

report on the FirstYear

the

James H. and Mary B.

Quello Center

for Telecommunication

Management & Law

Michigan State

Universitty

satisfies a sear and a half of fund raising that generated \$3.5 million in endowment, MSU's James H. and Mary B. Quello Center for Telecommunication Management and Law commenced operations with the appointments of Steven S. Wildman as Director and Barbara A. Cherry as Associate Director in August 1999.

ildman was also named to the James H. Quello Chair in Telecommunication Studies within the Department of Telecommunication. Both Wildman and Cherry left positions at Northwestern University to come to Michigan State. The center now occupies a suite of offices on the fourth floor of the Communication Arts & Sciences Building on the MSU campus in East Lansing, Michigan.

a busy

first year

Thile much of the first year was occupied by the basic tasks associated with the startup of any organization, the primary focus was on developing a program of activities consistent with the Quello Center's founding vision: to become a world-wide focal point for cutting edge research on telecommunication policy and management issues; to contribute to the development and application of expertise in telecommunication management and policy through research and instruction; and to facilitate the dialogue between stake holders and policy makers that is necessary to the development and implementation of effective public policies for communication industries. First year activities included a vigorous program of publication and research by Quello Center staff, presentations to professional and scholarly audiences in the United States and abroad, and the convening of a major communication policy symposium in Washington, D.C. The latter event was carried out in partnership with the Law Review of the Michigan State University-Detroit College of Law. Plans are to continue the symposium as an annual event devoted to exploration of major policy questions.



Quello Center Director Steve Wildman speaking with MSU-Detroit College of Law Law Review Editor-in-Chief, Donald Nystrom.

mission

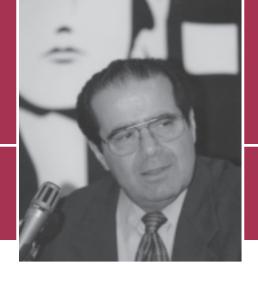
The James H. and Mary B. Quello Center for Telecommunication Management and Law was established in 1998 at Michigan State University to be a national focal point for addressing management and policy issues in the rapidly changing field of telecommunication.

The Quello Center will assist both the public and private sectors through cutting-edge, multidisciplinary research on telecommunication management and policy: serving as a catalyst for the development and adoption of balanced telecommunication public policy solutions; and contributing to the private sector's alignment with the economic and political realities of communication industries.

The Quello Center's multidisciplinary approach is vital for addressing the unprecedented challenges posed by the evolution of communication technology and industries. The ramifications of new market opportunities and technologies for industries and consumers are, at best, very poorly understood. Industry members must determine what products or services to market, investments to make, and marketing practices to adopt in response to both domestic and international competitive pressures – and at an accelerating pace in an increasingly unstable environment. Consumers are also faced with the daunting tasks of understanding new technologies, obtaining adequate and meaningful information to choose products and services, and protecting themselves from ever-evolving forms of fraud, consumer abuse, and intrusions of privacy.

Existing regulatory and legal systems have often been inadequate to address these developments, which has created new policy problems, unintended consequences and unclear choices for policy makers. While subject to intense lobbying from all affected parties, policy makers struggle to determine the appropriate balance between reliance on competitive markets or governmental interventions as a means to address societal concerns. In so doing, they must select regulatory mechanisms for transitioning to competitive telecommunications markets and revise numerous bodies of law to address recent developments such as new forms of market failure and intellectual property, issues related to e-commerce, invasion of privacy and security, and the social welfare implications of a growing gap between those with and without access to advanced communications services.

The Quello Center seeks to contribute to a better understanding of the implications of new technologies and market developments and the adoption of more effective policies and business plans in response to these changes, by (1) conducting rigorous interdisciplinary research and publication both domestically and internationally, (2) providing opportunities, such as symposia and conferences, to stimulate dialogue among policy makers, scholars, industry executives, and consumer interest groups, (3) collaborating with other institutions to evaluate important telecommunication policy developments, and (4) providing expertise and research to policy making institutions.



the washington **symposium**



Pictured, Top Center: The Honorable Antonin Scalia, United States Supreme Court Associate Justice, giving luncheon keynote addess.

Above: FCC Commissioner (now Chairman) Michael Powell on an afternoon panel.

At right: James Quello speaking at the symposium.

Far fight: MSU President McPherson introducing Associate Justice Scalia.

In its first major public event, the Quello Center, in partnership with the MSU-Detroit College of Law, convened its first major policy symposium: "Preventing Flawed Communication Policies by Addressing Constitutional Principles."

Held at the Washington Hilton and Towers on April 18, 2000 and funded in part by a grant from the AT&T Foundation, the day-long symposium examined the role of the U.S. Constitution in shaping and constraining communication policy with a focus on the challenges posed by new technologies. Speakers and panelists in four sessions examined the following topics: (1) The relationship between a nation's governance structure and communication policy; (2) The effect of constitutional constraints on government powers on private investment incentives; (3) Federal-State Balance of Power issues in communication policy; and (4) First Amendment issues. In addition to presentations by prominent representatives of government, business and academia, the symposium featured talks by Federal Communications Commissioners Michael Powell and Harold Furchtgott-Roth and a luncheon keynote address by United States Supreme Court Associate Justice Antonin Scalia. The symposium was well attended (approximately 200) and widely covered by major newspapers and in the communications industry press. Papers and talks presented at the symposium, along with other papers addressing the symposium theme, were recently published in a special issue of the Law Review of the Michigan State University-Detroit College of Law. The second annual Washington symposium, "Regulatory Evolution or Revolution: What Changes are Needed to Address the Unpredictability of Communication Technology?" will be held at the Washington Hilton on April 4, 2001.





quello

research, publications and presentations

The Quello Center had a productive first year, which included presentations by its Director and Associate Director in a variety of fora in the United States and abroad.

Steve Wildman and Barbara Cherry both made presentations at the 28th Annual Telecommunications Policy Research Conference in Washington, D.C., and at a Center for International Legal Studies conference on international telecommunications law in Kaprun, Austria. Wildman also moderated a panel on communication policy at the International Communication Association meetings in Acapulco Mexico, addressed the Michigan Association of Broadcasters, and participated on a committee of experts assembled by the National Research Council to write a report on broadband connections to the home, while Barbara Cherry presented a paper at the International Telecommunications Society Meetings in Buenos Aires, Argentina. Both participated in meetings of the Michigan Information Technology Roundtable. During the past year, papers written by Barbara Cherry and by Steve Wildman have been published in law journals, communication/telecommunication journals, and in edited books. Cherry and Wildman's edited book (with Alan Hammond IV), Making Universal Service Policy: Enhancing the Process Through Multidisciplinary Evaluation, was published in Fall, 1999.

Subjects of research currently being conducted within the Quello Center and by Quello Center staff in collaboration with researchers at other universities and institutions include:

- The industry developing around Internet streaming media technologies and the relationships emerging between streaming media services and established media.
- Licensing and access to innovations in communication industries.
- Bargaining between multiple system operators and cable networks.
- The construction of audiences and the pricing of commercial time by television and cable networks.
- Modeling long run incremental costs for telecommunications networks when technologies are changing.

memoirs

MY WARS

by James H. Quello

im Quello's memoirs, My Wars, will be published by Alexis de Tocqueville Institution Publishing in early April, 2001. My Wars chronicles the adventures, exploits and accomplish-

ments of this remarkable member of the "Brokaw Generation." Following valor-



Quello

ous service in the U.S. Army in **Europe in World War II, Jim pur**sued a distinguished career in broadcasting with ABC at WJR in Detroit. He interrupted private sector success to pursue public service in what became a 23-1/2 vear tenure on the Federal Communications Commission. As a Commissioner, and as Acting Chair for a year, he was a key influence on U.S. communications policy during a period of dramatic change in communication technologies and industries.

tribute



Mary B. Quello

The Quello Center lost a wonderful friend and invaluable supporter with the passing of Mary B. Quello on October 25, 1999. Mary and Jim Quello met as undergraduate students at Michigan State University and were married on September 14, 1937. In the words of MSU trustee, Dolores Cook, "Mary was the perfect match for Jim, able to hold her own in any situation and match her husband's wit and charm with her own." While assisting Jim in his careers in broadcasting and at the FCC, Mary had a distinguished career of her own as a women's fashion designer.

next

steps

The first year has laid the foundation for on-going and expanded Quello Center activities.

The public phase of the fundraising campaign for the Center's endowment will conclude this year after three years of intense effort. The first international visiting scholar affiliated with the Quello Center arrived to conduct research with Quello Center staff in Fall 2000 and a second such affiliation will be announced in early Spring 2001. The second Washington Communication Policy Conference will take place in April of this year, and plans are being developed for an expanded set of public events and educational offerings.



Quello Center Associate Director Barbara Cherry addresses the symposium

research, publications and **presentations** (continued)

- Coordination of production and marketing budgets in the motion picture industry.
- The economic viability of public utility-related industries in deregulatory environments with a focus on the California electricity crisis as an event possibly foreshadowing problems for telecommunications.
- Constitutional limits on government efforts to deregulate telecommunications.
- Comparison of the effectiveness and structure of telecommunications regulatory regimes in the US and other countries with an emphasis on the EU.
- Political challenges and tradeoffs arising from efforts to create communication policies relying on competition rather than regulation.
- Government's ability to pursue social goals, such as universal service, in a deregulated environment.

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> - James D. Spaniolo Dean

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