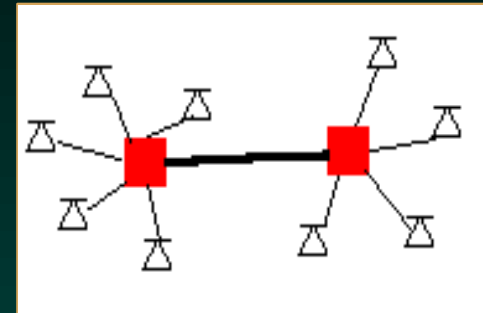


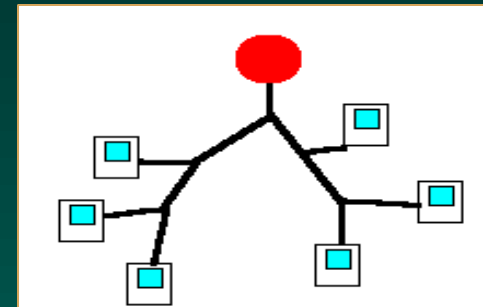
The Information Superhighway Is...

❖ A Network

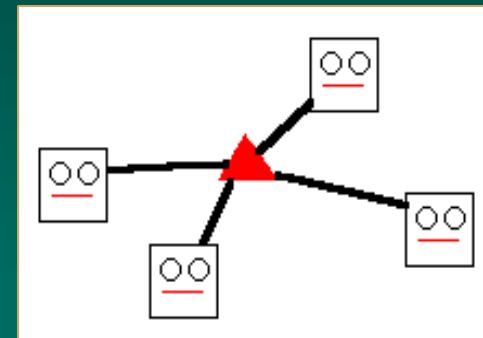
– Like a Telephone System...



– Or Maybe Cable...



– Or a Computer Network...





The Information Superhighway Is...

- ❖ “500 Channels to the Home:” Entertainment Distribution Channel
 - Theatres, Broadcast, Cable, Satellite, Video Stores
- ❖ E-Transactions
 - Electronic Catalog Shopping, Banking, Ticketing, Etc.
- ❖ Communications
 - Videophone, E-mail, Subject Forums, Interest Groups
- ❖ Interactive Multimedia
 - Information Access, Games, E-Magazines



Who Cares? Why?

- ❖ Entertainment & Media Firms
 - New Distribution Channel
- ❖ Telephone Companies
 - Access to New Less-Regulated Markets
- ❖ Computer Firms
 - Continue the Digital Revolution
- ❖ Electronic Service Providers:
 - Info Access, Transactions, Games... ; Provides the Market They Need
- ❖ Al Gore & the Clintonians
 - National Information Infrastructure.



Technology & Market Convergence

- ❖ The *InfoBahn*: Convergence of Computing, Telecommunications, Retail, and Entertainment
- ❖ Each Industry Comes with Radically Different Views About What the *InfoBahn* Is *For*
- ❖ Each Industry Has Radically Different *Network* Needs: Interactivity vs. One-to-Many
- ❖ Each Industry Has a Radically Different Regulatory/Public Policy History



The Differences

- ❖ Media & Entertainment
 - One-to-Many, High Bandwidth: Cable & Satellite, Not Interactive, No Regulation (Until Recently)
- ❖ Retail, Banking
 - Some-to-Many, Variable Bandwidth, Interactive, Some Regulation
- ❖ Computing
 - Many-to-Many, High Bandwidth, Interactive, “Open Architecture” (Regulation? What’s That?)
- ❖ Telephone
 - Many-to-Many, Interactive, Needs More Bandwidth, Tightly Regulated, No Content Control.



The Policy Issues

- ❖ Is This An Infrastructure Issue?
 - Telephone, Highways, etc.
 - Requires Gov't Intervention
 - “Universal Access”
 - Role of Market: Franchising, Open Competition, Regulation
 - Form of Regulation: a la cable, a la telephone
 - Separation of Markets
 - ◆ Production vs. Distribution
 - ◆ Platform vs. Service
- ❖ How About We Let It Be? Cellular/PCS Model
- ❖ Multiple Superhighways?



Likely Outcomes

- ❖ Telephone and Cable (and Satellite) In Each Other's Entertainment Markets? *Only If Gov't Permits.*
- ❖ “Interactive Multimedia” Much Further Off Than Gore and the Techies Think
- ❖ “Universal Access” ⇒ Entry-Restricting Regulation
- ❖ Enforce the Carriage/Content Split? Jury's Still Out
- ❖ “Open Platform:” Provide Unbiased E-Platform for a Myriad of Service Providers; PC vs. IBM models
- ❖ The Cellular/PCS Model: Evolve Toward a Universal Network via a Market
- ❖ Franchising/Regulation: One vs. Many InfoBahns.