



QUELLO CENTER FOR TELECOMMUNICATION
MANAGEMENT AND LAW

2007 annual report

Looking Back and Looking Forward

A tenth anniversary represents a natural milestone by which to gauge progress and growth, whether for an individual or an institution. In the coming 16 months the Quello Center will have the opportunity to celebrate two tenth anniversaries. The Quello Center Endowment Agreement was finalized on June 17, 1998. The Agreement committed Michigan State University and a dedicated team of extraordinary individuals assembled by James Spaniolo, then Dean of the College of Communication Arts and Sciences, to the task of raising an endowment sufficient to support the operations of a university center that could honor the legacy of former FCC Chairman James H. Quello by making its own substantive contributions to the ability of society to more fully realize the benefits inherent in a rapidly evolving and increasingly pervasive communications infrastructure. The tenth anniversary of what might be called the official founding of the Quello Center will occur in June of this year.

The effort to raise an initial endowment was successful and the Quello Center for Telecommunication Management and Law commenced formal operation on August 16, 1999, when Steve Wildman arrived on MSU's campus as the Center's first director and James H. Quello Professor of Telecommunication Studies, along with Barbara Cherry, the Center's associate director. This second tenth anniversary will be reached in August 2009 when the Center officially enters its tenth year of operation.

The Quello Center has grown considerably since its early beginnings as a two-person operation and with that growth have come the changes one would expect for a new and dynamic institution. Johannes Bauer joined the Quello Center in August 2001 and assumed the position of associate director as Barbara Cherry departed for the FCC. He became the Center's Executive Director in 2003 and a co-director in 2005. Professor Gary Reid was named associate director in 2007. The level of funding for Center activities has increased as the endowment has grown and the Center has enjoyed success securing contracts

and grants from a variety of sources. The Quello Center is now home to teams of graduate students working on Center research projects and a steady stream of international visitors, both scholars and professionals. The Quello Communications Law and Policy Symposium has become a recognized policy event in Washington, D.C. that has featured a list of keynote speakers that includes a U.S. Supreme Court Justice, two U.S. Senators, a U.S. Representative, and FCC Commissioners. In addition, the Center supports a vigorous program of seminars and public lectures on the MSU campus and its research findings are reported each year in conferences around the world and in the pages of leading journals.

As it approaches the 10th anniversary of its founding and the beginning of its 10th year of operation, the Quello Center continues to grow and evolve and is seeking ways to build on past accomplishments to make greater contributions in the future. The furious pace of change in communication industries continues unabated and government policy and industry institutions have no choice but to adapt to remain effective. We intend to keep the Quello Center at the forefront of this process by sponsoring cutting edge research and facilitating dialog among participants as we have in the past. We are excited about the Center's future and look forward to sharing that excitement with you for years to come.




Johannes M. Bauer
Co-Director




Steven S. Wildman
Co-Director

07 activities

2007 QUELLO CENTER LECTURES, WORKSHOPS AND SEMINARS

Public Lectures

The 2007 Quello Lecture was delivered on October 24 by Robert W. Quinn, Jr., Senior Vice President, Federal Regulatory, for AT&T, continuing the Center's tradition of using this event to bring to MSU and the larger mid-Michigan community individuals notable for their contributions to communications industries, technology, and policy. Mr. Quinn's lecture, "The Changing Landscape of Communications," focused on new developments in communication technologies and services and their implications for markets, consumers, and policy makers. The lecture was delivered to a standing-room-only audience at MSU's James B. Henry Center for Executive Development. In addition to MSU students and faculty, attendees included members of Michigan regulatory agencies and representatives of communications firms and the communications bar throughout mid-Michigan.

Building on initiatives in previous years, the Center expanded its role as an intellectual hub of the college and university by inviting leading experts in their field in its occasional lecture series. In March, Professor Richard Hawkins, Canada Research Chair in Science, Technology and Innovation Policy at the University of Calgary, shared his work on the future role of information and communication technology in a talk entitled, "From the Information Society to the Innovation Society." In April, Professor Sandra Braman, Department of Communication, University of Wisconsin, Milwaukee, presented her book, *Information, Policy, and Power in the Informational State*, recently published by MIT Press.

The Center also expanded its international linkages with lectures from globally recognized experts. Professor Minoru Sugaya, Keio University, Tokyo, Japan, updated



an interested group of students and professionals on "The Regulatory Framework for IP Networks and Services in Japan" in September 2007, providing an international comparative perspective on the

current discussion of the state of broadband in the United States.

The following month, the Center hosted two experts from Sri Lanka. Helani Galpaya, Director of Strategic Development of LIRNEasia - a global knowledge transfer network with offices in Colombo, Sri Lanka, Montevideo, Uruguay, Lyngby, Denmark, and London - gave a fascinating report on e-government initiatives in developing countries, titled, "Taking E-Government to the Bottom of the Pyramid: Dial-A-Gov." Her colleague Payal Malik, a Senior Lecturer at Dehli University and also a lead researcher at LIRNEasia, briefed an interested audience on the challenges of "Reconciling Competitive Markets with Universal Service in Telecoms" in the context of a developing country such as India.



Opposite page, top: Helani Galpaya, LIRNEasia, Sri Lanka, presenter of Quello Center Occasional Lecture on October 4, 2007.

Bottom: Robert W. Quinn, joined by the Quello Center's Johannes Bauer (left) and Steve Wildman (right) after the successful 2007 Quello Lecture on October 24, 2007.

This page, top: Dr. Minoru Sugaya of Keio University, Tokyo, with Quello Center co-director Johannes Bauer (left) and Dr. Youngsun Kwon.

Above: Dr. Sandra Braman of University of Wisconsin-Milwaukee spoke on "Information, Policy, and Power in the Information State" during a Quello Center Lecture on April 9, 2007 at MSU's Kellogg Conference Center.

At right: Dr. Richard A. Hawkins of the University of Calgary presented "From the Information Society to the Innovation Society" at a Quello Center Lecture on March 23, 2007 at MSU.

Workshops and Seminars

In 2006, the Quello Center, in collaboration with researchers at the University of Konstanz, Germany, received a three-year grant from the Alexander von Humboldt Foundation in Bonn, Germany, intended to build a transatlantic community of scholars studying advanced communications and media. As a first stepping stone toward this network, the Center in spring 2007 hosted a workshop with a small core group of researchers in the field, including colleagues from the University of Konstanz, Indiana University, and Syracuse University. A second workshop took place in summer 2007 in Meersburg, Germany (near Konstanz) to network with European colleagues.

To enhance the role of the Center on campus and integrate its activities better with student needs and the educational mission of Michigan State University, the Quello Center Research Jour Fixe was started. During these seminars graduate students and faculty present work in progress and get feedback from peers. The seminars were well-attended, generating engaged discussions and valuable feedback for the presenters. Consequently, the quality of dissertation proposals, conference papers, and submissions to journals has increased. Given student enthusiasm, the Center will continue organizing the Jour Fixe.



At any point in time, the Center pursues a portfolio of research projects. Some projects are funded from external sources while others are started with volunteers or internal means before external funding is sought.

Considerable energy and staff time was dedicated to two research projects related to information security and cybercrime. Both projects are collaborative efforts with the School of Policy and Management at the Delft University of Technology in the Netherlands. One project, funded by the Organization for Economic Co-operation and Development (OECD) in Paris and the Dutch Ministry of Economics, investigated the economics of malicious software. The research was based on the insight that problems of cybercrime could be addressed more effectively if the economic incentives of players in the information and communication value network that shape information security decisions were better understood.

To this end, after some theoretical work the research team, directed by Professors Michel van Eeten (TU Delft) and Johannes M. Bauer (MSU) conducted more than 60 in-depth interviews with experts from industry and government in the United States, the Netherlands, the United Kingdom, Germany, France, and Australia. Findings were presented to meetings of the OECD Working Party on Information Security and Privacy (WPISP) in Paris, France and Ottawa, Canada. In addition, results were shared at meetings of government and private sector organizations dealing with cybersecurity in, among other places, Manila, Brussels, and Washington, D.C. The full report will be published by the OECD in spring 2008 and follow-up work is presently being discussed.

A second study examining the financial effects of malware and spam was commissioned by the International Telecommunication Union (ITU) in Geneva. While there is increasing concern about the potential direct and indirect costs of online fraud

and cybercrime, no comprehensive analysis of the problem is available. The research team set out to develop a comprehensive understanding of the legitimate and illegitimate revenue and cost streams associated with malicious software and spam, two phenomena that are increasingly converging (spam is used to disseminate malicious code which in turn is used to launch spam). The report will be presented to an ITU meeting in Geneva in spring 2008.

In addition to these externally funded projects, the Center continued to address several other topics. In 2007 the Quello Center expanded the scope of ongoing research into the impact of new communication technologies on the industries that supply media products and services by creating a team of post-doctoral fellows, graduate students, and Quello Center staff to explore the growing importance of the internet in the supply of video services. Ongoing projects include examination of the consequences for programming strategies of a shift to client-server architectures, the use of the internet as a parallel distribution channel for television programs, and the use of the internet to promote and commercially exploit social aspects of television viewing.

Other ongoing research includes:

- Policies toward next-generation networks
- Principles of dynamic regulation
- Effects of network neutrality policies on innovation
- Bundling of communication services
- Policy and business aspects of advanced mobile services
- International benchmarking of U.S. communications
- Commercialization of media audiences
- Media ownership policy
- Law and strategies for licensing innovations

As a result of these research efforts, Quello Center staff published articles in academic journals including the *International Journal of Communication* and *Communications of the Association for Information Security*, as well as several chapters in books. Preliminary papers were presented at national and international academic and professional conferences, including meetings of the International Communications Association (ICA), the Telecommunications Policy Research Conference (TPRC), the European Conference of the International Telecommunications Society, the Global Mobility Roundtable, and the Midwestern Political Science Association (MPSA).

Outreach

The active research program also informs and energizes the public service activities performed by the Center in addition to public lectures and conferences. Important outreach activities during 2007 included:

- Participation in the Michigan Forum 2007
- Seminars for national and international communication regulators
- Policy commentaries on current issues, typically disseminated via press releases and podcasts
- Interviews with radio and television stations as well as newspapers on current communications policy issues

07 people

NOTEWORTHY PEOPLE



Kwon

■ **Yongsun Kwon**, Associate Dean, Information and Communication University, Daejeon, South Korea, spent 2007 on a sabbatical leave at the Quello Center, conducting research on spectrum policy, among other topics.

■ **Volker Schneider**, professor of political science at the University of Konstanz, Germany, visited the center to



Schneider



van Eeten

conduct research on communications policy and complexity.

■ **Michel van Eeten**, associate professor in the School of Technology, Policy and Management, Delft University of Technology, visited to conduct research on the OECD malware project.

■ **Dan Saugstrup**, finished his research stay and returned to his alma mater, the Technical



Saugstrup



Liu

University of Denmark, to finish his doctoral degree.

■ **Jingyi Liu**, a professor at the Communication University of China, arrived in July 2007 for a year of research and study as a Quello Center Post-Doctoral Fellow.

■ **Brano Ondrášik** returned to Bratislava and successfully defended his dissertation, written while he was a Fulbright Scholar at the Quello Center.



Ondrášik



Ha

■ **Im Sook Ha**, PhD student at the Information and Communication University of South Korea, arrived for an extended stay to conduct research on new media economics and policy with Quello Center staff.

■ **Tithi Chattopadhyay** joined **Jun Zhang** and **Belinda Wu** as a doctoral student and a new member of the Quello Center research team.



Chattopadhyay

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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 of new ideas and debates 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 too 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.