The first Transatlantic Dialogue was held in conjunction with the IDATE Conference on November 22nd in Montpellier, France. The dossier of this issue is based on the papers presented at this seminar (unfortunately, we have not been able to include all of the papers in this issue, but plan to include the remainder in a forthcoming issue). The editors felt that Europe has been introspective for the last few years and mainly concerned with European Directives from Brussels. It is time for Europe to raise its head to see what has been going on elsewhere. In this issue we concentrate on events in the United States as compared to Europe. We were particularly fortunate to have the cooperation and support of the Columbia Institute of Tele-Information (CITI), Columbia University, the University of Colorado and the International Telecommunications Society to help pull together the program and papers for this event. Next year the dialogue will take place at Columbia University in New York City, where the focus will be on what lessons Europe can offer America.

We are pleased with the results of this dialogue and hope that our readers will also find them useful. The authors address the application of economic theory to the regulatory process. In light of the New European Regulatory Directives and telecommunication legislation under consideration by the U.S. Congress, the insights provided by the authors are particularly important, although disturbing. Overall, their prognosis is discouraging. The United States requires serious regulatory reform, but is not likely to achieve it according to Scott Marcus. The other authors are also gloomy about the state of public policy in the USA. They question whether the correct economic theories have been applied to the sector. Have the market place dynamics been considered? The authors answer negatively.

Each addresses these issues in different ways. The Shelanski article suggests that a major restructuring of the U.S. regulatory framework is required, as does the paper by Marcus – each with a different emphasis. Marcus provides an overview of regulation on both sides of the Atlantic to provide the context of the discussion. The paper by de Fontenay et al. re-examines the concept of economics of scale and asks if inefficiencies in firms are hidden by the gross manner in which the network firms are analyzed? If so, then policy-makers have been concentrating on the wrong issues. The Baake et al. paper re-examines and applies the Schumpeterian thesis. Its authors question the need for government intervention in the early stage of an innovative process; even this means that a monopoly will prevail for a certain period of time. In a similar vain to Baake et al., the Alleman & Rappoport paper questions whether economic theory has been correctly applied and laments the lack of consideration of the dynamics and uncertainty of the market place in the policy-making process.
Overall, this dossier challenges the traditional policy tools, instruments, and models from which regulation is derived. In light of these articles, decision-makers should judge their policy against the veracity of their models.

We hope you will find these papers provocative and thoughtful.

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Professor Eli Noam contributed to the "Opinion" section. He was gracious enough to provide us with his views of the major ICT issues confronting Europe and the United States, how the new U.S. legislation should be structured, as well as his other creative ideas and insights.

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Following the interview are three articles, which complement those of the dossier. The first, by Georg Erber, shows how – using state-of-the-art methodology – the information, communication and technology sector has contributed to productivity improvements in Europe and the United States. Fernando Lera-López & Margarita Billón-Currás also explore economic growth and productivity issues, but in the context of the "digital divide" in the European Union's 15 and confirm the importance of regional policies. Bruno Deffains and Yannick Gabuthy examine the efficiency of online dispute resolutions as an alternative to traditional legal action in a case study.

Enjoy reading this issue!

The Editors