Rebuttal of Reply to Our Article "The Curious Absence of Economic Analysis at the Federal Communications Commission: An Agency in Search of a Mission"

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Our article "The Curious Absence of Economic Analysis at the Federal Communications Commission: An Agency in Search of a Mission" does exactly four things: (1) traces the history of economic analysis at the FCC from its peak in the 1990s to its virtual disappearance in recent history, (2) documents this decline with reference to recent FCC orders, (3) speculates as to the reason the FCC abandoned economic analysis, and (4) advocates for the use of cost–benefit analysis at the FCC. What our article does *not* do is to comment, criticize, or in any way analyze the substantive issues subject to these orders (e.g., network neutrality). The article was focused solely on the decline of the use of economic analysis at the FCC.²

Both senior authors have conducted research and published scholarly papers in the field of telecommunications policy for several decades (in which we have indeed addressed substantive regulatory issues). We have always noted the source of our funding in our published works, and we did in this article as well; the source for this basic research was CALinnovates. A brief hiccup prevented readers from seeing this disclaimer for a short period after its initial posting. To our knowledge, CALinnovates has not advocated an increased role for economics or the use of cost–benefit analysis at the FCC.

Nevertheless, the repliers choose to devote much of the Reply (six pages in total) to positions that CALinnovates has taken in past and current proceedings, none of which were even discussed in our article. The repliers seem less interested in our article than in using it as a platform to criticize various positions of CALinnovates, none of which have any bearing on our article. The puzzled reader may wonder why this piece deserves to be called a Reply to our article at all.

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¹ See http://ijoc.org/index.php/ijoc/article/view/6102/1967

² We thank the editors and referees for helping us maintain this disciplined focus.

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We are pleased that the new chairman of the FCC, Ajit V. Pai, has publicly announced his decision to create an Office of Economics and Data, reinstating the first-rate economists at the FCC to a position of policy influence that they have not had for nearly a decade. We are also quite proud that the chairman referred to our article as bringing this issue to his attention; economics research seldom has such a direct and beneficial impact on policy, for which we are deeply grateful to the chairman.

We stand by the substance of our article without reservation.