

# The Curious Absence of Economic Analysis at the Federal Communications Commission: An Agency in Search of a Mission

Gerald R. Faulhaber

Wharton School, University of Pennsylvania

Hal J. Singer

Senior Fellow, George Washington School of Public Policy; Adjunct Professor, Georgetown's McDonough School of Business; Principal, Economists Incorporated.

Augustus H. Urschel

Institution: Economists, Inc.

Keywords: Federal Communications Commission, economic analysis, recent orders, economics-free

## Abstract

Past regulations informed by economic analysis at the Federal Communications Commission (FCC) have positively affected the U.S. economy: from opening long-distance telephone markets, to enabling the proliferation of enhanced data Internet services, to spurring the growth of new wireless markets. The failure of the FCC to ground its regulations in economic reasoning in the past few years has led to inefficient policies and proposals that threaten to eviscerate prior benefits. The resolution of the FCC's 2015 Open Internet Order illuminates the quagmire for policymakers: Given the D.C. Circuit's willingness to defer to the FCC's expertise in policy, and given the FCC's willingness to eschew econometric evidence and economic theory as it considers new regulations, the most direct way to reinject economics into FCC policymaking is via a Congressional mandate. There is no reason why the Department of Labor, the Environmental Protection Agency, the Consumer Financial Protection Bureau, and a host of other agencies should be required to perform cost-benefit analysis, while the FCC is free to embrace populism as its guiding principle.

 PDF

Published

2017-03-14

Issue

[Vol. 11 \(2017\)](#)

Section

Articles

## Most read articles by the same author(s)

- Gerald R. Faulhaber, David J. Farber, [The Open Internet: A Customer-Centric Framework](#), [International Journal of Communication: Vol. 4 \(2010\)](#).
- Gerald R. Faulhaber, David J. Farber, [Innovation in the Wireless Ecosystem: A Customer-Centric Framework](#), [International Journal of Communication: Vol. 4 \(2010\)](#).
- Gerald R. Faulhaber, [Transparency and Broadband Internet Service Providers](#), [International Journal of Communication: Vol. 4 \(2010\)](#).
- Gerald R. Faulhaber, [Deploying Cognitive Radio: Economic, Legal and Policy Issues](#), [International Journal of Communication: Vol. 2 \(2008\)](#).
- Gerald R. Faulhaber, [\[Special Section on Net Neutrality\] Network Neutrality: The Debate Evolves](#), [International Journal of Communication: Vol. 1 \(2007\)](#).
- Gerald R. Faulhaber, [A National Broadband Plan for Our Future: A Customer-Centric Approach](#), [International Journal of Communication: Vol. 3 \(2009\)](#).
- Gerald R. Faulhaber, Hal J. Singer, Augustus H. Urschel, [Rebuttal of Reply to Our Paper "The Curious Absence of Economic Analysis at the Federal Communications Commission: An Agency in Search of a Mission"](#), [International Journal of Communication: Vol. 11 \(2017\)](#).
- Gerald R. Faulhaber, [Commentary on "The Spectrum Opportunity: Sharing as the Solution to the Wireless Crunch"](#), [International Journal of Communication: Vol. 8 \(2014\)](#).
- Gerald R. Faulhaber, [Response to Werbach/Mehta's Response](#), [International Journal of Communication: Vol. 8 \(2014\)](#).

Information

[For Readers](#)

[For Authors](#)

[For Librarians](#)

Featured Book Review

Fan Yang

[Disorienting Politics: Chimerican Media and Transpacific Entanglements](#)

 [Book Cover - Disorienting Politics: Chimerican Media and Transpacific Entanglements](#)

## Featured Special Section

### [Big Data Discourses: Introduction to the Special Section](#)

The Binary Numbers - 3D. McCarony/Shutterstock.com

Guest Editors: Christian Pentzold, Charlotte Knorr

## Featured Forum

### [Forum on Not Entirely Artificial, Not That Intelligent: AI and Communication Research](#)

Person pointing to a grid of AI technologies. Photon photo/Shutterstock.com

Guest Editors: Roni Danziger and Hadar Levy-Landesberg

---

University of Southern California

Journal

---

University of Southern California  
USC Annenberg  
Published By Annenberg Press

---

Contact  
Privacy Statement  
Open Journal Systems, Help

Social & Feeds

---



RSS Feed, Atom Feed