Advanced Workshop in Regulation and Competition

16th Annual Western Conference

Hyatt Islandia, in San Diego, California, on June 25–27, 2003

The Conference features some of the latest developments in the telecommunications and energy sectors, including:

- Risk Management
- Innovations in Pricing and Technology
- Providing Resources
- Strategies under Competition and Deregulation
- Telecom Meltdown

Who should attend:

- Industry Economists
- Marketing and Regulatory Managers
- Regulatory Commission Staff

The Center for Research in Regulated Industries, located at Rutgers University, aims to further study of regulation in economics, finance, and institutions. Its publications, seminars, workshops, and courses make available the latest advances to academics, managers, and regulatory commission staff. The Center has over twenty-five years of experience providing research, instruction, conferences, courses, seminars, and workshops in economics of network industries. The Center’s Journal of Regulatory Economics is an international scholarly bi-monthly publication intended to provide a forum for the highest quality research in regulatory economics. Other research from the Center’s programs has been published in the book series Topics in Regulatory Economics and Policy.

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www.crri.rutgers.edu

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973-353-5761 • 973-353-1348 (fax)
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<tr>
<th>Time</th>
<th>Event</th>
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<tr>
<td>3:00 - 4:00</td>
<td>Registration</td>
<td>Islands Ante Room</td>
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<td>4:00 - 6:00</td>
<td>Welcome to Conference: Michael A. Crew</td>
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<td></td>
<td>John Jurewitz: Emerging Issues in the Regulation of Utility: Power Procurement in Restructured Electricity Markets</td>
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<td>Robert Michaels: Market Monitoring in Electricity: What can We Learn from the Economics of Regulation?</td>
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<td>6:00 - 9:00</td>
<td>Cocktail Hour, Dinner, and Keynote Speech: Jan Schori, General Manager, S.M.U.D.</td>
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<td>8:00 - 9:45</td>
<td>Concurrent Session</td>
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<td>WHOLESALE</td>
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<td>Chair: Nainish Gupta</td>
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<td>Discussants: Ralph Zarumba &amp; Kevin O’Meara</td>
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<td></td>
<td>Valeria Termini &amp; Laura Cavallo: Market design and market power in electricity markets</td>
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<td>Toru Hattori: A Simulation Analysis of the Potential for Market Power in Japanese Electricity Market</td>
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<td>Kevin Woodruff: Re-Structuring the Electricity Industry: Identifying Roles for the Private &amp; Public Sectors</td>
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<td>RISK MANAGEMENT I</td>
<td>Islands B</td>
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<td>Chair: Sandra Burns</td>
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<td>Discussants: Lewis Evans &amp; Menahem Spiegel</td>
<td>2:30 - 4:00</td>
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<td>Victor Niemeyer: How Long Will the Glut Last? A demonstration of the application of stochastic process models to load forecasting</td>
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<td>Marian Brown, Ziyad Awad &amp; Michael V. Williams: Energy Efficiency Programs as a Tool for Mitigating Risk in Wholesale Electricity Markets</td>
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<td>Frank Monforte: Two Stage Dynamic Learning Algorithm for Very Short-term Load Forecasting</td>
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<td>9:45 - 10:00 Coffee Break</td>
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<td>10:00 - 11:45</td>
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<td></td>
<td>RBOC RESTRUCTURING</td>
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<td>Chair: Georgina Martinez</td>
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<td>Discussants: Stephen Levinson</td>
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<td></td>
<td>Michael Crew, Paul Kleindorfer &amp; John Sumpter: Bringing Competition to Telecommunications: A Proposal for Divestiture by the RBOCs</td>
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<td>Stephen Pociask: Disconnecting the Phone Company: Structural Separation and Its Effect on Consumers</td>
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<td>Hal Singer, Robert Crandall, Allan Ingraham: Do Unbundling Policies Discourage CLEC Facilities-Based</td>
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<td>ELECTRICITY RESOURCES</td>
<td>Islands B</td>
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<td>Chair: Jeff Linam</td>
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<td>Discussants: Kevin Coughlan, Frank W. Harris, &amp; Mihee Moon</td>
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<td>Wesley Wilson &amp; David Hunger: Entry and Capacity in Electricity Markets: A Study of Qualifying Facility Patterns of Entry since 1978</td>
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<td>Marie-Laure Guillerminet: The choice of the regulated organization according to the investment in a marginal nuclear equipment</td>
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<td>11:45 - 1:00</td>
<td>Lunch Break</td>
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<td>PRICING</td>
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<td>Chair: Ed Fong</td>
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<td>Discussants: Michael Alexander, Dennis Keane &amp; Johannes Van Lierop</td>
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<td></td>
<td>Ahmad Faruqui: Dynamic Pricing Revisited</td>
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<td>Stephen Holland &amp; Severin Borenstein: Investment Efficiency in Competitive Electricity Markets with and without Time-Varying Retail Prices</td>
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<td>Joseph Eto &amp; Leora Lawton: Characteristics and Trends in a National Study of Customer Outage Costs</td>
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<td>8:00 - 9:45</td>
<td>Concurrent Session</td>
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<td>TELECOMUNICATIONS MELTDOWN I</td>
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<td>Chair: Stephen Levinson</td>
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<td>Discussants: Julie Kelly &amp; Richard Burdette</td>
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<td>James Alleman &amp; Scott Savage: Financial Recovery of the Technology, Media, and Telecommunications Sector</td>
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<td>Brenda Kahn: Why Cook the Books - WorldCom Style?</td>
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<td>Jino Kim: Issues concerning the Recent Downturn in the Telecommunications Sector</td>
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<td>11:45 - 1:00</td>
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<td>ENVIRONMENTAL/EMPIRICAL</td>
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<td>Chair: Mathew Robinson</td>
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<td>Discussants: Steven Ostrover &amp; Anne-Marie Bellárd</td>
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<td>Lorna Greening: Harmonizing US Energy and Environmental Policies for the US Electrical Sector</td>
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<td>Faye Steiner: Diversification and Performance in the Electricity and Natural Gas Supply Industries</td>
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<td>Massimiliano Piacenza &amp; Davide Vannoni: Scope and Scale Economies in Multi-Utilities: Evidence from Gas, Water and Electricity Combinations</td>
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<td>11:45 - 1:00</td>
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<td>ELECTRICITY ISSUES</td>
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<td>Chair: Glenn Vail</td>
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<td>Discussants: Jasmin Ansar &amp; David Gamson</td>
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<td>Robert Entriken &amp; Steve Wan: Agent-Based Simulation of an Automatic Mitigation Procedure</td>
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<td>John Kelly: Public Power Systems in California and the State's Energy Crisis</td>
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<td>Exercise Break</td>
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# 16th Annual Western Conference

**Friday, June 27, 2003**

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<tr>
<th>Time</th>
<th>Concurrent Sessions</th>
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| 8:45 - 10:40 | TELECOMMUNICATIONS MELTDOWN II  
Chair: Dennis Stevens  
Islands A  
Discussants: Menahem Spiegel  
**Gregory Duncan:** The Telecommunications Meltdown: Causes, Consequences and Cautions Going Forward  
**Richard Clarke:** Moving Off the RBOC Grid: Transitioning CLECs to their own facilities  
**Lewis Evans & Graeme Guthrie:** Asset Stranding is Inevitable in Competitive Markets |

**RISK MANAGEMENT II**  
Chair: Art Altman  
Discussants: Ken Costello & Nainish Gupta  
**Hung-Po Chao:** Risk Management in Electricity Market Design  
**Mursaleena Islam, Guy Sharfman & John Thompson:** Comparing Retail Choice and Performance in Deregulated Electricity Markets  
**Timothy Mount:** The Effects of Dysfunctional Spot Markets for Electricity in California on the Cost of Forward Contracts |

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<th>Time</th>
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<td>10:40 - 11:00</td>
<td>Coffee Break</td>
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<th>Time</th>
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| 11:00 - 12:55 | RESOURCE ADEQUACY  
Chair: Jeremy Bloom  
Islands A  
Discussants: Robert Levin & Steven Ostrover  
**Gary Stern:** Resource Adequacy in Competitive Electricity  
**Cliff Rochlin:** Resource Adequacy Has No Clothes  
**Timothy Brennan:** Understanding Capacity Requirements |

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<th>Time</th>
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<tr>
<td>12:55 - 1:00</td>
<td>Closing Remarks–Michael A. Crew</td>
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## Speakers, Discussants & Chairs (Cont)

**Gregory M. Duncan,** Senior Vice President National Economic Research Associates  
**Robert Entriken,** Manager Policy Analysis EPRI  
**Joseph H. Eto,** Staff Scientist, Lawrence Berkeley National Laboratory  
**Lewis Evans,** Professor of Economics - Executive Director New Zealand Institute for the Study of Competition and Regulation, Victoria University of Wellington  
**Ahmad Faruqui,** Vice President, Charles River Associates  
**Ed Fong,** Director – Measurement & Meter Reading, SDG&E  
**David Gamson,** Advisor of Commissioner Brown, California Public Utilities Commission  
**Lorna A. Greening,** Economist, Los Alamos, NM  
**Marie-Laure Guillermint,** C.R.E.D.E.N., Universite de Montpellier I  
**Nainish Gupta,** Director, National Utilities - Risk & Advisory Services/Information Risk Management, KPMG LLP  
**Frank W. Harris,** Financial Analyst, Southern California Edison  
**Toru Hattori,** Research Economist, Socio-economic Research Center, CRIEPI  
**Stephen Holland,** Visiting Research Associate, University of California Energy Institute  
**Allan Ingraham,** Vice President, Criterion Economics LLC  
**Mursaleena Islam,** Economist, Econ One Research, Inc.  
**John L. Jurewitz,** Director of Regulatory Policy, Southern California Edison  
**Brenda Kahn,** District Manager – Local Services and Access Management, AT&T  
**Dennis Keane,** Senior Analyst, Pacific Gas & Electric  
**John Kelly,** Director of Economics and Research, American Public Power Association  
**Julie Kelly,** Research Associate, Institute for Defense Analyses  
**Jino Kim,** Economist, ERCC  
**Leora Lawton,** Director of Consumer & Demographic Research, Population Research Systems  
**Robert Levin,** Principal Regulatory Analyst – Operations Revenue Requirements Department, Pacific Gas & Electric  
**Stephen Levinson,** Consulting Economist  
**Jeff Linam,** Financial Planning Manager, SDG&E  
**Georgina Martinez,** Consultant, National Economic Research Associates  
**Robert J. Michaels,** Professor of Economics, California State University at Fullerton  
**Mihee Moon,** Financial Analyst, Southern California Edison  
**Timothy Mount,** Professor, Cornell University  
**Frank Monforte,** Vice President, Forecasting, Itron  
**Victor Niemeyer,** Area Manager for Power Markets Research, EPRI  
**Steven Ostrover,** Senior Economist, Econ One Research, Inc.  
**Kevin O'Meara,** Senior Economist, Public Power Council  
**Massimiliano Piacenza,** Researcher, Institute for Economic Research on Firms and Growth Ceris-CNR  
**Stephen B. Pociask,** President, TeleNomic Research, LLC  
**Mathew Robinson,** Postal Rate and Classification Specialist, Postal Rate Commission  
**Cliff B. Rochlin,** Market Consultant. Southern California Gas Company  
**Scott Savage,** Assistant Professor, Colorado University  
**Jan Schori,** General Manager, S.M.U.D.  
**Dennis Stevens,** Principal Economist, United States Postal Service  
**Faye Steiner,** Directeur Associé et Conseiller, Direction de la Stratégie et du Paris d’Entreprise HEC  
**Gary A. Stera,** Director of Market Monitoring and Analysis, Southern California Edison  
**John Sumpter,** Vice President – Regulatory, Pac-West Telecom, Inc.  
**Valeria A. Termini,** Deputy Chairman & Professor of Economics, Gestore del Mercato Elettrico (Italian Electricity Market Operator)  
**Glenn Vail,** Supervisor – Pricing Tarriffs, Southern California Edison  
**Johannes Van Lierop,** Director of Regulatory Strategy, Southern California Gas Company  
**Wesley W. Wilson,** Associate Professor, Department of Economics, University of Oregon  
**Kevin Woodruff,** Principal, Woodruff Expert Services  
**Marshall Yan,** Associate, Cornerstone Research  
**Ralph Zarumba,** Independent Consultant

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**Speakers, Discussants & Chairs**

Michael Alexander, Manager of Energy Projects, Southern California Edison  
Art Altman, Program Manager - Asset & Risk Management, EPRI  
Jasmin Ansar, Manager, Pacific Gas & Electric  
Anne-Marie Bliard, Regulatory Economist, Public Utilities Commission of Nevada  
Jeremy Bloom, Manager, EPRI  
Timothy J. Brennan, Professor of Policy Sciences and Economics, University of Maryland Baltimore County  
Marian V. Brown, Manager, Measurement & Evaluation, Southern California Edison  
Richard Burdette, Manager – Resource and Market Analysis, Public Utilities Commission of Nevada  
Sandra Burns, Manager - Regulatory Strategy Gas and Electric Supply, Pacific Gas & Electric  
Hung-Po Chao, Area Manager – Policy and Risk Analysis, EPRI  
Richard N. Clarke, Director of Economic Analysis, AT&T  
Ken Costello, Senior Institute Economist, National Regulatory Research Institute  
Kevin Coughlan, Advisor to President Peevey, California Public Utility Commission  
Michael Crew, Director – Center for Research in Regulated Industries, Rutgers University  
Ed Fong, Director – Measurement & Meter Reading, SDG&E  
David Gamson, Advisor of Commissioner Brown, California Public Utilities Commission  
Lorna A. Greening, Economist, Los Alamos, NM  
Marie-Laure Guillermint, C.R.E.D.E.N., Universite de Montpellier I  
Nainish Gupta, Director, National Utilities - Risk & Advisory Services/Information Risk Management, KPMG LLP  
Frank W. Harris, Financial Analyst, Southern California Edison  
Toru Hattori, Research Economist, Socio-economic Research Center, CRIEPI  
Stephen Holland, Visiting Research Associate, University of California Energy Institute  
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Julie Kelly, Research Associate, Institute for Defense Analyses  
Jino Kim, Economist, ERCC  
Leora Lawton, Director of Consumer & Demographic Research, Population Research Systems  
Robert Levin, Principal Regulatory Analyst – Operations Revenue Requirements Department, Pacific Gas & Electric  
Stephen Levinson, Consulting Economist  
Jeff Linam, Financial Planning Manager, SDG&E  
Georgina Martinez, Consultant, National Economic Research Associates  
Robert J. Michaels, Professor of Economics, California State University at Fullerton  
Mihee Moon, Financial Analyst, Southern California Edison  
Timothy Mount, Professor, Cornell University  
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Massimiliano Piacenza, Researcher, Institute for Economic Research on Firms and Growth Ceris-CNR  
Stephen B. Pociask, President, TeleNomic Research, LLC  
Mathew Robinson, Postal Rate and Classification Specialist, Postal Rate Commission  
Cliff B. Rochlin, Market Consultant. Southern California Gas Company  
Scott Savage, Assistant Professor, Colorado University  
Jan Schori, General Manager, S.M.U.D.  
Dennis Stevens, Principal Economist, United States Postal Service  
Faye Steiner, Directeur Associé et Conseiller, Direction de la Stratégie et du Paris d’Entreprise HEC  
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Wesley W. Wilson, Associate Professor, Department of Economics, University of Oregon  
Kevin Woodruff, Principal, Woodruff Expert Services  
Marshall Yan, Associate, Cornerstone Research  
Ralph Zarumba, Independent Consultant
**ORGANIZING COMMITTEE**

Jasmin Ansar (Pacific Gas and Electric)
Larry Blank (TAHOEconomics, LLC)
Jeremy Bloom (EPRI)
Richard Burdette (Public Utilities Commission of Nevada)
Michael A. Crew (Rutgers University)
Fred Curry (California Public Utilities Commission)
David Gamson (California Public Utilities Commission)
Christopher Garbacz (Mississippi Public Utility Staff)
John Jurewitz (Southern California Edison)
Dennis Keane (Pacific Gas & Electric)
Steven Ostrover (Econ One Research, Inc.)
Carl Pechman (Power Economics)
Cliff Rochlin (Southern California Gas)
David Salant (National Economics Research Associates)

**HOTEL RESERVATIONS**

Sufficient Rooms are reserved at the Hyatt Islandia for all of the Conference participants. Participants should register for the conference by returning registration forms to Hyatt Islandia. Reservations must be received by June 5, 2003. Hotel reservation forms can be downloaded from the internet at:

http://crri.rutgers.edu/ws/

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http://islandia.hyatt.com

**CONTACTING CRRI**

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Email: mcrew@andromeda.rutgers.edu (Michael Crew)
schuh@andromeda.rutgers.edu (Joseph Schuh)
crri@andromeda.rutgers.edu (Jeremy Guenter)

**REGISTRATION INFORMATION**

To Register: Please complete and return the form to CRRI. Registrations are accepted by mail, email, fax, and telephone. Please confirm telephone registrations by sending in a completed and signed registration form. The deadline for registrations is May 18, 2003. Registrations received after May 18, 2003, will be admitted on a space available basis.

**Volume discount:** Second and subsequent applications received in the same envelope, fax, email, or made at the same time by phone will receive a 5% volume discount.

**Payment Information:** Make checks payable to “Rutgers University” and mail to the attention of Jeremy Guenter at the above address. Fees include prescribed learning materials, dinner on Wednesday night, June 25, all receptions and coffee breaks, but do not include lodging and other meals. The government registration fee is available for government employees.

**REGISTRATION FORM: 16th Annual Western Conference**

**Name**

**Title:**

**Company:**

**Complete Address:**

**Telephone:**

**Fax:**

**Email:**

**Billing Information:**

__ Payment enclosed $875.00 U.S. Dollars.
__ Send invoice to participant at above address.
__ Send invoice to

__ Credit Card: __ VISA  __ MC  Exp. _____ / ______

**GOVERNMENT RATE:** Government employees may apply for reduced enrollment fees.

__ I would like to apply for the government rate of $475

**CANCELLATION POLICY:** Until May 18, 2003 cancellation is allowed without penalty and refunds will be allowed in full. After this date, the indicated fee is due in full whether or not the participant actually attends. Substitutions may be made at any time.

**Signature of Participant:**