Contents

EXECUTIVE SUMMARY 1

1 Introduction 5

Purpose and Scope of the Study 6
National Information Infrastructure Initiative 7
Factors Defining Economic Performance 7
The Changing Business Environment 10
Potential for Business 19
Key Findings and Policy Implications 30

2 Issues in Electronic Commerce 37

The Technology to Support Business Needs 37
Increasing Importance of Software 43
Linking Technology and Organizational
Innovations 50
Need For A Flexible Workforce 56
Effects of Technology Choices in a Knowledge-Based
Society 58
Criteria for Evaluating Policy Options 61

3 Regulating the Electronic Enterprise 63

OPTION A: Provide for Open Access and interconnection by Extending Common Carriage Requirements 64
OPTION B: Promote Business Access to New Technologies and Services by Redefining the Notion of Universal Service 70
OPTION C: Relax Antitrust Constraints and Cross-Ownership Rules 73

4 Cooperative Networking 81

OPTION A: Foster the Development of Cooperative Networking Services To Support Electronic Commerce 82 OPTION B: Provide Greater Incentives and Support for Cooperative Standards-Setting Efforts 85 OPTION C: Provide Support for Cooperative Research and Development Efforts 96

5 Promoting Technology/Industry Developments 103

OPTION A: Use Tax Incentives To Foster Private Sector Developments 105

OPTION B: Encourage Private Sector Activity by

Providing Grants and Loans 108

OPTION C: Stimulate the Market by Leveraging

Procurement Powers 110

OPTION D: Directly Fund, Develop, and/or Provide Needed Technologies and Technology-Related Services 111

6 Educating for Technology Transfer 117

OPTION A: Expand the Program for Extension Services 118

OPTION B: Promote the Dissemination of Business-Related Information 127

OPTION C: Provide Greater Support for Business and

Business-Related Education 129

OPTION D: Provide Greater Support for Worker

Training 133

7 Government and Markets 137

OPTION A: Establish a Congressional Commission To Investigate the Implications of Electronic Commerce for Future Market Rules and Regulations 139

OPTION B: Restructure the Organizational Basis for Communication Decisionmaking 150

APPENDICES

A Workshop Participants 157

B Reviewers and Contributors 160

C Contractor Reports 165

D Boxes, Figures, and Tables 166

E Acronyms and Terms 169