

# TWENTY-FOURTH ANNUAL TELECOMMUNICATIONS POLICY RESEARCH CONFERENCE

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## FUNDING BY:

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**1996**  
**GRADUATE STUDENT RESEARCH AWARD**

Initiated in 1988, TPRC Graduate Student Research Awards seek to encourage and acknowledge research excellence at the graduate student level in topics pertinent to TPRC. This year's awards are presented to:

- 1ST PLACE:**                    **Gregory Crawford, Duke University**  
**Paper Title:**                The Impact of the 1992 Cable Act on  
Consumer Demand and Welfare: A  
Discrete-Choice Differentiated Products  
Approach
- 2ND PLACE:**                    **Susan Dente Ross, University of Florida**  
**Paper Title:**                Speaking, Rent-Seeking, and the  
Importance of Power: Telephone Company  
Strategic Use of the First Amendment
- 3RD PLACE:**                    **Eugenio Miravete, Northwestern**  
**University**  
**Paper Title:**                Estimating Demand for Local Telephone  
Service with Asymmetric Information and  
Optional Calling Plans

**TWENTY-FOURTH ANNUAL  
TELECOMMUNICATIONS POLICY RESEARCH CONFERENCE  
October 5-7, 1996**

**DETAILED PROGRAM**

**SATURDAY, OCTOBER 5, 1996**

**2:00pm-7:00pm**

**REGISTRATION  
LOCATION: BACK CREEK**

**2:15pm-4:00pm**

**Tutorial - Economic FAQs About the Internet**

**SPEAKER:**

Hal Varian, Dean, School of Information  
Management and Systems, University of  
California

**4:15pm-6:00pm**

**Tutorial - Telecommunications Act of 1996**

**SPEAKERS:**

Kathleen Levitz, Deputy Bureau Chief, Common  
Carrier Bureau, Federal Communications  
Commission  
Richard Metzger, Jr., Deputy Bureau Chief,  
Common Carrier Bureau, Federal  
Communications Commission

**5:30pm-6:30pm**

**RECEPTION/CASH BAR  
LOCATION: CONCOURSE**

**6:30pm-7:30pm**

**DINNER  
LOCATION: CHESAPEAKE BALLROOM**

**7:30pm-9:00pm**

**OPENING SESSION**

**OPENING REMARKS:**

David Waterman, Indiana University, 24th  
Conference Organizing Committee Chair

**OPENING SESSION:**

**Regulating On-Line Content: Mechanisms for  
Household and Local Control**

**SESSION CHAIR:**

Eli Noam, Columbia Institute for Tele-  
Information

**SPEAKERS:**

Paul Resnick, AT&T Labs

Robin Raskin, Editor, Family PC Magazine

Other Speakers, TBA

**SUNDAY, OCTOBER 6, 1996**

**8:00am-5:00pm**

**REGISTRATION  
LOCATION: BACK CREEK**

**7:30am-8:30am**

**BREAKFAST  
LOCATION: CHESAPEAKE BALLROOM**

**8:30am-10:00am**

**LOCATION: ST. LEONARD CREEK ROOM**

**SESSION: Pricing the Internet**

**SESSION CHAIRS:** Joseph Bailey and Lee McKnight, Massachusetts Institute of Technology

**PAPERS:** **A Dynamic Study of Price and Traffic Behavior in Interconnected Packet Networks**  
Martin Weiss, Taieb Znati, Saadulah Tareen, University of Pittsburgh and William Lehr, Columbia University

**Measuring What Internet Users Value: The INDEX Project**  
Richard Edell, Harish Chand and Pravin Varaiya, University of California - Berkeley

**Pricing for Internet Addresses and Route Assignments**  
Yakov Rekhter, Cisco; Paul Resnick and Steve Bellovin, AT&T Labs

**DISCUSSANT:** David Clark, Massachusetts Institute of Technology

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**LOCATION: HUNTING CREEK ROOM**

**SESSION: Comparative Studies: Rates and Regulation in Europe and the USA**

**SESSION CHAIR:** Jean Paul Simon, France Telecom

**PAPERS:** **How to Compare Rates. The OECD Perspective**  
Sam Paltridge, OECD

**SUNDAY, OCTOBER 6, 1996**  
**8:30am-10:00 am (Continued)**

**What Can - and Cannot - be Concluded From the  
OECD's International Rate Comparisons?**  
Dale Orr, Economic Analysis Associates

**Adapting the European Union Telecom-  
munications Regulatory Framework to the  
Developing Digital and Integrated Services  
Environment**  
Richard Cawley, European Commission

**DISCUSSANT:** Eli Noam, Columbia Institute for Tele-  
Information

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**LOCATION:** THEATRE

**SESSION:** Essential Facilities and Vertical Integration in  
Telecommunications

**SESSION CHAIR:** Tim Brennan, University of Maryland, Baltimore  
County

**PAPERS:** **A Theoretical Analysis of Vertical Reintegration  
Under the Telecommunications Act of 1996**  
David Kaserman, T. Randolph Beard and John  
Mayo, Auburn University

**Is Local Exchange Interconnection  
Discriminatory?**  
David Reiffen, Federal Trade Commission;  
Laurence Schumann, Glassman-Oliver; and  
Michael Ward, University of Illinois

**Opportunism in the Presence of an Essential  
Facility**  
Chris Doyle, London Business School

**The Impact of the 1992 Cable Act on Consumer  
Demand and Welfare: A Discrete-Choice  
Differentiated Products Approach**  
*Prize Winner - Graduate Student Research  
Award*  
Gregory Crawford, Duke University

**DISCUSSANT:** John Kwoka, George Washington University

**10:00am-10:30am** **COFFEE BREAK**

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**SUNDAY, OCTOBER 6, 1996**

**10:30am-12:00pm**

**LOCATION:** ST. LEONARD CREEK ROOM

**SESSION:** Cost Structure of the Local Exchange

**SESSION CHAIR:** William Sharkey, Federal Communications Commission

**PAPERS:**

**Feasibility of Using Radio Relay in Low Tier Wireless Local Loop Systems**  
Hung-Yao Yeh and Alex Hills, Carnegie Mellon University

**The Effect of Cellular Service on the Cost Structure of a Land-Based Telephone Network**  
David Gabel, Queens College and D. Mark Kennet, US Bureau of Labor Statistics

**The Cost of Basic Network Elements: Theory, Modeling and Policy Implications**  
Daniel Kelley, Richard Chandler and Robert Mercer, Hatfield Associates, Inc.

**DISCUSSANT:** Jay Atkinson, Federal Communications Commission

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**LOCATION:** HUNTING CREEK ROOM

**SESSION:** Universal Service

**SESSION CHAIR:** Jorge Schement, Penn State University

**PAPERS:**

**Universal Service: Migration of Metaphors**  
Harmeet Sawhney and Krishna Jayakar, Indiana University

**Universal Service and the Telecommunications Act of 1996: Towards a Third Generation of Universal Service Policy**  
Milton Mueller, Rutgers University

**Universal Service**  
Larry Povich, Federal Communications Commission

**Reconsidering Universal Service as a Menu**  
Jorge Reigna Schement and Marlin Blizinski, Penn State University

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**SUNDAY, OCTOBER 6, 1996**  
**10:30am-12:00pm (Continued)**

**LOCATION:** THEATRE

**SESSION:** Network Architecture Implications

**SESSION CHAIR:** Jeffrey K. MacKie-Mason, University of Michigan

**PAPERS:** **Combining Sender and Receiver Payment Schemes on the Internet**  
David Clark, Massachusetts Institute of Technology

**Economic Implications of Service Integration in Telecommunications Networks**  
Qiong Wang, Jon Peha and Marvin Sirbu, Carnegie Mellon University

**Changes in the Household-Level Demand for Postal Delivery Services from 1986 to 1994**  
Frank Wolak, Stanford University

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**12:00pm-1:30pm** LUNCH

**LOCATION:** CHESAPEAKE BALLROOM

**LUNCH SESSION:** **Implementation Of The 1996 Telecommunications Act: A Work In Progress**

**SESSION CHAIR:** Lisa Rosenblum, Cablevision Systems Corporation

**SPEAKERS:** Robert Pepper, Federal Communications Commission

Cheryl Parrino, National Association of Regulatory Commissioners

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**SUNDAY, OCTOBER 6, 1996**

**SESSIONS:**

**1:45pm-3:15pm**

**LOCATION:** ST. LEONARD CREEK ROOM

**SESSION:** Pricing Issues in Interconnected Networks

**SESSION CHAIR:** Nicholas Economides, New York University

**PAPERS:**

**Strategic Commitments and the Principle of Reciprocity in Interconnection Pricing**  
Nicholas Economides, Giuseppe Lopomo, and Glenn Woroch, Stern School of Business

**Call Externalities, Network Externalities and Network Interconnection**  
Padmanab Srinagesh and Jiong Gong, Bellcore

**Standardization Policy And International Trade**  
Oz Shy and Neil Gandal, The University of Michigan and Tel Aviv University

**DISCUSSANT:** Tim Brennan, University of Maryland, Baltimore County

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**LOCATION:** BATTLE CREEK ROOM

**SESSION:** Law and Information Policy

**SESSION CHAIR:** Jessica Litman, Wayne State University

**PAPERS:**

**A Politics of Intellectual Property**  
James Boyle, American University

**Intellectual Value and Intellectual Property**  
Margaret Chon, Syracuse University College of Law

**Barriers to Entry and Security Concerns of US Internet and non-Internet Users: A National Survey of Issues and Analysis of Policy Implications**  
James Katz, Bellcore

**DISCUSSANT:** Margaret Jane Radin, Stanford Law School

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**SUNDAY, OCTOBER 6, 1996**

**1:45pm-3:15pm (Continued)**

- LOCATION:** HUNTING CREEK ROOM
- SESSION:** **Political Economy of Telecommunications Policy Making**
- SESSION CHAIR:** Thomas Hazlett, University of California-Davis and American Enterprise Institute
- PAPERS:**
- Restructuring the Telecommunications Sector in Southeast Asia: Privatization Policies and Pitfalls**  
Heather Hudson, University of San Francisco
- Voting on Prices: The Political Economy of Regulation**  
Gerald Faulhaber, University of Pennsylvania
- Strategic Liberalization: Mapping a Course for Sustainable Telecommunications Infrastructure Development**  
Brian Regli, HRN
- Now Bell Has a Hammer: Telephone Company Use of the First Amendment to Batter Down Entry Barriers**  
*Prize Winner - Graduate Student Research Award*  
Susan Dente Ross, Washington State University
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- LOCATION:** THEATRE
- SESSION:** **International Developments in Video Distribution: Cable Telephony and Set Top Box Standards**
- SESSION CHAIR:** Jonathan Levy, Federal Communications Commission
- PAPERS:**
- Cable Telephony as a Business: The UK Experience**  
John Cluny, OFTEL
- Local Network Competition on Optus Vision's HFC Network**  
Ian Martin, BZW Australia

**SUNDAY, OCTOBER 6, 1996**  
**1:45pm-3:15pm (Continued)**

**Standards Issues in Digital Television: The  
Common Set Top Box**  
Martin Cave and Campbell Cowie, Brunell  
University

**DISCUSSANT:** David Reed, CableLabs

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**3:15pm-3:30pm**                      **COFFEE BREAK**

**SESSION:**

**3:30pm-5:00pm**

**LOCATION:**                      **PATUXENT BALLROOM**

**PLENARY SESSION:**      **Implementation of the 1996 Telecommunications  
Act: Ohio Case Study**

**SESSION CHAIR:**              Lynne Butler, Ohio Public Utilities Commission

**SPEAKERS:**                      Neil Cox, Ameritech

Marsha Schermer, Time Warner  
Communications

Joseph Farrell, Federal Communications  
Commission

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***IMPORTANT DINNER INFORMATION***

***PLEASE READ FOLLOWING PAGE***

## **CRAB FEAST**

### **IMPORTANT DINNER INFORMATION**

THIS YEAR TPRC WILL BE HAVING THE SUNDAY EVENING DINNER FUNCTION AWAY FROM THE HOLIDAY INN. WE WILL BE TAKING A SHORT BOAT TRIP TO A LOCAL RESTAURANT FOR A CRAB FEAST. IF YOU WOULD RATHER NOT GO TO DINNER BY BOAT, PLEASE SEE DAWN OR LORI, THE CONFERENCE COORDINATORS, FOR DRIVING DIRECTIONS TO THE RESTAURANT.

THE DINNER FUNCTION WILL INCLUDE CRABS WITH FIXINGS, BEER AND ICE TEA. IF YOU WOULD PREFER TO HAVE A DIFFERENT MEAL PLEASE NOTIFY DAWN OR LORI BEFORE 7:00PM ON SATURDAY NIGHT. (THERE ARE OTHER OPTIONS AVAILABLE IN A VERY LIMITED QUANTITY.)

THE FIRST BOAT SHUTTLE WILL LEAVE THE DOCK AT 5:00PM (PLEASE BE ON TIME). IT WILL TAKE UP TO 100 PASSENGERS DIRECTLY TO THE RESTAURANT, AND AFTER DINNER (APPROXIMATELY 6:30) THE BOAT WILL TAKE PASSENGERS ON A SCENIC CRUISE BEFORE RETURNING TO THE HOLIDAY INN.

THE SECOND BOAT SHUTTLE WILL LEAVE THE DOCK AT 5:30PM (PLEASE BE ON TIME) AND WILL TAKE UP TO 100 PASSENGERS ON A (APPROXIMATELY 1 HOUR) SCENIC CRUISE BEFORE DINNER, THESE PASSENGERS WILL THEN BE DROPPED OFF AT THE RESTAURANT. THE BOAT WILL RETURN TO PICK UP THESE PASSENGERS AND RETURN THEM DIRECTLY TO THE HOLIDAY INN AFTER DINNER.

THOSE WISHING TO REMAIN IN THE AREA OF THE RESTAURANT AFTER DINNER ARE WELCOME TO DO SO. THE WALK BACK TO THE HOTEL IS ABOUT 1.5 MILES.

**MONDAY, OCTOBER 7, 1996**

**7:30am-8:30am**                      **BREAKFAST**

**LOCATION:**                              **CHESAPEAKE BALLROOM**

**SESSIONS:**

**8:30am-10:00am**

**LOCATION:**                              **ST. LEONARD CREEK ROOM**

**SESSION:**                              **Spectrum Management**

**SESSION CHAIR:**                      Evan Kwerel, Federal Communications  
Commission

**PAPERS:**                              **Satellite Spectrum Auctions: Regulatory  
Feedback in Transnational Markets**  
George Morgan, Julia Kwok and Pankaj Lal,  
Virginia Polytechnic Institute and State Univ.

**Spectrum Sharing Without Licenses: Advantages  
and Pitfalls**  
Durga Satapathy and Jon Peha, Carnegie Mellon  
University

**Efficient Relocation of Spectrum Incumbents**  
Peter Cramton, University of Maryland; Evan  
Kwerel and John Williams, Federal  
Communications Commission

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**LOCATION:**                              **HUNTING CREEK ROOM**

**SESSION:**                              **The Internet: Business and Policy Issues**

**SESSION CHAIR:**                      Mark Corbitt, Federal Communications  
Commission

**PAPERS:**                              **Dialing for Dollars: Will the FCC Regulate  
Internet Telephony?**  
Rob Frieden, Pennsylvania State University

**Telecommunications Addressing: The Changing  
Technical Requirements and Institutional  
Environments**  
John L. King and Ashley Andeen, University of  
California, Irvine

**DISCUSSANTS:**                      Sharon Eisner Gillett, Massachusetts Institute of  
Technology  
Brian Kahin, Harvard University

**MONDAY, OCTOBER 7, 1996**

**8:30am-10:00am (Continued)**

**LOCATION:** THEATRE

**SESSION:** Speech on Line

**SESSION CHAIR:** Wendy J. Gordon, Boston University

**PAPERS:**

**The Great (Fire) Wall of China: Security and Information Policy Issues in the People's Republic of China**  
William Yurcik, University of Pittsburgh, Ravi Sandhu, George Mason University and Zixiang Tan, Syracuse University

**A Critical Look at Internet Ratings Systems**  
Jonathan Weinberg, Wayne State University

**Bedrooms, Bar Rooms, and Boardrooms in Cyberspace**  
L. Jean Camp, Sandia National Labs and Donna Riley, Carnegie Mellon University

**DISCUSSANT:** Judith Harris, Attorney

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**10:00am-10:30am** COFFEE BREAK

**MONDAY, OCTOBER 7, 1996**

**SESSIONS:**

**10:30am-12:00pm**

**LOCATION:** ST. LEONARD CREEK ROOM

**SESSION:** Regulation of Network Interconnection and Access

**SESSION CHAIR:** Gerald Brock, George Washington University

**PAPERS:** **Telecommunications Pricing for Efficient Local Competition**  
John Haring and Jeffrey Rohlfs, Strategic Policy Research

**Regulation: Can't Live With It - Can't Live Without It**  
Kenneth Gordon, NERA

**Dearie Me: FDC at the FCC**  
Michael Katz, University of California, Berkeley

**Implications of the New Interconnection Rules for the Telecommunication Industry**  
Gerald Brock, George Washington University

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**LOCATION:** HUNTING CREEK ROOM

**SESSION:** Policy Barriers to Infrastructure Investment

**SESSION CHAIR:** Thomas Aust, Citicorp Securities Inc.

**PAPERS:** **Investing Under Conditions of Uncertainty**  
Marjory Blumenthal, National Research Council

**State Initiatives to Increase Investment**  
James Sweetman, Jr., U.S. General Accounting Office

**Canada's New Regulatory Framework: A Formula for Infrastructure Development?**  
Kevin Wilson, Tele-universite, Universite du Quebec

**DISCUSSANT:** Lawrence Darby, Darby Associates

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**MONDAY, OCTOBER 7, 1996**  
**10:30am-12:00pm (Continued)**

**LOCATION:** THEATRE

**SESSION:** Electronic Commerce

**SESSION CHAIR:** Lorrie Faith Cranor, Washington University

**PAPERS:**

**The Social Impact of Electronic Money in Australia: Residential Users' Perspective on Electronic Commerce**  
Supriya Singh, Centre for International Research on Communication and Information Technologies

**An Axiomatic Approach to Evaluating and Selecting Digital Money Mechanisms**  
Jeff MacKie-Mason and Kimberly White, University of Michigan

**Online Services and "Transactional Space": Conceptualizing the Policy Issues**  
Peter White, La Trobe University

**DISCUSSANT:** Marvin Sirbu, Carnegie Mellon University

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**12:00pm-1:00pm** LUNCH

**LOCATION:** CHESAPEAKE BALLROOM

ADJOURN

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**NOTES**