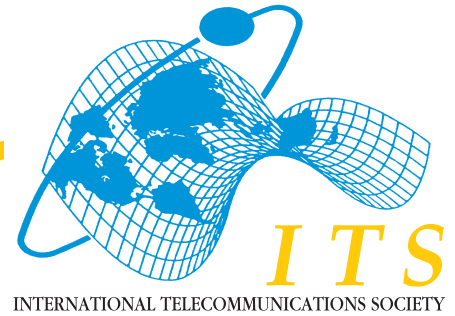


# INTERCONNECT

Issue 2, Volume 3  
September, 2001  
INTERCONNECT



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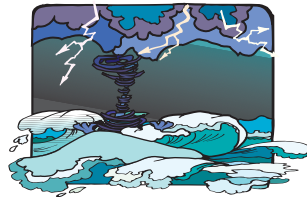
## VISIT OUR WEBSITE AT:

[www.itsworld.org](http://www.itsworld.org)

## SPECIAL ITEMS OF INTEREST

- Celebrating Life
- Info on *info* - the ITS online journal

## “Eventful” Sixth Asia-Pacific Regional Conference of the International Telecommunications Society Bravely Hosted in Hong Kong



*“In China, we have an old saying that important guests always bring the rain and wind. It seems you are extremely important, as you bring the typhoon to Hong Kong,”*

said Mr. Chung-Kai Sin to delegates of the Sixth Asia-Pacific Regional Conference of ITS at the beginning of his keynote address.

Chung-Kai Sin is the legislative councilor (IT Sector) of the Hong Kong Legislative Council and also council member of the host Hong Kong University of Science and Technology.

The event-filled conference, from July 5th to 7th, was hit by typhoon “Uter” on the first day of this international event. The Organizing Committee reacted immediately by making alternate arrangements and changing the conference venue from the campus to a conference hotel.

Barbara Cherry, Mark Jamison, and James Alleman provided coordinating and administrative support to quickly restructure two tracks of presentations. Fortunately, the typhoon was downgraded later in the afternoon, and all participants were able to celebrate the survival of their first day at the Cafe Deco on Victoria Peak.



## Message from the Chair

Dear Members,

The last few months could not have been busier, with the various ITS regional conferences in June (Washington), July (Perth, Taipei, Hong Kong), and now September (Dublin).

These times of significant upheaval in the telecom industry, and particularly the stock market prices, also provide an opportunity for ITS to provide informed debate on new and compelling issues. Our recent regional conferences (with and without typhoons) have succeeded in providing those fora for informed debate.

There is an acknowledged need for broad-minded expertise on expanding aspects of economic theory, new technology developments, public policy requirements and greater international collaboration for a wider perspective of global e-trade.

With the next ITS Biennial Conference in Seoul less than a year away, I trust that many ITS members will answer the Call

for Papers and submit leading edge research papers.

The ITS Board of Directors is planning its 2001 meeting, tentatively scheduled for November 24th in Montpellier, France. There shall also be an Executive Committee meeting soon thereafter at New York's Columbia University. We will keep you posted, both through this newsletter and our website, [www.itsworld.org](http://www.itsworld.org).

I also call upon all ITS members to continue looking forward and to give some thought to the 2004 Biennial Conference. We are interested in starting negotiations with potential hosts. We would be very interested in your suggestions, ideas and possible contacts you think might be particularly promising. We encourage all serious offers to make official presentations in Seoul. The fine people who make up our Conference Committee will be delighted to provide a warm response and ongoing guidance to interested hosts and sponsors.

*Loretta Anania  
ITS Chair*

# “Eventful” Sixth Asia-Pacific Regional Conference of the International Telecommunications Society Bravely Hosted in Hong Kong

continued

Participants expressed appreciation and admiration for the organization's quick reaction to unexpected circumstances. Clearly not even a typhoon could keep a good conference down.

“I think this is for what we in Hong Kong take great pride - the Hong Kong spirit of flexibility and quick reaction,” said Mr. Jolly Wong in his e-mail message to the Organizing Committee. Wong, a local participant from the Hong Kong Police, is also the immediate past chairman of Hong Kong Institute of Engineers.

As for the conference itself, it received an overwhelming international response. The final program contained 91 submissions from authors representing 28 countries spanning five continents.

Senior officials from the Information Technology and Broadcasting Bureau, Office of Telecommunications Authority (OFTA), the Legislative Council, as well as the Internet and Telecom Society of Hong Kong, all addressed key issues of Hong Kong's strategy of enabling itself as a regional information hub.

The total number of participants reached 130, including a delegation from Mexico that consisted of five Congressmen, five Senators and one deputy minister. Mr. Anthony Wong, Director-General of OFTA, met the delegation. The Mexican delegation also paid a visit to Hutchison, a potential investor in 3G services in Mexico.

Just prior to the conference, OFTA had invited several participants to arrive in Hong Kong and organized a workshop for the local industrial sector. More than 200 participants attended the workshop. Anthony Wong believed that this was the best way to celebrate the 8th anniversary of the establishment of OFTA. One's 8th birthday is a particularly important birthday in Chinese culture.

Conference organizers were especially pleased with the quality of presentations. Editors from prestigious academic journals such as *Telecommunications Policy*, *Info*, *Information Economics and Policy* and *Mobile Communications and Mobile Computing* were also impressed and will work with ITS committee members to publish selected papers.

The conference offered significant subsidization for student participants. Eighteen Ph.D. candidates from abroad participated in the conference

program. Organizers had committed to play an important role in facilitating studies and research in the area of telecommunications policy. They believe these are key factors behind the future sustainable development of information infrastructure - a belief totally compatible with the theme of this international conference.

Professor Kar-Yan Tam, Conference Chairman and the Associate Dean of the HKUST Business School, commenting on the proceedings during the event, stated “The conference provided a forum for policy makers, academics and corporate executives to discuss issues and share experience. Hong Kong University of Science and Technology is very pleased to host this first class conference.”



## info online journal for ITS members

One of the benefits of ITS membership is free online access to **info** (the journal of policy, regulation and strategy for telecommunications, information and media). **info**, edited by Colin Blackman and published by Camford Publishing, is published six times a year. If you have not already done so, please register for online access at:

<http://www.camfordpublishing.com/info>

Should you wish to receive the print version of **info**, ITS has negotiated discounted rates for its members and their organizations. Camford Publishing will be contacting all members to explain these offers.

For further information, contact: Katherine Macdivitt <katherine@camford.demon.co.uk>

**info**

the journal of policy, regulation and strategy of telecommunications, information and media

## Conference & Seminars Committee

The Conference Committee has been very active this quarter, with three regional conferences in July. The ITS Asian-Indian Ocean Regional Conference took place on July 2nd and 3rd in Perth, Australia. It was hosted by Curtin University and Murdoch University under the title "Telecommunications and E-Commerce: Trade and Development in a Knowledge-Based Economy." Approximately eighty papers were submitted originating from ten countries.

An ITS International Symposium was held on July 2nd in Taipei, Taiwan. The Symposium was organized by the Institute of Telecommunications, National Chung-Cheng University. Close to one hundred attendants from a wide range of countries discussed and debated "Competing Strategies in an Uncertain Era." The participation of Dr. Kao, Deputy Director General, Directorate General of Telecommunications, along with senior management from many telecommunications carriers, made the event among the most prestigious in the region.

The 6th ITS Asia-Pacific Regional Conference was organized by the Hong Kong University of Science and Technology from July 5th to 7th in Hong Kong. Again, about one hundred papers from authors representing thirty countries and regions were submitted. Many participants exchanged research results and opinions about the conference theme, "Information Infrastructure and Sustainable Development: Challenges to Government Policy and Corporate Strategies."

The Conference Committee and the entire ITS organization welcomes its new members who joined the society through these events.

The invitation brochures to the ITS 14th Biennial Conference, to be held next August in Seoul, were distributed by the respective organizing committees. We hope all ITS members will continue to actively contribute toward the success of this flagship event next year in South Korea.

## Finance Committee

The Finance Committee completed the year-end financial report to the Board of Directors, as explained in the last issue of Interconnect. There has also been the completion of the filing of the ITS tax report to the United States tax authorities. Even

## Connections



though ITS is a tax-exempt institution under U.S. law and pays no taxes on its activities, it still needs to make a complete tax filing each year. On another positive note, ITS continues to receive applications for membership from individuals, so ITS membership keeps growing, even between the Biennial Conferences. That is very good news.

## Marketing & PR Committee

The Marketing Committee completed the design, printing and distribution of the new ITS brochures. The brochures were made available at all of this year's ITS regional conferences to date and will be given to delegates at all ITS functions between now and the 2002 Biennial conference. The brochures were extremely well received, and additional copies are available to conference officials and ITS members upon request by contacting Interconnect at <cartel@planet.eon.net>.

The Interconnect editorial board reports to the Marketing Committee, which is responsible for publishing three newsletters per year. The Committee is also responsible for the development and maintenance of the ITS website [www.itsworld.org](http://www.itsworld.org). The site offers a number of communications options and feedback opportunities, and ITS always welcomes ideas, comments and constructive suggestions from members and the public alike.

## Membership & Nominations Committee

The Membership and Nominations Committee has been holding votes when required via the Internet for new Board members. The Committee votes and then forwards its recommendation to the Chair, who conducts the election among all Board members. In anticipation of the 2002 Board meeting in Seoul, in conjunction with the biennial conference, the Committee will begin actions to implement the Board's policy to remove inactive Board members.

## Strategic Planning Committee

As mentioned in the last issue of Interconnect, the Strategic Planning

Committee drafted a mission statement which included a section entitled "ITS Areas of Interest." Areas of interest include (but are not limited to) topics that have major impacts on communications, computing, the Internet, information content and related industries. The Committee continues monitoring industry trends to check for a constant updating in these particular areas of interest.

A particular area of new interest is IP managed value added and interconnection services that may be offered at Internet Network Access Points.

## Executive Watch

### ITS BOARD COMMITTEES

#### Strategic Planning:

*Lorenzo Pupillo (Chair)*  
Tom Spacek, Noemi Wachtel, Cristiano Antonelli, Frank Kiss

#### Conference & Seminars:

*Hidenori Fuke (Chair)*  
Fernando Gallardo, Don Lamberton, Georgette Wang, Jae-Cheol Kim, Juergen Mueller

#### Publications:

*Erik Boblin (Chair)*  
Don Lamberton, Nicolas Curien, Glenn Woroch, Alain de Fontenay, Karl-Heinz Neumann

#### Membership & Nominations:

*Stanford Levin (Chair)*  
Dan Furman, Bob Olley, Jim Alleman, Susan Simon, Fernando Borio, Gerard Pogorel

#### Finance:

*Lee Schmidt (Chair)*  
Walter Richter, Almarin Phillips, Frank Kiss, David Allen, Glyn Williams

#### Marketing & PR:

*Bobdan (Don) Romaniuk (Chair)*  
Noemi Wachtel, Stanford Levin, Juergen Mueller

Note: The Chairman and Vice-Chair and Treasurer are de-facto members of each of these ITS committees, and must be informed of any committee activities by the committee chairs.

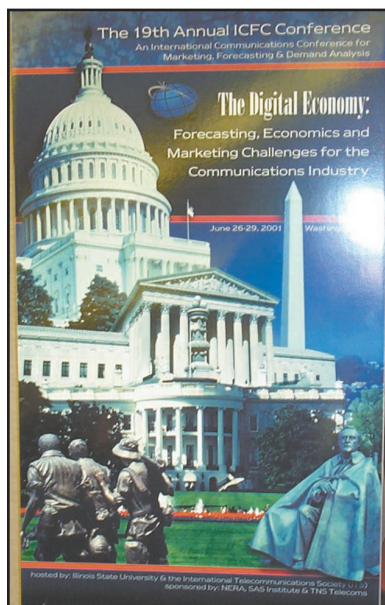


# “Tips, Tricks and Techniques” Among Highlights of ICFC / ITS Conference

The 19th Annual ICFC international communications conference for marketing, forecasting and demand analysis was held June 26-29, 2001 at the Doubletree Hotel in Washington, D.C., USA. The conference was co-hosted by Illinois State University and the International Telecommunications Society (ITS), and sponsored by National Economic Research Associates (NERA), the SAS Institute and Taylor Nelson Sofres (TNS) Telecoms. Over 110 people from the U.S., Canada, Germany, United Kingdom, Trinidad, France, Norway, New Zealand, Finland, Sweden, Peru, Austria, Hungary, Argentina, Brazil, Korea, Latvia, and the Fiji islands attended the 3 day event.

Over 40 papers were presented by practitioners, academics and regulators on topics ranging from new statistical techniques to actual forecasts of demand to econometric models and regulatory policy. In addition, three tutorials were presented. Dr. Don Erdman of the SAS Institute spoke on using maximum entropy statistical techniques to evaluate small data sets. Another concurrent tutorial was presented by Dr. Cheryl Howard of Elder Research on Data Mining, and Dr. David Loomis provided “Tips, Tricks, and Techniques” for telecommunications forecasters.

The opening night reception was held on the top floor of the hotel overlooking



the beautiful Washington, D.C. skyline. Dr. Alan Pearce, president of Information Age Economics and former Chief Economist at the Federal Communication Commission (FCC) started the conference with an entertaining keynote address about U.S. Telecommunication Policy under President Bush's new administration.

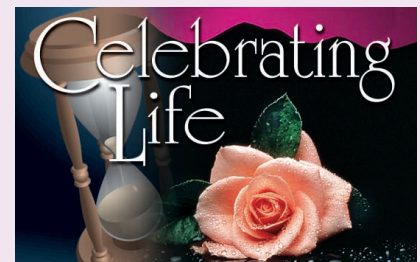
Highlights of the second day included Dr. Joseph Bailey, assistant professor of economics at the University of Maryland and co-editor of *Internet Economics*, addressing the unique qualities of the Internet and providing forecasts for new applications that will drive Internet demand.

On the final day of the conference, Dr. Hans Levenbach, founder and President of Delphus, Inc., as well as a director of ITS, spoke of how the mass of data is fundamentally changing the way that forecasting is done. Dr. Walter Strack, chief economist of the FCC's Wireless Bureau, also surveyed the U.S. wireless market and the FCC's upcoming spectrum auctions for 3G wireless.

The 20th Annual ICFC conference will be held in San Francisco, California, USA in June 2002. For more information, please



contact Debra Cruise (309-438-2106 / dacruise@ilstu.edu) or visit the ICFC website at [www.icfc.ilstu.edu](http://www.icfc.ilstu.edu). This site can also be accessed through [www.itsworld.org](http://www.itsworld.org).



Everyone connected with ITS was very saddened to hear that José Alberto Blanco Losada recently passed away from a sudden carcinoma in the pancreas.

His generous support to ITS and personal touch in all of his contacts with us created many fond memories. My ITS presidency coincided with the ITS Sevilla Biennial Conference, which was hosted by José Alberto as Head of Strategic Planning for Telefonica.

An active economist and decision maker, José Alberto continued to attend our subsequent ITS regional and Biennial conferences. He was, in fact, the inspiration for the Buenos Aires Biennial Conference (as I had mentioned during my opening speech in July last year). To his spouse, brother and niece, who also attended ITS conferences, I extend our sincere condolences.

*Loretta Anania*  
ITS Chair

# ITS Asia-Indian Ocean Regional Conference Perth, Western Australia • July 2-3, 2001

One of the most remote cities in the world, Perth, Western Australia, was the location of the two-day ITS Asia-Indian Ocean Regional Conference on “Telecommunications and E-commerce: Trade and Development in a Knowledge-Based Economy.”

Co-hosting the conference were two of Perth’s larger public universities, Curtin University of Technology and Murdoch University. The Conference received endorsement from the Australian Government’s National Office of the Information Economy (NOIE) together with sponsorship from Telcordia Technologies and the Western Australian Department of Commerce and Trade.

Although the event was a decidedly regional conference, it had a remarkably national complexion. Over three-quarters of the 100-plus delegates were from Australia, and Australian-based presenters were predominant in the 60 or so papers that were delivered outside the two plenary sessions. Delegates were drawn largely from the university and government sectors.

The highlights of the conference were the two plenary sessions which featured an impressive range of internationally-recognized speakers. The first plenary focused on “E-commerce: Concepts, Measures and Forecasts.” Speaking at this were Stuart Macdonald (Sheffield University, UK), Phil Malone (NOIE), Tom Spacek (Telcordia Technologies, USA) and Gary Madden (Curtin University). Stuart Macdonald’s paper,

entitled “The IT Productivity Paradox Revisited: Technological Determinism Masked by Management Method,” was considered by many to be insightful and challenging. He asked provocatively: “Though globalization masquerades as grand strategy, is it really just a product of the sheer ability to communicate easily around the world?”

Delegates were again treated to Macdonald’s wit and insight later that evening as he also proved to be an accomplished after-dinner speaker.

In contrast to Macdonald’s iconoclastic approach, Phil Malone (NOIE) presented more traditional fare based on a recent Australian Government report extolling the virtues of adopting electronic commerce. Tom Spacek’s paper dealt with “Economic Indicators for the New Digital Economy,” and Gary Madden’s paper was on the “Forecasting of International Bandwidth Capability.” Both these latter papers highlighted the role that forecasting and measurement can play in improving our understanding of electronic commerce.

The second plenary dealt with “Information and Development: Experience and Prospects.” Contributing to this session were Hans-Peter Gassmann, former head of

the OECD’s Science, Technology and Industry Division; J.P. Singh, Georgetown University, Washington; Kamlesh Bajaj, National Informatics Centre, India; and Paul Schapper, Head of the Western Australian Department of Commerce and Trade.

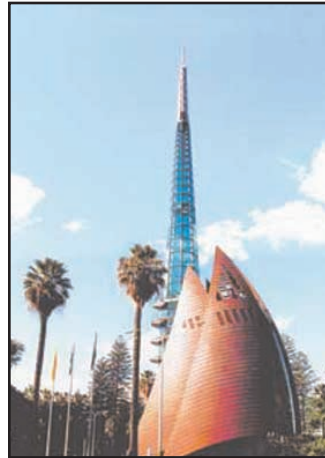
Hans-Peter Gassmann presented a reflective commentary on recent policy deliberations in the WTO and ITU concerning information and communications policy, while J.P. Singh reviewed what developing countries have learned

over the past 50 years with respect to the communications revolution.

Kamlesh Bajaj presented an up-to-date review of the electronic commerce developments in the Indian region, and Paul Schapper discussed the Western Australian government’s experience in the development of its strategy for E-Government.

The Conference Organizing Committee included Gary Madden from Curtin University as Conference Chair, Jim Alleman from Columbia University as Program Chair and Richard Joseph from Murdoch University as Organizing Chair.

Don Lamberton (Australian National University and ITS Board Member) provided invaluable input in shaping the conference in its formative stages of planning. Further information about this conference can be obtained from Gary Madden <maddeng@cbs.curtin.edu.au> or Richard Joseph <joseph@central.murdoch.edu.au>.



## ITS EXECUTIVE COMMITTEE

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Pete Desrochers  
Irene Bonifacio  
Stanford Levin  
Erik Bohlin



The Regional West Asia ITS Conference in Perth, Australia, July 2-3, 2002, awarded three prizes for BEST STUDENT PAPERS. The selection committee consisted of Professor James Alleman, Chairman (Columbia University), Professor Reginald Coutts (University of Adelaide), Professor Stuart Macdonald (University of Sheffield), and Professor P.J. Singh (Georgetown University). The winners were:

1st Prize: Grant Coble-Neal, Australia  
2nd Prize: Sangwoo Lee, Korea  
3rd Prize: Grant Robertson, Australia

Grant Coble-Neal's paper, "Obsolescence and Investment in Telecommunications," discusses how the new generation of IT&T infrastructure is radically different from earlier generations. Using a simple vintage capital model, he demonstrates how variable obsolescence affects total factor productivity. Next, adjusting the capital stock for

## Leading Edge

obsolescence permits an analysis of the impact of technological progress on Australian telecommunications for the years 1953-1987. Estimates of Tobin's q based on the standard and obsolescence-adjusted capital stock suggest that had the network been privately owned, its upgrade would have been less aggressive. This conclusion is important for discussions of liberalisation, privatization, and competition.

Sangwoo Lee's paper, "Why High Prices of Mobile Calls: Evidence of Double Marginalization in the Korean Market," examines the possibility of double marginalization in the Korean telecommunications industry. To eliminate this possibility, he suggests changing the pricing system for calls from fixed to mobile users. He also shows that the price of calls from fixed to mobile users would be reduced by changing the caller pays principle into a receiver pays principle.

Grant Robertson's paper, "Tempering 'E' Hype with 'E' Reality: An Exploratory Study," shows how the emerging "E" technologies have rapidly transformed and influenced business interactions and the way in which transactions are carried out. However, a climate of anticipation and also of anxiety has been created. Expectations are high but the new relationships are less well understood. It is this gap that is the source of stress between CIOs and CEOs in new information technology. The Zwass Hierarchical Framework of E-Commerce is used as a framework for grouping the "E" technologies. The paper provides both a predicted "aggregate likelihood of success" and an "aggregate time to realization" for the implementation of new technologies based on their level and meta-level categories.



## Biennial Conference Gaining Strong Local Support



Dr. Nakil Sung  
Program Coordinator

The official conference brochure and Call For Papers for the ITS 14th Biennial Conference, to be held in Seoul, South Korea, from August 18 to 21, 2002 was sent out in late June. It was dispatched to more than 2,000 people, including former ITS conference participants. The organizing committee also came to a contractual agreement with Intercom, one of the largest professional congress organizers in South Korea. The main job of Intercom will be to handle registration and conference logistics. Intercom will play a broad

role in preparing for the conference, due to its extensive experience in this field. In particular, we anticipate valuable input on the scientific program.

Several government and industry leaders have now joined the conference organization as advisors. They include a former government minister and a telecom carrier president. Their participation on the Advisory Board is an indication of the strong support we are expecting from the South Korean government and all Korean telecom carriers. You can find their names and positions in the conference brochure or the conference website, [www.its2002.or.kr](http://www.its2002.or.kr).

