

INTERCONNECT

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INTERCONNECT



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SPECIAL POINTS OF INTEREST

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ITS Hosts Second Successful Conference in 2000

The 11th ITS European Regional Conference was held in Lausanne, Switzerland, September 9th to 11th, in conjunction with the European Association for Research in Industrial Economics (EARIE).

The conference was held at the University of Lausanne, overlooking Lake Geneva at the Ecole des Hautes Etudes Commerciales.

There were over 120 ITS delegates in attendance. Representation came largely from Europe, but also from Canada and the United States, and as far away as Argentina, Japan, Korea, India and Malaysia.



Session Meeting In Lausanne

According to Conference Chair, Juergen Mueller, from the Berlin School of Economics (FHW), most interest during the 2 1/2 day conference seemed to focus on the nine regulatory sessions that included presentations on universal service and European regulation. There was also a special Policy Panel on the 1999 EU Review. (See http://userpage.fu-berlin.de/~jmueller/lauss_prelim_prog.html for details and the individual abstracts)

Mueller stated there was also particularly keen interest in the two special sessions on The European Mobile Phone License Auctions and a keynote lecture on European UMTS Auctions presented by Paul Klemperer from Nuffield College in England. Klemperer had been a key advisor to the UK government during the last UMTS auctions.

According to Mueller, this regional conference also tried new presentation formats, with three policy panels covering Multimedia and Convergence, the 1999 EU Review, and Restructuring in Emerging Telecom Markets. This format gave policy makers and practitioners a chance to participate more actively than is otherwise possible in more standard academic sessions.

Additional conference presentations covered a wide spectrum of subject

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Message from the Chair

Dear Members,

It's with a heavy heart that I share with you the sad news that our vice-chairman of the ITS Board of Directors, Dr. David Cracknell,

passed away October 27th in a London hospital. He had been operated on two days before, but unexpectedly failed to regain consciousness. His family was with him.

Funeral services were held in his home town of Norwich; and there was a subsequent commemorative service in London on December 1st, where I gave thanks for all he has done for ITS over the years.

I will miss his courage and determination, always expressed with a gentle touch (with eyes closed, his English-mumbled speech was usually uttered with closed teeth). Highly regarded internationally for his professional work on demand analysis, his dedicated work for BT and for ITS earned him lasting friendship and recognition world wide.

ITS will dedicate the next conference to David. We hope to have a prize named after him, as he was such a devoted supporter of academic scholarships. I have asked Glyn Williams, who worked closely with David at BT, to replace him

as the corporate member on the Board of Directors. I have asked Erik Bohlin to serve as vice-chairman of the ITS until we convene another Board meeting. I have also asked Prof. Stanford Levin to replace David as chairman of the ITS Membership and Nominations Committee.

An ITS Executive meeting was held on the 16th of October in Paris, hosted by Prof. Gerard Pogorel of ENST (Ecole Nationale des Sciences de Telecommunication). The agenda covered all the "unfinished business" from the Buenos Aires Board Meeting including the negotiation of the ITS official journal contract, the progress of the Korean ITS 2002 Biennial Conference in Seoul (for which you will receive the Call for Papers announcement in the spring), the composition of ITS standing committees and the decision to endorse the new Board expense regulations.

Following the recommendations of the Conference Committee chaired by Hidenori Fuke, ITS has endorsed two upcoming regional conferences in the Asia-Pacific region. In early July 2001 there will be ITS conferences in Hong Kong, China and Perth, Australia (Book your travel calendars now). The call for papers for both these conferences are posted in this newsletter

I wish you all the best for the Christmas season and the New Year.

Loretta Anania

Connections

ITS Chair Loretta Anania recently announced the newly restructured committees, each of which reports directly to the Executive.



Membership & Nominations
Stanford Levin (chair)
Dan Furman,
Lorenzo Pupillo,
David Allen, Robert
Olley, Jim Alleman,
Susan Simon

Erik Bohlin has been appointed as the new ITS Vice Chair. The other committees are as follows

Finance
Lee Schmidt (chair)
Walter Richter, Almarin Phillips,
Frank Kiss, Karl-Heinz Neumann

Strategic Planning
Tom Spacek (acting chair)
Noemi Wachtel, Fernando Borio, Gerard
Pogorel, Rodolphe Baronnet-Frugés,
Cristiano Antonelli

Marketing
Bohdan Romaniuk (chair)
Juergen Mueller, Noemi Wachtel

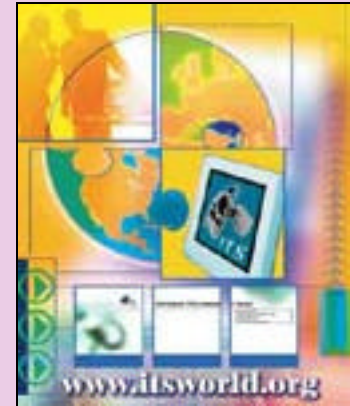
Conference & Seminars
Hidenori Fuke (chair)
Fernando Gallardo, Don Lamberton,
Lorenzo Pupillo, Georgette Wang,
Jae-Cheol Kim

The Chair, Vice-Chair and Treasurer are de-facto members of each of these ITS committees. The Executive Committee is comprised of all the committee chairs plus the four ITS officers.

Publications
Erik Bohlin (chair)
Don Lamberton, Nicolas Curien,
Glenn Woroch, Glyn Williams,
Alain de Fontenay

Jim Alleman, Loretta Anania, Eric Bohlin, Hugh Collins, Alain de Fontenay, Hidenori Fuke, Juergen Mueller, Bob Olley and Tom Spacek were re-elected at the Paris Board meeting to serve another term as Board Members.

Are You Connected?



Interconnect can
be found at
www.itsworld.org

Soon interconnect will be
exclusively on the ITS
website

- full colour version
- text only

ITS Hosts Successful Conference

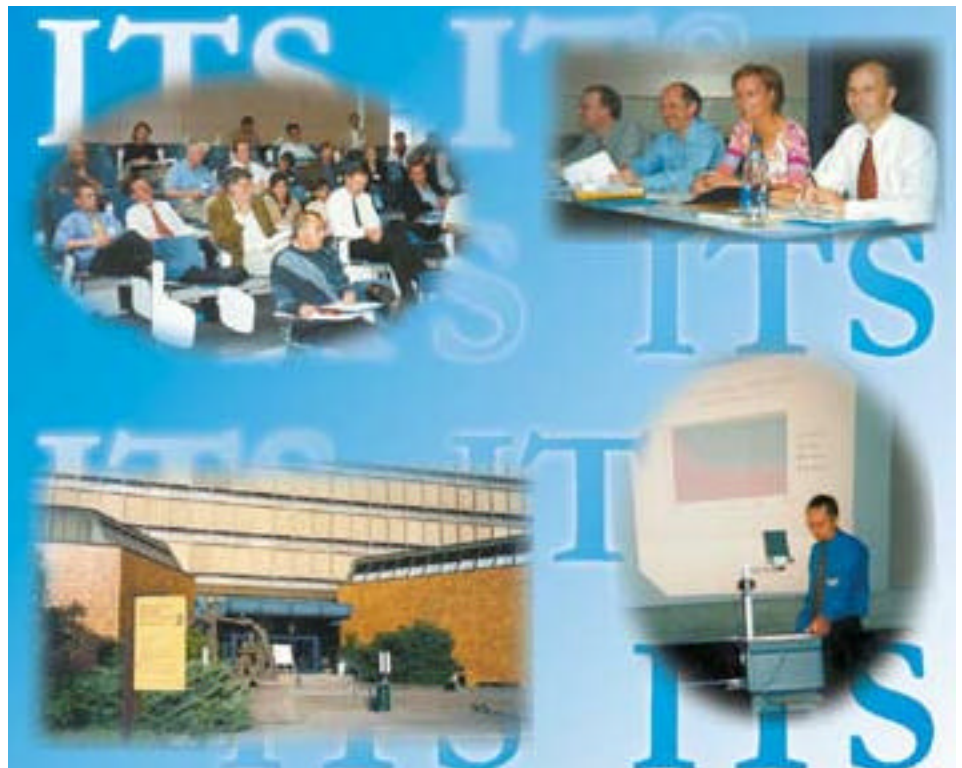
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areas, including competitive strategies, Internet services, electronic commerce, broadcasting, mobile telephony, broadband, CATV, postal services, modern virtual networks and emerging telecom markets - some of them conducted jointly with EARIE.

The merging of the ITS delegates with the nearly 400 EARIE participants during the first day of the conference made for dynamic exchanges of views and experience.

Social events, sponsored by Swisscom and ORANGE, included a sunset welcome reception with a magnificent view of the Alps just across Lake Geneva, and a Gala dinner in the famous Hotel de la Paix the following evening. Those staying the full duration of the conference had the opportunity to participate in a special wine tasting event on the slopes above Lake Geneva.

The 12th European ITS Regional Conference will be held next year at Trinity College in Dublin September 1st - 3rd, again in cooperation with EARIE.



ITS 14th Biennial Conference to be Held in Seoul



Conference Chair
Jae-Cheol Kim
President of the KATP

The ITS Board, at its 13th biennial conference last summer in Buenos Aires, unanimously accepted the bid by the Korean delegation to host the next biennial conference which will take place in Seoul, Korea.

Korea Telecom and SK Telecom, in collaboration with the Korea Association for Telecommunications Policies (KATP), submitted an official proposal for the next biennial conference. Representing the three organizations, Nakil Sung, a senior researcher for Korea Telecom, explained their determination to host the conference. He outlined an impressive working plan and presented a detailed budget.

All ITS Board members indicated that the excellent proposal was realistic and well thought out.

Upon the Board's decision, Professor Kap-Young Jeong from the KATP delivered an address of thanks, saying "I believe that the Seoul conference

will be every bit as successful as the previous ones."

The Seoul conference will be held for four days from August 18 -21, 2002.

Seoul is the capital city of the Republic of Korea in which a 5,000 year-old culture and history blend harmoniously in the midst of modern architecture. It is internationally recognized as a premier travel destination with a long history of world-class congresses,

including the 1988 Summer Olympic Games. Seoul will also be the host city for the FIFA 2002 World Cup.

The Seoul conference will provide ITS with the opportunity to extend its influence in the Asia and Pacific regions.

The conference venue will be the Convention & Exhibition Center (COEX), Asia's premier international convention and exhibition center. It is located in the World Trade Center in Seoul, which is the fast growing business and entertainment district.

Two leading Korean telecommunications carriers, Korea Telecom and SK Telecom, are strong supporters of the

Seoul conference. In 1999, Korea Telecom had \$8.7 billion U.S. of operating revenues by providing a variety of telecommunications services to more than 20 million customers.

SK Telecom, with a recently acquired subsidiary, gained about 14 million cellular telephone subscribers and had \$4.4 billion U.S. of operating revenues.

KATP, an association of academicians and professionals in the Korean ICT sector, will be mainly in charge of the scientific program.

From now until ITS 2002, each issue of Interconnect will provide updates on the developments of the conference, committees, key officials and, of course, the program itself.

For more information on the conference, contact Nakil Sung at its2002@hanmir.com or the conference secretariat at sec@its2002.or.kr.



Kap-Young Jeong, Nakil Sung,
Juergen Mueller and Jay Ahn met
in Lausanne to discuss ITS 2002

AWARD ANNOUNCEMENT

In the last issue of Interconnect, we announced only one winner of the ITS Student Paper Award from the Buenos Aires Conference. There were, in fact, two!

So it is with great pride that we present the second winner for the best paper by a Ph.D. candidate.

Alvaro S. Gonzales Staffa

"Bargaining: A Decentralized Mechanism for Setting Interconnection Tariffs in Network Industries".

Mr. Staffa's abstract will appear in the next issue of Interconnect.

SPECIAL INTEREST GROUP SEEKS ITS MEMBERS

A special interest group, focusing on 3G wireless technologies and the economies of 3G UMTS deployment has been proposed. The group would be formed within ITS, for ITS members who are involved or interested in 3G wireless technologies. We seek contacts with scientific or managerial staff of operating companies that are planning to deploy 3G technologies.

Please contact:

Frank Safertal
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email: fjsafert@bechtel.com
telephone: USA 301-228-6092
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GSM +44 (0) 777 182 0925

Call For Papers

International Telecommunications Society Asia-Indian Ocean Regional Conference

July 2-3, 2001 • Perth, Western Australia
(Co-hosted by Curtin University of Technology and Murdoch University, Perth, Australia, and sponsored by Cable and Wireless Optus).
URL: www.cbs.curtin.edu.au/research/its_conference

Conference Theme: Telecommunications and E-Commerce: Trade and Development in a Knowledge-Based Economy

The 21st Century heralds a new era of transformation and growth on a scale unprecedented in human history. Unencumbered by a legacy of old-economy telecommunications infrastructure, economies of the East Asian and Indian Ocean regions are ideally placed to reap the benefits of the Internet age. New industries, yet to be conceived, offer East Asian and Indian Ocean nations the opportunity to embark on a stunning transformation. The East Asian and Indian Ocean ITS regional conference offers a rare opportunity for leading intellectuals, officials and entrepreneurs to discuss and

analyze the issues unique to the regions. This event will focus on the future direction of e-commerce, information technology and the Internet with particular emphasis on the impact, risks, barriers and opportunities to economies within the regions. The major sponsor of the Conference is Cable and Wireless Optus.

Planned Sessions:

- Knowledge-Based Economy and Information Society
- Building Organizations for the New Economy
- Regional Telecommunications and Integration
- Economic Development, and Rural and Remote Information Needs
- Other Sessions

Important Dates:

- Submission of initial abstract for paper (400 words)
15 March 2001
- Notification of Acceptance/Rejection
15 April 2001
- Final Submission Date (full paper)
15 June 2001
- Conference
2-3 July 2001

6th Asia-Pacific Regional Conference of International Telecommunications Society Information Infrastructure and Sustainable Development: Challenges to Government Policy and Corporate Strategies

July 5-7, 2001
Hosted by: School of Business and Management
Hong Kong University of Science and Technology

Sustainable development has increasingly become a critical issue facing both developing and developed countries. In addition to global warming and a deteriorating environment, the emerging information-based economy has raised the attention of policy-makers in almost all countries. No country can afford to lose this new round of competition.

There are many factors that are critical to the success of the new economy. Among them, a decent and effective information infrastructure is undoubtedly of the highest importance. It might not be extravagant to claim that sustainable development is, to a certain extent, based on a sustainable information infrastructure. For this reason, developing countries are struggling hard to achieve the objectives of universal service and universal access, while at the same time, governments in developed economies are committed to accelerate the public's access to both wireline and wireless broadband services. To guarantee the sustainable development of the information infrastructure and henceforth the sustainable development of the society and economy, appropriate policy and strategy are henceforth critical.

The Conference Chair is now inviting submissions on all topics related to the conference theme. Suggested topics of interest include, but are not limited to:

- The Role of Information Infrastructure
- Broadband Access and Broadband Network Unbundling
- E-Commerce and Social-Economic Development
- Regulatory Environment for E-Commerce
- Universal Access and Universal Service
- Knowledge Economy and its Implications for the Digital Divide
- Distance-Learning and Distance-Medicine
- Interconnection Among Fixed, Mobile and Broadband Networks
- M-Commerce and Broadband Wireless Service
- Spectrum Regulation and 3G Licensing
- Convergence and its Challenge to the Regulatory Framework
- Broadcasting Policy
- WTO and its Impact on Telecommunications Development
- Effective Legal and Regulatory Framework for the Telecommunications Industry
- Internet Telephony and its Regulatory Implications
- Implementation and Management Strategies for Organizational Communications
- Electronic Transaction Security and Technology
- National IT Strategy and Policy
- Country Studies
- Sustainable Development of Information Infrastructure

Electronic versions of abstracts 300-400 words should be submitted to Miss Mandy TAM via E-mail account: its2001@ust.hk

EARIE 2001 • The European Association for Research in Industrial Economics (E.A.R.I.E.) 28th Annual Conference

Trinity College, Dublin, Ireland • August 30 - September 2, 2001.

Dr. Ciara Whelan, University College, Dublin, will manage the programme and book of abstracts.

Keynote Speakers include

- Prof. Micheal Waterson (Warick)
- Prof. Ariel Pakes (Harvard)
- Prof. John Sutton (LSE)
- Prof. David Newbery (Cambridge)

To date, 15 Young Economists' Essay Competition Prizes have been made available

Those wishing to submit a paper should send three hard copies accompanied by a 100 word abstract, on disk (ideally a Word document), or submit both the paper and abstract by Email before March 1, 2001, to Dr. Ciara Whelan

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Eligibility: Single authored papers under 35 years of age or under 5 years since completion of a Ph.D.

Purpose: To encourage young researchers to attend EARIE 2001.

Award: Awards will cover airfare (APEX), accommodation and registration fees.

Funded by:

One Prize Each

- Journal of Industrial Economics.
- International Journal of Industrial Organisation.
- LICOS, Centre for Transition Economics, K.U.Leuven, Belgium.

Twelve Prizes:

- European Commission, DG XII, awarded High-Level Scientific Conference status.

Presentation

Prizes will be presented at the Gala Reception in Dublin Castle by

- Professor Ariel Pakes
(Harvard University)
- Professor John Sutton
(London School of Economics)

Patrick Paul Walsh
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Open Notice to ITS Members

Membership Renewal Update

Dear ITS Members,

The International Telecommunications Society is probably the longest-standing non-profit association of professionals in its field. The international Board of Directors of the society has instituted a number of policy initiatives to strengthen ITS. We completed a very successful thirteenth ITS Biennial Conference in Buenos Aires this past July, our first ever in Latin America. The next ITS Biennial Conference will be in Seoul, Korea, in August 2002. Three regional conferences are planned for 2001 in Dublin, Hong Kong and Perth.

We keep in touch with the 400 plus ITS members by publishing and mailing our newsletter, *Interconnect*, and by maintaining an interactive ITS Web Site at www.itsworld.org, as a source for a wide variety of conference information as well as a compendium for all the academic research papers given at the Biennial Conference. We currently offer ITS members a subscription to *info*, the official ITS journal (at a cost to ITS of more than individual

registration fees). In conjunction with these membership benefits, ITS accomplishments include a drive for new corporate and institutional members to broaden our base of support.

Delegates at the Buenos Aires Conference Automatically Granted ITS Membership

When a delegate registers for an ITS biennial conference, such as Buenos Aires, the conference registration fee automatically includes membership dues for the next two years. Everyone who registered in Buenos Aires enjoys

membership privileges until the Seoul conference. Members who register for Seoul will not have their membership lapse. So this letter is primarily directed to those ITS members who attended the Stockholm conference, and have been members to date; but who did not attend the conference in Buenos Aires. It is also directed to someone who may have joined, and paid throughout the year 2000.

Renewal Notice

If you wish to continue as a member of ITS, and to receive the journal and the Interconnect newsletters, please

renew your membership by sending a check of \$150 U.S. (two year individual membership) to L.W. Schmidt, ITS Treasurer, 33 Alpine Drive, Guilford NH 03249, USA (e-mail: lschmidt@gte.net). Do not hesitate to contact our secretariat, Rony Mingels, (e-mail: rm@arttic.be) if you need further information.

*Loretta Anania,
ITS Chairman*

Take FULL Advantage of your ITS Membership

As an ITS member, you are part of a world-class organization of academics, regulators and industry professionals specializing in telecommunications. Our influence extends around the world through our good works and through a highly developed networking infrastructure.

Ensure you are an active part of this key networking opportunity.

Do we have

.....	Your correct email address	X
.....	A link to your personal or professional web site	X
.....	Knowledge of your latest academic / professional successes	X
.....	Information on conferences / publications / interesting projects you are working on	X

Your personal links will be incorporated into the ITS web site www.itsworld.org. Interesting information may also be used in future issues of Interconnect.

Please ensure we have your latest data by sending it electronically to Pete Desrochers <cartel@planet.eon.net> or, if necessary, by mail to the Interconnect Office listed on the back of the newsletter.

LET ITS WORK FOR YOU!

The ITS Board of Directors invites you to become a member.

Please fill out and mail the ITS Membership Application Form, along with your check, to:

International Telecommunications Society

c/o Mr. Leland W. Schmidt, 33 Alpine Drive, Guilford, NH 03249, USA

e-mail: lschmidt@gte.net

Membership Categories: Individual Membership - \$75 per year

Nonprofit/Government - \$500/\$1000 (1-100 employees/101+ employees) per year

Societal Member - \$1500 (20% Societal Members receive Board seats) per year

International Member - \$3000 (50% Int. members receive Board seats + 1 free attendee at conferences) per year

Global Member - \$6000 (All Global members receive board seats + 3 free attendees at conferences) and

3 memberships per year

* Registrants of Biennial Conferences automatically receive individual memberships for 2 years

Please fill in the following information:

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The Leading Edge

Paper presented at the 11th European Regional Conference in Lausanne, September 9-11, 2000

Strategy, Structure and Regulation: Telecommunications in the New Economy

Rui J.P. de Figueredo, Jr., and Pablo T. Spiller, Walter A. Haas School of Business, University of California at Berkeley

The authors begin by pointing out that traditionally the fundamental basis of success in telecommunications was the ownership of a large network of real, physical assets. Ownership of the physical network created opportunities for economic rents that could be obtained over time. The change in the economics of information, however, and, more importantly, the ability to network individuals and firms at very low cost has changed the strategic landscape. Firms that can take advantage of short windows of opportunity are ultimately the most successful in increasing their market share, growth, and profits. To do this requires employing both market and non-market strategies to transform these short-term opportunities into long-term competitive advantages.

The authors argue that different telecommunications firms have had varying degrees of success in their ability to respond to these short-term challenges. In particular, the paper contrasts the success of telecommunications firms in the United States and in Europe as they have entered newly competitive markets and established or attempted to establish competitive positions. The authors suggest that there are two primary determinants of firms that are successful in obtaining a strategic advantage in the newly-entered markets.



First, the regulatory structure for telecommunications is a critical factor in determining outcomes. The key institutional feature is whether or not there is divided control of government regulatory institutions. In countries such as the United States, where regulatory control is fragmented, the regulatory structure is hard to change. In contrast, in Europe the regulatory environment in each country has been one of unified control over institutions. As a consequence, changing the status quo has been easier in Europe than in the U. S. Firms in Europe have been less restricted in their access to new markets, and this, in turn, has allowed for their rapid entry into all types of new economy businesses.

The second factor crucial in differentiating the United States and Europe is the pre-existing industry structure. In the United States, the horizontal and vertical fragmentation of the industry following the break-up of AT&T has created a sector composed of firms with antagonistic interests, further entrenching the status quo. In Europe, on the other hand, the desire of each national regulator or government to preserve and further the interests of their national telecommunications company has resulted in a more flexible regulatory environment.

One conclusion from this study is that the U.S. Regional Bell Operating Companies (RBOCs) have lost the war. As other firms have staked out competitive positions early on, the RBOCs have been forced to sit on the sidelines, losing the opportunity to leverage their large customer bases to their advantage, into both new markets and long distance.

North Holland/ Elsevier announces

Convergence in Communications and Beyond

Edited by E. Bohlin, School of Technology, Management & Economics, Chalmers University of Technology, S-412 96 Göteborg, Sweden; K. Brodin, A. Lundgren and B. Thorngren, Center for Communications and Information Research, Stockholm School of Economics, P.O. Box 6501, S-113-83 Stockholm, Sweden

This book includes selected and edited contributions from ITS98 dealing with the implications of convergence in communications. A wide-range of papers by expert scholars and inside policy analysts captures the convergence issue from a number of perspectives including economics, engineering, business, organization theory, psychology, policy analysis, and even analysis related to international relations.

- Part I: Convergence in Communications: An Overview
- Part II: Practical Policy Perspectives from the Triad
- Part III: Internet and User Demand
- Part IV: Convergence and Business Networking
- Part V: Convergence, Strategy and Structure
- Part VI: Convergence and Regulatory Transformation
- Part VII: Convergence, Futures and Research Agendas

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<http://www.elsevier.nl/inca/publications/store/6/2/1/6/0/7/index.htm>

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