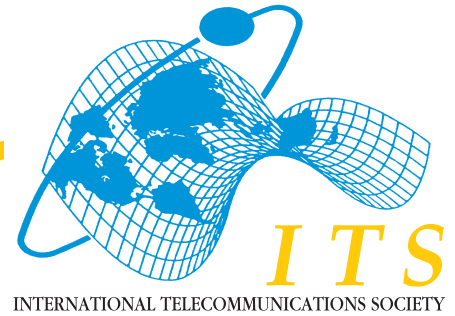


INTERCONNECT

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INTERCONNECT



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VISIT THE WEBSITE AT
www.itsworld.org



Seoul Opens its Doors - and its Past - to the World

The 14th Biennial Conference of the ITS will be held from the 18th to the 22nd of August, 2002, in the city of Seoul, South Korea. The biennial conference will be hosted by Korea Telecom and SK Telecom, in collaboration with the Korea Association for Telecommunications Policies.

Cradled within four majestic mountains, Seoul is an urban paradise with ancient and exotic monuments, still referred to as the fairy tale Babylon of the modern world. Seoul is internationally recognized as an outstanding congress destination. The 1986 Asian Games and 1988 Summer Olympic Games were held in Seoul with great success and have contributed to the city's reputation for efficiency and passion.

Korea is often referred to as "the Land of the Morning Calm," but in Seoul, where the unrelenting beat of the urban jungle pulses, it is almost impossible not to actually become a part of this city, where people exude vigor and hospitality.



Culinary adventurers will quickly understand why Seoul is revered for its exquisite cuisine and fine drink. Those who like to party will find that Koreans are also known to love good company and social occasions. Each night in Seoul feels like a celebration of life. One simply cannot hide from fun, with the sights and sounds of people singing and dancing in every quarter of the city.

For the hardened shopper, Seoul is world famous for its legions of never-closing shops and open markets selling myriad wares. Whatever can possibly be imagined or desired can be found here at prices lower than anywhere on earth; and, of course, where else would one even consider buying those custom made suits, silk shirts and blouses?

However, weary of all the noise, socializing and conferencing, one can easily escape to the many peaceful gardens found in the feudal palaces of Seoul's royal era. The



soothing sounds of waterfalls and the whisper of the wind against magnificent old maple and oak trees will lead to a state of meditative tranquility and readies one for another day of adventure.

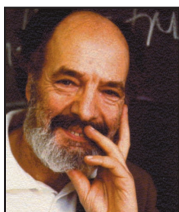
For any tastes and interests, there are more than enough diversions in Seoul, South Korea. Join ITS 2002 next August 18-22.

**Important Notice to
Contributing Authors**

See page 3

ITS European Regional Conference

Focuses on Key European Union Issues



Dr. Juergen Mueller

August 30 - September 2, 2001.

Some of the themes highlighting the ITS conference included regulation, industry restructuring, spectrum allocation and e-commerce as they apply to the European Community.



Regulation at the national and European levels was a widely debated subject area, focussing on issues including the performance of telecommunications regulators to date, the concept of Significant Market Power (SMP) proposed by the European Commission, access and national competition laws,

sector-specific regulation in electronic communications markets and predation and uniform pricing rules.

International industry restructuring was also a subject of high interest, with contributions from Dieter Elixmann (WIK) and Juergen Mueller (Berlin School of Economics), both of Germany, and Peter Curwen (Sheffield Hallam University) of the UK.

The matter of frequency spectrum allocation was discussed by Americans Tom Hazlett (AET) and Martin Weiss (University of Pittsburgh) who spoke on airwave allocation policies and the implications of bandwidth trading.



The closing panel discussion focussed on policy developments in Ireland and featured Etain Doyle, Director of the Irish Office of Telecommunications Regulation.

Cracknell Honored

Conference participants honored David Cracknell, the former Vice-Chair of ITS with a short memorial ceremony in which Erik Bohlin (Vice Chair) and Juergen Mueller (Board Member) both paid tribute to his many personal and professional accomplishments.



Dr. David Cracknell

Social events included sharing a traditional Irish night with the EARIE delegates, as well as a gala dinner and whiskey tasting at the Old James Distillery.

Closing ceremonies included an invitation by the South Korean delegates to attend the 14th Biennial Conference of ITS which will be held August 18-22, 2002, in the city of Seoul, as well as an invitation from the Spanish delegates for the next European Regional Conference to be held next year in Madrid from September 7-9.

Papers from the Dublin conference as well as information about future conferences can be found at www.ITSEurope.org.

Finance Committee

Each year the Finance Committee has a number of activities that must be accomplished. One is to file a tax return with the U.S. tax authorities. Even though the ITS is a tax-exempt organization, we are required by law to file a return. Since the ITS is incorporated under U.S. law, we need to follow that law. The second major activity is to maintain the financial records for the organization. This includes reporting to the Board of Directors, at least once a year, the financial status of the ITS in a financial report. As a practical matter, such a report is done each time the Board of Directors or the Executive Committee meets during the year. The third major activity of the committee is to oversee all financial transactions to assure that they are undertaken in compliance with the bylaws and operating procedures of the ITS.

The Finance Committee is comprised of the following individuals: Ferenc Kiss, Hungary;

Connections



Robert Olley, Canada; Walter Richter, Switzerland; Almarin Phillips, U.S.; Glynn Williams, United Kingdom; and Leland Schmidt, U.S., as Chair.

Marketing & PR Committee

Looking forward, the Marketing and PR Committee is in the initial stages of planning and designing a new ITS brochure that will be presented at the Seoul Conference. While the current brochure has been extremely popular, it is clear that keeping literature current and dynamic is the best way of drawing new members and new interest in ITS initiatives. There is still a good supply of current brochures that can be obtained from the

Marketing and PR Committee <cartel@planet.eon.net> that can be used to support the Seoul conference this coming summer.

Keeping members current and updated is, of course, a key function of the ITS website, www.itsworld.org. The site offers communications options and feedback opportunities, and ITS always welcomes ideas, comments, and constructive suggestions from members and the public alike.

There is increasing interest in advertising in Interconnect. While the Committee views this as an opportunity and has already approved in principle the concept of paid advertising as a viable communications function and possible revenue generator, a formal fee structure and standards appropriate to ITS needs are now being developed. This will ensure an appropriate balance in maintaining the integrity of the ITS newsletter while responding to legitimate member and advertiser interests.

Call For Papers

International Telecommunications Society 14th Biennial Conference
Challenges and Opportunities in the Digital Century: The Role of Information and Telecommunications
August 18-22, 2002, Seoul, Korea

Korea Telecom and SK Telecom, in collaboration with the Korea Association for Telecommunications Policies, will host the International Telecommunications Society (ITS) 14th Biennial Conference in Seoul, Korea, this coming summer. Submissions are invited on suggested topics of interest that include, but are not limited to, the following:

Regulation and Public Policy

Regulation and local competition; number portability; interconnection; unbundling and resale; convergence; regulation and the Internet; Internet access; cable television and related multi-channel delivery technologies; universal service; pricing; competition and deregulation; privatization; privacy and security; intellectual property rights; etc.

Competition and Emerging Market Structure

Evolution of market structure; anti-trust vs. sector regulation; network regulation; new entrants and incumbent strategies; local competition; mobile market dynamics; bridging services; etc.

Management and Business Strategy

Strategy for network planning; service success and failure analysis; investment decision analysis; global management decisions; knowledge management; strategy for local access; international strategic alliances; etc.

International and Regional Issues

Global competition; strategic alliances; global ventures; global roaming; regional information infrastructure; human resource development; WTO issues; settlement issues; country studies; etc.

Services

Network and technology evolution resulting in new services; conventional

wired services; Internet access through ADSL and cable; mobile telecommunications services; demand forecasting for the next generation mobile services; preferences for 3G; market analysis for 2.5G, 3G, and satellite-based services, etc.

Convergence, Technology and Innovation

Broadband access technologies; high speed backbone technologies; service platforms for cellular, PCS and 3G mobile services; low and medium earth orbit satellite communication systems; voice and data integration in telecommunication systems; information representation technologies; distributed computing and distributed data bases; Internet content, caching and streaming technologies; next generation Internet, etc.

Internet and E-Business

Forecasting for Internet usage; mobile commerce; electronic cash; loyalty in e-business; security in e-business; web marketing; Internet advertising; Internet research; cyber banking; auction in the Internet and Internet business models for telecommunications service providers; etc.

Globalization and Information Society

Sustainability and the information society; comparative characteristics of the information society; cyberspace and cultural change; "informatics"; digital divide; digital economy; societal change in the Internet era; cyber crime and security analysis; the information society; etc.

Authors wishing to present original papers are invited to submit a 300-500 word abstract. Submissions should be received electronically via <http://www.its2002.or.kr/> no later than February 28, 2002.

Authors will be informed of the Review Committee's decision by the Conference Chair before April 30, 2002. We are also soliciting session

proposals for presentations at the conference. If you have any suggestions, please contact us at <oc@its2002.or.kr>.

The Organizing Committee for ITS 2002 will be conducting a student paper competition to recognize

outstanding students within their respective fields and to encourage enthusiasm in research and study. Awards will be given to students for papers of exceptional note and distinction. Student paper submissions will follow the same guidelines and deadlines as those for

standard abstract submissions. Students should mark their papers with the word "Competition" on the upper right hand corner of their abstracts if they wish to participate in the student paper competition.

Details of the conference can be found at the official website at <http://www.its2002.or.kr>. Any other questions can be directed by email to <sec@its2002.or.kr>

The Organizing Committee is looking forward to seeing everyone in Seoul.



Attention Contributing Authors to ITS 2002

1. Please make a note of the following changes that have been made with respect to the schedule for the submission of abstracts and papers.
 - Deadline for submission of abstracts
February 28, 2002
 - Official communication on selection of papers
April 30, 2002
 - Deadline for receipt of final papers
June 30, 2002
2. The Organizing Committee for ITS 2002 will be conducting a Student Paper Competition (further details in Call For Papers)

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Leading Edge

Byoung Heon, Jun, Department of Economics, Korea University.

"Efficient Pricing of Internet Services: Notes on Prepurchase Contracts" (with, Y. W. Song and C. H. Yoon, Department of Economics, Korea University)

As a solution to congestion on the Internet, it is suggested by some economists that the price mechanism be used to allocate the scarce capacity of networks. Most well known of such price mechanisms is the smart market proposed by McKie-Mason and Varian. The smart market approach is *ex post* efficient and hence efficient in a risk-neutral environment. However, consumers often show risk-averse behavior. For example, they seem to be willing to pay fixed but higher prices for local telephone service.

This paper investigates the pre-purchase contract as an alternative to the smart market approach. It shows that under quite weak assumptions a pre-purchase contract is more efficient than a flat-rate system.

The reason why pre-purchase is more efficient than a flat-rate mechanism is quite simple. Under a flat-rate system consumers have an equal chance to be allocated the scarce capacity independent of their willingness to pay. Under a pre-purchase contract only those who are willing to pay higher prices get the chance to use the capacity when congestion occurs.

But pre-purchase is not fully efficient from a social point of view where there is no appropriate mechanism to distinguish frequent users from non-frequent users. It may be the case that non-frequent users might have valuable messages to send but cannot afford the price.



If it were possible to monitor each consumer's usage, the findings suggest that a pre-purchase contract can be made *ex ante* efficient under the simple environment assumed.

An example shows pre-purchase contracts perform better than the smart market in *ex ante* terms and require less information than the smart market. This new form of contract can then alleviate some basic inefficiencies with the Internet.

Evaluation Deadlines Adjusted for Seoul Conference



Dr. Nakil Sung
Program Coordinator

Due to the rescheduling of deadlines for the Call For Papers, the abstract evaluation meeting has been moved from January, 2002 to late March.

The meeting will still be held in Seoul, with all nine international coordinators and seven domestic coordinators participating. Authors will be contacted when the exact date is established, and updated notices will be placed on the conference

website. The Organizing Committee is pleased to announce that the ITS 2002 homepage (www.its2002.or.kr) has been redesigned and has the latest current information. We invite you to visit the site often.

In a later issue of *Interconnect* we plan to publish a full list of speakers and presenters, in addition to having that information available on the website and through our regular conference promotions network.

Nakil Sung

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ITS 14th
Biennial
Conference

• Seoul, South Korea •

August 18 to 22, 2002

For more information on the conference, visit the ITS 2002 web page at:
www.its2002.or.kr

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