Jacques Arlandis, Editor of COMMUNICATIONS & STRATEGIES (C&S) and Erik Bohlin, ITS Vice Chair and Publications Committee Chair, have jointly announced an agreement whereby C&S becomes the official ITS print Journal. This is in addition to info, which will continue to be available to ITS members in electronic format (see story page 2).

A number of events led to the development of COMMUNICATIONS & STRATEGIES in 1989. Originally, a group of European researchers decided to create a review, edited by IDATE (institut de l’audiovisuel et des telecommunications en Europe), to focus on ICT issues; a review that would take a ‘mild’ approach to ‘hard sciences’ (such as economics) and a ‘tough’ approach to ‘soft sciences’ (such as sociology and political science). Telecommunications companies and media were the initial focus of the journal.

Later, the Internet and information technologies were tackled as well. From its inception, the review aimed to encompass ideas from academia, industry and policy makers.

Loretta Anania

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The Strategic Planning Committee recently drafted a new ITS mission statement which was reviewed, revised and submitted to the Board for subsequent approval. The structure of the new mission statement includes a section entitled “ITS Areas of Interest” which contains topics that have major impacts on communications, computing, Internet, information content, and related industries. The new mission statement can be found at www.itswork.org.

Due to the dynamic and rapid changes in these industries, ITS recognized the need to revisit and re-examine these areas of interest on a regular basis. As such matters are also intended to reflect ITS’ strategic directions, and thus impact ITS conference programs, a current major role of the Strategic Planning Committee is to carefully review these areas of interest and make recommendations to the Board regarding changes. An example of an area likely to be added is “IP managed value-added and interconnection services” (e.g., peering, co-location, complex web hosting, bandwidth trading, caching, etc.) that may be offered at Internet Network Access Points.

Finance Committee

The ITS Finance Committee has closed the financial books for the year 2000 on a preliminary basis. The preliminary closing involves balancing the monthly and year end bank statements and the ITS general ledger. Since the ITS operates on a “cash” basis, these two documents will correlate (even if we have to use a hammer). According to the preliminary closing, the ITS finds itself in a very favorable financial position.

All outstanding obligations of the ITS have been paid, including the initial payment for distribution of academic journals to the ITS membership during the year 2001. The next step is to have the entire Finance Committee review the financial papers (which these documents will be presented to the ITS Officers, Executive Committee and the Board of Directors as the final financial report for the year 2000. The next major activity is to file the ITS tax report with the U.S. Internal Revenue Service (since the ITS is incorporated in the U.S.). This report is done even though the ITS is a non-profit organization.

Membership and Nominations Committee

The newly reconstituted Membership & Nominations Committee is made up of Stanford Levin (chairman) and Dan Furman, Lorenzo Pupillo David Allen, Robert Olley, Jim Alleman, and Susan Simon. The new committee is beginning to “meet” by e-mail. The two important tasks that the committee will address initially are to reduce the time it takes to act on nominations to the ITS Board and to develop strategies to increase the ITS membership and to increase the membership renewal rate. Any questions about the committee or ITS membership can be addressed to the chairman, Stanford Levin <slevin@siue.edu>.

Marketing Committee

The Marketing Committee has been extremely active continuing and expanding upon the features it provides to ITS. The most work has been with a sub-committee which is dedicated to the new web-site, which has been significantly updated in recent months, thanks primarily to Sandy Levin and the Marketing Committee team. Although Sandy will now have to focus on his appointment as Membership and Nominations Chair, he will remain on the editorial board of Interconnect, along with Pete Desrochers, Irene Bonifacio, Publications Chair - Erik Bohlin and Marketing Chair - Don Romanuk.

The Marketing Committee has also submitted to the Executive a preliminary draft proposal for a new ITS brochure. This new brochure will contain much of the information from the previous one; however, it will focus more on future and prospective new members, and less on the past. The final version of the brochure should be ready this spring and will be available at the ITS regional conferences in Dublin, Hong Kong and Perth.

Conference Committee

The Conference Committee is keeping in touch with the organizing committees of three regional conferences planned on July 5-7 in Hong Kong and July 2-3, in Perth, Australia, and September 1-3 in Dublin. The 14th Biennial Conference to be held in Seoul, South Korea, is the focus of the Committee’s activities. It is also time to prepare for the 15th Biennial Conference. Ideas and proposals from all the members of ITS are welcome.

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As one of the founding collaborators, Arlandis was entrusted with managing the editorial line. The review’s original style naturally evolved without sudden or drastic changes, as its subscribers, readership and expert contributors constantly grew.

The review has a relatively strong following in Europe, and Arlandis hopes that the agreement with ITS will serve to enhance the publication’s international scope. He is also convinced that this agreement will have a positive influence on both the quality and innovation of the content. This view is shared by Erik Bohlin.

Jacques Arlandis is also the Director of the European Network for Communication & Perspectives (ENCIP), www.encip.org, and the Scientific Director of IDATE, www.idate.fr.

Under the C&S / ITS agreement, C&S also becomes the medium whereby Interconnect is delivered to ITS members. C&S will be sent to ITS members quarterly. Interconnect will still be published three times per year.

Connections

Becomes New ITS Print Journal

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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>
The ICFC 2001 features numerous, internationally-known speakers in the areas of telecommunications marketing, forecasting and cost analysis. The ICFC is an international communications conference for marketing, forecasting and demand analysis. The ICFC is a professional forum for telecommunications forecasters, demand analysts, market researchers, product managers and planners. The ICFC provides the opportunity to hear and present state of the art information and analysis of existing and emerging issues as they pertain to telecommunications forecasting and planning, demand analysis, market research and cost analysis.

The ICFC 2001 features numerous, internationally-known speakers in the areas of telecommunications marketing, forecasting and Internet and wireless technology. This year's outstanding lineup of plenary session speakers includes the following.

- **Alan Pearce** is the President of Information Age Economics Inc., a Washington D.C.-based research and consulting firm. A well known writer and speaker on the policies and politics of the telecommunications-information-entertainment industry, both domestically and globally, Dr. Pearce has been described as “one of the industry’s true visionaries” by Senator Larry Pressler, prime architect of the 1996 Telecom Act.

- **Hans Levenbach** is the founder and President of Delphus, Inc., a software development and consulting firm specializing in demand forecasting and replenishment planning applications for manufacturers, distributors and retailers. Dr. Levenbach is the co-author of several forecasting books based on his extensive experience as practitioner and researcher while employed at AT&T and Bell Laboratories.

- **Walter D. Strack** has been the Chief Economist of the Wireless Telecommunications Bureau, U.S. Federal Communications Commission, since July 1996. Dr. Strack is responsible for analysis of economic policy issues related to the wireless telecommunications industry and the Commission’s program of auctioning spectrum licenses.

The 2001 ICFC is hosted by Illinois State University. Illinois State University, the first public institution of higher education in the state, is a student-centered, multi-purpose institution committed to providing undergraduate and graduate programs which are of the highest quality. The Department of Economics offers a Master’s Degree in Applied Economics in Electricity, Natural Gas, and Telecommunications.

The ICFC 2001 is co-sponsored by ITS 2002, an international communications conference. ITS 2002 is negotiating a contract with a professional congress organizer who will be in charge of conference administration. The ITS 2002 webpage (www.its2002.or.kr) was officially launched in February, and the pre-conference schedule was announced, highlighted by the following key dates.

- **Deadline for submission of abstracts:** October 31, 2001
- **Official communication on selection of papers:** December 31, 2001
- **Deadline for receipt of final papers:** March 31, 2002

The Call for Papers (see page 6) focuses on more controversial global issues that affect not only telecommunications, but also the foundations of the so-called “new economy” based on technology. Already the Seoul program promises to be one of the most lively in recent times.

Seoul has long been esteemed as one of the great travel destinations for both business and pleasure, offering the classics of a great culture and long history, while maintaining its status as a key commercial and industrial global center.

For more information on the conference, please check <contact us> at the ITS 2002 webpage.
Impact of Infrastructure on Regional and National Economies

Infrastructure Role of Telecommunications

Trade and Regulation of International Telecommunication Services

Assessing the Effects of Liberalization and Restructuring in Telecommunication Markets

Business Strategies / International Alliances in Converging or Colliding Markets

Assessing the Effects of Liberalization and Industry Restructuring

Trade and Regulation of International Telecommunication Services: The Role of the WTO and ITU

Competition and Privatization of International Facilities (Intelsat, Inmarsat, Eutelsat, etc.)

Role of Telecommunication Infrastructure

Impact of Infrastructure on Regional and General Economic Developments

Role of FDI / Foreign Operators and Local Governments in Transition Countries (Case Studies)

Information Infrastructure - Implications for “Have” and “Have-not” Nations

Measuring Technical Progress and Productivity in Telecom Services: Productivity, Quality, etc.

Broadband CATV Networks and their Upgrade

Changes in the Structure of the Telecommunications Industry

Globalization of Telecom Service Providers, International Alliances and the Effect on Competition

Market Cooperation and Co-existence of Different Telecom Services

Costs and Benefits of Vertical Separation: Lessons From the Recent US Turnaround

Market Studies and Determinants of Market Change

Convergence Among Telecommunications, Broadcasting and Computing

Strategies in the Multimedia Business, Horizontal and Vertical Integration

Convergence in the Information Highway to the Home, Interactive Analogue and Digital Broadcasting

Globalization of Mass Media Markets, Copyright Issues, IPP and Media Asset Management

Digitalized Broadcasting (DBB), Video on Demand, Digitalized Cinema, Multimedia Home Platform (MHP)

Integration of Various Transmission Platforms (Internet, DVB, GSM)

Internet TV and TV on the Internet

Telecommunication Services

Methodologies for Forecasting Telecommunications Product / Service Developments / Market Studies

Usage Patterns of Services / Monitoring Product and Service Developments

Telecommunications and Mass Media Markets, Home Shopping, On Line Learning

The Internet: A New Paradigm for the Telecom Market (convergence, pricing, Internet and consequences, virtual market places)

Corporate and Private Networks

New Services on the Net (ASP u a)

Mobile Telecom Services

New UMTS Services

For further details please check our homepage at <http://userpage.fu-berlin.de/~jmueller/ist.html> or contact Juergen Mueller directly at jmueller@fhw-berlin.de.

Information about EARIE can be found at http://econserv2.bess.tcd.ie/ppwalsh/EARIE.html

Student Award Paper

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

Alvaro Gonzalez Staffa, Telcordia, New Jersey

The issue of interconnection pricing between networks is particularly perplexing to regulators. One of many problems complicating the regulation of interconnection tariffs is the case of a network monopolist, outside a regulatory body's jurisdiction, charging monopoly prices for network interconnection services that local service customers purchase. Cross-jurisdictional rent-shifting substantially lowers consumers' welfare everywhere. The issue of lowering monopolies' interconnection charges across jurisdictions will soon be important to regulators in countries that recently privatized their telecommunications sectors. Some recent privatizations of telecommunications companies conceded temporary regional monopolies to winning bidders. These concessions will soon expire, and monopolists will have to compete in each other’s regions. By forcing cross-regional competition, the goal was to create pluralistic, competitive and interconnected networks of networks. However, creating competitive and pluralistic networks of networks requires the resolution of interconnection agreements across many jurisdictions. It will be difficult for regulators to resolve all of the interconnection issues in a timely manner, and even more difficult to resolve them so as to achieve the maximum economic efficiency in all cases.

The author argues that a decentralized market-oriented mechanism is required to settle interconnection tariffs efficiently. A decentralized bargaining mechanism is proposed that allows firms to negotiate reductions in interconnection tariffs down from monopoly levels to levels where tariffs are set equal to the marginal cost of interconnection. The role of the regulator is to set incentives compatible with this outcome and to set rational bargaining rules that guide network monopolists to agree to more efficient interconnection pricing.

An important finding in the paper is that bargaining, sequentially or simultaneously, with more than two firms of almost any comparative size results in the fully efficient outcome under the efficient component pricing rule (ECPR). However, this last result does not hold when there are extreme size asymmetries between monopolists.
e-commerce in Australia. The 21st Century heralds a new era of transformation and growth on a scale unprecedented in human history. Unencumbered by the legacy of the old economy, telecommunications infrastructure, the economies of the Asia-Indian Ocean region are ideally placed to reap the benefits of the Internet age. New industry, yet to be conceived, offers Asia-Indian Ocean nations the opportunity to embark on a stunning transformation.

The Asia-Indian Ocean ITS Regional Conference offers a rare opportunity for conference delegates from academic, private sector and government to discuss and analyze the issues unique to the region. This event will focus on e-commerce, information technology, the Internet and telecommunications with particular emphasis on the impact, risks, barriers and opportunities therein.

Authors of selected papers will be invited to submit their research for publication in the conference volume to be published by Edward Elgar Publishers. The editors of Information Economics and Policy and Prometheus welcome submissions from ITS conference authors.


Invited Speakers

Paul Schapper is Chief Executive Officer of the Western Australia Department of Contract and Management Services. He is also an Adjunct Professor at Curtin University, Perth. Paul has provided advice to Heads of Procurement in the South African and Mozambique governments.

Tom Spence is Executive Director of the Internet and Global Information Infrastructure Initiatives Department, which is part of the Information and Computer Sciences Laboratory at Telcordia Technologies (formerly Bell Laboratories). Tom’s research concerns the development of economic indicators for the new digital economy and the forecasting of Internet growth trends.

J.P. Singh is a Professor in the Communications, Culture and Technology Program at Georgetown University, Washington, DC. He is author of Leapfrogging Development: The Political Economy of Telecommunications Restructuring (SUNY, 1999) and co-editor (with James Rosenau) of Information Technologies and Global Politics: The Changing Scope of Power and Governance (SUNY, forthcoming).

Student Prize

Prizes for the best student papers presented at the conference are:

- First Place: AUD 1,000
- Second Place: AUD 500
- Third Place: AUD 250

Sponsors / Organizers

- Western Australian Department of Commerce and Trade
- National Office for the Information Economy
- Telcordia Technologies
- Communication Economics and Electronic Markets Research Centre Curtin Business School
- Curtin University of Technology
- Murdoch Business School
- Murdoch University
- Australian Telecommunications User Group

Conference Social Highlights

The Organizing Committee is currently seeking to arrange post-Conference tours. An opportunity exists in Western Australia to look at aspects of 19th Century telecommunications and the linking of Australia into the global economy. An alternative tour examines the Western Australian contribution to the growth of the Australian viticulture industry. Winery visits can be scheduled in the Swan Valley, Margaret River, Fox River and Pemberton regions.
The paper shows that the liberalization of German telecommunications had an unambiguously positive effect on overall German employment. In comparison to a "world without liberalization of the telecom market," the authors expect an additional 150,000 employees at the end of 2005 in the German economy as a result of telecommunications liberalization. Price competition and the increasing private demand for innovative telecommunications products and services will especially contribute to this increased employment. In contrast, though, the telecommunications sector itself will be negatively affected by liberalization in the long run. By 2005, the employment in telecommunications will have declined by 12,000 employees. The two main factors causing this decline in telecommunications employment are lower prices for telecommunications services and greater efficiency in telecommunications resulting from increased investment in plant and equipment.

The overall model results are a consequence of the following aspects of liberalization.

- reduction of prices for telecommunications services
- changes in investment policies of incumbents and entrants
- changes in the consumption behavior of private households for telecommunications services and products
- changes in the prices of banking services due to the increasing use of on-line banking
- investments in plant and equipment to improve the use of new telecommunications services
- purchase of new capital inputs due to product innovations in the telecommunications sector

The paper is available from the authors at www.wik.org.