

# *The I-Way: What Are We Talking About?*

## ❖ Is It Hardware?

- Fibre, Satellite, Cellular, FDD, ATM,....
- Video Compression over POTS
- PC Terminal, TV, mouse, clicker,...

## ❖ Is It Product?

- 500 Channels to the Home
- Interactive Multimedia
- Home Shopping/Banking, Transactions-based
- Public Participation in....?

## ❖ Is It Market Segment?

- High-end time-constrained catalog shopper
- “Netties” who want everything
- Game Players
- Mall-Goers

## ❖ Who Wants It, What Will They Do With It, and At What Cost?

# *It's Gonna Be Huge, It's Gonna Be Cool, It's Gonna Be... What?*

- ❖ The Not-So-Secret Secret: *Nobody Knows!* Not Even *IF* Anyone Will Buy It, or How Long It Will Take Before They Do
- ❖ However, the *Explosive* Growth of the Web Seems to Presage Big Changes; “This Isn’t Kansas, Toto”.
- ❖ No Firm Really Knows What To Do, But They Are Afraid That They Are Not Positioned Today for This Brave New World. They Are Correct.
  - How Is Wharton Playing the Web Game?
- ❖ How About Government?
  - This Is, After All, an “Infrastructure;” Isn’t This What Governments Do? Interstate Highway, etc.
  - The Government Was Crucial to Building the Internet; Why Not NII?
  - Aren’t Their Public Interest Concerns Here?
    - ◆ Schools! Maybe the Net Is the Solution to Our Education Problems?
    - ◆ Tying the Nation Together
    - ◆ Competitive Advantage for the US

# Public Policy on the I-Way

- ❖ The Regulatory Picture: As Industries Converge on the I-Way, Each Brings a Very Different Regulatory Legacy:
  - Telephone: Regulated Utility, Separation of Conduit and Content, Interactive Model, Interconnectivity, Interoperability/
  - Cable: On-again, Off-again Municipal Regulation, Media-Oriented, One-to-Many Model
  - Broadcast: Waning Power, Legacy of Limits on Strategies
  - Publishers: Intellectual Property Issues
  - Entertainment: Elect an Actor President
  - Internet: Cowboy Communications
  - Computers: Technical Standards, Open Architecture
  
- ❖ Doing Nothing Does *Not* Mean “No Government”!
  
- ❖ Basic Public Policy Problem: What Should You Do In a Situation Where Nobody Has a Clue About What Will Happen?
  
- ❖ Infrastructure-Building Probably *Not* a Good Idea.

# Public Policy on the I-Way

- ❖ Competitive Platforms?
  - Cable, Telephone, Power, Satellite, ...
- ❖ Universal Service: Implications for Regulatory Policy?
  - Does This Lead to Monopoly Franchising?
  - Social Costs, Social Benefits
  - What Is “Basic Service?”
- ❖ Provider Access to the Infobahn: Mandated?
  - Must It Be Mandated If the Platform Market Is Competitive?
- ❖ Content vs. Carriage: Telephone Model or Cable Model?
  - Should Platform Providers Be Able to Offer Services? Vertically Integrate into Content?
  - Should Platform Providers Be Enjoined from Offering Services?
- ❖ Intellectual Property: New Models, New Methods?
  - US Economy Moving Toward Information Goods; Protection Will Never Be Perfect
- ❖ US Competitiveness: Does This Help?
- ❖ Social Issues: Electronic Government, Community-Building, Pornography, the “Information Haves and Have-Nots”.