

Regulatory Convergence in the Information Industry
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The objective of this paper is to show whether the convergence that is taking place in the information industry is being reflected in the regulatory environment. The paper is organized in four sections. The first section is the introduction. The second section presents a general overview of how regulation has been organized around the FCC and the states. This part provides a brief historical account of the factors that have led the Commission to divide the rule making process around industry divisions instead of functions. The third section is a brief description of the methodology used for analysis of orders. The fourth section provides an overview of the changes that are taking place in the telecommunications industry and, in particular, the way in which companies are taking advantage of the new technological developments to add new convergent services. This section includes tables of the new services that each of the information industries are adding to their traditional offerings. A close analysis of these new services indicates that many do not fall easily within the jurisdiction of only one Bureau. The fifth section presents an analysis of the orders that have been released by each of the FCC Bureaus since 1994. The authors analyzed these orders using software-based content analysis of a random set of documents for 1994, 1996, 1998 and 2000. The objective of this textual analysis is to find out the issues that each of the bureaus confronted most in those years. The analysis of orders reveals that cross-industry issues are not a problem of the present and that there have been, since 1994, areas that could have been regulated at a functional rather than industry level. The paper concludes that regulation based on functional areas can reduce complexity, confusion, and resource wastage compared to a system based on industry divisions. The authors propose the creation of a general “Information Industry Bureau” for issues that do not fall in any of the prominent functional areas such as rates and frequency allocation. They also propose greater centralization of the FCC.