

PHOENIX FOR ADVANCED
LEGAL & ECONOMIC
C E N T E R PUBLIC POLICY STUDIES
www.phoenix-center.org

2005 ANNUAL REPORT

PHOENIX CENTER FOR ADVANCED LEGAL & ECONOMIC PUBLIC POLICY STUDIES

5335 Wisconsin Avenue, NW, Suite 440

Washington, D.C. 20015

Tel: (+1) (202) 274-0235 • Fax: (+1) (202) 318-4909

www.phoenix-center.org

PRESIDENT'S MESSAGE

2005 was a year of major transition for both the telecommunications industry and the Phoenix Center.

First and foremost, we were very excited that two long-time volunteers were able to join the Phoenix Center full time: Phoenix Center Chief Economist George Ford and former Adjunct Fellow now turned Resident Scholar Thomas M. Koutsky.

Second, as the major debate in telecommunications moved away from unbundling towards the important issue of cable franchise reform, the Phoenix Center's work again led the way. To this end, the Phoenix Center published three POLICY PAPERS and one POLICY BULLETIN on various aspects of the franchise debate which provided much of the analytical framework for the ensuing dialectic.

Indeed, the Phoenix Center's research contribution to the dialectic in 2005 was significant. For example, not only were we cited by the Congressional Research Service, but major media and trade outlets continued to cite the Phoenix Center and its Members in 2005 including, THE AUSTIN AMERICAN STATESMAN, CBS MARKETWATCH, DALLAS-FORT WORTH STAR TELEGRAM, THE ORLANDO SENTINEL, AND INVESTORS BUSINESS DAILY.



The Phoenix Center also sponsored a variety of conferences and briefings in 2005. Among other events, the Phoenix Center sponsored a briefing on franchise reform featuring Congresswoman Marsha Blackburn. The Phoenix Center also inaugurated regular breakfast briefings of our research at the National Association of Utility Regulatory Commissioners' Summer and Annual Meetings (to standing-room only crowds).

In addition, the Phoenix Center held its annual Educational Retreat in Phoenix, Arizona. Unlike other conferences, the Phoenix Center Retreat is intended solely to provide policymakers the opportunity to expand their knowledge through open and honest discussions with colleagues from across the nation. As such, our Retreat is always a true "roll-up your sleeves" event: no press, no lobbyists, working meals, *etc.* – just policymakers and our faculty candidly talking policy in an intimate, academic setting. Among other participants, we were honored to have FCC General Counsel Sam Feder and FCC Commissioner-designate Debi Taylor Tate join us and share their views.



The Phoenix Center's Annual U.S. Telecoms Symposium was also another phenomenal success. In addition to hearing panels comprised of some of the leading experts in the industry, the Phoenix Center honored FCC Commissioner Michael Copps with our prestigious annual Jerry B. Duvall Public Service Award.

Not a bad year...

– Lawrence J. Spiwak

President

PHOENIX CENTER PUBLICATIONS AND CONTRIBUTING TO THE DIALECTIC

The Phoenix Center continued to publish important scholarly research in 2005. As always, all of the Phoenix Center's research is available free on the Phoenix Center's web page and on the Social Science Research Network.

PHOENIX CENTER POLICY PAPER SERIES

The Phoenix Center's POLICY PAPER SERIES seeks to provide an in-depth analysis of the current regulatory and political paradigms, as well as to provide constructive and well-reasoned solutions to the problems of the day. In 2005, the Phoenix Center issued the following POLICY PAPERS:

- *Competition After Unbundling: Entry, Industry Structure and Convergence*, PHOENIX CENTER POLICY PAPER NO. 21;
- *The Consumer Welfare Cost of Cable "Build-out" Rules*, PHOENIX CENTER POLICY PAPER NO. 22;
- *The Impact of Video Service Regulation on the Construction of Broadband Networks to Low-Income Households*, PHOENIX CENTER POLICY PAPER NO. 23.

PHOENIX CENTER POLICY BULLETIN SERIES

The Phoenix Center's POLICY BULLETIN SERIES is designed to provide a forum for responding to breaking policy issues in a shorter period of time than our PHOENIX CENTER POLICY PAPER SERIES. The Phoenix Center published the following POLICY BULLETINS in 2006:

- *Franchise Fee Revenues After Video Competition: The "Competition Dividend" for Local Governments*, PHOENIX CENTER POLICY BULLETIN NO. 12.

IN THE NEWS:

In 2005 the Phoenix Center's work and staff were cited by major news and trade media outlets around the world, including:

- The AUSTIN AMERICAN STATESMAN;
- CBS MARKETWATCH;
- DALLAS-FT. WORTH STAR TELEGRAM;
- The ORLANDO SENTINEL;
- INVESTORS BUSINESS DAILY;
- The KANSAS CITY STAR;
- COMPUTERWORLD;
- COMMUNICATIONS DAILY;
- RED NOVA;
- WACO TRIBUNE;
- TELECOMMUNICATIONS REPORTS.

PHOENIX CENTER SPONSORED EVENTS

- Congressional Briefing (with Congresswoman Marsha Blackburn);
- Breakfast briefings at NARUC's Summer and Annual Meetings.

SELECTED OTHER SPEECHES:

- National Consumers League;
- American Legislative Exchange Council;
- National Conference of State Legislatures;
- IT-Florida;
- FCC Consumer Advisory Committee;
- Institute for Public Utilities;
- TelecomNxt;
- Pike and Fisher's Annual Broadband Summit.

PHOENIX CENTER ANNUAL RETREAT

Each year, the Phoenix Center gathers together a select group of some two dozen selected policymakers, a “blue ribbon” faculty from academia and government, and several keynote speakers for a series of invitation-only briefings and informal exchanges about the interaction of regulation, economics and technological change. Unlike other conferences, the Phoenix Center’s Retreat is true a “roll-up your sleeves” event: no press, no lobbyists, working meals, *etc.* – just policymakers and our faculty candidly talking policy in an intimate, academic setting.

Once again, in addition to our Phoenix Center staff, we were privileged to have a great line-up of speakers this year, including FCC General Counsel Sam Feder; NFIB Director of Regulatory Policy Andrew Langer, FCC International Bureau Chief Economist Jerry Duvall, Grover Norquist from Americans for Tax Reform, and NARUC General Counsel Brad Ramsay.

As always, the topics discussed ranged widely and were timely. Session topics included: “Competition After Unbundling”, “Why Broadband is Important to Small Business Owners”; and “Network Security/Critical Infrastructure.”



ANNUAL U.S. TELECOMS SYMPOSIUM AND JERRY B. DUVALL PUBLIC SERVICE AWARD

On December 1st, 2005, the Phoenix Center held its Fifth Annual U.S. Telecoms Symposium in Washington, D.C.

Once again, the Symposium kicked-off with the traditional “economists’ panel.” This year, this panel included Dr. Charles Goldfarb - Congressional Research Service, Library of Congress, Dr. Michael Pelcovits - MiCRA and former Chief Economist, MCI; and Dr. George Ford, Chief Economist - The Phoenix Center.

As always, the panel was moderated by Honorary Phoenix Center Chief Economist Emeritus, and current FCC International Bureau Chief Economist, Jerry Duvall.

The second panel of the day, moderated by newly-appointed Acting FCC Inspector General and long-time Phoenix Center Adjunct Fellow Dr. Kent Nilsson, examined the role of video in broadband deployment. Panelists included Larry Irving, Internet Innovation Alliance; Dan Brenner, Senior Vice President for Law and Regulatory Policy - NCTA; Donna Gregg, Chief - Media Bureau, Federal Communications Commission; and Thomas M. Koutsky, Resident Scholar - The Phoenix Center.

The last panel of the day, moderated by Phoenix Center President Lawrence J. Spiwak, examined “Who Speaks for New Entrants in any Telecom Act Rewrite?” Panelists included Earl Comstock, President and CEO - Comptel; Bruce Byrd, Vice President and General Counsel, Washington Office - AT&T; Bobby Franklin, Vice President, Government Affairs - CTIA; and the Hon. Connie O. Hughes, Commissioner - New Jersey Board of Public Utilities.

The Symposium ended with the presentation of the Phoenix Center’s Annual Jerry B. Duvall Public Service Award to Commissioner Michael J. Copps of the Federal Communications Commission. Significantly, the Duvall Award does not seek to recognize the recipient’s personal politics; rather, the Duvall Award goes to the policymaker who most demonstrated the “political courage in, and contribution of analytical rigor to, the United States telecoms restructuring debate.”



SYMPOSIUM PICTURES



MISSION STATEMENT

The Phoenix Center for Advanced Legal & Economic Public Policy Studies is an international, non-profit 501(c)(3) organization that studies broad public-policy issues related to governance, social and economic conditions, with a particular emphasis on the law and economics of telecommunications and high-tech industries.

Founded in 1998, the Phoenix Center's mission is to maximize consumer welfare by promoting free markets, competition, and individual freedom and liberty.

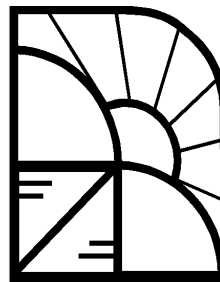
The Phoenix Center achieves this goal by providing an honest and credible new voice in the public dialectic by supporting objective, solutions-based academic research to the forefront that is unencumbered by political hyperbole or agendas and is instead well grounded in fact, law and economic theory.

Long-Term Goals:

- (1) The Phoenix Center seeks to demonstrate that consumer welfare is best enhanced by promoting free markets, competition, and individual freedom and liberty.
- (2) The Phoenix Center's seeks to remind stakeholders that it is crucial to avoid political hyperbole and instead approach public policy with the analytical rigor and solemnity it deserves.
- (3) The Phoenix Center seeks to promote public confidence in the democratic process, government's institutions and in the free enterprise system.
- (4) The Phoenix Center seeks to foster an environment where citizens can openly and vigorously debate today about what kind of a world they want to live in tomorrow.

The "ideal of democracy rests on the belief that the view which will direct government emerges from an independent and spontaneous process. It requires, therefore, the existence of a large sphere independent of majority control in which the opinions of the individuals are formed."

- Friedrich von Hayek



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