

QUELLO CENTER

Telecommunication Management & Law

1998-
2003

the first
five years

THE

JAMES H. AND MARY B.

QUELLO CENTER

FOR TELECOMMUNICATION

MANAGEMENT & LAW

MICHIGAN STATE

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the first five years

The fifth year is a natural juncture in the life of an organization to reflect on its past and set new goals for the future. For the Quello Center it has been an exciting five years of accomplishment and growth.

Established as an endowed center to honor the legacy of Federal Communications Commissioner and MSU grad James Quello, the Center became operational in the Fall of 1999 with the appointment of Steve Wildman as director and Barbara Cherry as associate director. In addition to inaugurating a program of research and outreach, the Center's most visible public activity during its first year was organizing and hosting a major communication policy symposium in

MIT's David Clark, 2002 Quello Lecturer.



FCC Chairman Michael K. Powell at Quello Symposium

Washington, D.C in April 2000 in partnership with the Law Review of the Michigan State University-DCL College of Law. In 2001, Barbara Cherry left the Quello Center to assume a position at the Federal Communications Commission, where she is now Senior Counsel, Office of Strategic Planning and Policy Analysis. That same year, Johannes M. Bauer, Professor in the Department of Telecommunication, Information Studies and Media joined as the associate director. He was named executive director in 2003.

The Quello Center will be hosting its fifth Washington symposium on February 25, 2004, with the Law Review and MSU's Institute for Public Utilities as co-sponsors. The symposia have featured presentations by leading experts on communication policy from academia, gov-

ernment, industry and the legal profession. Keynote speakers have included U.S. Supreme Court Associate Justice Antonin Scalia, Assistant Secretary of Commerce Nancy Victory, and US Representatives John D. Dingell and Fred Upton. Papers and proceedings from the symposia have been published annually in a special issue of the Law Review.

Since its first year the Quello Center's trajectory has been one of a continually expanding set of activities and events. The Center established the Quello Lecture in 2001 as an annual event to bring to Michigan State University for a public address 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 annual Quello Lecture is the featured lecture in the multipart Frontiers of Communication lecture series hosted by the Quello Center each year. The inaugural Quello Lecture was delivered on Nov. 1, 2001 by John D. Evans, Chairperson and CEO of Evans Telecommunications Company and co-founder of C-SPAN.

The 2002 and 2003 Quello Lectures were delivered, respectively, by Internet Pioneer David D. Clark of MIT and by



From left to right: Quello Center Director Steven S. Wildman, John D. Evans, James H. Quello, Communication Arts and Sciences Dean James D. Spaniolo

MSU Professor Harry M. Trebing, who has a global reputation for his contributions to communications policy analysis. The Quello and Frontiers lectures have become the center pieces of a much larger set of lectures, presentations and forums hosted annually by the Quello Center, examples of which will be found in the description of the current year's activities later in this report.

During its first five years, the Quello Center has emerged as a focal point at MSU for research on communication policy and management issues. The Center has served as the MSU host for a number of visiting scholars who came to MSU specifically to work in association with the Quello Center and its staff. A growing

network of faculty research affiliates now work with Center staff on selected projects.

The volume of research supported and coordinated by the Quello Center has expanded apace with its other activities. Three PhD students are currently employed by the Center to assist with research on various Center projects. The externally-funded component of Center research has also grown and the Center is currently managing research projects supported by major grants from the National Science Foundation and the Ford Foundation. The Center is one of three US academic centers that support and organize an invitation-only workshop

with the FCC on new directions in communication policy research.

The Quello Center's first five years have seen notable accomplishments and provide a foundation for further growth and new initiatives.



Richard E. Wiley, Wiley, Rein & Fielding

A note of thanks

The strength of this foundation owes much to the energy and vision of Dean James D. Spaniolo, who was instrumental in getting the Center established and funded. He left MSU in February 2004 to become President of the University of Texas at Arlington. The Center thanks him for his contributions and wishes him success in his new endeavors.

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2003 center activities

Strategic goals for 2003 were the establishment of a stronger local and regional presence and the continued expansion of the Center's national and international activities.

Highlights of the past year were the Fourth Quello Communications Policy and Law Symposium in Washington, D.C., a workshop at the Federal Communications Commission co-organized with centers at the University of Florida and the University of Colorado; two panel discussions and a series of lectures and colloquia on the campus of Michigan State University.

The **Fourth Quello Symposium**, once again taking place at the Willard Hotel in Washington, D.C., was designed to critically examine the state of the telecommunications industries after the



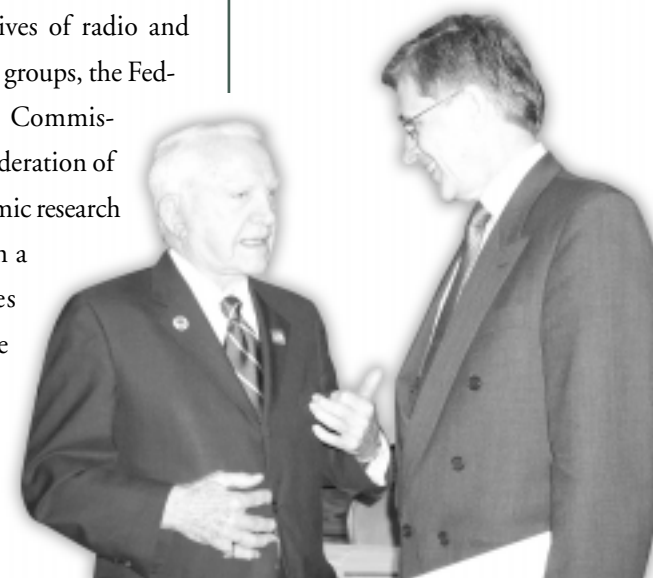
Ford Foundation workshop (from left): Paul Kim, Larry Strickling, Steve Wildman, Al Hammond IV, Harold Feld, Mark Cooper, Bella Mody

meltdown of the stock markets in March of 2000. Congressman Fred J. Upton (R-MI) gave the luncheon keynote speech updating the full house on current developments in Congress. Eighteen speakers explored the financial reality of the industry, the impacts of the Triennial Review of the Federal Communications Commission, the ongoing restructuring of the industry in mergers and acquisitions, and legal challenges to the governance of the industry. Attendance was high despite a severe winter storm warning that affected life in the capital. Selected papers from the symposium and contributed papers related to the theme of the conference were published in the Michigan State-DCL Law Review, Winter 2003 issue.

Together with the Public Policy and the Public Utility Research Centers at the University of Florida as well as the University of Colorado, the Quello Center organized the second workshop **"Formulating a Research Agenda for Communication Policy"** on December 5, 2003 at the Federal Communications Commission. More than 30 staffers from the Commission had an opportunity to discuss issues of spectrum policy, competition policy and strategies for anticipating policy issues with 12 academic researchers and experts from other federal agencies, such as the Department of Justice. Leading universities represented were Columbia University, George Mason University, Michigan State University, Rutgers University, the University of California at Berkeley, the University of Florida and the University of Pennsylvania.

In pursuit of its local and regional outreach mission, the Center organized two **panel discussions**, dedicated to two of the most debated recent policy issues on the campus of Michigan State University. On October 28, 2003, representatives of radio and television broadcasting groups, the Federal Communications Commission, the Consumer Federation of America and the academic research community engaged in a lively and sometimes hotly contested debate on "Media Ownership, Localism and Diversity." On November 13, 2003, a panel including intellectual property lawyers, artists, computer experts, and Michigan State Uni-

versity leaders debated the legal, economic and ethical issues of peer-to-peer filesharing. A crowd of more than 150 people engaged in a lively debate with the panelists, addressing a broad range of stakeholder concerns.



Jim Quello, Thomas E. Wheeler (CTIA)



File sharing panel discussing at MSU: Peter Yu, Richard Enbody, Robin Gross, David Wright, Bob Baldori.



2003 Quello Symposium: Simon J. Wilkie, FCC Chief Economist

An expanded series of **lectures and colloquia** was held at Michigan State University. The Third Annual Quello Lecture honored Professor Harry M. Trebing for his lifelong contributions to telecommunications policy research and public utility regulation. Before a full auditorium he addressed the topic "Reforming Regulation without Embarrassment," providing a critical review of the experience with industry restructuring and constructive suggestions for a way forward. Professor Robin Mansell of the London School of Economics, who participated in a workshop funded by a Ford Foundation grant to the Quello Center, gave two public lectures during her stay at Michigan State University. Moreover, researchers from the National Chengchi University (Taiwan) and the University of St. Gallen (Switzerland) gave colloquia.

Luncheon keynote speaker: Congressman Fred J. Upton (R-MI)



Focal points of the Center's research activities were two externally funded research grants.

A National Science Foundation funded collaborative project (with researchers at Rutgers University and Cornell University) studies the conditions under which innovation and new services in unlicensed wireless bands could flourish and the potential roles of public policy. Another project funded by the Ford Foundation explores the contribution of research to the U.S. policy-making process and its outcomes. In addition to these larger funded projects, the Center and its research associates pursue numerous other research topics, including:

- The industry developing around Internet streaming media technologies and the relationships emerging between streaming media services and established media.
- The future of broadcasting in a digital environment.
- Antitrust and regulation of vertical relationships for communications industries.
- Content bundling for information services.

- Pricing of commercial time for broadcast and commercial television.
- The economics of media audiences.
- Dynamics of investment and innovation in wireless services.
- Application of complexity theory to information and communications policy.
- Methods for evaluating the outcomes of legal and regulatory policy.
- Factors shaping the diffusion of broadband in the OECD countries.
- 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.

Quello Center staff presented research papers at 11 national and international academic conferences, including meetings of the International Telecommunications Society (ITS), the Research Conference on Communication, Information and

Internet Policy (TPRC) and the International Communication Association (ICA). Both Steven S. Wildman and Johannes M. Bauer gave several presentations to professional audiences. Wildman spoke at the FCC Regional Forum on Media Concentration in Chicago, the World Radio Conference in Madison, Wisconsin, and at a Ford Foundation conference at Fordham University. Bauer delivered an invited seminar at the Austrian Academy of Sciences and gave six presentations to groups of regulators and industry. Both Wildman and Bauer gave presentations at the Michigan Forum, an event held in East Lansing for industry and regulators. Junior researchers also delivered papers at several academic conferences. Center research was published in journal articles, including *Telecommunications Policy* and the *Michigan State DCL Law Review*, and book chapters. Steven S. Wildman served as the co-editor of the proceedings of the 30th TPRC conference, published by MIT Press. Selected papers from the 2003 Annual Quello Symposium were published in a special issue of the *Michigan State DCL Law Review*. A working paper series, available at <http://quello.msu.edu/research/> was initiated to disseminate work prior to formal publication.

Strategic planning is currently underway to define programmatic emphases for the next three to five years.

Continuing an innovative research and a public service agenda, two overarching initiatives will shape the next few years and provide an integrative framework for research and public service activities of the Center.

The **governance of the information society** initiative will provide the framework for studying the multiple local, national, and global challenges of governance of the information and knowledge society. The recent World Summit on the Information Society (Geneva, December 2003) has highlighted the daunting tasks ahead and demonstrated that harnessing the benefits of information and communication technologies will need intelligent supportive legal and regulatory frameworks and poli-

cies. Under this initiative, the Center will explore the wide array of issues related to the governance of networks, services, and applications in the information and knowledge society. In addition to traditional approaches to the study of policy issues, the Center plans to utilize computational and experimental methods.

Under the broad **communication industry economics and management** initiative the Center will explore the effects of ubiquitous digitization and the availability of general purpose, broadband network platforms (wireline and wireless) on industry economics and the resulting challenges to management. Under this research initiative the Center will expand the present research agenda on audience economics, streaming media, and advertising economics. New themes will be developed during the course of the initiative.

Opportunities to support the Quello Center

The wide range of activities supported by the Quello Center is a tribute to the generosity of the many individuals and organizations who have contributed to Michigan State University to create the Quello Center endowment (see our website for a list of donors). The Center is still seeking additional contributions to help raise the level of the endowment. Contributions of all sizes are appreciated. The Quello Center also offers opportunities for endowing specific positions and ongoing activities, which include:

- Named chair (new or existing position):
- Named research fellow
- Named graduate assistantship
- Named visiting scholar position
- Quello Communication Policy and Law Symposium
- Quello Lecture series

The Quello Center is a 501(c)(3) organization. Please contact the Quello Center at 517-432-8001 or quello@msu.edu to request more information on sponsorship options.

Pictured at left: Quello Center Advisory Board (from left): Steve Wildman, Rudi Baca, Richard McLellan, Brian Fontes, Jim Quello, Robert Pepper, Rick Coy, Marjory Blumenthal, Jim Spaniolo, Pat Mullen, Johannes M. Bauer.



staff and affiliates

advisory board

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QUELLO CENTER

mission statement

The Quello Center will maintain a vigorous, national and international program of trans-disciplinary research addressing critical issues in information and communication policy and management.

It will serve as a catalyst for the development, implementation, and evaluation of public policies and will advance 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 will organize venues for the dissemination of new ideas and debate on current issues in information and communication policy and management, and provide a forum for candid discussions among stakeholders, government officials and other policy experts and scholars.

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James H. Quello
In a remarkable life now spanning nearly 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. Among the many awards recognizing his accomplishments as a broadcast executive and contributions to communications policy are 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. Jim Quello turns 90 on April 21, 2004. The Quello Center joins his many other friends and admirers in congratulating him for an outstanding first 90 years.

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.