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New York Newsday - January 25, 1994

Highway Robbery on Chambers Street?

Ten years after the breakup of the Bell System, Vice President Gore has announced that the federal government intends to create a new information superhighway that will link households and offices across the nation. The information highway, unlike the interstate highway, will not be built by the federal government, but by private firms such as the telephone and cable companies that now control the wires coming into our homes.

Fortunately, the information highway is still a concept that won't become reality until Congress deregulates the communications industry, a process that will make health-care reform look relatively simple. In health care, it's possible to identify hospitals, doctors and insurance companies, but in communications the infrastructure comprises an almost invisible network of glass fibers, computer switches and software hidden in windowless buildings, buried underground, and transmitted through the airwaves.

New York City has two choices: It can ignore the development of the information highway and hope for the best. That is the strategy the city adopted when containers were designed for cargo ships; as a result, almost all the shipping on the New York side of the Hudson moved to New Jersey, where the Port Authority built modern container piers after the longshoremen in New York rejected all efforts to modernize the piers in Brooklyn and Manhattan. The alternative is to try to understand the emerging technological future and develop a strategy for linking the city's economy to the new information highway.

New York City will never be the place to make optical fiber and communications equipment; we lack the engineering expertise and manufacturing capability. That will be done in corporate labs and start-up companies around the country. No, our comparative advantage is in creating the content to fill the channels that go into every home and office. By the year 2001, there will be 150 television channels in most households. This can be a great opportunity for New York City, since most of them will be filled with non-fiction programming, which is both cheaper and easier to produce than the dramas and movies made in L.A. Television production, in fact, is one of New York's emerging growth sectors. According to the Port Authority, television production is a \$711 million industry, more than three times larger than feature-film making, and growing more rapidly. Almost all the prime-time news programs - "60 Minutes," "20/20," "Day One" - are made in New York, as are talk shows such as Donahue, Geraldo, Ricki Lake and Sally Jessy Raphael. And, just as MTV created music videos that are transmitted around the world, the financial industry based in New York should have the imagination to create a network for stockholders around the globe.

Of course, the information highway involves more than television. New York City must also

make certain that the industries located here have the most advanced and reliable information infrastructure available to them, so that technology acts as a magnet to attract and retain firms. This is one reason New York City's Office of Telecommunications and Energy created a special cooperative agreement among 13 companies to maintain telecommunications service in the event of any disruption - a pact that is unique to New York.

Ironically, just as the nation is about to modernize its communications infrastructure, the budget-cutters in the new city administration are proposing to abolish this office, the one agency in municipal government responsible for telecommunications policy, and one that raises \$40 million in franchise fees while costing only \$3 million. Does it make any sense for New York City, the world's information capital, not to have the governmental expertise needed to steer the city onto the nation's information highway? Someone in City Hall should recognize that telecommunications is more than call-in radio.

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