



QUELLO CENTER FOR TELECOMMUNICATION
MANAGEMENT AND LAW

2006 annual report

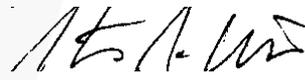
LETTER FROM THE CO-DIRECTORS

2006 was an eventful year for the communications industries. From the explosive growth of YouTube, the rapid deployment of wireless broadband services, and the emergence of violence on television as a key concern, industry and policy evolved at a rapid pace.

The Quello Center continued its gradual expansion as a national and international hub of scholarship and knowledge transfer from the world of research to the world of practice. Our premier policy conference, the Quello Communication Law and Policy Symposium, was convened in April 2006 in Washington, D.C. In addition to co-sponsoring the 4th Workshop on Media Economics, we continued our series of featured lectures, including the 2006 Quello Lecture delivered by FCC Commissioner Deborah Taylor Tate on the campus of Michigan State University in East Lansing.

The Center hosted several international visiting researchers, including Fulbright Scholars from Hungary and Slovakia, and scholars from Denmark and South Korea. Efforts to raise external funds paid off with collaborative grants from the Alexander von Humboldt Foundation, Bonn, Germany, and research funding to study the economics of malware by the Organisation for Economic Co-operation and Development (OECD) in Paris. Lastly, we strengthened our contribution to MSU's education mission by creating more opportunities for undergraduate and graduate students to become involved in policy research.


Johannes M. Bauer


Steven S. Wildman

Public Lectures

The 2006 Quello Lecture was delivered by **Federal Communications Commissioner Deborah Taylor Tate** on October 31, as the Center continued its tradition of showcasing individuals notable for their contributions to communications industries, technology, and policy at this major annual campus event. Commissioner Tate's lecture, "Developments in Communications Policy," focused on the challenges currently facing policy makers as they grapple with the policy implications of change in the rapidly evolving communications sector. Commissioner Tate's lecture drew an enthusiastic audience of over 100 to the MSU Union Building, which, in addition to MSU faculty and students, included members of Michigan government and regulatory bodies and attendees from communications companies operating in mid-Michigan. During her visit, Commissioner Tate also toured the MSU campus and taped an interview for release as a podcast.

International visitors and topics featured prominently in the Quello Center's Public Lecture Series for 2006. Lara Srivastava, Programme Director for New Initiatives with the Strategy and Policy Unit of the International Telecommunications Union (ITU) in Geneva lead off the series on March 22 with a talk titled "The Changing Face of Cyberspace." Her talk focused on the continuing evolution of the internet

from a network linking individuals and organizations (and their data) to include connections to and between objects and stand-alone devices, and the challenges these developments pose for policy. On March 30, Dr. Lidia Márton, who handles EU affairs and contacts with the European Broadcasting Union for the Hungarian Public Broadcaster, Magyar Televízió, spoke on "Audiovisual Media Services in the European Union: the New Regulatory Framework." Dr. Márton spent the first half of 2006 as a visiting Fulbright Scholar in residence at the Quello Center. Michel Berne, Professor at the Institut National des Telecommunications (Paris), delivered a talk, "New Developments in the French TV Scene," on April 12. He described the content presented on new TV channels and its implications for public television in France, elsewhere in Europe, and globally. On October 2, Björn Wellenius, a consultant on communication and development who formerly dealt with such issues at the World Bank, delivered a lecture titled "Telecommunications and Development: an Update on Challenges and Prospects." Dr. Wellenius described how the challenges of integrating communications with efforts to promote economic development in developing nations have changed as the technology and the set of services it supports have grown increasingly sophisticated. Yochai Benkler, Professor of Law at Yale University, delivered the last Quello Center public lecture of



Speakers and attendees at the 2006 Quello Communication Law and Policy Symposium (from left: Charles Benton, Jorge Schement, Gloria Tristani, Michael Oden, Gary Reid)

2006. Professor Benkler spoke to the themes of his recently published and highly acclaimed book, *The Wealth of Networks: How Social Production Transforms Markets and Freedom*. The lecture was co-sponsored with the Intellectual Property and Communications Law Program of the MSU College of Law and drew a large and enthusiastic crowd of academics, practitioners of intellectual property law, and others interested in the transformative effects of information technologies on society.

The Fourth Workshop on Media Economics

The Quello Center was a major financial sponsor (along with the National Association of Broadcasters) of the Fourth Workshop on Media Economics, which met November 17-18 at George Washington University in Washington, D.C. The Washington Workshop was the first in this series to be held on the American side of the Atlantic. While drawing heavily on contributions by U.S. scholars, the Workshop was originally conceived and organized by European academics focusing on the special challenges media pose to economic analysis and has been held biannually since 2001. The 2006 Workshop was conceived and organized by media economists from the Quello Center at MSU, the University of Virginia, and the U.S. Naval Academy, with the goal of turning it into an annual event that alternates between European and North American locations. The workshop attracted many of the top economists working in this field around the world,

and included participants from the United States, Europe, Latin America, and Australia.

The Biannual Quello Communication Law and Policy Symposium

The Fifth Quello Communication Law and Policy Symposium, which is described in more detail on page 5 this report, was held on April 6, 2006 in Washington, D.C. Titled "Toward a New Communications Policy Paradigm," the day-long symposium brought together noted experts on communications policy from academia, government, non-government organizations, and the private sector to explore alternatives to the current legal and regulatory institutions governing the communications sector that might be better suited to the emerging communications infrastructure. A highlight was the luncheon keynote address by Senator Daniel K. Inouye (D, Hawaii), who was introduced by Senator Ted Stevens (R, Alaska).

Visiting Scholars

The Quello Center hosted four visiting scholars, all from other countries, during 2006. One was a senior researcher and three were PhD students from foreign universities who came to the Center to take advantage of specific expertise of the Quello Center staff as well as other resources and faculty available elsewhere at MSU. The senior researcher was Dr. Lidia Márton, from the Hungarian Television Corporation, who was

Left: FCC Commissioners Michael J. Copps, Jonathan S. Adelstein and former FCC Chairman Richard E. Wiley at the 2006 Quello Communication Law and Policy Symposium.

Right: Full house at the 2006 Quello Lecture delivered by FCC Commissioner Deborah Taylor Tate at Michigan State University.



listed above for her contribution to the Center's speaker series. Dr. Márton conducted research on the public interest standard in the regulation of electronic media, comparing U.S. policy to that of the EU. Dan Saugstrup came to the Center as a visiting PhD student from the University of Copenhagen and spent his time conducting research on mobile communications. Brano Ondrášik, a PhD student in the Department of Journalism at Comenius

University in Bratislava, Slovak Republic, also came to the Center to work with scholars here while writing his dissertation. The fourth visiting scholar was Im Sook Ha, who is working with Quello Center staff and other scholars at MSU to study collaboration in emerging mobile services. She is a PhD student at the Information and Communications University in Deajeon, South Korea.

2006 symposium

TOWARD A NEW COMMUNICATION POLICY PARADIGM
THE FIFTH QUELLO COMMUNICATION LAW AND POLICY SYMPOSIUM

New communication technologies and the services they support are changing the communications landscape in dramatic ways. In the process, they are changing the nature of communication for just about everyone, from ordinary citizens to major corporations and government. The task of designing policy for the communications sector, which was a challenge even when technologies and services were more stable, has become immensely more complicated. The obsolescence of traditional approaches to policy design is becoming increasingly apparent, but there is no consensus on best ways to proceed for the future.

The 2006 Quello Communication Law and Policy Symposium addressed these challenges head-on, bringing together major players from government, academia, and the private sector to help identify and refine our thinking about the major issues and the ways policy might be employed to meet them. The day-long symposium opened with a broad overview session, "The State of Telecommunications and the Challenges Ahead," that established the context for the three sessions that followed, each of which focused on specific sets of challenges that must be addressed by policy. The session was chaired by Professor Kathleen Wallman of Georgetown University. Panelists included: Richard E. Wiley,



Left: David Clark, MIT, addressing the 2006 Quello Communication Law and Policy Symposium in Washington, D.C., on net neutrality issues.



Right: Daniel Brenner, NCTA and former FCC Commissioner Kathleen Abernathy at the 2006 Quello Communication Law and Policy Symposium.

Managing Partner of Wiley, Rein & Fielding; Professor Nicholas Economides of New York University; Robert Pepper, Senior Managing Director for Cisco Systems; and Johannes M. Bauer and Steven S. Wildman, Co-Directors of the Quello Center at Michigan State University.

The second session, "Net Neutrality and Interoperability," addressed long-standing questions for telecommunications networks and services regarding the terms and conditions under which service providers should provide customers access to the services and facilities of other entities. These questions have acquired new meaning as the internet has emerged as a universal information resource and as a platform for delivering services traditionally delivered by other means. The session was chaired by Rick Coy, Partner with Clark Hill PLC. Speakers included: David Clark, Senior Research Scientist, MIT; Link Hoewing, Assistant Vice President Internet and Technology Issues, Verizon; and Lawrence Strickling, Chief Regulatory Officer, Broadwing Communications.

"Designing a Next Generation Legal and Regulatory Framework," the symposium's third session, examined the challenges posed by new technologies and services to the legal and regulatory frameworks governing communications industries. Lawrence J. Spiwak, President of the Phoenix Center, chaired the session and moderated a panel composed of Randolph May, Senior Fellow & Director of Communications Studies at the Progress and Freedom Foundation;

Gigi B. Sohn, Founder and President, Public Knowledge; Daniel Brenner, Senior Vice President, Law and Policy, National Cable Telecommunications Association; and Barbara A. Cherry, FCC attorney and former Associate Director of the Quello Center.

The fourth and final session of the day, "Rethinking Public Interest Goals in Media and Telecoms," examined the need for public interest requirements for service providers and how they might be implemented in a changing communications sector. The session was chaired by Gary Reid, Quello Center Associate Director and Michigan State University faculty member. Panelists were: Professor Jorge Schement of Penn State University; Gloria Tristani, President of the Benton Foundation and former FCC Commissioner; and Professor Michael Oden from the University of Texas at Austin.

The featured keynote address was delivered following lunch by Senator Daniel K. Inouye, (D, Hawaii). The senator spoke about the legislative agenda for telecommunications in the Senate and the need to revise the current legal and regulatory framework to deal with the new realities of the communications sector. In a mirror image reprisal of their joint appearance at the Quello Communications Law and Policy Symposium two years earlier, Senator Inouye was introduced by Senator Ted Stevens (R, Alaska). James H. Quello, consultant with Wiley, Rein & Fielding and former acting Chairman of the Federal Communications Commission served as chair for the luncheon program.

Left: Senator Daniel K. Inouye (D, Hawaii), delivering the keynote address at the 2006 Quello Communication Law and Policy Symposium.

Right: FCC Commissioner Deborah Taylor Tate during Q&A at the 2006 Quello Lecture at Michigan State University.



research

QUELLO CENTER STAFF RESEARCH

As in previous years, Quello Center staff pursued both internally and externally funded research. The National Science Foundation (NSF) project on “Achieving Innovative and Reliable Services in Unlicensed Spectrum” was completed. The project generated more than 10 presentations at international conferences, peer reviewed articles in leading journals in the field, and a dissertation. Inspired by some of the work, a new large grant proposal, jointly with faculty at MSU’s Eli Broad College of Business and the College of Engineering, was prepared for submission to NSF.

Two new internationally collaborative projects were started in 2006. One of them, a TransCoop grant by the German Alexander von Humboldt Foundation will facilitate international cooperation between German and U.S. researchers. The project will explore and possibly develop new approaches to model dynamic communications systems and services using recent developments in complexity theory. German partner is Professor Volker Schneider at the University of Konstanz. The grant will enable German researchers to visit the Quello Center to conduct joint research and vice versa.

people

NOTEWORTHY PEOPLE

■ **Lidia Márton**, who spent several months at the Quello Center as a Fulbright Scholar in Residence, resumed her position with Magyar Televízió, the Hungarian public service television station, in Budapest, Hungary.

■ **Dan Saugstrup**, a researcher at the Center for Information and Communication Technologies (CICT) at the Technical University of Denmark, spent the fall semester 2006 as a visiting researcher at the Quello Center.

■ **Brano Ondrášik** joined the Center as a one-year Fulbright Visiting Scholar in the summer of 2006 from Comenius University, Bratislava, the Slovak Republic.

■ **Youngsun Kwon**, Associate Dean, Information and Communication University, Daejeon, South Korea, arrived in December 2006 to spend a sabbatical year at the Quello Center.

■ **Im Sook Ha**, a post-doctoral student at Information and Communication University, Daejeon, is also spending a year at the Center, researching advanced mobile services and applications.

■ **Junghyun Kim**, former Quello Center Research Assistant assumed a position as an assistant professor at Kent State University, Ohio.

■ We welcome **Jennifer DeFore**, **Belinda Wu**, and **Tithi Chattopadhyay** as administrative and research assistants.

staff & affiliates

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MISSION

The Quello Center maintains a national and international program of trans-disciplinary research addressing critical issues in information and communication policy and management. It serves as a catalyst for the development, implementation, and evaluation of public policies and advances knowledge of management principles, helping to better align private sector interests with the economic and political conditions of the communication industries. Guided by these objectives, the Center organizes venues for the dissemination new ideas and debate on current issues in information and communication policy and management, and provides a forum for candid discussions among stakeholders, government officials and other policy experts and scholars.

MARY B. QUELLO 1913-1999

Mary B. Quello, wife of Jim Quello, died on October 25, 1999. Mary and Jim Quello met as undergraduate students at Michigan State University and were married on September 14, 1937. While assisting Jim in his careers in broadcasting and at the FCC, she made her own mark as a distinguished designer of women's fashions. She was a strong early advocate for the founding of a Quello Center.

JAMES H. QUELLO

In a remarkable life now spanning more than 90 years, James H. Quello has been a war hero, a broadcaster, and served as a FCC Commissioner for 23 years, including a year as Acting Chairman. He is also a graduate of Michigan State University. In each of these endeavors he has compiled a record of distinction that has been recognized by awards and honors to numerous to list in their entirety. His accomplishments as a broadcast executive and contributions to communications policy have been recognized with numerous awards and honors, including the Distinguished Service Award from the National Association of Broadcasters, induction into The Museum of Broadcast Communications' Radio Hall of Fame at the Chicago Cultural Center and membership in the Broadcasting/Cable Hall of Fame in New York City. He continues to be active in communication policy circles where his advice and counsel are still sought.