



CIRF

**Converging Industries Research
Foundation**

Practical Solutions for Communications Policy

The Information Studio

Executive Summary

July 23, 1995

*Presentation at the November 1995 NARUC Meeting,
New Orleans, LA*

www.ConvergingIndustries.org

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The Information Studio

Executive Summary

In the future, your electronic communications should be as easy to use as it is to start your car.

Communications in the Future

What will communications markets look like in the future? Who will survive and prosper in this new environment? This paper describes what the future might look like and discusses what this future means to customers, companies, and government.

Company and government policies and consumer demand have come together to create what is currently known as the *Information Superhighway*. This paper goes beyond and takes a further step into the future and provides a new analogy that goes beyond transportation and shipping, the analogy of *The Information Studio*. To see a movie, the customer just buys a theater ticket, rents a video, or turns on the TV. But this simple purchase is made possible by an elaborate studio system that includes people, buildings, networks, equipment, contracts, copyrights, etc. This complex studio system delivers what customers want, when they want it, and where they want it at affordable prices.

Customer Service Packages

In the future, customers may see equally simple packages of communications services. **Figure 1** shows examples. These packages are a step beyond the separate telephone, computer, information, and entertainment of today. Some of these packages offer services that aren't currently combined or available. Customers pick the package that best fits their lifestyle. The communications industry handles everything else, making communications as easy to use as it is to start a car.

Components of the Information Studio

Traditional industry definitions, such as telephone, television, or computer, are replaced by four components used to assemble communications service packages (**Figure 2**):

- **Content/Software:** Information (including books, news, video, and voice messages) or environments (including collaboration and games).
- **Platforms:** Hold the content/software. Platforms include chat rooms, interactive voice systems, VCRs, CD players, and video dial tone servers.
- **Customer Appliances/Interfaces:** Equipment that customers buy or lease to send, receive, and transform electronic information.
- **Networks:** Carry information between customers and between customers and service providers.

Who Owns the Parts of the Information Studio?

Companies in the Information Studio may own one or more parts of the studio, or may simply act as a service integrator and package parts owned by others. The service providers vary in size and scope (**Figure 3**). Major service providers own large portions of the *Information Studio*. Niche service providers are more specialized and focus on market

The Information Studio, cont.

Executive Summary

segments - for example, a geographic area, specific customers, or specific components of the *Information Studio*.

What Will the Information Studio Mean?

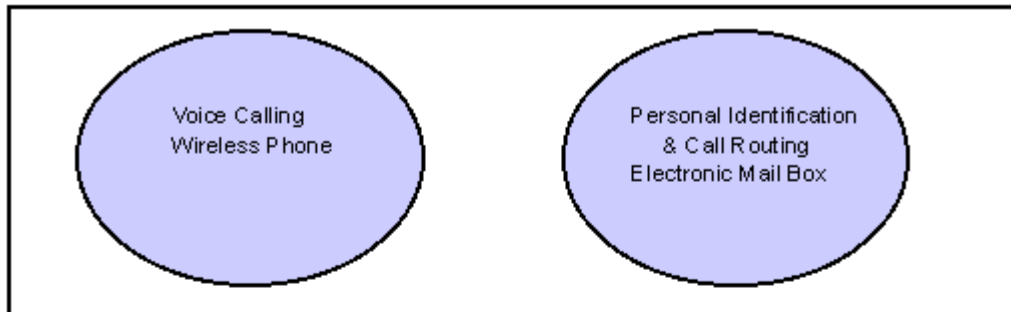
The *Information Studio* will force radical change on many companies because the markets and businesses will no longer follow the traditional lines. In order to prepare for the future, customers, companies and government policy makers need to answer three basic questions:

- What's your starting point? How do things look today?
- What role do you want to play tomorrow?
- What do you need to do to get there?

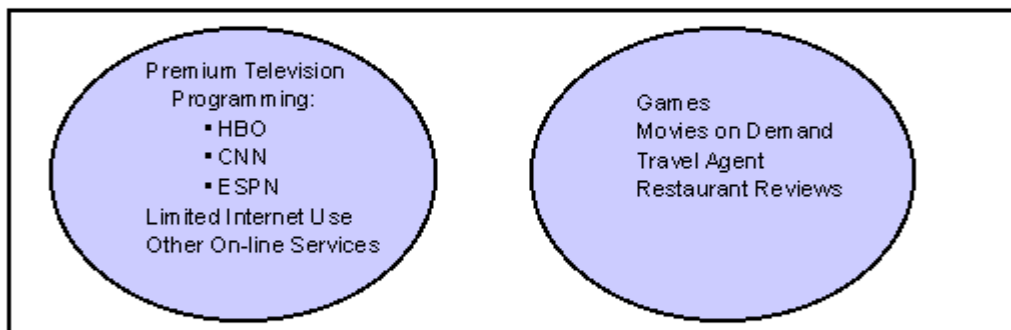
The Information Studio, cont. *Executive Summary*

Figure 1
Examples of Service Packages

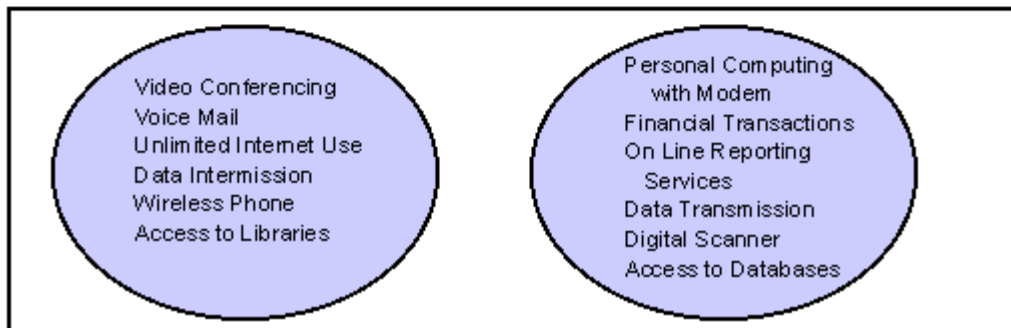
Mobility Packages



Entertainment Packages

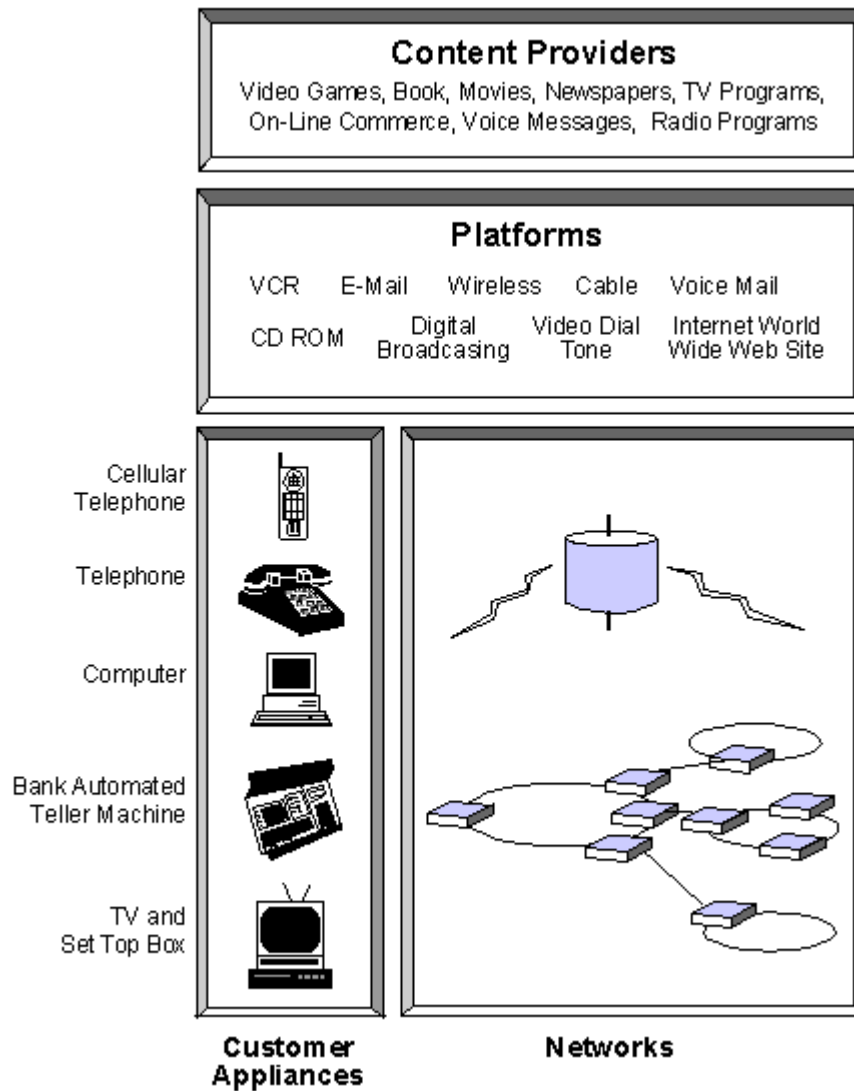


Work at Home Packages



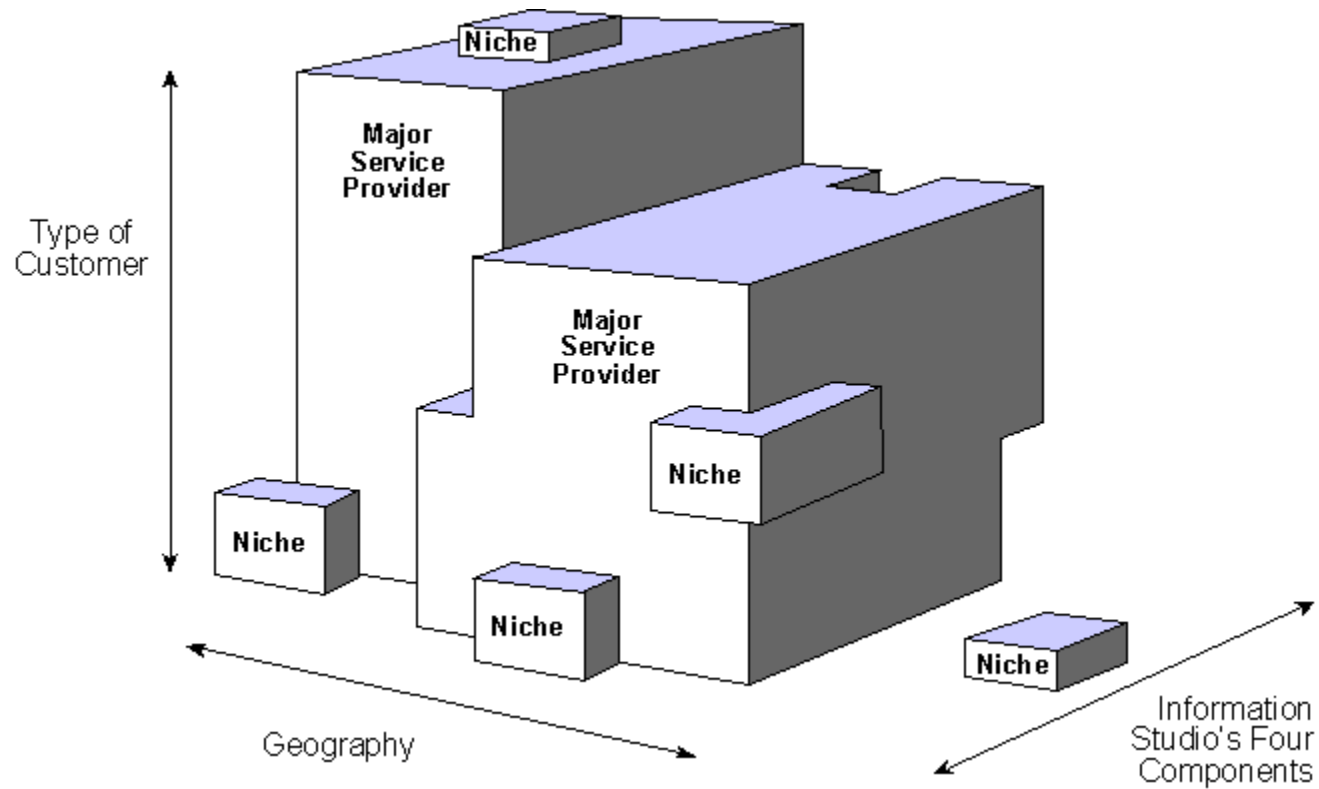
The Information Studio, cont. *Executive Summary*

Figure 2
The Components of the Information Studio



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Figure 3
Who Owns the Parts of the Information Studio



Project Information

List of Participants in the Telecommunications Industries Analysis Project

July 19, 1995

| | |
|--|---|
| State Regulators | NARUC Representatives from: Illinois Commerce Commission Iowa Utilities Board Massachusetts Department of Public Utilities New York Public Service Commission Washington Utilities and Transportation Commission |
| Regional Holding Companies | Ameritech Bell Atlantic BellSouth NYNEX Pacific Telesis SBC Communications Inc. U S WEST |
| Independents | Anchorage Telephone Utility GTE Sprint Local Telecom Division |
| Interexchange Carriers | AT&T Sprint |
| Foreign Domestics | InfoCom Research, Inc. NTT America |
| Local, National, and International Services | BT France Telecom North America |
| Materials Manufacturers | Corning Incorporated |
| Telecommunications Equipment Manufacturers | NorTel |

Sponsors:

Corporation for Public Broadcasting

Assisting with *public* data:

Bellcore
Federal Communications Commission
National Exchange Carrier Association

Project Information, cont.

Background on the Telecommunications Industries Analysis Project

The goal of the Telecommunications Industries Analysis Project is to provide information to support the development of alternative communications policies to meet the needs of stakeholders in an environment that includes competitive and non-competitive markets, federal and state regulatory jurisdictions, and a proliferation of new services made possible by technological advances. The purpose of the project is to produce research and analysis which will assist policy makers in making informed decisions.

The project is a neutral forum of communications industry stakeholders exploring multiple viewpoints of selected issues. This forum incorporates the following elements:

- **Broad representation:** The current forum includes foreign and domestic local exchange carriers (LECs), interexchange carriers (IXCs), materials and equipment manufacturers, and federal and state regulators. The project actively seeks expansion of this forum to include other communications industry representatives such as competitive access providers, cable television companies, computer companies, electric power utilities, or publishers.
- **Multiple viewpoints:** Participants are required to play an active role in the research and analysis, to represent their own interests, to understand and to assist in developing others' perspectives, and to work toward the common goal of representing multiple views. Since papers reflect multiple viewpoints and ideas, authors and reviewers may not agree with particular views or approaches expressed in the papers. The objective is to lay out ideas and options to assist policy makers in their decisions.
- **Analysis and results of alternative policies:** Research tools, including a jointly produced data base and computer software models, and data analysis developed by this forum create a common language for examining issues. The common language allows the participants to focus on underlying issues. Appropriate computer software tools, including modifications to existing tools, are developed.
- **All data, analysis methods, and results are public:** Data used by this project must be publicly available on a nationwide basis. Research products become public domain information.
- **Neutral setting:** The project resides in a neutral setting, free of partiality, thereby ensuring objective and independent research.