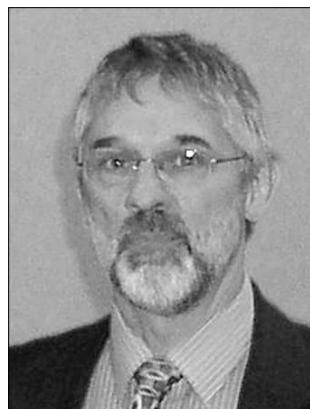


2009 REPORT

Featuring a special
pictorial section
remembering Jim Quello

Continuing a Legacy



I arrived at Michigan State University in the fall of 1999 to assume the directorship of the newly created Quello Center for Telecommunication Management and Law. As a scholar whose studies focused on the communications sector, I was more than familiar with Jim Quello's career at

the FCC and how he had served as a steadying hand and voice of restraint and reason on the Commission during a period of rapid and often tumultuous change in the communications sector. I consider myself fortunate to have had the opportunity over the past 10-plus years to get to know Jim Quello personally, and to get to know him well. I have never encountered another person who commanded so much loyalty and affection from such a large network of friends. Jim Quello died on January 24 of this year, approximately three months before what would have been his 96th birthday. Jim remains, as he always was, an inspiration for the work that we do at the Quello Center. This report includes a removable four-page insert with pictures taken of Jim with other guests and participants at various Quello Center events during the past 10 years. Interspersed among the pictures are a few of the many memorable lines in the various speeches he delivered while at the FCC.

A second sad note is that Rudy Baca, who had served as a member of the Center's advisory board since its founding, died unexpectedly and at far too young an age, on April 29, 2009. He too shall be missed. A picture of Rudy and a brief tribute are included on the last page of this report.

This report chronicles notable Quello Center accomplishments and activities during 2009. As in past years, there is much to report in the way of Center research and outreach. Less evident in a simple recounting of various measures of Center output and activity is that this has also been a year for important transitions. Johannes Bauer, who joined the Center over eight years ago as Associate Director and served as co-director for the majority of that time, returned

to a full-time faculty position at MSU in August 2009. The Center benefited tremendously from the energy, intellect, and passion he brought to everything we did. Fortunately, he continues to be actively involved with the Center as Director of Special Projects.

We were fortunate to have Stephen Lacy, a distinguished Professor of Journalism at MSU, serve as co-director for Fall 2009. However, recognizing his administrative gifts, incoming Dean Pamela Whitten persuaded him to join the Dean's office as Associate Dean for Graduate Affairs starting in January 2010. While his term as co-director was much too short, the Center is better for his contributions. Like Johannes, he will retain a formal affiliation with the Center and continues to be actively engaged in our research and outreach activities. Plans are now underway to recruit a replacement to fill the administrative gap left by Johannes and Steve and to add further to the Center's research and outreach capabilities.

The communications sector has changed dramatically since the Quello Center first opened its doors in fall 1999. Smart phones, internet telephony, IPTV, YouTube and a profusion of social networking services have all emerged in the last 10 years while a company based on an internet search engine may have become the most powerful media company on the planet. Nations are now compared on the quality of their broadband infrastructures and traditional media have been fundamentally transformed by the internet. Times of flux such as these call for a fundamental rethinking of business models and new perspectives on the design of public policies. This all makes for exciting times for researchers studying the communications sector. As it enters its second decade, the Quello Center maintains its commitment to contribute to the new ideas required for a healthy adjustment to the new realities of communication industries through cutting edge research, by supporting the dialogue among stakeholders required for such adjustments to take place, and by contributing to the next generation of researchers and leaders in the communications sector.

Steve Wildman
Quello Center Director

Calendar of Main Activities 2009

JANUARY

January 30, 2009

2009 Michigan Forum on Economic and Regulatory Policy
MSU Kellogg Center

MARCH

March 30, 2009

Applying Complexity Theory to Improve Communications Policy Workshop
Georgetown University, Washington, D.C.

March 31, 2009

NAB 2009 State Leadership Conference honors Jim Quello and Quello Center 10th Anniversary, Mandarin Oriental Hotel, Washington, DC

APRIL



Chan-Olmsted

April 9, 2009

Barry R. Litman
Commemorative Lecture,
"From Industrial Organization of Broadcast TV to Strategic Management of Mobile TV: The Evolving Paths of Media Management and Economics," featuring **Sylvia Chan-Olmsted**, University of Florida



West

April 20, 2009

Michigan in the Information Economy: Assessing and Improving the State's ICT Infrastructure Workshop, MSU Kellogg Center

April 24, 2009

Quello Lecture: "Browsing as the killer app: Explaining the rapid success of Apple's iPhone," featuring **Joel West**, San Jose State University

MAY

May 19, 2009

2009 Quello Communication Law and Policy Symposium - Rethinking Media Policy in the Age of New Media
The National Press Club, Washington, DC

NOVEMBER



Ducey

November 10, 2009

Rick Ducey visits the Quello Center for class presentation and collaboration efforts with Center and faculty.

November 19, 2009

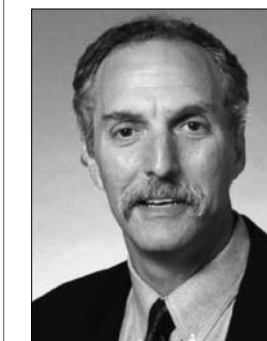
Peter F. Cowhey, US Trade Representative, presents Tenth Annual Quello Lecture, "Governing the Revolution in Global Information and Communications Markets," James B. Henry Center, Lansing, MI



Cowhey

November 23, 2009

Richard Gershon visits the Quello Center for class presentation and collaboration efforts with Center and faculty.



Gershon

Symposiums, Workshops and Conferences

The Washington Symposium

New technologies and services built on those technologies are dramatically reshaping the communications landscape, and in the process raising new challenges for businesses, consumers, and policymakers. The 2009 Quello Communication Law and Policy Symposium, “Rethinking Media Policy in the Age of New Media,” was a reflection of the Quello Center’s efforts to contribute to a better understanding of the implications of new communication technologies and the crafting of appropriate policy responses. Held at The National Press Club in Washington, D.C. on May 19, the afternoon symposium featured a keynote address by former FCC Chairman, **Richard Wiley**, and two sessions with expert panels.

The first panel, “Scarcity, Diversity, Efficiency: Media Structure Regulation Reconsidered,” was chaired by **Larry Patrick** of Patrick Communications and featured presentations by **John B. Horrigan** of the Pew Internet and American Life Project, **Professor Eli M. Noam** from Columbia University, **Professor Philip M. Napoli** of Fordham University, **Professor Patricia Aufderheide** of American University, and **Allen P. Grunes** from the Brownstein Hyatt Farber Schreck law firm.

The second panel, “Media Proliferation and Fragmentation: Media Content Regulation Reconsidered,” was chaired by **John D. Evans**, Chairman and CEO of the John D. Evans Foundation, and featured presentations by **Professor Robert M. Entman** of George Washington University, **Gigi B. Sohn**, President of Public Knowledge, **Professor Frank Pasquale** of Seton Hall University Law School, and **Professor Matthew Hindman** from Arizona State University.

Workshops and Conferences

As communication technologies and services have proliferated, tracing the impacts of policy decisions through the increasingly complex web of interactions among diverse industry players and consumers has become a daunting challenge to policy design. The Quello Center’s **Johannes Bauer** has been at the forefront of an effort to apply the insights of complexity theory to policy analysis. As part of this initiative, the Quello Center co-sponsored and co-organized “Applying Complexity Theory to Improve Communications Policy,” a workshop held at Georgetown University on March 30, 2009.

Among other activities supported by a grant from MSU’s Institute for Public Policy and Social Research, the Quello Center organized “Michigan in the Information Economy: Assessing and Improving the State’s ICT Infrastructure,” a workshop for policy makers, industry experts, and academic experts held at Michigan State University’s Kellogg Center on April 20, 2009. The workshop included presentations of early findings from the Quello Center study, “Michigan’s Communication Infrastructure Needs: Assessment and Policy Options.” A report presenting study results was released recently.

The Quello Center was also a co-sponsor, and **Johannes Bauer** a co-organizer, of “Beyond Broadband Access: Data Based Information Policy for a New Administration,” an expert workshop held in Washington, DC, September 22-24, 2009.

As in years past, the Quello Center was an academic sponsor of the annual TPRC Conference on Communication, Information, and Internet Policy. The 2009 conference was held September 25-27 in Arlington, Virginia.

“Freedom of the press, like all freedoms under our form of government, is conferred by the people. That carries with it the obvious notion that it can be taken away by the people. To the extent that the American people perceive that the press, especially the electronic press, is pursuing its self interest to the detriment of the public interest, the press has reason for concern.”



JAMES H. QUELLO
1913 - 2010

“The framers of the Constitution designed the Bill of Rights as a shield to protect the people from dictatorial government decisions or zealous officials. Assuming that all FCC Commissioners (or government officials) will automatically show restraint is not the answer. There is always the possibility that someone vested with power will inadvertently (or verterntly) cross the line. That is what the First Amendment wants to prevent.

-Jim Quello

A Pictorial Remembrance

Jim Quello lived a long and remarkable life: serving in the U.S. Army during World War II, where he rose to the rank of lieutenant colonel, achieving prominence as a broadcaster in the post-war period, and then serving for 23 and a half years as a commissioner (and for a year as chairman) with the Federal Communications Commission. He retired from the FCC in 1998, but continued as a visible and vigorous participant in the public debate over communications policy right up to his death on January 24, 2010, just under three months shy of his 96th birthday.

The Quello Center was founded in 1998, the year Jim retired from the FCC, to commemorate his legacy of public service and to build on that legacy through a world class program of research and outreach that could contribute toward a better alignment of the potentials inherent in communication technologies with the needs of the greater society. It formally opened its doors in fall 1999, and for over 10 years we were fortunate to be able to turn to Jim Quello as a resource and an inspiration. He was also a dear friend.

This insert features pictures of Jim at a variety of Quello Center events over the past 10 years. Those who want to keep it as a stand-alone document can separate it from the report by raising the ends of the staples used to bind the report. Interspersed among the photos are selected quotes from his public speeches. These quotes clearly articulate Jim’s belief in a limited, but constructive role for government in regulating the communications sector, and the importance of the First Amendment as a bulwark against government encroachments on individual freedoms, that informed his decisions at the FCC.

First Amendment freedoms were conferred to provide citizens a check against potential government abuses, not to provide government a check against critical press reports.

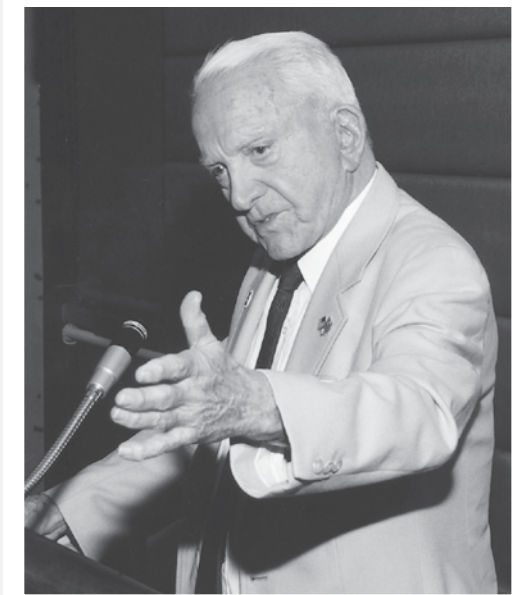
-Jim Quello



Quello Center Advisory Board 2003



Quello Center Associate Director Gary Reid and Jim Quello at 2006 Symposium.



Jim Quello speaking at 2000 Symposium



Above:
Jim and Mary Quello



Below:
Quello Center Co-Director Steve Wildman,
Quello Advisory Board member John D. Evans,
Jim Quello, and former CAS Dean James Spaniolo



Former FCC Commissioner Kathleen Abernathy and Jim Quello

"I'd like my FCC legacy to read, 'He never forgot where he came from.'"

-Jim Quello

"We need to have a healthy respect for the 'limited omniscience' possessed by any government agency. I think that policies implementing legislation need to be flexible enough to permit different strategies, changes in those strategies, and to enable companies to meet their investment needs."

-Jim Quello



Jim Quello at 2006 Symposium luncheon with Senators Stevens (R-AK) and Inouye (D-HI).



NAB President Eddie Fritts, Jim Quello, and
Quello Center Advisory Board member Richard Wiley



Left:
Jim Quello, Quello Center
Associate Director Gary Reid,
and Dean James Spaniolo.

Below:
Quello Center
Advisory Board 2002



Jim Quello, Sen. Ted Stevens (R-AK), Sen. Daniel Inouye (D-HI),
and NAB president Eddie Fritz

If First Amendment imperatives, designed to restrict government involvement with the press can be brushed roughly aside in the pursuit of First Amendment "values," then it is time to rethink those values. There is no limit to this justification for government action, and it really does permit activist bureaucrats to promote their personal wish lists as if they were constitutional mandates.

-Jim Quello

ACTIVITIES

Public Lectures and Seminars

As in years past, the signature on-campus event for 2009 was the Annual Quello Lecture, which is designed to bring to Michigan State University and the larger mid-Michigan region individuals who have made notable contributions to communication industries, technology, and policy.

The 2009 Lecture was delivered on November 19, 2009 by **Peter F. Cowhey**, Senior Counselor, U.S. Trade Representative, who at the time was on leave from his faculty position at the University of California, San Diego, where he is the Qualcomm Professor and Dean of the School of International Relations and Pacific Studies. Speaking to a packed auditorium at MSU's James B. Henry Center for Executive Development, Professor Cowhey's lecture, "Governing the Revolution in Global Information and Communications Markets," drew on his recently published book, *Transforming Global Information and Communications Markets: The Political Economy of Change*.

On April 9 the Quello Center hosted **Dr. Sylvia Chan-Olmsted**, who delivered the Barry R. Litman Commemorative Lecture. The lecture paid tribute to Barry Litman, a well-known MSU professor, who died tragically and unexpectedly in late fall 2008. Dr. Chan-Olmsted, a Professor and Associate Dean at the University of Florida, studied under Professor Litman while earning her PhD at MSU. Her lecture, "From Industrial Organization of Broadcast TV to Strategic Management of Mobile TV: The Evolving Paths of Media Management and Economics," examined the implications of new communications technologies for the economics and management of media enterprises.

Joel West, a Professor at San Jose State University, presented "Browsing as the Killer App: Explaining the Rapid Success of Apple's iPhone," at a Quello Center-sponsored research seminar on April 20, 2009.



Peter Cowhey presents at the 2009 Annual Quello Lecture.



Steve Lacy, Peter F. Cowhey, and Steve Wildman

Research, Publications and Presentations

Research that can better inform decisions made by key policy officials and business leaders in the communications sector has always been a core component of the Center's mission and a major focus of the activities of Quello Center staff and affiliates. To this end the Center has always maintained a portfolio of research projects at various stages of development: some funded internally and others supported by grants and contracts with government agencies, foundations, and other parties willing to support nonpartisan research. The mix of projects has changed over time as changing technologies and industry responses to those technologies have raised new challenges to industry and policy. Today the mix includes work on broadband infrastructure, regulation of next generation networks, media ownership, the impact of new media on journalistic practices, the economics of online services, and mixed media advertising models.

Most visible among ongoing projects are two large scale efforts funded by the National Science Foundation. Since August 2008, five MSU faculty and a number of graduate and undergraduate students have been working on a study of factors, including media ownership, that impact the quality of media coverage of local government and public affairs. Early findings from this project, which will continue through most of 2010, have been presented in a number of venues and have begun to attract attention for their relevance to issues addressed in the current FCC inquiry into media ownership regulation.

Beginning in Fall 2009, a team of faculty and graduate students from MSU's College of Communication Arts and Sciences and College of Engineering have been working on a NSF-funded study exploring applications of computational techniques to communications policy design. The goal is to develop analytical techniques that can better deal with the complexities of the communications policy environment than is possible with traditional research approaches.

This project, with Johannes Bauer as PI, was initiated during his tenure as Quello Center co-director and the project team has continued to meet at the Quello Center since he returned to faculty and assumed the director of special projects title for his work with the Center.

The fruits of Quello Center research are reflected in part in publications and research presentations. In 2009 Quello Center staff published articles and book chapters on citizen journalism, content analysis, community news models, the economics of internet video, television policy, cybersecurity, internet security, and mobile TV. Center staff also presented scholarly papers at numerous conferences and workshops in the United States (Boston, Reno, Atlanta, Washington, D.C., Miami, Boston, New Haven, East Lansing, MI, and Chicago) and in other countries (Beijing, Leipzig, Bahrain, Athens, Bangkok, Paris, and Dubai). A list of publications and working papers available for download may be found at the Quello Center's website at quello.msu.edu.

Greetings and Goodbyes for 2009

In Memoriam



Baca

Rudolfo Lujan Baca, one of the original members of the Quello Center's board of advisors, died on April 24, 2009. A communications attorney, Rudy was a valued member of Jim Quello's staff when he was a commissioner at the FCC who subsequently made his mark as a communications sector analyst and as a practitioner

of communications law. From the date of its inception, the Quello Center benefited from his advice and support. He was a true friend who will be dearly missed.

Special Thanks to Johannes Bauer



Bauer

Johannes Bauer joined the Center at the beginning of its third year and contributed enormously to its growth and accomplishments, first as Associate Director and subsequently as Co-Director. He returned to full-time teaching at the university at the beginning of the fall semester of 2009. We are fortunate

that he continues to participate in center initiatives as Director of Special Projects.

Visiting Scholars

The Quello Center hosted four visiting scholars – two faculty and two PhD students – during 2009. **Sang Taek Kim**, a Professor of Economics at Ehwa W. University in Seoul, Korea, spent the bulk of 2009 as a scholar attached to the Center, working on a book that was completed before he left. **Xuetao Jin**, a Professor with the Media Management School at the Communication University of China, spent fall 2009 studying media economics at MSU. **Juan Du**, a PhD student in the Department of Journalism and Communication at Peking University in Beijing, China, finished a full academic year with the Quello Center in June, 2009. While at the Center she started and completed her dissertation project, which compared college students' use of the internet as part of their academic studies in the United States and in China. **Haixia Yu**, a PhD student in the Media Management School of the Communication University of China, came to MSU to study information economics with Center staff during a six month visit that began in November 2009.

QUELLO CENTER

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James H. and Mary B. Quello

The Quello Center and its mission to further the public good through research and outreach



related to the communications sector are testaments to the lives and contributions of two remarkable individuals.

Jim and Mary Quello met as undergraduate

students at Michigan State University and married in 1937. Through multiple careers spanning a world war and a revolution in communications technology,

Jim was a war hero, a distinguished broadcaster, and served as a FCC commissioner for 23 years, including a year as Acting Chairman. He was an active and influential participant in the public debate over communications policy until his death at age 95 on January 24, 2010. His accomplishments and contributions to communications policy were recognized by numerous awards and honors, including the Distinguished Service Award from the National Association of Broadcasters, induction into the The Museum of Broadcast Communications' Radio Hall of Fame, and membership in the Broadcasting/Cable Hall of Fame.

Mary Quello, who died on October 25, 1999, assisted Jim in his careers in broadcasting and at the FCC, while making her own mark as a distinguished designer of women's fashions. She was a strong early advocate for the founding of a Quello Center.

Faculty Associates and Fellows

Thomas F. Baldwin, *Senior Fellow, MSU*

D. Adam Candeub, *MSU College of Law*

Barbara Cherry, *Indiana University*

Junghyun Kim, *Kent State University*

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