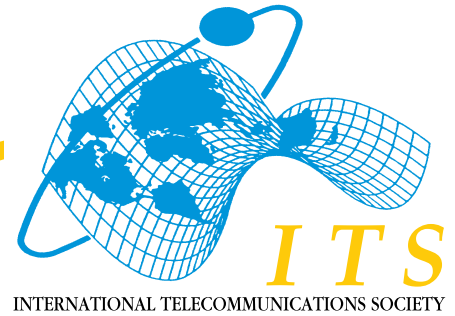


# INTERCONNECT

Issue 2, Volume 4  
September 2002  
INTERCONNECT



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

## “Challenges and Opportunities” Will Carry ITS Forward

### Successful Seoul Conference Targets Change and Awareness as Keys to Industry Advancement

A proud and noble city was the epitome of hospitality, as Seoul welcomed nearly 300 delegates, representing 27 countries, to the ITS 14th Biennial Conference in August.

The conference was organized by KT, SK Telecom and the Korea Association for Telecom Policies (KATP), and the theme was “Challenges and Opportunities in the Digital Century: The Role of Information and Telecommunications.”



## Message from the Chair

Dear Members,

The memories of ITS 2002 Seoul, “Challenges & Opportunities in the Digital Century,” will be everlasting for those who ventured to travel there. The organization of this conference was flawless, and this high-level international gathering was so friendly as to seem convivial.

On the content side, for once the economic gurus and analysts apparently all agreed with one another with respect to the “rise and fall” of the great telecom empires. Surprise! Revenue curves were not headed for the sky as all remembered, even as recently as the last biennial conference in Buenos Aires. Now the words “irrational exuberance” and “over-capacity” were printed in large English letters on keynote speakers’ overhead projections.

This is a grim business reality. Fortunately, there is still spectrum to auction off. Many different papers were presented on how best to do that.

As far as growth, efficiency, equity and access, our Korean hosts, KT & SK Telecom, seem to fare well from their enviable position as “broadband capital of the world.” They reported on their many real “challenges and opportunities” with 9 million South Korean broadband users just connected.

The government decision to privatize KT was announced through the papers on the last day of the ITS conference. New Information and Communication Minister, Lee Sang Chul, formerly chief executive of KT, hinted at a policy of greater competition and openness to market principles. Vice Minister Tae Hyun Kim spoke at the opening session of the conference.

At the end of the papers, roundtables and plenary sessions, the ITS executive joined the nearly three hundred attendees in thanking all the speakers and the organizing team who made this event a success. We extend a special thanks to Daesu Park of KT, Nakil Sung of Seoul University, Jae Hyeon Ahn of KAIST Management School, and to our active Board Members, Han-Suk Kim and Jae-Cheol Kim.

In addition to words of thanks, the one Korean word that stayed on everyone’s lips was “kimchi,” which stands for (very) spicy cabbage.

The memories of ITS 2002 Seoul include three happy individuals who were awarded ITS prizes for the best student papers. The grand prize winner was Hak Ju Kim, the first and second prize mentions went to Sung-Pil Han and Ms. Min Kyong Kim. Congratulations.

The ITS Board held its annual meeting, where it selected Boulder, Colorado, USA as the next site of the ITS Biennial Conference. I am also pleased to announce the Board’s election of four new members. We welcome Prof. Joao Confraria Silva from Portugal, Dr. Ernst-Olav Ruhle from Austria, Dr. Nicolae Oaca from Romania, and Dr. Philippe Coste from France.

Welcome also to all the new ITS members from the 27 countries worldwide who attended ITS 2002 and who are receiving this newsletter for the first time.

The ITS Regional conference in Madrid, Spain, September 8th to 10th, hosted at the University Carlos III by Juergen Mueller and Teodosio Peres Amaral, will have been yet another occasion to pursue the growing discussion about the regulatory, economic, and research issues facing the telecom industry.

*Loretta Anania  
ITS Chair*

Held at the Convention and Exhibition Centre (COEX), the conference began with

opening presentations by Vice-Minister Tae Hyun Kim of

the Korea Ministry of Information and Communication, and by ITS Chair, Loretta Anania.



The Opening Session featured Prof. Paek J. Cho, who addressed social problems arising from a contemporary global society that is too dependent upon the speedy interchange of information. He called this trend “infollution” and stressed the need to seek solutions to this growing concern.

In the first Plenary Session, Hansuk Kim of KT, ShinBae Kim of SK Telecom, Keiichi Enoki of DoCoMo, and Ping Li of China Telecom represented the telecommunications industries of Korea, Japan and China respectively. These executive officers presented their views on the current and future roles of the telecommunications industry.



# “Challenges and Opportunities” Will Carry ITS Forward

continued

The role of regulation in the digital century was the issue addressed in the second Plenary Session.

Specialists Bernard Clements of the European Commission, Robert Pepper of the Federal Communications Commission, USA, Philippe Coste of IDATE, France, and Hajime Oniki of Osaka Gakuin University, Japan spoke on the implications and impacts of regulation on the telecom industry and on the growth of technology around the world.

The third and fourth Plenary Sessions were held on the last day of the conference and focussed on the boom and bust eras of telcos and Internet start-up companies. In the third Plenary Session, Bezel Gavish of Southern Methodist University, USA, Charles Steinfeld of Michigan State University, USA, and Efram Turban of the City University of Hong Kong, diagnosed the present conditions of e-business and electronic commerce, offering their predictions on sustainability.

During the fourth Plenary Session, Cristiano Antonelli from the University of Torino, Italy, Martin Fransman of the University of Edinburgh, Scotland, and Eli Noam of

Columbia University, USA looked at the causes of the boom-bust phenomenon and projected possible new

developments in the telecommunications and Internet industries.

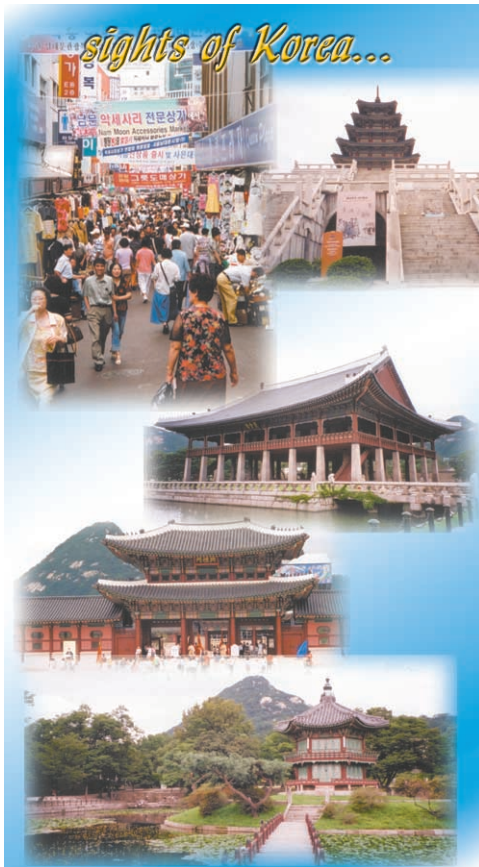
There were 48 parallel sessions and 162 papers presented under eight general themes. As with the last ITS biennial conference in Buenos Aires, the majority of papers dealt with regulation and public policy.

In particular there were two specially honored lectures by global scholars who tackled these issues. Prof. Gerald Faulhaber from the University of Pennsylvania,

USA spoke on “Policy-Induced Competition: The Telecommunications Experiments.” Prof. Bezael Gavish of Southern Methodist University, USA addressed “Telecommunications and Electronic Commerce: Policy Research Issues.”

Naturally, the conference wasn’t all work. Shows, receptions, gala dinners, hosted lunches and cultural events provided ample opportunity for delegates to experience the history and grandeur of Korean culture, as well as to meet and network.

Among the social activities were Korean folk dances and musical



The Little Angels

performances by a children’s group known as “The Little Angels,” a Korean Folk Village Tour, a gala dinner and show at the Opera House and an evening cruise along the Han River, where

delegates saw the beautiful night-lights of Seoul and enjoyed some karaoke after dinner.

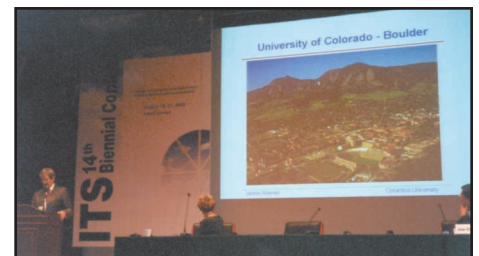
At the end of the conference, Prof James Alleman announced that Boulder, Colorado,

USA will be the site for the 15th ITS Biennial Conference, June 27-30, 2004.

While that may seem far off, this conference’s organizers are confident that the experience, learning and great memories of Seoul will easily carry ITS members that far.



After dinner sing along



Professor James Alleman announces Boulder, Colorado, USA as the site for the 15th ITS Biennial Conference



# ITS Board of Directors as of September 5, 2002

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Columbia Institute for  
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European Commission  
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BELGIUM

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Chaire, "Economie et politique  
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Communications Authority  
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Business School  
Curtin University of Technology  
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Ecole Nationale Supérieure des  
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*(Marketing & Public  
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President and Chief Operating  
Officer  
Promotional Products  
International  
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Piepenbrock und Schuster,  
Düsseldorf, GERMANY

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Economics Department  
Catholic University of Portugal  
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Telcordia Technologies  
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TANFEL Enterprises  
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Hong Kong Baptist University  
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Manager, Forecasting &  
Modeling, BT  
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University of California,  
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Department of Economics  
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Noemi Wachtel, Philippe Coste,  
Frank Kiss, Hansuk Kim,  
Nicolae Oaca

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Georgette Wang, Jae-Cheol Kim,  
Juergen Mueller, Richard Simnett,  
Karl-Heinz Neumann

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Alain de Fontenay, Gary Madden,  
Cristiano Antonelli

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Susan Simon, Fernando Borio,  
Ernst Olav Rühle,  
Joao Confraria Silva

### Finance

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Glyn Williams, Ernst-Olav Rühle

### Marketing & PR

**Bobdan Romaniuk (Chair)**

Noemi Wachtel, Stanford Levin,  
Juergen Mueller, Willie Grieve

The Chair, Vice-Chair and  
Treasurer are de-facto members  
of each of these ITS committees.



INTERNATIONAL TELECOMMUNICATIONS SOCIETY

## Thank You From Conference Chair



Professor  
Jae-Cheol Kim

I wish to express my deepest gratitude to all the organizers and volunteers who, for the last two years, made an outstanding effort to ensure ITS 2002 was a great conference.

Despite obstacles, such as the telecommunications slump, the bursting of the Internet bubble and the tragic attack on America last September 11th, several hundred people came from all over the world. We, the Organizing Committee, extend our great appreciation to the committed volunteers. They will always remain in my heart.

The parallel sessions provided well-thought-out and well-presented papers that generated productive comments, enthusiasm and spirited discussions. I was very pleased with these sessions and hope you also found them useful and engaging. I offer my sincere gratitude to all contributors, authors, discussants and chairs.

Participants shared their great knowledge and expertise during the conference. ITS 2002 was a refreshing opportunity to learn through the exchange of views and opinions. I think it was also an excellent opportunity to build fellowship among the participants.

I am certain that conference participants here in Seoul, and the new friends we have met, will gather again in 2004 at the 15th ITS Biennial Conference in the United States. It will surely be another exciting event to which we can all look forward.

Once more, I would like to thank all participants, organizers, and supporters for joining us in Seoul.

Jae-Cheol Kim  
Conference Chair

## Executive Watch

### Report of the ITS Board Meeting August 18, 2002 Seoul, South Korea

The ITS Board of Directors met to discuss key issues, hear committee reports, and take appropriate actions where required.

Discussions rising from the Finance Committee report focussed on the potential for ITS to incur an operating loss in 2002 and in 2003. This could result in a reduction of ITS' currently healthy cash balances.

The biggest factor seems to be the lack of corporate memberships, perhaps due in part to the difficult financial circumstances facing telecommunications carriers and manufacturers world-wide.

ITS will take steps to aggressively promote and market itself globally, to re-enroll expiring members and to exercise even more constraint with respect to operational expenditures.

The Board unanimously approved Boulder, Colorado, USA as the site for the 15th ITS Biennial Conference, which will be held June 27th - 30th. The Board also agreed that Europe, possibly Berlin, is a preferred venue for the 2006 Biennial Conference.

Mr. Hansuk Kim advised the Board that, as of the eve of the Conference, there were 254 paid registrants representing 27 different countries. The conference infrastructure was in place with all parts of the program operational and ready. The conference was forecast to at least break even financially. The Board congratulated and thanked Mr. Kim and the Conference Organizing Committee for exceptional work in preparing for ITS 2002.

Publications Chair, Erik Bohlin, reported that *Communications & Strategies*, the ITS journal, publishes special issues in the autumn and spring of each year. ITS members are invited to submit papers, particularly for the autumn edition. Also, commencing November 2003, ITS and IDATE are planning to jointly organize a one-day seminar in conjunction with, and immediately prior to, the annual IDATE conference.

ITS is planning to publish selected papers from the Seoul conference.

The report of Stanford Levin, Nominations & Membership Committee Chair, dealt extensively with Board

nominations, renominations and retiring Board members. He clarified that Board appointments are for six years. The Committee will endeavor to continue seeking geographic balance, as well as to find more qualified female candidates. He stressed the need to continually invigorate the Board and to ensure its members actively contribute to ITS initiatives.

The Strategic Planning Committee was charged with the task of recommending whether ITS should change its name to better reflect changes in the telecom, information and communications industries.

Mr. Gerard Pogorel was appointed as the new Conference Committee Chair, replacing Hindenori Fuke who stepped down from that position earlier in the year.

The next ITS Board meeting will be in Helsinki, Finland, prior to the ITS European regional conference, August 23-24, 2003.



## **Finance Committee**

At the most recent Board of Directors meeting in Seoul, held in conjunction with the 14th ITS International Biennial Conference, the Finance Committee made two reports.

The first report covered the annual period for the year 2001. That report indicated a healthy surplus at the end of the year and an approximate match between total revenues received and total expenses incurred for the year.

The largest revenue sources were from corporate memberships and surplus proceeds from the 13th Biennial International Conference held in Buenos Aires in 2000. The major sources of expenses were for distribution of the ITS journal to members, newsletter costs, website operations and secretariat expenses.

The second report covered the interim financial status for 2002 from January 1, 2002 through July 31, 2002. Year-to-date in 2002, ITS has experienced expenditures significantly in excess of revenues. A large part of the Board of Directors meeting discussion regarding the financial report was to determine actions necessary to keep the ITS financial footing sound. These actions will be undertaken over the next months.

The ITS tax return was filed with the U.S. Government tax authorities on a timely basis. Even though ITS is a tax-exempt organization, it is necessary that we file reports of our financial condition each year.

Lee Schmidt, Chair

## **Marketing & PR Committee**

The new ITS brochures were presented to the Board and distributed to all participants at the Seoul conference. They will have also been distributed at the ITS regional conference held in Madrid, Spain, in September, at the Telecommunications Policy Research Conference in Alexandria, Virginia, USA, and at the IDATE conference in Montpellier, France, in November. A new brochure focussing on the 2004 ITS Biennial Conference in Boulder, Colorado, USA will be published and distributed early in 2003.

Interconnect continues to be published three times a year, with a steadily increasing readership. This is due to the distribution through the ITS journal, *Communications &*



*Strategies*, as well as increased ITS memberships.

Don Romaniuk, Chair

## **Membership & Nominations Committee**

The Membership & Nominations Committee has continued to work to invigorate the Board and to handle Board nominations in a speedy fashion. In addition, the committee is undertaking initiatives to increase membership and to establish a listserv for ITS members.

It is crucial for ITS that all of its Board members be active and that new Board members be added as current Board members choose to retire from the Board. The Board continues to add new Board members to maintain a geographic balance, and the Board noted in Seoul that more female Board members would be desirable. In addition, the committee is only proposing Board members for renomination who have been active and who have been attending Board meetings.

Following the Montpellier Board meeting in 2001, the Membership & Nominations Committee voted favorably on Gary Madden (Curtin University of Technology, Australia), Xu Yan (Hong Kong University of Science and Technology), and Willie Grieve (TELUS, Canada), and these three individuals were elected to the Board by an electronic vote of the full Board. In advance of the 2002 Seoul Board meeting, the Committee voted to recommend the following individuals for the Board: Philippe Coste (IDATE, France), Nicolae Oaca (Adviser to Rom Telecom, Romania), Joao Silva (Catholic University of Portugal and Autoridade Nacional de Comunicacoes), and Ernst-Olav Rühle (Piepenbrock und Schuster, Düsseldorf, Germany). These four nominations were acted on favorably by the full Board in Seoul.

Some current Board members with terms that expired in 2002 chose not

to submit their names for re-nomination for a new Board term. Others who expressed an interest in a new term and who were recommended by the Committee for a new Board term were Dan Furman (Lucent, USA), Lorenzo Pupillo (Telecom Italia), Susan Simon (consultant, USA), Noemy Wachtel (TANFEL Enterprises, USA), Glyn Williams (British Telecom), and Glenn Wroch (University of California, Berkeley, USA). These individuals were all elected by the full Board to new terms ending in 2008.

The Membership & Nominations Committee will shortly undertake to contact current ITS members whose membership expired, as they did not attend the Seoul conference, as well as individuals who have attended regional ITS conferences but who are not currently ITS members, with information on joining or re-joining ITS. This initiative is awaiting the outcome of an investigation into making arrangements for ITS to accept credit cards for the payment of dues, something that is particularly important for potential non-U. S. members. Currently, dues must be paid by a check in U. S. dollars, which may be difficult and costly for prospective members who live outside the U. S.

In response to requests from ITS members, the Membership & Nominations Committee is working with ITS member Gene Mesher at California State University Sacramento to set up an ITS listserv. This will allow ITS officers to contact ITS members easily, and it will also allow ITS members to communicate among themselves about conferences, research needs, job openings, etc. Interconnect will have more information about the listserv in the future.

Stanford Levin, Chair

## **Publications Committee**

Publications as a result of the Seoul conference are already in process, with plans for at least one special journal issue and a book. Elsevier will publish the book. ITS books from Elsevier are a long-standing tradition, beginning with the ITS conference in 1990. Authors of papers presented in Seoul will have been contacted to determine their interest in the early autumn of 2002.

## ITS EXECUTIVE COMMITTEE

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### Editorial Board

**Don Romaniuk (Chair)**  
Pete Desrochers  
Irene Bonifacio  
Stanford Levin  
Erik Bohlin

## Leading Edge



Gary Madden, Grant Coble-Neal and Katerina Businoska presented the paper "Communications Capital and National Production" at the Seoul ITS Conference. The paper is a rigorous examination of an issue that has been taken up before - the relationship between investment in communications infrastructure and economic output. The

paper uses a comprehensive data set and advanced econometric methods to pinpoint the causal relationship between communications infrastructure and output in a new way.

Previous studies consistently report a positive relationship between communications infrastructure and gross domestic product (GDP), with some implying that increasing the size of the communications sector leads to increased growth. This study confirms a positive relationship but presents causal evidence that increasing GDP stimulates investment in communications infrastructure. While this result may appear counter-intuitive, it highlights the need to focus carefully on the nature of the benefit from communications infrastructure. The paper suggests that higher GDP causes increased investment in communications infrastructure because of the efficiency gains from communications services becoming both more affordable and more widely available.

The paper therefore sheds new light on the highly complex causal relationships between communications infrastructure and economic output, and the paper does so with a rigorous and competently executed application of advanced methods.

## Hak-Ju Kim Receives Top Student Paper Honors



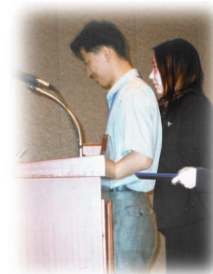
ITS Chair, Loretta Anania, presents awards in Seoul

Hak Ju Kim, currently studying at the University of Pittsburg, USA in the Telecommunications Program, won the Grand Prize in the Student Paper Competition at ITS 2002 in Seoul. The subject of his winning paper was "The Principle of Modularity to the Internet QoS Service Model Design."

Other prize winners included Sang-Pil Han from the Graduate School of Management, KAIST, Seoul, who won First Prize for her paper on

"Convergence Phenomenon and Service-Network Matrix," and Min-Kyoung Kim from the School of Business, ICU, Korea, taking second place honors for writing on "Determinants of Customer Retention for the Korean High-Speed Internet Service."

The awards were presented by Loretta Anania who congratulated all students who participated in the conference for their contributions in making the conference more intellectually stimulating.



## Call For Papers

### 14th European Regional Conference

August 23-24, 2003, Helsinki, Finland  
(in association with the 30th EARIE Conference, August. 24-26, 2003)

The International Telecommunications Society (ITS) is an association of professionals in the information sector with the aim of providing a forum where academic, private sector and government communities can meet to share their interest in the growing field of telecommunications planning, policy formulation and economic analysis.

ITS invites you to participate in the 14th ITS European Regional Conference and encourages the submission of research papers in the following areas:

- Telecommunications Regulation
- Role of Telecommunications Infrastructure
- Changes in the Structure of the Telecommunications Industry

- Telecommunication Services
- Convergence Among Telecommunications, Broadcasting and Computing and Telecommunications Services
- Industrial Policy Issues
- Electronic Commerce

Papers should be submitted in English and based upon current research. Submissions must be received no later than March 31, 2003 and should consist of a two-page abstract and a paper of no more than 25 pages.

For more information, contact Jürgen Müller  
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