Through the generous support of sponsors and friends, the Public Utility Research Center continues to provide programs that are mutually beneficial to the energy, water, telecommunications, regulatory and academic sectors.

Who Should Regulate Telecommunications?
Markets, Regulators or Antitrust

Mark A. Jamison, Ph.D., PURC Director

The integration of telecommunications and computing has fueled much of this nation’s economic growth during the past 10 to 15 years and now touches every part of our lives. Just imagine how Florida would have fared during recent hurricanes if public safety workers had not been able to network their computers and stay in constant contact.

But this same convergence that has brought us so many social and economic benefits has confounded our traditional regulatory policies; so much so, in fact, that there seems to be an emerging consensus that existing modes of regulation impede the availability of advanced telecommunications.

Legacy policies that subsidize certain types of telephone companies, control how network providers can interconnect their networks, and restrict who can provide video programming now limit customer choice and provide distorted incentives to some incumbent service providers to hold onto the past. If we are to let go of traditions that restrain us, we must develop new ways of thinking about communications policies, business practices, and the roles of government, business and consumers.

To advance this important dialogue, PURC convened a communications policy roundtable “Who Should Regulate Telecommunications – Markets, Regulators, or Antitrust?” in October 2005 at the offices of the Florida Public Service Commission. Approximately 100 participants, representing state and local government, business, academia and consumers, listened to speakers present their views on what is broken and what works in today’s telecommunications industry and regulation. The participants and speakers engaged in extensive breakout discussions to examine alternative visions of the future of telecommunications and what these different views mean for government policy.

From this dialogue, we’ve compiled a report that includes speakers’ remarks, summary points of
Lifeline Report

PURC’s report on the Lifeline Assistance Program (Lifeline) and Link-Up America program (Link-Up) in Florida has been completed and is available online at www.purc.ufl.edu. PURC faculty collaborated with colleagues at UF and the University of North Texas for this study.

These programs, which were created by the Florida Public Service Commission, are part of a nationwide effort to provide price discounts to low-income telephone subscribers. The study examined the accuracy of current participation rates and reasons why eligible customers might not sign up for the programs.

Papers and Presentations


“Liquid Pricing for Digital Infrastructure Services” by PURC Research Associates Subhajyoti Bandypadhyay and Hsing Kenneth Cheng at UF, examines alternative pricing schemes for broadband. The paper has been accepted for publication in an upcoming issue of The International Journal of Electronic Commerce.

As part of a seminar series, Research Associate Troy Quast presented his paper, “An Analysis of the Extent and Means of Entry into Local Telecommunications Markets” at the Federal Communications Commission in Washington, D.C. last November.

The paper, “Trait-based Imitation Among Entrepreneurial Market Entrants,” by Research Associate Rich Gentry received the Booz Allen Hamilton/SMS PhD Fellowship at the SMS 25th Annual International Conference last October. The award is granted to the top five Ph.D. student-authored papers presented at the Strategic Management Society meeting. Gentry also hosted a luncheon table at the conference.

Director Mark Jamison presented the paper “Bureaucrats as Entrepreneurs: Do Municipal Telecom Providers Hinder Private Entrepreneurs?” at the Telecommunications Policy Research Conference. The paper addresses how the municipal providers of telecommunications affect competition in U.S. markets.

Articles by Dr. Holt and Research Associates David E. M. Sappington, Chunrong Ai and Chen Lin appeared in the September special issue of Utilities Policy edited by PURC faculty. An introduction to the special issue on service quality was written by Director of Water Studies Sanford V. Berg.

The aforementioned papers can be found online at www.purc.ufl.edu.

Dr. Sappington participated last fall in a National Bureau of Economic Research conference on regulation. Papers examining the effectiveness of telecommunications and energy regulation, as well as regulation in other sectors, are available on the conference web site at www.nber.org.

We also observed significant challenges to federal and state policymakers because changing policies will have differential impacts and groups that view themselves as faring better in the past than in the future will resist change.

Furthermore, there are significant tensions between our visions for the future and many of the conceptual frameworks and ideals that directed our policies in the past.

Lastly, there is often significant confusion in distinguishing between adaptive challenges, such as...
Activities

33rd Annual PURC Conference
February 23-24, 2006

Federal Energy Regulatory Commissioner Nora Mead Brownell and Senior Vice President of Programs at the Universal Service Administrative Company (USAC) Irene Flannery are among the featured speakers at the 33rd Annual PURC Conference at the Hilton University of Florida Conference Center, February 23 and 24, 2006 in Gainesville.

The strong lineup of speakers includes Donald F. Santa, Jr., President of the Interstate Natural Gas Assoc. of America (INGAA), J. Alan Beamon, Director of the Coal & Electric Power Division in the Office of Integrated Analysis & Forecasting at the Energy Information Administration, John W. Mayo, Professor of Economics, Business and Public Policy at Georgetown University and Sean Carton, Dean of the School of Design + Media at Philadelphia University.

Following remarks by University of Florida President Bernie Machen, Gulf Power Company President and CEO Susan Story will address attendees during the conference luncheon on Friday.

Sessions will center around important current policy issues, what we have learned from disruptive events in the past and how public policy can respond to provide the stable, efficient utility services that our economy and society need in the context of 100 years of regulation by utility commissions in the United States. Register online at www.purc.ufl.edu.

Leadership Initiative

PURC continues to expand its role in leadership development for utility commissioners with its third leadership workshop, “Leadership in Utilities Policy: Adaptive Work for New Realities,” February 11, 2006 before the start of the NARUC Winter Meeting in Washington, D.C.

The workshop, sponsored by PURC and Cambridge Leadership Associates is designed to help regulators by engaging in a dialogue about the knowledge and skills that are necessary for exercising leadership in regulation.

PURC launched this initiative in July at a workshop before the NARUC Summer Meeting in Austin, Texas and in November, delivered a similar workshop in the Bahamas with 27 regulators participating from throughout the Caribbean.

www.purc.ufl.edu

Register online at www.purc.ufl.edu

www.purc.ufl.edu

3
Calendar of Events

February 11, 2006
PURC/CLA Executive Education Workshop for Utility Commissioners: Leadership in Utilities Policy
Hyatt Regency
Washington, D.C.

For more information, call 352/392-8677.

February 23-24, 2006
33rd Annual PURC Conference
Hilton University of Florida Conference Center
Gainesville, FL

For more information, call 352/392-8677.

June 19-30, 2006
20th PURC/World Bank International Training Program on Utility Regulation and Strategy
Hilton University of Florida Conference Center
Gainesville, FL

For more information, call 352/392-6148.

Sponsors and Representatives on the PURC Executive Committee:

BellSouth Telecommunications, Inc.
Florida Municipal Electric Assoc.
Florida Office of Public Counsel
Florida Power & Light Company
Florida Public Service Commission
Gainesville Regional Utilities
Gulf Power Company
Progress Energy Florida
Sprint-Florida, Inc.
University of Florida

PURC
Web site: www.purc.ufl.edu
E-mail: purc@cba.ufl.edu
Ph: 352/392-6148
FAX: 352/392-7796