Government Regulation and Business Strategy
MHR 894.66

PRELIMINARY COURSE SYLLABUS AND READING LIST

Masters of Business Administration Program
Max M. Fisher College of Business
The Ohio State University
Spring 2011

Instructor: Lance Schneier  Class Time: Tuesdays, 6:00 pm – 9:48 pm
Email: lance@ae2.com  Classroom: 201 Gerlach Hall
Office Hours: By Appointment

Description and Objectives

This course examines how governmental regulation impacts, changes and creates new business strategies and models, with attention to certain regulated and deregulated industries. Students will develop a context from which to analyze and understand particular industries, businesses, companies and leaders by first examining the history and rationale for governmental regulation from economic, social and legal perspectives.

The course is at the intersection of business, law and public policy. Students from those disciplines will learn that the context of regulation is a combination of history, law, politics, economics and philosophy. It is particularly timely in today’s environment, wherein the role of government and its impact on business is being debated and challenged by legislators, businesspeople and the citizenry.

Assigned readings include legal and business cases, as well as textbook, academic journal, business and recent business and popular press articles. Additional readings will be added as relevant current events impact course topics. Sessions will also include occasional guest presentations from senior managers of industries studied.

From the readings students will: i) examine the regulatory/deregulatory environment of particular industries; ii) determine how changes in that environment have transformed the industry; iii) discover and determine business models and strategies that have been effective/ineffective across industries; iv) identify which new players emerged and which were adversely impacted by their strategic responses to regulation/deregulation; and v) examine company leaders --what style, ethics, communication, change management was used and succeeded/failed.

A primary objective of the course is to accustom students to viewing issues from various perspectives so as to better prepare them to interact with diverse stakeholders. Students will have the opportunity to debate each topic in a proponent/opponent format by assuming the roles of the regulator and the regulated. Another course objective is to engender opportunism, i.e. to identify winners, losers, risks and opportunities created within current or potential regulatory schemes.

Discourse and discussion, rather than rote memorization or arcane readings are at the heart of this course. Assigned readings are designed to be brief and topical. Students are expected to use the readings as the basis for robust classroom colloquy.
Requirements

There will be two assignments of short (two pages or less) individual papers wherein students will assume an assigned position (regulator/legislator or incumbent/emerging business) on a particular regulatory issue and analyze it from that position. During the course the positions will switch so that students will defend both positions.

As a final project students, working in teams, will be required to develop their own business cases, focusing on an existing or potential regulatory scheme, the economic/social/political rationale for/against its adoption, its impact upon current businesses and the opportunities created therein. The teams will select the topics with the advice and consent of the instructor. Both written and oral presentations will be required.

Time will be reserved for current events during most class sessions. Students will present articles for classroom discussion from an approved periodical regarding a topical national regulatory matter.

Grading

The course grade will be based on:

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<tr>
<th>Component</th>
<th>Percentage</th>
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<tr>
<td>Classroom participation</td>
<td>25%</td>
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<td>Position papers</td>
<td>25%</td>
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<tr>
<td>Final project and presentation</td>
<td>50%</td>
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Attendance is obviously a condition precedent to classroom participation. But “physical” presence will not be sufficient unless accompanied by interaction.

Reading Materials and Class Schedule

Because of the unique design of this course there is no assigned textbook. Assigned readings are taken from several textbooks, as well as academic journal articles, legal and business cases and business and popular press. In order to maintain topicality the assigned readings are brief so they may be supplemented and/or replaced to reflect current changes in the subject matter. Assignments of supplemental or replacement readings will be made sufficiently in advance of the associated sessions.

The class schedule is designed to be dynamic. More or less time may be spent on an individual topic based upon current events, students’ interests and guest presenters’ schedules.
Preliminary Schedule

Session I  
March 29, 2011

**INTRODUCTION: HISTORICAL, LEGAL, SOCIAL AND ECONOMIC CONTEXTS OF REGULATION**

**TOPICS:** Course Objectives and Content, Introductory Concepts

**Readings**


- Chapter 1: A Primer on Regulation


- Chapter 1 Introduction: The Rationale of Regulation and the Proper Role of Economics


- Chapter I. The Role of Economic Analysis in Regulatory Reform [http://www.whitehouse.gov/omb/inforeg/chap1.aspx](http://www.whitehouse.gov/omb/inforeg/chap1.aspx)


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Session II  
April 5, 2011

**ANTITRUST REGULATION**

**TOPICS:** Antitrust Laws

**COMPANIES STUDIED:** Standard Oil, Microsoft, Google, Orbitz

**Readings**

As summarized in:  


Chapter 3: Introduction to Antitrust


[Topical readings on the antitrust considerations of the online travel search and booking industry to be assigned]

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**Session III**  
April 12, 2011

**NETWORKS: REGULATION AND Deregulation**

**PART ONE: TELECOMMUNICATIONS AND THE INTERNET**

**TOPICS:** Telecommunications History, Development of Modern Telecom and Internet Businesses

**COMPANIES STUDIED:** AT&T, MCI, Skype, Verizon

**Readings**

Viscusi

- Chapter 15, Pages 534 – 552


Eisner

- Chapter 6: Regulating Telecommunications


- Chapter 3: Should Certain Industries Be Deregulated? Pages 176 - 188

[Topical readings on Internet neutrality to be assigned]
Session IV  
April 19, 2011

**NETWORKS: REGULATION AND DEREGULATION**  
**PART TWO: BROADCAST AND CABLE**

**TOPICS:** Future of Broadcast and Cable Business Models

**COMPANIES STUDIED:** Time Warner, Comcast, NBC Universal

**Guest Lecturer**  
Edward Kozelek  
VP Government Relations  
Time Warner Cable, Midwest Region

**Readings**

  - [http://www.achievement.org/autodoc/page/tur0int-1](http://www.achievement.org/autodoc/page/tur0int-1)

FCC (Federal Communications Commission). *Cable Television Fact Sheet, Cable Carriage of Broadcast Stations.*

National Association of Broadcasters Web Site
  - Promoting Spectrum Policies that Serve the Public

[Topical readings on broadcast spectrum allocation and retransmission rules to be assigned]

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Session V  
April 26, 2011

**ENERGY: REGULATION AND DEREGULATION**

**TOPICS:** Utility Ratemaking, Natural Gas and Electricity Marketing

**COMPANIES STUDIED:** Enron, Accent Energy, Columbia Gas of Ohio

**Guest Lecturer**  
Janine Migden-Ostrander  
Ohio Consumers’ Counsel

**Readings**

Bryfonski
  - Chapter 3: Should Certain Industries Be Deregulated? Pages 162 - 175

Natural Gas.org. “Natural Gas Regulations.”
- History of Regulation
- The Market Under Regulation
  http://www.naturalgas.org/regulation/history.asp


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**Session VI**
May 3, 2011

**TRANSPORTATION AND SHIPPING: REGULATION AND DEREGULATION**

**TOPICS:** History of Federal Express, Airline Business Models, In-Class Project

**COMPANIES STUDIED:** Federal Express, People Express, Southwest Airlines, American Airlines

**Readings**

- Appendix B - The Story of FedEx: A Chronicle of Achievements

- http://www.achievement.org/autodoc/page/smi0int-1

Bryfonski


[Topical readings on airline merger activity to be assigned]
Session VI
May 10, 2011

INTELLECTUAL PROPERTY

TOPICS: Copyright, Trademark and Patent Considerations

COMPANIES STUDIED: Napster, Apple, Facebook, YouTube, RIM, NTP, The Ohio State University

Readings


Seidenberg, Steven. 2009. “Copyright in the Age of YouTube.” ABA Journal. (February 1).
• http://www.abajournal.com/magazine/article/copyright_in_the_age_of_youtube/

• http://oncampus.osu.edu/2010/01/defenders-of-the-brand/

Wang, Hartmann, Gibbs & Cauley, P.L.C. Intellectual Property Information Center
• http://www.whglawfirm.com/CM/FSDP/PracticeCenter/Business/Intellectual-Property.asp?focus=overview

• http://www.pcworld.com/businesscenter/article/213123/crowdsourcing_group_targets_ntp_mobile_email_patents.html


Session VII
May 17, 2011

FINANCIAL SERVICES: REGULATION, DEREGULATION AND REREGULATION

TOPICS: Discount Brokers, Hedge Funds, Investment Banks, Consumer Finance

COMPANIES STUDIED: Charles Schwab, JP Morgan Chase, Merrill Lynch

Guest Lecturer
Trevor Woods
President and Co-Founder
Readings

Bryfonski
- Chapter 1: Did Deregulation Cause the Financial Crisis? Pages 21 – 50.

- Chapter 5 Destructive Competition and the Quality of Service, Stock Exchange Brokerage Commissions pgs. 193-208

- [http://www.businessweek.com/archives/2000/b3689121.arc.htm](http://www.businessweek.com/archives/2000/b3689121.arc.htm)


Charles Schwab Web Site
- May 1st Marks 30th Anniversary of Brokerage Commission Deregulation
  - [http://www.businesswire.com/portal/site/schwab/permalink/?ndmViewId=news_view_w&newsId=20050922005531&newsLang=en](http://www.businesswire.com/portal/site/schwab/permalink/?ndmViewId=news_view_w&newsId=20050922005531&newsLang=en)

- [http://online.wsj.com/article/SB118558766187781006.html](http://online.wsj.com/article/SB118558766187781006.html)

JP Morgan Chase Web Site
- A Brief History of JP Morgan Chase


  
  - http://dealbook.nytimes.com/2010/10/19/dimon-on-regulation-we-can-handle-it/?emc=eta1


Reference


- http://www.davispolk.com/files/Publication/7084f9fe-6580-413b-b870-b7c025ed2ecf/Presentation/PublicationAttachment/1d4495c7-0be0-4e9a-ba77-f786fb90464a/070910_Financial_Reform_Summary.pdf

Session IX May 24, 2011

LIFE SCIENCES REGULATION


COMPANIES STUDIED: Biogen, Teva, Bristol-Myers

Guest Lecturer
Craig Eric Schneier, Ph.D.
Executive Vice President
Human Resources, Public Affairs, Corporate Communications
Biogen Idec

Readings


- http://www.fda.gov/NewsEvents/Testimony/ucm115162.htm


Session X  May 31, 2011

CLASS PRESENTATIONS AND COURSE CONCLUSIONS