
20 seek to find positions within the industry from which to best compete. As a
21 result, the fact that Sprint's strategic direction may differ from that of other ILECs
22 is neither surprising nor a cause for concern.

23

1 **Q. SHOULD THE COMMISSION BE CONCERNED THAT HOUSEHOLDS**
2 **WILL BE HARMED BY THE SEPARATION?**

3 A. No. As I have described, the separation provides for a continuity of existing
4 services, heightens the focus of managers on the ILEC's local customer base, and
5 creates heightened opportunities and incentives for improved customer service.
6 In addition, *every aspect* of the extant regulatory oversight will remain. In
7 particular, it is my understanding that the regulatory pricing plan under which
8 Sprint Missouri operates will convey to the ILEC under the newly formed parent.
9 That is, the Commission will retain all of its operational, financial and regulatory
10 oversight mechanism that it has today to assure that the company's services are of
11 high quality and are offered at just and reasonable rates.

12

13 **IV. CONCLUSION**

14 **Q. I TAKE IT THEN THAT YOU ARE QUITE COMFORTABLE**
15 **RECOMMENDING APPROVAL OF THE SEPARATION AS**
16 **PROPOSED?**

17 A. Yes. My examination of the industry and the specific proposed restructuring lead
18 me to conclude that the separation represents a normal manifestation of the desire
19 by corporate management to seek to re-organize the company in an efficient and
20 strategically focused manner. The separation comes at a time in the history of the
21 telecommunications industry that a host of such re-organizations may be
22 expected. This diversity of strategic designs by firms certainly will create a new

1 landscape for the industry, but there is every expectation that this specific
2 reorganization will serve the public interest.

3

4 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

5 **A. Yes.**

VITA

JOHN W. MAYO

CURRENT POSITION:

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Executive Director, Center for Business and Public Policy
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EDUCATION:

Ph.D., Economics, 1982, Washington University in St. Louis
Dissertation: "Diversification and Performance in the U.S. Energy Industry"
M.A., Economics, 1979, Washington University in St. Louis
B.A., Economics, 1977, Hendrix College, Conway, Arkansas

FIELDS OF SPECIALIZATION:

Industrial Organization
Regulatory and Antitrust Policy
Applied Microeconomics
Econometrics

PREVIOUS POSITIONS:

2002-2004 – Dean, McDonough School of Business, Georgetown University

1999-2001 – Senior Associate Dean, McDonough School of Business, Georgetown University.

1997-1998 (Academic year) – Visiting Professor of Economics, Business and Public Policy, Georgetown University School of Business, Washington, D.C.

July 1994 – July 1998 – The University of Tennessee, Knoxville, TN.
Professor of Economics, Department of Economics.

July 1989 - June 1994 – The University of Tennessee, Knoxville, TN.
Research Associate Professor, Center for Business and Economic Research, and
Associate Professor of Economics, Department of Economics.

September 1981 - June 1989 -- The University of Tennessee, Knoxville, TN.
Research Assistant Professor, Center for Business and Economic Research, and
Assistant Professor of Economics, Department of Economics, September 1981-
June 1988.

June 1984 - June 1985 -- U.S. Senate, Small Business Committee.
Chief Economist, Democratic Staff.

August 1982 - December 1982 – VPI, Blacksburg, VA.
Visiting Assistant Professor of Economics, Blacksburg, Virginia.

1980 - 1981 – Washington University, Center for the Study of American Business
Dissertation Fellow

1979 – International Institute for Applied Systems Analysis (IIASA) Laxenburg, Austria.
Energy Research Fellow

1979-1980 -- Washington University, Graduate School of Business Administration
Research Assistant.

1978 -- Washington University, Institute for Urban and Regional Studies.
Research Assistant

HONORS, AWARDS, AND GRANTS:

Undergraduate: Mosley Economics Prize (#1 graduating economics major), Alpha Chi
(scholastic), Blue Key, Senior Honors Seminar.

Graduate: University Fellowship, Washington University (1977-78); National Academy
of Sciences Young Research Fellow, Laxenburg, Austria (1979); President, Washington
University Economics Graduate Student Association (1979-81); Dissertation Fellowship,
Center for the Study of American Business, Washington University (1980-81).

Post-Graduate: Zaeslin Fellow of Law and Economics, University of Basel, Basel,
Switzerland (2000 - present); William B. Stokely Scholar, College of Business
Administration, The University of Tennessee (1993-1995); South Central Bell Research
Grant (1988); Research Affiliate, Center of Excellence for New Venture Analysis, The
University of Tennessee (1985); Summer Faculty Research Fellowships, College of
Business Administration, The University of Tennessee (1983-1985).

COURSES TAUGHT:

Undergraduate: Principles of Microeconomics, Current Economic Problems, Government and Business, Intermediate Microeconomics, Energy Economics

Graduate: Managerial Economics (MBA), Managing in a Regulated Economy (MBA), Economics (Executive MBA), The Economics of Strategy (MBA), Business and Public Policy (MBA); Competition and Competition Policy (MBA); Regulation and Deregulation in the American Economy (MBA), Understanding International Business (MBA), Industrial Organization and Public Policy (Ph.D.), The Economics of Antitrust and Regulation (Ph.D.)

PUBLICATIONS:

A. JOURNAL ARTICLES

“Regulatory Opportunism and Investment Behavior: Evidence from the U.S. Electric Utility Industry,” (with Thomas P. Lyon) RAND Journal of Economics, forthcoming.

“On the Impotence of Imputation” (with T. Randolph Beard and David L. Kaserman), Telecommunications Policy, Volume 27, Issues 8-9, September-October 2003, pp. 585-595.

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"Competition and Asymmetric Regulation in Long Distance Telecommunications: An Assessment of the Evidence," (with David L. Kaserman) CommLaw Conspectus: Journal of Communications Law and Policy, Volume 4, Winter 1996, pp. 1-26.

"Deregulation and Predation in Long-Distance Telecommunications: An Empirical Test," (with Simran Kahai and David L. Kaserman), Antitrust Bulletin, Vol. 40, Fall 1995, pp. 645-666.

"Cross-Subsidies in Telecommunications: Roadblocks on the Road to More Intelligent Telephone Pricing" (with David L. Kaserman), Yale Journal on Regulation, Volume 11, Winter 1994, pp. 120-147.

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"Regulation, Market Structure and Hospital Costs: Reply and Extension" (with Deborah A. McFarland), Southern Economic Journal, Volume 58, Number 2, October 1991, pp. 535-538.

"Firm Size, Employment Risk and Wages: Further Insights on a Persistent Puzzle" (with Matthew N. Murray), Applied Economics, Volume 23, Number 8, August 1991, pp. 1351-1360.

"Competition for 800 Service: An Economic Evaluation" (with David L. Kaserman), Telecommunications Policy, October 1991, pp. 395-408.

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"The Technological Determinants of the U.S. Energy Industry Structure," The Review of Economics and Statistics, Volume 66, February 1984, pp. 51-58.

B. BOOKS, MONOGRAPHS, AND OTHER PUBLICATIONS

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"Shakeout or Shakedown? The Rise and Fall of the CLEC Industry," (with Mark Burton and David L. Kaserman), in Michael A. Crew, Editor, Markets, Pricing, and Deregulation of Utilities, Kluwer Academic Publishers, 2002.

"Resale and the Growth of Competition in Wireless Telephony," (with Mark L. Burton and David L. Kaserman), in Expanding Competition in Regulated Industries, Michael A. Crew, Editor, Kluwer Academic Publishers, 2000.

"Monopoly Leveraging, Path Dependency, and the Case for a Competition Threshold for RBOC Reentry into InterLATA Toll," (with T.R. Beard and David L. Kaserman), in Regulation Under Increasing Competition, Michael A. Crew, Editor, Kluwer Academic Publishers, 1999.

"The Quest for Universal Service: The Misfortunes of a Misshapen Policy," (with David L. Kaserman) in Telecommunications Policy: Have Regulators Dialed the Wrong Number?, Donald L. Alexander, Editor, Praeger Publishing Group, Westport, CT, 1997, pp.131-144.

Government and Business: The Economics of Antitrust and Regulation (with David L. Kaserman), The Dryden Press, Harcourt Brace College Publishers, 1995.

"Long-Distance Telecommunications: Expectations and Realizations in the Post-Divestiture Period" (with David L. Kaserman), in Incentive Regulation for Public Utilities, Michael A. Crew, Editor, (Boston, MA.: Kluwer Academic Publications), 1994.

Monopoly Leveraging Theory: Implications for Post-Divestiture Telecommunications Policy (with David L. Kaserman), Center for Business and Economic Research: The University of Tennessee, April 1993.

State-Level Telecommunications Policy in the Post-Divestiture Era: An Economic Perspective (with William F. Fox), Center for Business and Economic Research, The University of Tennessee, March 1991.

A review of After Divestiture: The Political Economy of State Telecommunications Regulation, by Paul E. Teske. Albany: State University of New York Press, 1990. Publius, Winter 1991, pp. 164-166.

Deregulation and Market Power Criteria: An Evaluation of State Level Telecommunications Policy" (with David L. Kaserman) in Telecommunications Deregulation: Market Power and Cost Allocation Issues, J. Allison and D. Thomas (eds.), Quorum Books, 1990.

The Economics of Local Telephone Pricing Options (with J. E. Flynn), Center for Business and Economic Research, The University of Tennessee, October 1988.

Firm Entry and Exit: Economic Linkages in Tennessee (with J. E. Flynn), Center for Business and Economic Research, The University of Tennessee, Knoxville, July 1988.

"The Economics of Regulation: Theory and Policy in the Post-Divestiture Telecommunications Industry" (with David L. Kaserman) in Public Policy Toward Corporations, Arnold Heggstad, editor, University of Florida Presses, 1988.

"Entries and Exits of Firms in the Tennessee Economy: Foundations for Research," Survey of Business, The University of Tennessee, Volume 23, Number 1, Summer 1987, pp. 21-23.

"The Relationship of Manufacturing and Nonmanufacturing Firm Entry and Exit in Tennessee" (with Joseph E. Flynn), Survey of Business, The University of Tennessee, Volume 23, Number 2, Fall 1987, pp. 11-16.

A Review of Municipal Ownership in the Electric Utility Industry, by David Schap. New York: Praeger Publishing Company, 1986. Southern Economic Journal, Volume 54, Number 1, July 1987.

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"The U.S. Economic Outlook," Survey of Business, The University of Tennessee, annual contributor, 1986-1994.

An Economic Report to the Governor of the State of Tennessee, Center for Business and Economic Research and the Tennessee State Planning Office, Annual Contributor, 1981-1994.

"An Economic Analysis of a Monitored Retrievable Storage Site for Tennessee" (with W. F. Fox, L. T. Hansen, and K. E. Quindry), Final Report and Appendices, December 17, 1985.

"Directly Served Industries and the Regional Economy" (with Charles Campbell), Contract Completion Report, the Center for Business and Economic Research, The University of Tennessee, October 1984.

CONGRESSIONAL AND REGULATORY TESTIMONIES:

U.S. Senate (Commerce, Science and Transportation Committee; Energy and Natural Resources Committee, Subcommittee on Water and Power); Tennessee State Legislature (Senate Finance, Ways and Means Committee; Special Joint Legislative Committee on Business Taxation; and, Senate State and Local Government Committee); Maryland State Legislature (Environmental Works Committee); Federal Communications Commission; Pennsylvania Public Utility Commission; Michigan Public Service Commission; Missouri Public Service Commission; Illinois Commerce Commission; West Virginia Public Utility Commission; Wyoming Public Utility Commission; Washington Utilities and Transportation Commission; Utah Public Service Commission; Wisconsin Public Service Commission; California Public Utilities Commission; Florida Public Service Commission; Delaware Public Service Commission; Montana Public Service Commission; Maryland Public Service Commission; Massachusetts Department of Public Utilities; Georgia Public Service Commission; Colorado Public Utilities Commission; North Carolina Public Utilities Commission; Texas Public Utility Commission; Arkansas Public Service Commission; Connecticut Department of Public Utility Control; Kansas State Corporation Commission; and New Jersey Board of Public Utility Commissioners.

INVITED SEMINARS AND SELECTED CONFERENCE PRESENTATIONS:

Columbia University, University of Chicago, University of Paris (Dauphine IX), Vanderbilt University, Washington University in St. Louis, University of Michigan, Ohio State University, University of Minnesota, University of Florida, University of Texas, Rutgers University, University of Missouri, Kansas University, University of Utah, University of Basel (Switzerland), University of Freiburg (Germany), University of Central Florida, American Enterprise Institute, Federal Communications Commission, Telecommunications Policy Research Conference (TPRC), National Conference of State Legislatures, U.S. Advisory Commission on Intergovernmental Relations, Southwestern Bell Corporation

CONSULTING:

U.S. Department of Justice, Antitrust Division; U.S. Federal Trade Commission; AT&T; Sprint; MCI Telecommunications; Enron Power Marketing, Inc.; Optus Communications (Australia); United Parcel Service; Tennessee Valley Authority; Antitrust Division, Office of the Attorney General, State of Tennessee; U.S. Senator Howard Baker, Jr., U.S. Senate Majority Leader; Oak Ridge National Energy Laboratory; Arkansas Consumer Research; Division of Energy Conservation and Rate Advocacy, Office of the Arkansas Attorney General; U.S. Department of Energy

PROFESSIONAL PRESENTATIONS:

"The Influence of Firms on Government" (with Mirjam Schiffer). Presented to the Southern Economic Association Annual Meetings, New Orleans, November 2004.

"Warm Glow and Charitable Giving: Why Don't the Wealthy Give More to Charity?" (with Catherine H. Tinsley). Presented to the Southern Economic Annual meetings, Tampa, Florida, November 2002.

"Competition, Policy and Firm Strategy in U.S. Long Distance Telecommunications." Presented to the Academy of Management annual meetings, Washington, D.C. July 2001.

"Regulation and Administrative Discretion: Evidence From the Electric Utility Industry" (with Thomas P. Lyon). Presented to the Southern Economic Association Annual Meetings, Atlanta, GA, November 1997.

"Regulation, Vertical Integration and Sabotage." (with T. Randolph Beard and David L. Kaserman) Presented to the Western Economic Association Annual Meetings, Seattle, Washington, July 1997.

"Regulation and Investment: Evidence from the Electric Utility Industry." (with Thomas Lyon) Presented to the American Economic Association Annual Meetings, New Orleans, January 1997.

"Targeted and Untargeted Subsidy Schemes: Evidence from Post-Divestiture Efforts to Promote Universal Telephone Service." Presented to the Southern Economic Association Annual Meetings, New Orleans, November 1995.

"Dominant Firm Pricing with Competitive Entry and Regulation: The Case of IntraLATA Toll," with Larry Blank and David L. Kaserman. Presented to the Southern Economic Association Annual Meetings, Orlando, Florida, November 1994.

"The Economic Welfare Effects of Extended Area Telephone Service," with Carlos Martins-Filho. Presented to the Western Economic Association Annual Meetings, Seattle, Washington, July 1991.

"Demand, Pricing and Regulation of Cable TV Services: Evidence from the Pre-Deregulation Period," with Yasuji Otsuka. Presented to the Southern Economic Association annual meetings, New Orleans, Louisiana, November 1990.

"Market Contestability: Toward an Operational Index," with David L. Kaserman. Presented to the Western Economic Association annual meetings, Lake Tahoe, Nevada, June 1989.

"The Political Economy of Deregulation: The Case of Intrastate Long Distance," with David L. Kaserman and Patricia Pacey. Presented to the Southern Economic Association annual meetings, San Antonio, Texas, November 1988.

"Barriers to Trade and the Import Vulnerability of U.S. Manufacturing Industries," with Don Clark and David L. Kaserman. Presented to the Southern Economic Association annual meetings, San Antonio, Texas, November 1988.

"Cross-Subsidization in Telecommunications: Economic Theory Versus Regulatory Rhetoric" with David L. Kaserman, Western Economic Association annual meetings, Vancouver, British Columbia, July 1987. Also presented at the Southern Economic Association annual meetings, Washington, D.C., November 1987.

"The Effects of Regulation on R&D: Theory and Evidence," Southern Economic Association annual meetings, New Orleans, Louisiana, November 1986.

"The Measurement of Vertical Economies and the Efficient Structure of the Electric Utility Industry" with David L. Kaserman, American Economic Association annual meetings, San Francisco, California, December 1983.

"Regulation, Advertising and Economic Welfare" (with David L. Kaserman), Southern Economic Association annual meetings, Washington, D.C., November 1983.

"Multiproduct Monopoly, Regulation and Firm Costs," Southern Economic Association meetings, Atlanta, Georgia, November 1982.

"Forecasting Economic Activity in Tennessee with a Quarterly Econometric Model," Southeastern Economic Analysis Conference, Charlotte, North Carolina, September 1982.

"The Technological Determinants of U.S. Energy Industry Structure." Regulatory Workshop, Center for the Study of American Business and the Department of Economics, Washington University, December 1981.

WORKING PAPERS:

"A Unification of the Graphical Exposition of the Economic Theory of Regulation," (with T. Randolph Beard and David L. Kaserman), March 2005.

"The Influence of Firms on Government" (with Mirjam Schiffer), November 2004.

"Common Costs and Cross-Subsidies: Why do Common Costs Appear so Large in Regulated Industries?" (with Mark L. Burton and David L. Kaserman), September 2004.

"Understanding Participation in Social Programs: Why Don't Households Pick up the Lifeline?" (with Mark Burton), March 2005.

“Warm Glow and Charitable Giving: Why Don’t the Wealthy Give More to Charity”
(with Catherine H. Tinsley), June 2001.

EDITORIAL REVIEWER:

National Science Foundation, Brookings Institution, Federal Trade Commission, The MIT Press, American Economic Review, Quarterly Journal of Economics, Journal of Law and Economics, Economic Journal, Journal of Business, RAND Journal of Economics, Journal of Regulatory Economics, Review of Economics and Statistics, Economic Inquiry, Journal of Industrial Economics, Journal of Economics & Management Strategy, Review of Industrial Organization, Scandinavian Journal of Economics, Eastern Economic Journal, Southern Economic Journal, Contemporary Economic Policy, Industrial Relations, Growth and Change, Review of Regional Studies, Journal of Economics and Business, Quarterly Review of Economics and Business, Journal of Policy Analysis and Management, Quarterly Journal of Business and Economics, Regional Science and Urban Economics, Financial Review, Journal of Money, Credit, and Banking, Social Science Quarterly, Telecommunications Systems, Public Finance Quarterly, Japan and the World Economy, Energy Economics

EDITORIAL, CORPORATE BOARDS AND OVERSIGHT BODIES

Editorial Board, Journal of Regulatory Economics, 1999-present.

Editorial Board, Review of Industrial Organization, 2002-2003.

Board of Directors, Vice President, National Safety Council, October 2002- present.

Board of Trustees, Occupational and Environmental Health Foundation, June 2003-present.

Research Advisory Committee, National Regulatory Research Institute (Ohio State University), 1993-1997.

PROFESSIONAL MEMBERSHIPS AND COMMITTEES:

American Economic Association
Western Economic Association
Southern Economic Association
American Law and Economics Association
International Telecommunications Society
European Association for Research in Industrial Economics