

# QUELLO CENTER

Telecommunication Management & Law

## 2001 annual report

THE

JAMES H. AND MARY B.

QUELLO CENTER

FOR TELECOMMUNICATION

MANAGEMENT & LAW

MICHIGAN STATE

UNIVERSITY

# the second year in brief

**B**uilding on the foundations established during a successful first year, the Quello Center's second year was one of continued expansion with new events and projects.

The focal event was again the Spring Law and Policy Symposium in Washington, D.C., which examined the challenges rapidly changing communication technologies pose to policymakers, communication industries, and the resulting implications for consumers. Like the first, the second symposium, was well-attended and featured a stellar lineup of speakers and panelists, including keynote speaker Representative John D. Dingell of Michigan. The Center also hosted the first Quello Lecture at Michigan State University, which will be an ongoing annual event featuring individuals who have made notable contributions to communication industries or communication policy. The inaugural Quello Lecture was delivered by John D. Evans, President of Evans Communications and a co-founder of CSPAN. The Center also sponsored an educational summit that brought together university faculty and broadcast industry executives from the State of Michigan to explore ways to better match university educational offerings to the personnel and skill needs of broadcasters. The Center worked with MERIT Networks on behalf the Michigan Economic Development Corporation to promote local initiatives that would contribute toward the development of a state-wide broadband infrastructure. The Quello Center was the intellectual home for two visiting foreign scholars during 2001 and it named its first two Faculty Associates—MSU faculty actively involved in Center Activities who are not members of the Center Staff.



## changes

Barbara Cherry, who contributed greatly to the development of the Quello Center as Associate Director during its first two years left the Center in Fall 2001 to become a policymaker and now serves as the Deputy Director of the Office of Plans and Policy at the FCC. The new associate director is Professor Johannes Bauer, who was already a member of the Telecommunications faculty at MSU and is well-known for his scholarship on communications industries and policies.

*Associate Director  
Johannes M. Bauer*



## the annual symposium

**The Second Annual Quello Communication Law and Policy Symposium, "Regulatory Evolution or Revolution: What Changes are Needed to Address the Unpredictability of Communication Technology?" was held on April 4, 2001 at the Washington Hilton in Washington, D.C.**

Co-sponsored with the Law Review of the Michigan State University-Detroit College of Law, the second symposium addressed the challenge the ever-increasing pace of change in communication technologies poses to regulators and legislators who must establish policy for communication industries. Speakers and panelists in four sessions examined the following topics: (1) The consequences of regulatory policy lagging behind technological change: how policy responds to and affects innovation. (2) Industry and consumer perspectives on service and investment problems arising from technological change within existing regulatory rules; (3) Efforts of key national and international commissions for coping with technological change; and (4) Revolutionary regulatory strategies for managing the uncertainty of technological innovation. In addition to presentations by prominent representatives of business, academia, consumer organizations and government, including FCC Commissioner Harold Furchgott-Roth, the symposium featured an opening keynote address on broadband policy by Congressman John D. Dingell (Democrat, MI). As with the first symposium, papers and talks presented at the symposium were published in a special issue of the Law Review of the Michigan State University-Detroit College of Law. The third annual Quello Symposium on Communication Law and Policy, "Rethinking Access," will be held on March 26, 2002 at the Willard Intercontinental Hotel in Washington, D.C.



*Pictured Clockwise From Top:  
Preston Padden, Executive Vice President,  
Walt Disney - ABC Company;  
Robert Pepper, Chief, Office of Plans and  
Policy, FCC; Richard Wiley, Wiley, Rein  
& Fielding; Michael Powell, Chairman,  
Federal Communications Commission;  
David Svanda, Commissioner, Michigan  
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# the inaugural quello lecture



**T**he Quello Lecture Series was established in 2001 as an annual event to bring to the Michigan State University campus individuals who have distinguished themselves by their contributions to communications law and policy or whose ideas have shaped the way we conceive and use communication technology. The inaugural Quello Lecture, "Science and Education in the Digital Age", was delivered to a packed house on November 8, 2001 by John D. Evans, Chairperson and CEO of Evans Telecommunications Company and co-founder of C-SPAN. The PowerPoint slides for Mr. Evans' lecture may be viewed on the Quello Center website at [www.quello.msu.edu](http://www.quello.msu.edu).

# the broadcast education summit

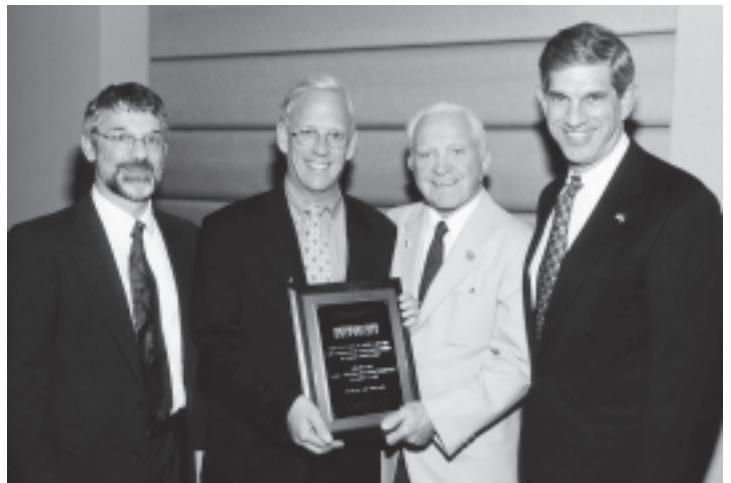
**T**he Quello Center hosted the Broadcast Education Summit on November 9, 2001—a select gathering of broadcasters and educators from around the State of Michigan.

Organized and coordinated by Quello Faculty Associate, Professor Gary Reid, the summit examined ways that educational institutions might address the training and leadership needs of broadcasters and explored initiatives that would promote closer coordination between broadcasters and the educational institutions that are the primary source of new talent in the industry. The summit featured a keynote address by John Abel, President of AbelWireless and CTO of iiNetworks, Inc.



*Pictured, Right: Former FCC Chairman, James H. Quello, introducing John D. Evans.*

*Below, From Left to Right: Quello Center Director Steven S. Wildman, John D. Evans, James H. Quello, Communications Arts & Sciences Dean James D. Spaniolo.*



# research, publications, presentations, and outreach

**D**uring 2001, the Quello Center continued to advance its mission of relevant research and public service on issues concerning managers and public policy makers in the communications industries.

The economic slowdown of the past year combined with the dramatic decline of the information and telecommunications equity market has posed major challenges to industry and policy-makers alike. The Quello Center addressed current concerns as well as the more fundamental long-term issues affecting the communications industries through an active program of research, publications, presentations, and public service. Papers written by Steve Wildman, Barbara Cherry and Johannes Bauer were published in academic journals, edited books, conference volumes, and as technical reports:

Bauer and Cherry both presented papers at the 29<sup>th</sup> Annual Telecommunications Policy Research Conference (TPRC) in Alexandria, Virginia and Bauer was a presenter at the Conference of the European Telecommunications Society in Dublin, Ireland. In addition, Cherry presented papers at the Sixth Asia Pacific Regional Conference of the International Telecommunications Society in Hong Kong and at the Institute of Public Utilities 33rd Annual Regulatory Policy Conference, Williamsburg, Virginia. Wildman was also a presenter at the Regulatory Policy Conference and presented a paper at the KISDI-KSJCS International Conference on the Future of Digital Television in Seoul, Korea. He also delivered the keynote address at the International Telecommunications Society regional conference, "Competing Strategies in an Uncertain Era," in Taipei, Taiwan.

During the past year, the Quello Center launched several new research projects in addition to the ongoing research agenda. Together with a team of researchers at Rutgers University and Cornell University, the Center initiated a research project studying how unlicensed spectrum could be used to the highest benefit of society. In partnership with the Telecommunications Department at Michigan State University and with MERIT Networks, the Quello Center has assisted the Michigan Economic Development Corporation in the LinkMichigan program, an initiative aimed at expanding broadband infrastructure to more remote communities in Michigan.

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# our mission

**T**he 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 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

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## our mission *(continued)*

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.

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

Other ongoing research themes pursued at the Quello Center, often in collaboration with researchers and centers at other universities and research institutions, include:

- The industry developing around Internet streaming media technologies and the relationships emerging between streaming media services and established media.
- Modeling long run incremental costs for telecommunications networks when technologies are changing.
- Challenges facing traditional policies towards access to telecommunications networks, services, and content.
- Contributions of broadband networks and services to the economic, social and political development of rural communities.
- Alternative approaches to spectrum management and the impact of entry costs on the subsequent evolution of the wireless industry.
- Comparative institutional analysis of information and communication policies in different parts of the world.
- Problems created by the continued role of state ownership of telecommunications operators outside of the U.S.
- The future of broadcasting in a digital environment.
- Antitrust and regulation of vertical relationships for communication industries.
- Content bundling for information services.
- Pricing of commercial time for broadcast and commercial television.
- Responses of business associations in the information and communications sectors to rapid technological change and globalization.
- Experience with incentive regulation.
- Internationalization strategies of telecommunications service providers.
- Policy responses to convergence in the United States and in the European Union.
- Policies towards the mobile Internet.

# our donors

More than 180 individuals, corporations and foundations have made financial contributions to support the Quello Center. Without their generosity and commitment, the Quello Center would not have been possible.

—James D. Spaniolo  
Dean

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