

S-38.042 Seminar on Networking Business, Autumn 2004
Kai Kang's comments to Yan Pu's paper presented on 10.11.2004

Theory of Price Regulation

Relevance

Primarily the telecom Price Regulation is targeting on ensuring competitive prices in telecommunication's markets, and effective regulation replicates the effects of efficient competition. Yan's paper was emphasised on Pricing approaches, especially the Price Cap Regulation. It is relevant.

Form

The paper is structured logically, starting with introduction, and then moving smoothly towards more details of the 3 approaches (However, some 4th approach named by Incentive Regulation is pronounced by other scholars). The text is easy to read and understand; in more parts using some figures would have been nice.

The table presented in the paper is nice but too few in any way. The reference list is huge containing 14 sources. It proved the author had done industrious work, by going through adequate sources with different viewpoints to build this article. But BTW I cannot understand the author's encryption on his PDF documents, it makes me rather difficult to refer to those source websites.

Substance

The paper gives us a general map of the Pricing Regulation and related pricing approaches. A lot of good information related to the topic is introduced in a logical way. Many issues requested were handled as well. However, there could have been some advantage and disadvantage analyses concerning how the Price Cap regulation achieves. As well as comparison between different kinds of regulations will be nice to be introduced. Finally the case in Hong Kong was presented wonderfully.