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E-mail: borenste@haas.berkeley.eduWebpage: <http://haas.berkeley.edu/~borenste>**Education:**

1974-1976 Carleton College, Northfield, MN
1977-1978 University of California, Berkeley, A.B. Economics
1979-1983 Massachusetts Institute of Technology, Ph.D. Economics (1983)

Teaching and Research Interests:

Primary Fields: Industrial Organization, Business Strategy, Government Regulation,
Energy Policy and Economics, Applied Microeconomic Theory
Other Fields: Finance, Public Finance

Teaching Positions Held:

1983-1990 Assistant Professor of Economics and Public Policy, Department of Economics and Institute of Public Policy Studies, University of Michigan
1989-1990 Visiting Assistant Professor of Economics, Department of Economics, University of California, Davis
1990-1994 Associate Professor of Economics, Department of Economics, University of California, Davis
1992,1993 Visiting Associate Professor of Business Economics (Autumn), Haas School of Business, University of California, Berkeley
1994 Visiting Associate Professor of Business Economics (March), Distance learning MBA for Cathay Pacific Airlines School of Business, University of Michigan
1994 Visiting Professor of Strategic Management (Winter), Graduate School of Business, Stanford University
1994-1996 Professor of Economics, Department of Economics, University of California, Davis
1996-present Professor of Business, Haas School of Business, University of California, Berkeley
Chair, Economic Analysis and Policy Group, 1998-99
E.T. Grether Professor of Business Administration and Public Policy, 2000-present

Other Professional Positions:

1978-1979 Staff Economist, Office of Economic Analysis, U.S. Civil Aeronautics Board
1990-1996 Research Associate, Institute of Transportation Studies, University of California, Davis
1992-Present Co-Director, Program On Workable Energy Regulation,

University of California
 1992-Present Research Associate, National Bureau of Economic Research
 1992-Present Associate Editor of *Review of Economics and Statistics*
 1993-2000 Associate Editor of *International Journal of Industrial Organization*
 1993-1995 Associate Editor of *Journal of Industrial Economics*
 1994-Present Director, University of California Energy Institute
 1995-2000 Editor of *Journal of Industrial Economics*
 1997-Present Member, Governing Board of California Power Exchange Corporation
 1999-2000 Member, California Attorney General's Gasoline Task Force
 1999-Present Co-Director, National Bureau of Economic Research Project on E-Commerce

Honors, Scholarships, Fellowships and Grants:

1979-81 M.I.T. Graduate Scholarship
 1982-83 Alfred P. Sloan Foundation Research Fellowship
 1986 University of Michigan Rackham Research Fellowship
 1986-87 University of Michigan Teaching Development Award
 1987-90 National Science Foundation Research Grant #SES-8711576
 Title: Efficiency in the Allocation of Operating Licenses
 Fall 1987 Michigan Economic Society Undergraduate Teaching Award
 1988-89 University of Michigan Rothschild Research Fellowship
 1991-93 Universitywide Energy Research Group Research Grant (with Colin Cameron)
 Title: Asymmetric Retail Gasoline Price Responses to Crude Oil Price Changes
 1996-97 Recipient, Cheit Award for Best Teacher in Haas MBA Program
 1996-97 Finalist, Cheit Award for Best Teacher in Haas PhD Program
 1998-99 National Bureau of Economic Research/Sloan Foundation Research Grant
 (with Joseph Farrell)
 Title: Why Do Firms Cut Costs?

Selected Professional Activities:

Testified before U.S. House of Representatives, Subcommittee on Aviation on proposals for market allocation of airport landing and takeoff slots at 'slot-constrained' airports (9/85).

Member of National Academy of Sciences panel examining the impacts of regulatory reform (10/88).

Co-organizer and participant in Department of Transportation seminar on airline policy, including D.O.T. Secretary Skinner and Assistant Secretary Shane, (2/91).

Participant in Department of Transportation briefing on airline policy for D.O.T. Secretary Card and Assistant Secretary Shane, (8/92).

Co-organizer and Chair of National Bureau of Economic Research conference on "Cooperation, Coordination, and Collusion Among Firms," (5/93).

Testified before California joint legislative committee on electricity rates and the restructuring of the California electricity industry (10/94).

Organizer of the winter meeting of the National Bureau of Economic Research Program in Industrial Organization, February 1995.

“Sticky Prices, Inventories, and Market Power in Wholesale Gasoline Markets” (with Andrea Shepard) presented at National Bureau of Economic Research summer institute (8/95) and winter meetings of the American Economics Association (1/96).

“Is There Fat in Oil?: Diagnosing Profit Dissipation from the Stock Market Values of Oil Companies” (with Joe Farrell) presented at the winter meeting of the Econometric Society (1/96) and winter meeting of the National Bureau of Economic Research program in Industrial Organization (2/96).

Testified before the California Little Hoover Commission on regulation of the California electricity industry (3/96).

Co-organizer (with James Bushnell) of first POWER research conference on electricity restructuring (3/96).

Co-organizer (with Ben Hermalin) of IOfest '96 — the first joint Berkeley-Stanford conference in industrial organization (4/96).

Testified before the Minnesota state legislature on airfares at Minneapolis/St. Paul Airport (6/96).

Testified before the California state legislature on market power in the California gasoline markets and the implementation of state-mandated reformulated gasoline (10/96).

“The Competitive Effect of Transmission Lines in a Deregulated Electricity Generation Market” (with James Bushnell and Steven Stoft) presented at winter meetings of Econometric Society (1/97).

“Financial Distress and Competition in the U.S. Airline Industry” (with Nancy Rose) presented at winter meetings of the American Economics Association (1/97).

Co-organizer (with James Bushnell) of second POWER research conference on electricity restructuring (3/97).

Co-organizer (with Ben Hermalin) of IOfest '97 — the third annual joint Berkeley-Stanford conference in industrial organization (10/97).

“Efficient Recovery of Sunk Costs in a Market Environment with Application to the California ISO and PX,” presented to the California Public Utilities Commission (1/98).

“Do Investors Forecast Fat Firms? Diagnosing Profit Dissipation from the Stock Market Values of Gold Mining Firms,” (with Joe Farrell) presented at the annual Stanford Conference on Strategic Management (2/98).

Co-organizer (with James Bushnell) of third POWER research conference on electricity restructuring (3/98).

Testified before the California state legislature on oversight and market power in the California electricity markets (3/99).

Co-organizer (with James Bushnell) of fourth POWER research conference on electricity restructuring (3/99).

“Diagnosing Market Power in California’s Deregulated Wholesale Electricity Market” (with James Bushnell and Frank Wolak), presented at the fourth annual POWER research conference on electricity restructuring (3/99), National Bureau of Economic Research summer institute (8/99), and American Economics Association (1/00).

Testified before the California state legislature on California gasoline prices and markets (4/99 and 6/99).

“Understanding Competitive Pricing and Market Power in Wholesale Electricity Markets,” presented to the U.S. Department of Justice (4/99) and the Edison Electric Institute economics committee (5/99).

Co-Director of National Bureau of Economic Research E-Commerce Project (8/99-present).

Co-organizer (with James Bushnell) of fifth POWER research conference on electricity restructuring (3/00).

Testified before the California state legislature on legislative proposals to mitigate gasoline price spikes (3/00 and 4/00).

Testified before the California state legislature on proposals to lower electricity prices and increase supplies (8/00).

Journal Publications:

“Price Discrimination in Free-Entry Markets,” *RAND Journal of Economics*, **16**(Autumn 1985).

“On the Efficiency of Competitive Markets for Operating Licenses,” *Quarterly Journal of Economics*, **103**(May 1988).

“Market Incentives for Safe Commercial Airline Operation,” (with Martin Zimmerman), *American Economic Review*, **78**(December 1988).

“The Economics of Costly Risk Sorting in Competitive Insurance Markets,” *International Review of Law and Economics*, **9**(June 1989).

“How to Carve a Medical Degree: Human Capital Assets in Divorce Settlements,” (with Paul Courant), *American Economic Review*, **79**(December 1989).

“Hubs and High Fares: Dominance and Market Power in the U.S. Airline Industry,” *RAND Journal of Economics*, **20**(Autumn 1989).

“Airline Mergers, Airport Dominance, and Market Power,” *American Economic Review Papers and Proceedings*, **80**(May 1990).

“Carrot and Yardstick Regulation: Enhancing Market Performance with Output Prizes,” (with Mark Bagnoli), *Journal of Regulatory Economics*, **3**(June 1991).

“The Dominant-Firm Advantage in Multi-Product Industries: Evidence from the U.S. Airlines,” *Quarterly Journal of Economics*, **106**(November 1991).

“Selling Costs and Switching Costs: Explaining Retail Gasoline Margins,” *RAND Journal of Economics*, **22**(Autumn 1991).

“The Evolution of U.S. Airline Competition,” *Journal of Economic Perspectives*, **7**(Spring 1992).

“Competition and Price Dispersion in the U.S. Airline Industry,” (with Nancy Rose), *Journal of Political Economy*, **103**(August 1994).

“Antitrust Policy in Aftermarkets,” (with Jeffrey MacKie-Mason and Janet Netz), *Antitrust Law Journal*, **63**(Winter 1995).

- “Bankruptcy and Pricing Behavior in U.S. Airline Markets” (with Nancy Rose), *American Economic Review Papers and Proceedings*, **85**(May 1995).
- “Dynamic Pricing in Retail Gasoline Markets” (with Andrea Shepard), *RAND Journal of Economics*, **27**(Autumn 1996).
- “Settling for Coupons: Discount Contracts as Compensation and Punishment in Antitrust Lawsuits,” *Journal of Law and Economics*, **39**(October 1996).
- “Market Power in California Electric Markets” (with James Bushnell, Edward Kahn, and Steven Stoft), *Utilities Policy*, **5**(3/4, 1996).
- “Do Gasoline Prices Respond Asymmetrically to Crude Oil Price Changes?” (with Colin Cameron and Richard Gilbert), *Quarterly Journal of Economics*, **112** (February 1997).
- “Why Do All the Flights Leave at 8 a.m.? Competition and Brand Differentiation in Airline Scheduling” (with Janet Netz), *International Journal of Industrial Organization*, **17**(July 1999).
- “An Empirical Analysis of the Potential for Market Power in California’s Electricity Industry” (with James Bushnell), *Journal of Industrial Economics*, **47**(September 1999).
- “Market Power in Electricity Markets: Beyond Concentration Measures” (with James Bushnell and Christopher Knittel), *The Energy Journal*, **20**(4,1999).
- “Is Cost Cutting Evidence of X-Inefficiency?” (with Joseph Farrell), *American Economic Review Papers and Proceedings*, **90**(May 2000).
- “Exercising Market Power in Proprietary Aftermarkets,” (with Jeffrey MacKie-Mason and Janet Netz), *Journal of Economics and Management Strategy*, **9**(Summer 2000).
- “The Competitive Effect of Transmission Lines in a Deregulated Electricity Generation Market” (with James Bushnell and Steven Stoft), *RAND Journal of Economics*, **31**(Summer 2000).
- “Economics and Electronic Commerce” (with Garth Saloner), *Journal of Economic Perspectives*, **15**(Winter 2001).

Other Publications:

- “High Air Fares: Don’t Blame Deregulation,” *Washington Post*, August 25, 1987.
- “USAir Merger Promises Higher Fares, Less Competition,” *Hartford Courant*, January 12, 1988.
- “Losses in Airline Demand and Value Following Accidents,” (with Martin Zimmerman) in Moses and Savage, eds., *Transportation Safety in an Age of Deregulation*, Oxford: Oxford University Press, 1989.
- “Dissipating the Airline Deregulation Dividend: The Decline of Competition at Hub Airports,” *Regulation*, Fall 1990 (and reply letter in Winter 1991 issue).
- “Prospects for Competitive European Air Travel,” in W.J. Adams, ed. *Singular Europe: Economy and Polity of the European Community After 1992*, Ann Arbor: University of Michigan Press, 1992.
- “USAir in 1986,” (with Andrea Shepard), Stanford Graduate School of Business Strategic Management Case S-SM-4, January 1993.
- “The Economics of Customer Lock-In and Market Power in the Service Business,” (with Jeffrey MacKie-Mason and Janet Netz) in Patrick T. Harker, ed. *The Service Productivity and Quality Challenge*, Kluwer Academic Press, 1994.

“Uncle Sam at the Gas Pump: Causes and Consequences of Regulating Gasoline Distribution,” (with Richard Gilbert), *Regulation*, Spring 1993.

“A Guide to the Blue Book,” (principal authors Carl Blumstein and James Bushnell), *Electricity Journal*, September 1994.

“Repeat-Buyer Programs in Network Industries,” in Werner Sichel ed., *Networks, Infrastructure, and The New Task for Regulation*, University of Michigan Press, 1996.

“Airline Deregulation” (with Nancy Rose), entry in *The New Palgrave Dictionary of Law and Economics*, New York: Grove’s Dictionaries, 1998.

“Rapid Communication and Price Fixing: The Airline Tariff Publishing Company Case,” in John E. Kwoka and Lawrence J. White, eds., *The Antitrust Revolution: The Role of Economics*, Oxford University Press, 3rd edition, 1998.

“A Cheaper Way to Clean Gasoline” (with Steven Stoft) in *San Francisco Chronicle*, March 16, 1999.

Comments on Kole and Lehn’s “Workforce Integration and the Dissipation of Value in Mergers: The Case of USAir’s Acquisition of Piedmont Aviation,” in *Mergers and Productivity*, Steven Kaplan, ed., University of Chicago Press, 2000.

“California ‘Lessons’ Derive from Mischaracterization of Our Work,” (with James Bushnell) letter in *The Electricity Journal*, March 2000.

“Electricity Restructuring: Deregulation or Reregulation?,” (with James Bushnell), *Regulation*, **23**(2, 2000).

“Understanding Competitive Pricing and Market Power in Wholesale Electricity Markets,” *The Electricity Journal*, July 2000.

“California Consumers Haven’t Seen Benefits of Deregulating the Electrical Industry Yet – What Went Wrong?” (with James Bushnell), *San Jose Mercury News*, August 27, 2000.

“Electricity Pricing Should Clue Consumers to Judicious Use,” *Los Angeles Times*, January 17, 2001.

Educational Software:

“The Competitive Strategy Game,” Version 3.22, October 1998. A computer simulation of competition among firms for use in undergraduate and graduate courses in economics and business. (Since Version 1.0 was released in 1994, the game has been used in undergraduate, MBA, and/or Ph.D. courses at more than 25 universities in 7 countries including U.C. Davis, U.C. Berkeley, U.C. Irvine, Stanford University, University of Michigan, Purdue University, M.I.T., University of Chicago, Yale University, and London Business School.) See <http://haas.berkeley.edu/borenste/csgdescr.html>

Working Papers:

“Sticky Prices, Inventories, and Market Power in Wholesale Gasoline Markets” (with Andrea Shepard), National Bureau of Economic Research Working Paper #5468, August 2000 (revised and resubmitted to *RAND Journal of Economics*).

“Price Incentives for Fuel Switching: Did Price Differences Slow the Phase-Out of Leaded

Gasoline?”, January 1993.

“Do Investors Forecast Fat Firms? Diagnosing Profit Dissipation from the Stock Market Values of Gold Mining Firms,” (with Joe Farrell), June 1999.

“Financial Distress and Competition in the U.S. Airline Industry” (with Nancy Rose), January 1997.

“Competition and Productive Efficiency” (with Joe Farrell), September 1998.

“Diagnosing Market Power in California’s Deregulated Wholesale Electricity Market” (with James Bushnell and Frank Wolak), POWER Working Paper PWP-064, University of California Energy Institute, revised August 2000.

“Learning and Market Efficiency: Evidence from the Opening of California’s Wholesale Electricity Market,” (with James Bushnell, Christopher Knittel, and Catherine Wolfram), September 2000.

“The Trouble with Electricity Markets (and some solutions),” POWER Working Paper, PWP-081, University of California Energy Institute, January 2001.

“Frequently Asked Questions About Implementing Real-Time Electricity Pricing in California for Summer 2001,” University of California Energy Institute, March 2001.

Work in Progress:

“Strategic Incompatibility: The Evolution of Round-Trip Restrictions in the U.S. Airline Industry”

“A Firm’s-eye View of Market Entry and Exit Decisions in the Airline Industry”

“Measuring Airline Hub Dominance Effects with Real-time Price Information”

“The Effect of Social and Institutional Ties on Airline Prices” (with Joel Podolny and Fiona Scott Morton)

“Why Do Firms Cut Costs?” (with Joe Farrell)

“Stock Movements and Competitive Rivalry”

“Market Isolation, Price Volatility, and Market Power: The Effect of California’s Reformulated Gasoline”

“The Economics of Electricity Exchanges” (with James Bushnell)

“What do we know about Pay-as-Bid and Uniform-Price Electricity Markets?”