

Transportation and Public Utilities Group News

February 2020

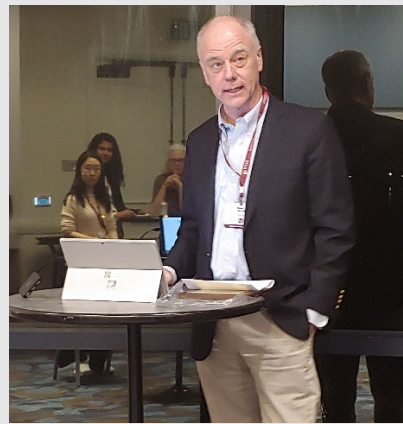
A number of events occurred in 2019 that promise to serve the Transportation and Public Utilities Group well, and I believe that 2021 will continue the trend towards attracting new members and cutting-edge research. In this final newsletter that I write, I want to summarize some of these events, remind you to pay your 2020 annual dues, **point to upcoming deadlines (see below)**, and to provide some thoughts of our 2019 Distinguished Member (Frank Wolak of Stanford University) on the increasing importance of regulatory economics. I also want to express my thanks to the former president Richard Fowles (Utah) and the Board (Pat McCarthy (Georgia Tech), Lea-Rachel Kosnik (University of Missouri-St. Louis) and John Mayo (Georgetown) as well as Secretary James Peoples (University of Wisconsin – Milwaukee) for their support and activities that have helped TPUG evolve. A special note of thanks to long-time member, former president and distinguished scholar Doug Jones (Ohio State) who along with Pat McCarthy and Anming Zhang led a very successful drive to fund our Dissertation Award. Many thanks to all of the contributors.

New Leadership

I am elated to introduce Anming Zhang (UBC) as our 2021 President and Frank Wolak (Stanford University) as our President-Elect. They are both among the leaders in the profession and their accomplishments are far too many to summarize here. From my perspective, I am very hopeful that their connections, students, and interests will continue to draw members and new research into the organization. Below are a few pictures from our reception where they were introduced along with links to their webpages.



Anming Zhang
<https://www.sauder.ubc.ca/people/anming-zhang>



Frank Wolak
<http://web.stanford.edu/group/fwolak/cgi-bin/>

Announcements

- **Dissertation Award Fundraising:** Previous presidents and distinguished members were contacted and ask to provide support for our dissertation award. The outpouring of support was amazing,

and we now have received donations to fund the award for many years to come. If you have a student in transportation and/or public utilities, please submit their work for this award. For more information and/or if you wish to donate either to the organization or to that award please see <https://blogs.uoregon.edu/tpug/dissertation-awards/>

- **Non-Profit Status:** Through the efforts of former President and Distinguished Member Pat McCarthy, we have completed a multi-year effort to gain non-profit status. TPUG is now a registered 501(3)(c) non-profit organization. This means that donations are now tax-exempt. The webpage has been updated to facilitate donations and payments of dues through paypal. See [pages.uoregon.edu](https://blogs.uoregon.edu/tpug/membership/) to donate and see <https://blogs.uoregon.edu/tpug/membership/> to pay dues.
- **Membership Dues:** Over the last year, we have instilled a policy to have annual dues apply on a calendar year basis. Membership dues are very modest, and I encourage you to pay your dues now, and we have made payment quite easy with a pay-pal link on the website. <https://blogs.uoregon.edu/tpug/membership/>
- **Conference Sessions:** We have a strong presence at the ASSA meetings, with attendance in the four sessions last year numbering from 20-50 people. We also have had a strong presence at the WEAI meetings in San Francisco with five different sessions, and we have an additional five sessions that were planned for the WEAI meetings in Shanghai (which had to be canceled due to the virus. The sessions and topic are listed on the webpage. See <https://blogs.uoregon.edu/tpug/2016-2017-conference-meetings-aea-and-weai/>
- **Program and Development Committee:** We are in the process of establishing Program and Development Committees. Many have expressed an interest and we are organizing some of this as I write. Jonathan Hughes of Colorado has agreed to chair the program committee, and I will work with him over the next year or so to transition. Such activities are well thought of tenure and/or promotion and expands your network within and outside of TPUG. And, it helps the organization by bringing in new people and integrating them into the organization. If you are interested, please contact me at wwilson@uoregon.edu, Anming Zhang at anming.zhang@sauder.ubc.ca, or Frank Wolak at wolak@stanford.edu.

Calls for Papers

- **2020 WEAI Annual Conference**, Denver, Colorado, California, June 25-30. If you would like to organize a session, present or discuss please contact Wesley Wilson (wwilson@uoregon.edu) no later than February 1 (Preferably earlier)
- **2021 ASSA meetings** will be held in Chicago, January 3rd-5th, 2021. Often a TPUG session is co-sponsored with the AEA. If you wish to participate, organize a session, or present, please contact Wesley Wilson (wwilson@uoregon.edu) by March 1st for the joint session with AEA and by May 15th for the other sessions.
- **17th International Conference for WEAI is in Melbourne, Australia, April of 2021.** If you wish to participate, organize a session, or present, please contact Wesley Wilson (wwilson@uoregon.edu) by October 31st.
- **Distinguished Member:** Frank Wolak of Stanford University was named our 2019 Distinguished Member. He is very well known for his work on energy markets, industrial organization and econometrics. At our reception where the award was presented he made a few remarks posted below on the increasing import of regulatory economics and a call for academics.

The Increasing Importance of Regulatory Economics
by
Frank A. Wolak, Department of Economics, Stanford University
TPUG Meeting, San Diego Allied Social Sciences Meeting
1/3/2020

I would like to thank the Transportation and Public Utilities Group (TPUG) for this Distinguished Member award. On this occasion, I would like to say a few words about the increasing importance of Regulatory Economics, despite what might appear to be the prevailing trend against this view in the academic economics profession.

When I was a graduate student, Regulatory Economics typically took up as much as a full course in most graduate IO sequences. Many papers on Regulatory Economics topics appeared in top general journals on topics such as cost and production function estimation, the properties of multi-product cost functions, cross-subsidy analysis, contestable markets, nonlinear pricing, efficient pricing to recover fixed costs, and peak-load pricing. Now, few topics in Regulatory Economics are covered in most graduate IO field sequences and almost no Regulatory Economics papers appear in top general journals.

This outcome has occurred despite the fact that Regulatory Economics issues are even more relevant to policymakers than they were 30 years ago. During this time period, the vast majority of industrialized and developing countries have introduced a wide-variety of market mechanisms into formerly regulated industries such as telecommunications, electricity, natural gas, water delivery, railroads, air transport, and even postal delivery services.

Designing market mechanisms to replace explicit price regulation or classical command and control environmental regulations has created many new and important for research questions in Regulatory Economics and a robust demand for economists with training in this field. Consequently, there is extremely strong job market for both undergraduates and graduate students with training in regulatory economics outside of academia. However, these jobs also require skills not typically taught in graduate economics programs or valued by many academic economists--an intimate knowledge of the technologies employed and legal and regulatory institutions in these industries.

Nevertheless, I see a bright future for Regulatory Economics in academia. Solving the market design challenges facing restructured formerly regulated industries requires economists with the deep technical and institutional knowledge required to understand the essential economic research question and the expertise in microeconomic theory and modern econometric methods to solve it. For scholars interested in working on consequential economic questions often involving millions and even billions of dollars that policymakers care deeply about, there is no better field of research.

2019 Reception Memories

