2008 News Archive

December 2008

 PURC co-sponsored with Gee Strategies Group an <u>Energy Policy Leadership Summit</u> for utility commissioners and the financial community in Orlando. The program included representatives from Wall Street investment firms, industry leaders, a member of the president-elect's transition team, and a leading political analyst for a post-election discussion about the implications of the November elections for energy policy in the United States.

November 2008

Wireless U. Communications Policy Seminar

PURC worked with CTIA – the Wireless Association® and the National Conference of State Legislatures (NCSL) to provide a communications policy seminar for state policymakers in Tampa. This effort sought to improve policymakers' understanding of the complex market dynamics, as well as the strategic imperatives and regulatory issues facing the communications industry today and in the future. The seminar incorporated speakers to set the stage for understanding the importance of wireless communications and deregulation and provide a vision for a dynamic mobile industry, plus informative, interactive sessions that provided legislators and key staff with a framework for understanding wireless issues and how important policy issues plug into that framework.

OOCUR Annual Conference

Regulators in the Caribbean regularly meet to share ideas about developments in the region. Participants at this conference learned about how different regulatory commissions were addressing tough issues, ranging from judicial reviews, the impacts of privatization, number portability in telecommunications, and assessments of different types of incentive regulation. PURC Director of Water Studies Dr. Sanford Berg delivered two presentations in Belize City: "<u>Water, Electricity, and Telecommunications in</u> the Caribbean: Benchmarking Sectors and Systems" and "Bolivian Utility Regulation: Lessons for a Water Sector Agency." PURC is planning an PURC/OOCUR Advanced Course in Miami for May 2009. Find more presentations on the faculty page here.



Dr. Sanford Berg, right, meets with OOCUR Chairman Floyd Phillips, a commissioner of the Barbados Fair Trading Commission.

New Director of Energy Studies

PURC welcomed Ted Kury as its new director of Energy Studies. He comes to UF from the Energy Authority in Jacksonville.

Find more information on the faculty page here.

October 2008

Telecommunications Infrastructure and Economic Performance Conference

What is the impact of broadband on economic growth based on U.S. experience? This was the main topic of a presentation by PURC Policy Analyst Dr. Lynne Holt at the Telecommunications Infrastructure and Economic Performance conference in Paris, France. According to Dr. Holt, the main concern with the impact of broadband on economic growth is the lag between broadband use of innovative applications and actual economic productivity. During her presentation, "The Impact of Broadband on Economic Growth: Implications from Experiences in the U.S.," she noted that while broadband increases job growth, there is an imperfect understanding of the underlying causes.

Find more presentations on the faculty page here.

Texas seminar

Why do market leaders sometimes go out of business when circumstances change? According to recent research at PURC, sometimes the transition is too costly for leading firms, so they have to close down, leaving the market to others who may be less efficient than the leader, but can nevertheless make the transition more easily. Drawing upon research in neuroscience and other disciplines, PURC Director Dr. Mark Jamison developed a model of adaptive learning that explains why some very good firms have trouble adapting to new circumstances. He delivered the presentation, "Too Successful to Succeed," at a seminar at the University of North Texas.

Find more presentations on the faculty page here.

Doing Business with Africa: Practice, Issues and Potential

What are the opportunities for U.S. businesses wanting to enter African infrastructure markets? The answer is in knowing how infrastructure is provided and in finding local partners. That was the recommendation of Dr. Mark Jamison, at "**Doing Business with Africa: Practice, Issues and Potential**," in Tampa. Speaking before an audience of about 20 business managers and academics, he explained that there are three basic utility infrastructure models in Africa. Water is typically a local issue with government ownership, with varying degrees of national involvement. Energy is almost always a national issue with varying degrees of private participation. But most providers are state-owned. Telecommunications is almost always provided by the private sector with a national regulatory framework.

Find more presentations on the faculty page <u>here</u>.

Seminar on International Initiatives

What can national networks of regulators do? They can promote capacity-building and facilitate international outreach. Dr. Sanford Berg delivered the presentation, "<u>Water Utilities and Regulatory</u> <u>Systems: Capacity Building, Networking, and</u> <u>Benchmarking</u>" at the Associazone Nazionale Autorita e Enti di Ambito (<u>ANEA</u>) Seminar on International Initiatives in Rome. The association translated the glossary of the <u>Body of Knowledge on</u> <u>Infrastructure Regulation</u> into Italian. Find more presentations on the faculty page <u>here</u>.

<u>Emerging Issues Policy Forum: Digital Pathway to U.S.</u>
 <u>Economic Recovery and Prosperity Summit</u>

A bipartisan cross-section of industry, government, academic and consumer-interest organizations gathered in Coral Gables, Florida to focus on the unrealized potential of broadband as an economic stimulus to address this nation's most pressing social issues. PURC was invited as the only academic center to develop program materials for the event, featuring former FCC chairmen Bill Kennard and Michael Powell. We are in the process of compiling a report with the Joint Center for Political & Economic Studies on broadband stimulus which will be sent to the new administration in Washington, D.C.

September 2008

Telecommunications Policy Research Conference (TPRC)

Dr. Berg, right, presents Giovanni Canitano with a certificate of appreciation for his leadership in translating the glossary of the <u>Body</u> <u>of Knowledge on</u> <u>Infrastructure</u> <u>Regulation</u> into Italian. Canitano is the director of international outreach for ANEA.



PURC Director Mark Jamison, right, speaks with Bill Kennard, former chairman of the Federal Communications Commission, during the summit.

 Why does broadband matter? What are the important broadband policy issues for the U.S.? These are just two of the questions addressed in the PURC paper, "Broadband and Contributions to Economic Growth: Lessons from the U.S. Experience" by Drs. Lynne Holt and Mark Jamison. Dr. Jamison presented this paper at TPRC in Arlington, Virginia. The paper examines how broadband telecommunications impacts economic development, the drivers of broadband deployment and penetration, and the implications for public policy. It finds that innovation is the key driving of economic growth and that the U.S. has been the most successful country in leveraging the innovativeness that broadband unleashes.

How do rapidly changing telecommunications technologies and customer demand affect universal service policies? This was the theme of a presentation by PURC Senior Research Associate, Dr. Janice Hauge, at TPRC. She presented the PURC paper, "More than a Lifeline: Low-Income Households' Telecommunications Preferences" by Drs. Hauge, Eric Chiang, and Mark Jamison. The paper presents survey results of low-income households in Florida and shows that they are rapidly cutting the cord and moving to prepaid cellular phones, even more so than higher income households. In fact, households that have both a wireline and cellular phone are much more likely to be higher income. The research also provides insights into the high value that low income households place on their telecommunications services and how they are choosing to not participate in the traditional Lifeline program, which provides a price discount on basic local telephone service, in favor of moving on to newer technologies.

Issues in Regulation: World Bank Workshop (Miami)

PURC Director of Water Studies Sanford Berg delivered the presentation, "Critical Issues in Utility Regulation" at a meeting in Miami of the World Bank's Economics Unit and Sustainable Development Department of Latin America and the Caribbean. The workshop provided an opportunity to examine a number of issues, including environmental regulation in the region, infrastructure expansion, affordability, benchmarking, and the role of new technologies.

Find more presentations on the faculty page <u>here</u>.

July 2008

PURC in Brazil

How can regulators remain up to date on best practices in nearby countries? The Brazilian regulatory agency in São Paulo, Agência Reguladora de Saneamento e Energia de São Paulo (ARSESP), organized a



workshop to gather information about water regulatory practices in South America. The agency recently expanded the sectors it regulates to include water and sanitation services, as well as energy. PURC Research Associate Maria Corton delivered a **presentation** about benchmarking at the **workshop** before the 60 participants, including representatives from Colombia, Chile and Argentina, as well as the Association of Water Regulators of the Americas (ADERASA), the Association of Brazilian Regulatory Agencies (ABAR), and the largest water service provider in São Paulo (SABESP). **Find more information about PURC associates <u>here</u>.**

PURC in Australia

"What should regulators know?" was the topic of a keynote address by Dr. Mark Jamison at the <u>Australian</u> <u>Competition and Consumer Commission annual conference</u> in Gold Coast, Australia. He emphasized that regulatory commissions today face adaptive challenges -- situations where there is general disagreement over the relevant questions and how to make tradeoffs -- and that regulators should be cautious about adopting technical fixes too soon in the process. Instead, regulators should maintain flexibility while helping the public, stakeholders, politicians, and researchers sort out how they view the future and how they will adjust to the new realities of energy prices, environmental policy, water limitations, and telecommunications convergence. Settling into a technical fix before enough is known would stifle important debates and likely create the need for costly re-engineering of regulatory decisions. At the same time, regulators cannot abandon their critical roles of providing an environment that encourages investment and that protects consumers against market power and undue discrimination. Approximately 400 regulatory professionals attended the conference.

Find more presentations on the faculty page here.

FIAR infrastructure forum

Former Florida Public Service Commissioner Isilio Arriaga, a PURC associate, spoke in Mexico City, Mexico at FIAR (Foro Iberoamericano de Agencias de Regulación), a forum on infrastructure regulation. His presentation focused on the value of collaborative activities between regulatory agencies and universities. He was joined by PURC Assistant Director Araceli Castaneda who updated forum attendees on PURC research and recent programs in Latin America and other regions of the world. The purpose of the event was to promote discussion among water regulators and suppliers regarding ways to improve sector performance in the Americas.

Find more presentations on the faculty page here.

PURC in Portland, Oregon PURC/CLA Executive Development Series for Utility Commissioners: Providing Leadership in Utility Policy Find more leadership development programs <u>here</u>.

June 2008

Research Grant

University of Florida Ph.D. candidate Sangwon Lee was awarded a NET Institute Summer 2008 grant by the <u>Networks, Electronic Commerce, and Telecommunications ("NET") Institute</u> based on a proposal he submitted with PURC Research Associate Justin Brown, a UF assistant professor of telecommunication. The NET Institute funds a number of scientific research projects in the areas of network industries, including wired and wireless networks, virtual networks, electronic commerce, telecommunications, and the Internet. The research project is based on Lee's dissertation, "A Cross-Country Analysis of Ubiquitous Broadband Deployment: Examination of Adoption Factors."

International Telecommunications Society conference

What happens if ISPs are allowed to charge Web sites for higher quality delivery of content? The amount and diversity of content grows. That's the conclusion of a recent study by Dr. Mark Jamison and PURC Research Associate Dr. Janice Hauge. He presented the paper, "Getting What You Pay For: Analyzing the Net Neutrality Debate," in June at the International Telecommunications Society conference in Montreal, Canada. He'd also presented this paper in March 2008 at the European Communications Policy Research (EuroCPR) Conference in Seville, Spain.

Search for the publication <u>here</u>.

24th PURC/World Bank International Training Program on Utility Regulation and Strategy in Gainesville, FL

In attendance for the 24th program were 99 participants from 35 nations. **Find the more information about the program <u>here</u>.**

May 2008

 PURC Hosts Water Task Force Meeting Sanford Berg (second from left), a member of the Water Allocations and Transfers Task Force, hosted a meeting of the group at the University of Florida. The task force is one of several established by the Florida section of the American Water Works Association charged with creating a Florida 2030 Vision to address water issues in the state. The task force discussed options to promote



environmental stewardship and efficient water use. A report by the group will be utilized by the <u>Century</u> <u>Commission for a Sustainable Florida</u> at the Florida Vision Water Summit September 25-26, 2008 in Orlando.

International Industrial Organization Society conference

PURC co-sponsored the 6th Annual IIOC event at Marymount University in the Washington, DC area.

Lifeline Presentation to Florida Public Service Commission

Low income households in Florida are quickly cutting the cord and adopting cellular phones as their primary means of communications, according to a recent PURC study. In a presentation to the Florida Public Service Commission in Tallahassee, Dr. Mark Jamison noted that low income consumers are moving to wireless at a faster rate than higher income households. He added that low income households are adopting prepaid cellular phones because of their convenience and value for money. The presentation summarized recent PURC research on the Lifeline telephone discount program. The research found that the program's traditional focus on landline telecommunications is causing it to become out of date for eligible households. Not only is the program losing value for these consumers, but they also find it too hard to enroll, despite work by the Commission, telecommunications companies, and others to simplify and promote the program. **Find more presentations on the faculty page here**.

April 2008

Telecom Environment Management (TEM) 2008

Will broadband be an engine of economic growth? That depends on whether consumers and businesses adopt new ways of using broadband and whether government policies encourage competition, according to Dr. Mark Jamison in his keynote speech at TEM 2008 in Orlando, Florida. He explained to the convention of telecommunications environment management specialists that while information technologies and telecommunications have been engines of economic growth in both developed and developing countries, there is still much to be learned about the potential impacts of broadband. The first challenge is to ensure that broadband is available to and used by the customers who can use it for growing the economy. This points to the need for competitive markets, and to ensuring that regulatory decisions are kept out of the political arena. Dr. Jamison also encouraged the attendees to look beyond the simple broadband penetration statistics often mentioned in the press, and instead to look into measures of the intensity of use of telecommunications applications, an area where the United States holds a sizable lead over other countries. The second challenge to ensuring that economies leverage broadband is to develop a culture that is willing to transform its economic systems and organizations to take advantage of what broadband has to offer. This process of creative destruction appears to have been key to the resurgence of productivity growth in the United States, a resurgence that was made possible by using information technologies in new and creative ways. Find more presentations on the faculty page here.

Dr. Sanford Berg Recognized for Teaching Excellence

Sanford Berg, left, smiles with University of Florida President Bernie Machen at the banquet ceremony where he received three teaching awards in Spring 2008, including induction into the University of Florida Academy of Distinguished Scholars. The Academy recognizes outstanding educators who have demonstrated sustained innovation and commitment to teaching throughout their careers. After completing his three-year term on the Provost's Advisory Board for Faculty Development, he will retain the title of Distinguished Teaching Scholar and continue to be a part of the Academy. In addition, Dr. Berg was selected from



Dr. Berg, left, and UF President Bernie Machen.

among 17 instructors in the UF Internet MBA Program to receive the Outstanding Faculty Award for 2008, and was voted by the traditional MBA 2008 class as the Core Teacher of the Year.

Find more presentations on the faculty page <u>here</u>.

March 2008

Partnership with Brazilian Regulators PURC is pleased to announce an activities partnership with the Brazilian regulatory agency, Associação Brasileira de Agências de Regulação (ABAR). The partnership was formed to facilitate activities and initiatives that strengthen regulatory capacity and support research on infrastructure performance.

PURC in Spain

International Water Association Pi08 ConferenceBaMore than 100 water specialists at theInternational Water Association Pi08 Conference onPerformance Assessment of Urban InfrastructureServices (March 12-14) were in attendance in Valenciafor the presentation of "Water Utility Benchmarking forManagerial and Policy Decisions: Lessons fromDeveloping Countries," a paper by Dr. Sanford Berg. Ithas been published in the book, Performance Assessmentof Urban Infrastructure Services: Drinking Water,Wastewater, and Solid Waste by IWA Publishing.Find more presentations on the faculty page here.



Signing the activities partnership document are seated from left, PURC Director of Water Studies Dr. Sanford Berg, ABAR President Álvaro Otávio Vieira Machado, PURC Director Mark Jamison and Guilherme Bahia, director of the Regulatory Agency of Prenambuco, ARPE.

Dr. Sanford Berg, left, meets with Peter Stahre, a founder of the Scandanavian Six Cities Group (Water Utilities Benchmarking) during the International Water Association Pi08 Conference on Performance Assessment of Urban Infrastructure Services.



Universal Service Obligations and Regulatory Regimes: the Latin American Experience conference

The paper, "Water Utility Performance in Central America: The Political Economy of Coverage, Quality and Cost," was presented by Dr. Sanford Berg at the Center for International Relations and Development Studies (CIDOB) in Barcelona. The center hosted the conference March 6-7. (CIDOB will publish a book based on the presentations that is expected to generate a fruitful dialogue on the issues associated with defining and implementing policies related to access to infrastructure services.) **Search for the publications <u>here</u>.**



Dr. Sanford Berg meets with conference organizer Dr. Jacint Jordana.

PURC in Bulgaria

Water professionals from the Bulgarian State Energy and Water Regulatory Commission learned about building the block tariff, vulnerable customer protections, service quality indicators, international best practice, and information requirements for benchmarking during workshop sessions in Sofia taught by Dr. Sanford Berg. He participated as part of PURC's collaboration with law firm Pierce Atwood. Its training workshops were designed to review the specific legal and regulatory framework in Bulgaria, and to build consensus around proposed revisions.

Find more presentations on the faculty page here.



Dr. Sanford Berg, standing third from right, gathers with Elizabeth Butler, center, of Pierce Atwood and regulatory professionals who participated in the training workshop in Bulgaria.

Bandwidth-Driven Growth: Policy Essentials for Next Generation Development
 This seminar, delivered by Dr. Mark Jamison in Lisbon, Portugal and sponsored by the Portugal
 telecommunications regulator ANACOM, explored how telecommunications, and broadband in particular, affect

economic growth and the regulatory policies that promote this development. The presentation began by describing how telecommunications is essential for developing a nation, drawing lessons from research and from practical experience. Empirical research demonstrates that telecom investment is a significant engine for economic growth and that the effective application of telecommunications and ICT generally improves productivity. But do these lessons apply to broadband? Dr. Jamison explained how the similarities between broadband and traditional telecommunications lead to the conclusion that competition and strong regulatory institutions are critical to the economical development of broadband telecommunications. However, there are some differences. Recent research highlights the importance of competition between broadband technologies; such intermodal competition was not particularly important in traditional telecommunications. Also, unbundling of local lines is having a positive impact on the development of broadband competition; this wasn't necessarily the case for fixed line voice services. Finally, recent research is indicating that the decision to purchase broadband is complex from a consumer perspective, so bundling and pricing options may be discouraging broadband adoption by average consumers. **Find more presentations on the faculty page here**.

 Basic Course on Regulatory Economics for Telecommunications for ANACOM, Portugal The basics of economic issues in telecommunications regulation were the focus of this workshop for approximately 35 regulatory professionals at ANACOM, the telecommunications regulatory agency for Portugal.

Find the course calendar and details about the course here.

February 2008

- PURC in Washington, D.C.
 PURC/CLA Executive Development Series for Utility Commissioners Providing Leadership in Utility Policy: Federal and State Leadership Roles in Energy Policy Find more leadership development programs <u>here</u>.
- 35th Annual PURC Conference in Gainesville, FL
 The Real Climate Change: Planning and Investing Under Uncertainty
 Ashley C. Brown, executive director of the Harvard Electricity Policy Group, was the recipient of the 2008
 PURC Distinguished Service Award. David Smith was the recipient of the 2008 Gerald L. Gunter Distinguished
 Service Award.
 Find the speakers' presentations and more information here.

Find the speakers' presentations and more information here.

January 2008

Dr. Sanford Berg Recognized for Research and Training
 The <u>Transportation and Public Utilities Group</u> (TPUG) President
 Christiaan Hogendorn of Wesleyan University (right) presented the

 <u>Distinguished Member Award for 2007</u> to University of Florida
 Distinguished Service Professor in Economics Dr. Sanford Berg. The award recognizes both Berg's research contributions and the international training programs developed under PURC auspices. Since 1965, TPUG has honored members who have made significant contributions to the field, and to TPUG during their careers, including James C. Bonbright, Eli W. Clemens, William Vickrey (Nobel Laureate), Harry M. Trebing, Douglas N. Jones, Steven A. Morrison (2003 – a UF alumnus), and Eli M. Noam.



Dr. Berg, left, is congratulated by TPUG President Christiaan Hogendorn.

23rd PURC/World Bank International Training Program on Utility Regulation and Strategy in Gainesville, FL

In attendance for the 23rd program were 70 participants from 30 nations. **Find more information about the program <u>here</u>.**