Key Global Issues Debated in Perth

The ITS Asia-Pacific Regional Conference was held in Perth, Australia, this past June. The conference theme was “M-Business, E-Commerce and the Impact of Broadband on Regional Development and Business Prospects.”

There were 169 delegates in all; 99 from academia, 38 from business, 16 from regulatory agencies, 12 from research institutes and 4 from international organizations representing 24 countries. AusAID supported delegates from India, Mongolia and South Africa through their International Seminar Support.

Stanford Levin, Professor of Economics at Southern Illinois University Edwardsville and Chair of the Membership & Nominations Committee, opened the Conference. He explained the mandate and undertakings of ITS and highlighted the agenda of global conferences under ITS auspices. Gary Madden, Conference Chair, Professor of Economics at Curtin University and CEEM Director, welcomed delegates.

94 refereed papers were presented in parallel sessions, as well as 17 plenary presentations. Business activities and business applications were strong sub-themes. There were healthy debates over implications for pricing, fair competition, interconnection, convergence, mobile applications and supplier/consumer driven products.

Many questioned whether new technologies were really of benefit to businesses. Conversely, there were strong presentations on increasing profits through Advanced Mobile Services and 3G technologies.

The scientific sessions explored matters such as measuring total factor productivity (TFP), rational explanations of ICT investment, and analysis of mobile Internet demand using data on willingness-to-pay.

The closing plenary session, entitled “The Development Imperative,” centered on what Conference Chair Gary Madden referred to as the evolving digital divide between developed and developing countries. Papers were also presented on broadband development, related policies in the OECD and regional implications. Attendees were also briefed on the information superhighway in North Africa.

The conference dinner was held at JoJo’s River Restaurant, situated on the jetty of the old Swan River at Nedlands. Buses took delegates to the restaurant through Kings Park, a large expanse of natural bushland and parkland situated on an escarpment overlooking the city of Perth and the Swan River.
The ITS Board of Directors met on August 23, 2003 in Helsinki, Finland, just prior to the 14th ITS European Regional Conference. The Board received committee reports, which are summarized in this issue of Interconnect, and addressed several issues.

A particularly challenging issue addressed by the Board was how to secure greater benefits for ITS from the many regional conferences it sponsors and organizes around the world.

ITS conferences are typically well attended and consistently offer participants papers and presentations of the highest caliber. ITS regional conferences have been very successful in terms of raising the awareness and enhancing the reputation of ITS.

In addition, these conferences have historically been operated on a break-even financial basis so as not to burden ITS with any conference-related financial expense. Taken together, these are not insignificant benefits.

On the other hand, ITS regional conferences have been unsuccessful in generating new memberships for the organization. Equally disappointing, these conferences have not generated any revenues for ITS, despite attracting thousands of participants throughout the years.

With these and related considerations in mind, such as the fact that ITS indirectly subsidizes its regional conferences through its marketing and promotional budget, the Board reached a determination in Helsinki that, henceforth, a differential fee schedule would be instituted at all ITS sponsored regional conferences.

In the future, non-ITS members will be charged a modestly higher fee for attending regional conferences than will be ITS members. The full fee differential will flow directly to ITS as an additional source of revenue.

Persons choosing to purchase an ITS membership will, of course, be able to obtain a preferred rate for attending ITS regional conferences and will secure for themselves all of the additional benefits of ITS membership.

At present, most ITS memberships are generated from persons attending ITS biennial conferences, as biennial conference fees also include a two-year individual membership in the organization. On a going-forward basis, the ITS Secretariat will be issuing invoices for membership renewals to all individuals whose memberships have lapsed, whether it is because they missed a biennial conference or because their membership has otherwise expired.

On a closely related matter, the Board determined that no Board members whose ITS memberships have lapsed shall be permitted to retain their Board positions unless and until their memberships have been renewed and fully paid.

In addition, the Board directed the Membership & Nominations Committee to make recommendations for the removal of Board members who have not attended three meetings in succession.

Another issue revisited by the Board was the question of paper vs. electronic journals. The Board acknowledged that printed journals may be more accessible for many of its members whose first language is not English. A printed journal was also perceived to be a friendlier and more convenient medium for members who use the journal for scholarly research.

The principal disadvantage of producing and distributing a hard copy journal is the cost. Electronic access to the ITS journal could potentially reduce costs to a significant extent. On the other hand, there may be non-trivial costs of generating and managing passwords for member-only access.

In addition, the experience of ITS to date with the electronic journals has not been very positive. When given the opportunity, members have been extremely reluctant to avail themselves of access to the electronic version. The Publications Committee will explore relative cost advantages and report back to the Board.

Interconnect faces the same issue of electronic vs. paper publications. As with the journal, Interconnect will continue to be distributed in hard copy. The Marketing & Promotions Committee has successfully reduced some of the publications costs, and will continue to explore other options. The Committee will also examine the possibility of a gradual transition from hard copy to a solely electronic format to be distributed by e-mail.

In other business, former Board member, Cristiano Antonelli, was elected to the Board by an electronic vote of Board members, and Yoshiro Tagawa was elected to the Board as the InfoCom representative.
Finance Committee

ITS expenses for 2003 were similar to those for 2002. However, overall revenues were lower since there was no biennial conference this year. At current levels, ITS will show a deficit for the year 2003. The financial well-being of ITS rests largely with the biennial conferences, which are the source of most new memberships. The growth of ITS’s corporate memberships, especially global members, is also important.

Aside from biennial conferences, three quarters of ITS’s new individual members are joining through the website in 2003. There were 13 new members, of whom 10 joined via the web.

Regional conferences are presently revenue neutral. There is some expense to ITS to provide the newsletters, brochures, and other support. The Korea biennial was revenue neutral to ITS based on the contributions of SK and KT Telecom. Revenue-generating initiatives and cost-cutting measures continue to be priorities.

Publications Committee

In January 2003, ITS signed a contract with Communications & Strategies (C&S) for the 2003-2004 ITS journal under the same terms as the previous two years. ITS pays US $40 per member for a one year subscription. C&S is responsible for the distribution of the journal and the ITS newsletter but has editorial freedom from ITS.

Over the past year, ITS and C&S closely cooperated on a number of projects. Several papers from the European Regional Conference in Madrid were accepted for publication. Most visibly, a special issue on ICT in Asia was launched by C&S with the support of ITS. The Publications Committee extends its thanks to Gary Madden, who promoted the special issue at the ITS Perth Conference and provided a number of abstracts to be reviewed by C&S. Guest editors from ITS for the special issue are Erik Bohlin and Georgette Wang.

ITS board members Loretta Anania, Cristiano Antonelli, Erik Bohlin, Alain de Fontenay, Karl Heinz Neumann, and Gérard Pogorel are on the C&S Editorial Board and Scientific Committee.

The Seoul conference resulted in two edited publications. One is an edited book to be published by Elsevier North Holland. Editors are Erik Bohlin, Stanford Levin, Nakil Sung and Chang-Ho Yoon. There is also a special issue on mobile growth conditions forthcoming in Telecommunications Policy. Editors for this publication are Erik Bohlin, Stanford Levin and Nakil Sung.

Several publications are forthcoming from the Perth conference including:
- a Springer Verlag book (editor Gary Madden)
- a special issue for Telecommunications Policy (editor Gary Madden)
- contributions for a C&S special issue on ICT in Asia (editors Edmond Baranes, Erik Bohlin, Georgette Wang)

At an earlier Board meeting, the Publications Committee was asked to comment on an Intellectual Property (IPR) policy for ITS. The Publications Chair recommended at the Helsinki Board meeting that ITS not appropriate copyright for papers presented at an ITS conference. Copyright rests with the authors, although authors agree to have the papers distributed as paper copies, downloadable files on the ITS conference website and as conference CD’s.

ITS has not previously sought copyright, and the Publications Committee recommends it should not do so in the future. The Board referred the matter to the legal experts on the Board (ITS Secretary Susan Simon and ITS Marketing & Promotions Committee Chair Don Romaniuk) for further consideration.

Conference & Seminars Committee

The Perth and Madrid conferences were successful. Both were revenue-neutral and both did an excellent job of showcasing ITS. At the Madrid conference, which was a joint conference with EARIE, ITS had a booth and will explore the possibility of having a booth at future regional conferences.

Other potential ITS Regional Conferences include:
- Late 2003 or early 2004 in Dubrovnik, Croatia
- September 5-7, 2004 in Berlin in conjunction with EARIE
- September 26-28, 2004 in Zaragoza, Spain
- June 2005 in Hong Kong

Proposals for regional conferences should be sent to the Chair of the Conference Committee who will forward them to committee members. Responsibility to approve a regional conference is specifically delegated to the Conference Committee.

Marketing & Promotions Committee

Interconnect currently prints between 1500 and 2200 copies per issue, allowing for extra promotional copies and to support regional and biennial conference organizers.

Interconnect encourages individual submissions. Individuals can also submit their own editorials. Interconnect is published on the web and inserted in C&S. Back issues are available in the archives on the web site at www.itsworld.org.

The September issue usually covers the annual Board meeting, highlights past biennial conferences and announces upcoming ones. The September 2002 issue covered the Korea conference and the Call for Papers for both the Helsinki and Seoul conferences.

The November issue typically features regional conferences held during the prior spring and summer as well as upcoming regional and biennial conferences. The November 2002 issue, for example, carried reports on the summer 2002 regional conference in Madrid and the upcoming regional conference in Perth. Several stories of personal interest were also published.

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The November 2002 issue of Interconnect also discussed the IDATE - ITS relationship and the capability for online membership registration using credit cards. The March 2003 issue included articles on the Montpelier Board meeting and the IDATE conference, the new Listserv and Xu Yan’s new book with a discount offered to ITS members.

The ITS web site is updated frequently. As its profile grows, so do the number of people accessing it and using its services.

The new ITS brochures were printed this year and reside with the Secretariat for distribution. There will be an ample supply to carry to the next biennial conference.

Membership & Nominations Committee

The Membership & Nominations Committee reported that ITS needs to devise creative ways to attract corporate global members. The reality of the current economy is that corporations have less money to support external non-profit organizations and are withdrawing from many past initiatives. There is also a potential conflict between pursuing a corporation as a corporate member and getting them as a corporate sponsor.

ITS will endeavor to attract high-level corporate speakers, provide a forum for debate and encourage papers in areas that are important to their corporations.

The Membership & Nominations Committee will continue to pursue not only large corporations but also smaller active companies and other organizations. ITS also continues to encourage participation by regulators and government agencies.

The 14th ITS European Regional Conference was held on August 23-24, 2003 in Helsinki, Finland, at the Helsinki School of Economics. This was in conjunction with the European Association of Industrial Economists (EARIE).

Over 130 delegates from 17 countries attended the conference, which focused on such matters as:
- Telecommunications Regulation
- Roles of Telecommunications Infrastructure
- Changes in the Structure of the Telecommunications Industry
- Telecommunication Services
- Industrial Policy Issues
- Electronic Commerce
- Convergence Among the Telecommunications, Broadcasting, and Computing Industries

In total there were 25 sessions with over 80 papers presented. Additionally, there were a number of joint sessions with EARIE, which has become a featured custom of the two conferences.

Regulatory issues were keenly debated, particularly in terms of access, price control and anti-competitive behavior. The new EU Regulatory Framework on Broadband also drew much attention. Key discussion points centered on infrastructure roll out, strategy and concerns relating to content providers.

Hal Varian from the University of California Berkeley, delivered the keynote address, “Forces in the Network Economy.” He is also the co-author of the book, Information Rules.

The welcome reception was hosted by the Finnish telecommunications company, Elisa, represented by one of its directors, Jari Karpakka. Elisa held the event at the beautiful Meritalli Terrace Restaurant by the sea.

Social highlights included a performance of the Leningrad Cowboys at Senate Square at the city center, in concert with the Red Army Choir, and a conference dinner at the Meritalli seaside restaurant that rather romantically ended in candlelight due to a 20 minute blackout affecting all of Helsinki.

Professor Jürgen Müller delivered the closing address with an invitation to attend the 2004 conference, to be held in Berlin, Germany. ITS and EARIE have been running successful back to back conferences in Europe for 10 years.

Call For Papers

15th European Regional Conference, September 5-7 2004, Berlin, Germany (in association with the 31st EARIE Conference, September 2-5, 2004)

ITS invites the submission of research paper abstracts for the 15 th ITS European Regional Conference no later than March 31, 2004 in following areas:
- Industrial Policy Issues
- Electronic Commerce
- Convergence Among Telecommunications, Broadcasting and Computing Services
- Telecommunications Regulation
- Role of Telecommunications Infrastructure
- Changes in the Structure of the Telecommunications Industry
- Telecommunication Services

Abstracts must be no more than two pages. Papers should be in English, no more than 25 pages in length and be based on current research.

More detailed information can be found at www.its-europe.org or by contacting Dr. Jürgen Müller jmueller@fhw-berlin.de.
Zaragoza to Host ITS 2004 Regional Conference

Zaragoza, a beautiful city located in the Spanish region of Aragon, will be the location of an ITS Regional Conference September 26-28, 2004.

The University of Zaragoza and the Aragon Government will jointly host the conference, which will be a small and very focused meeting on “Regional Development and the Information Society.”

Although the Call for Papers will be a worldwide call, prospective presenters will be required to address very focussed topics on communications and regional development. Aragon’s government promotes telecommunications as a basis for its own regional development.

The University of Zaragoza, with more than 50,000 students, offers a telecommunications degree. There are also a number of regional technological enterprises including Siemens, with its R&D and production center. There is also the Walqa Technological Park to foster creation, startup and development of innovative technology-based firms in communications, the Internet and electronic commerce.

For more information contact Tedioso Perez Amaral by email at teodosio@ccee.ucm.es.

Member Profile

Stanford L. Levin

STANFORD L. LEVIN, PH.D.
Emeritus Professor of Economics
Southern Illinois University
Edwardsville

Dr. Levin joined Southern Illinois University Edwardsville in 1972 and was Professor of Economics from 1985-2002. He was Chairman of the Department of Economics from 1986 to 1994. In November, 1984, he was appointed Commissioner of the Illinois Commerce Commission, the state utility regulatory agency, by Governor James R. Thompson, serving until March, 1986, when he returned to the University. While at the Commission, he was Chairman of the Commission’s Telecommunications Policy Committee and was a member of the Commission’s Electric Policy Committee.

From 1996-2002, Dr. Levin was Director of the School of Business’ International Exchange Programs. In addition, Dr. Levin is President of the Resource Group, Inc., an economic consulting firm, and has served as a member of Bellcore’s Advisory Board. He was a consulting economist to the Chicago Regional Office of the Federal Trade Commission from 1979 to 1983, and spent a sabbatical leave in 1978 at the Energy Service of Data Resources, Inc., in Washington, D.C.

Dr. Levin has a B.A. in Economics from Grinnell College and a Ph. D. in Economics from the University of Michigan. He has published numerous articles, papers, reports, and monographs, including articles in the Southern Economic Journal, the Review of Economics and Statistics, the Review of Industrial Organization, the Journal of Energy Law and Policy, Telecommunications Policy, and the International Review of Economics and Business. He is also a co-editor of a book on antitrust and a book on telecommunications.

Dr. Levin has presented papers at professional economics meetings, served as an expert witness in antitrust and regulatory proceedings, and has testified before federal and state regulatory commissions in the U.S. and in Canada and in U.S. federal and state courts. He has organized economics conferences and has spoken at a variety of professional and trade groups. He has been a trustee and president of the Illinois Economic Association and is a member of several professional economics organizations.

Recently appointed to the ITS Executive Committee, Dr. Levin is Chair of the Membership & Nominations Committee and is on the Editorial Board of Interconnect. He is a familiar figure to many ITS members, having attended almost every biennial conference since Tokyo, as well as many ITS regional conferences.
Dr. Lorenzo Pupillo, an executive director with Public and Economic Affairs of Telecom Italia, joined the Global Information & Communication Technologies Department of the World Bank in Washington, D.C., as of November 2003. Dr. Pupillo is on secondment from Telecom Italia and will be working on telecommunication regulation and other ICT development issues in the Information for Development Program.

As an economist he has worked in many areas of telecommunications demand and regulatory analysis, publishing papers in applied econometrics and industrial organization. Before joining Telecom Italia in 1992, he was a member of the technical staff at AT&T Bell Laboratories in Murray Hill, New Jersey.

He earned a Ph.D. and an M.A. from the University of Pennsylvania, an MBA from Instituto Adriano Olivetti in Ancona, Italy, and a MS in Mathematics from the University of Rome. Dr. Pupillo also serves on numerous committees for international organizations and on scientific and advisory boards around the world, including the ITS Board of Directors.

Note: The Chairman, Vice-Chairman and Treasurer are ex officio members of each of these ITS committees, and the appropriate committee chair needs to inform them of any committee activities.
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as of October 14, 2003

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When Jae-Kyung Kim presented his article on WLAN, “How to Succeed in the WLAN - a Lesson from Wired ADSL in Korea,” at the ITS European Regional Conference August 23-24, 2003, in Helsinki, Finland, delegates flocked to the presentation, overcrowding the room.

WLAN is a hot topic, and Kim’s paper provides perspectives from a country that is at the forefront of wired broadband Internet services. His analysis takes as its starting point the success factors behind the spectacular growth of these fixed services in Korea, a success which telcos are hoping to replicate for WLAN.

In contrast to the situation in the USA and Europe, it is telcos providing fixed wireline services that have been taking the lead in Korean WLAN services, with business models evolving from a hotspot model to a model focusing on existing individual users of wired DSL services.

However, demand growth for WLAN services has been grossly overestimated by operators, prompting Kim to propose supply side initiatives as well as policy measures for stimulating WLAN.

His recommendations include reasonable pricing, increased cooperation between service and equipment providers, and additional incentives for an aggressive commercialization of public WLAN services. Building on experiences from a pioneering market, Kim’s analysis and suggestions are likely to have important implications for businesses and regulators in a number of countries. The paper is available at www.its-europe.org in the section containing papers from the Helsinki conference.