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## Books in Brief

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## BOOKS IN BRIEF

THE IRONY OF REGULATORY REFORM  
THE DEREGULATION OF AMERICAN TELECOMMUNICATIONS  
BY R. HORWITZ, OXFORD UNIVERSITY PRESS, 1989.

This book provides a comprehensive discussion of regulation and deregulation of the telecommunications industry in the United States. The introductory chapter analyzes the type of industries which were deregulated beginning in the mid-1970s, including airline, trucking, railroad, banking, and oil, which are referred to as infrastructure industries.

Chapters One and Two provide background material for the theory of regulation advocated by the author in Chapter Three. In Chapter Three, the author introduces and explains his theory of regulation called the "gateway of commerce" theory. Chapter Four traces the development of the "natural monopoly" theory of regulation in telecommunications from the early days of telegraph through the establishment of the Federal Communications Commission ("FCC"). Chapter Five evaluates regulatory actions by the FCC with regard to common carriers such as AT&T. Chapter Six discusses the FCC's efforts to regulate the broadcasting industry. The discussion in this chapter is divided into three parts: (1) the Commission's attempts to regulate via licensing the limited spectrum space available; (2) actions allowable between networks and their affiliate stations; and (3) acceptable licensee behavior.

Chapter Seven addresses the greater scrutiny applied by the judicial system to administrative actions as a result of deregulation changes that swept the telecommunications industry in the 1980s. Chapter Eight analyzes new telecommunications technology and the breakup of AT&T. Chapter Nine concludes the book, and discusses economic examples such as universal service, which may be economically inefficient, but essential to the public interest. The final chapter also examines the effect of deregulation on public interest regulation, and predicts that additional regulation in some form will be necessary to counter the discrimination caused by market-based enterprises in poor outlying sectors of the population.

This book is not light reading, but it does provide an in depth analysis of regulation in the American telecommunications industry and an indication of future regulatory structure.

THE FUTURE OF SATELLITE COMMUNICATIONS  
BY GEORGE A. CODDING, JR.  
WESTVIEW PRESS, 1990.

This book reviews challenges to the dominant position occupied by satellites in the field of long distance transmission of information by rival technologies such as fiber-optic cable. The book is divided into five chapters. Chapter One

provides a basic overview of communications satellite systems and the fiber-optics challenge. The last portion of this chapter is significant as it is devoted to explaining the uses of satellite systems which will remain necessary even in the face of the superior transmission capacity of fiber-optic systems. Developing countries need satellite communications systems to meet their evolving communication needs. In many of these countries, it is not economically or technologically feasible to lay a fiber-optic cable system. In addition, there is a continuing need to develop mobile communications systems throughout the world.

Chapter Two discusses the evolution of the United States' domination of satellite communication technology in the wake of Sputnik via the development of the INTELSAT system. Intelsat has evolved into the world's dominant commercial satellite system with 117 member countries and services to 172 countries, territories, or possessions. The chapter also discusses the evolution of several regional and national systems.

Chapter Three discusses the failure of the United States' policy favoring a universal monopoly of international satellite communications. Chapter Four logically surveys the allocation of space resources among the countries of the world. The last chapter discusses domestic regulation of space resources allocated to the United States by the ITU.

This is an excellent book for a brief overview of the current state of satellite communications systems. Although the text is not detailed in its analysis of each problem, many of the problems provide helpful citations for additional information on a specific problem.

DEREGULATION OR REREGULATION? REGULATORY REFORM IN EUROPE  
AND THE UNITED STATES

BY GIANDOMENICO MAJONE, ST. MARTIN'S PRESS, 1990.

This book contains a series of articles which analyze recent efforts by governments in Europe and the United States to deregulate industries. The telecommunications, air transport, and pharmaceutical industries are analyzed in terms of the economic effect of recent action involving antitrust laws, environmental taxes, and product safety policies.

This book provides a basic overview of the current state of industry regulation in both the United States and Europe. However, the usefulness of the articles as resource material for further study varies from article to article. The first article by S. Breyer, *Regulation and Deregulation in the United States: Airlines, Telecommunications and Antitrust* is easy to read and interesting with excellent supporting citations. In contrast, the second article by Robert W. Crandall, *Entry, Divestiture and the Continuation of Economic Regulation in the United States Telecommunications Sector*, although well written, lacks supporting citations except for several statistical tables. While the author's views are valid and well respected, the article is of little use for additional research.

Overall, the book is worth reading for a basic comparison of the European and United States regulatory models.