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Deregulation Lessons from the Internet

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Idea 1: Interesting Things Happen When Industries Collide

Vehicles + Machine Learning



Your Autopilot has arrived

The Tesla Motors Team • October 14, 2015

Space + Television



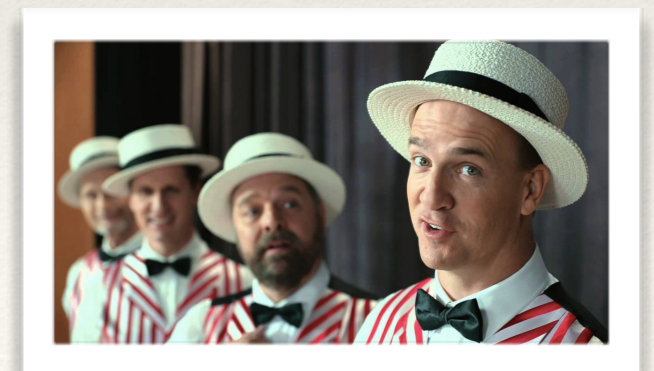
Launch of DirectTV 12

+



Broadcast television is the Dominant share of Current Commercial Space Service Revenues

What commercial space marketing looks like:
“High voice” Peyton Manning, due to cable.



Idea 2: Deregulation is a powerful force of change.

What industry?

Grew slowly for 25 years, fostered primarily by military, scientific, and governmental agency support?

Developed powerful capabilities in research labs, with access by only a select few?

Prohibited a wide range of commercial activities, as incompatible with its core missions?

Had core aspects of its infrastructure controlled by a monopoly, very skeptical of entry and capable of persuading government officials to hinder competition?

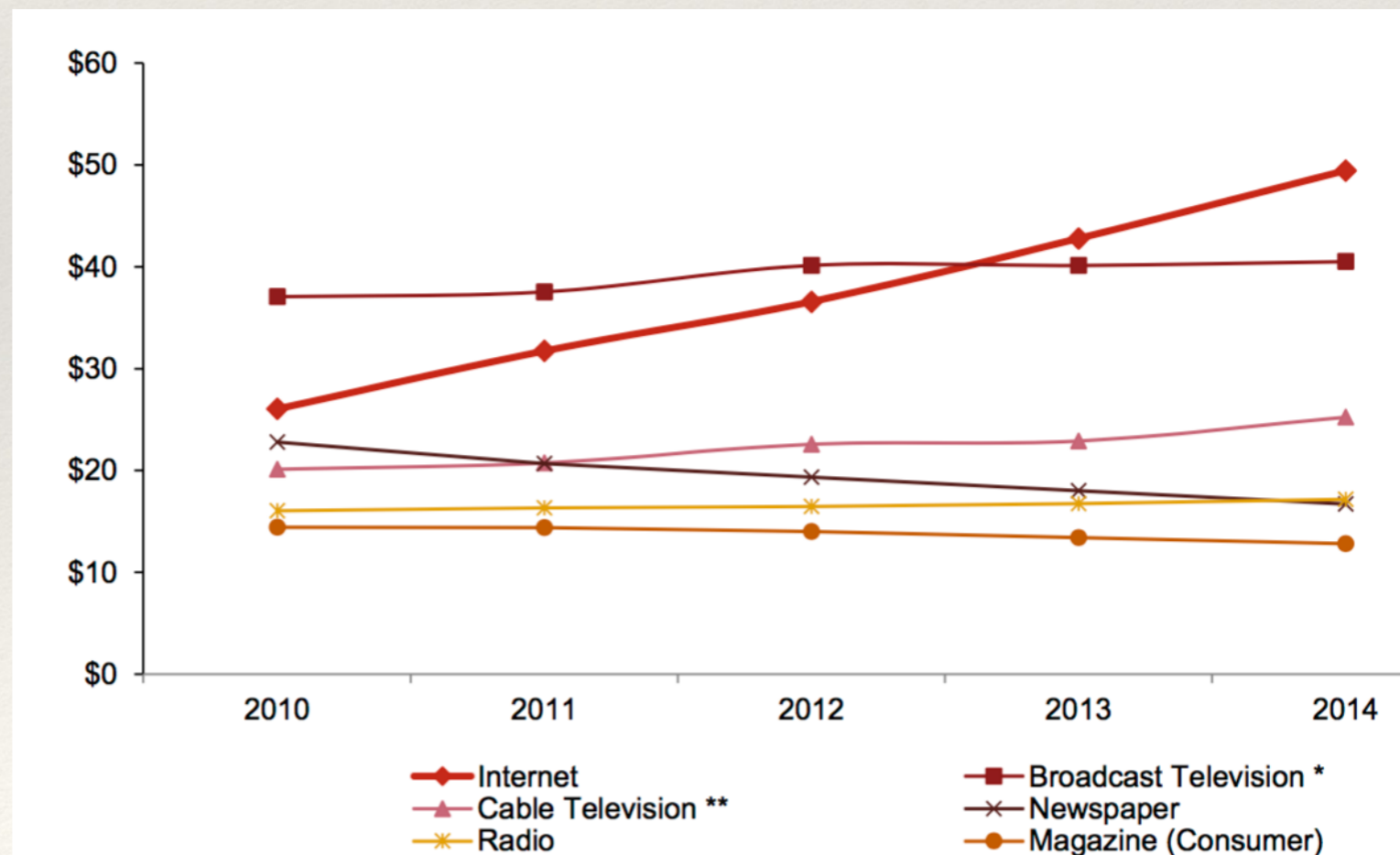
Internet Has Been Commercial for (only) 20 years



October 1994: Very first Internet Ad

By 2014, Internet advertising surpassed television as the #1 advertising venue in the United States.

Worldwide, more than 2 billion users and rising rapidly.



Key Deregulation Steps

- ❖ Judge Greene follows *U.S. Justice Department* and breaks up the Bell system in the 1980s,
- ❖ *National Science Foundation* spins off the Internet backbone, and drops its *Acceptable Use Policy*. (1992-1993)
- ❖ *Federal Communication Commission* auctions spectrum and allows wide use of unlicensed spectrum (*mid 1990s onward*)
- ❖ *National scientific laboratories* (mostly) encourage open source usage of its intellectual property - especially *World Wide Web* (CERN, 1990) and *Browser* (1993, NCSA)
- ❖ *U.S. Congress* alters tax code, encouraging venture capital funds. (late 1980s)
- ❖ *Policy consensus* of Congress & Executive Branch encourages end-to-end neutrality, limits Internet taxes, and allows informal governance of Internet standards. (1990s onward)

Current Efforts

Synthesizing Internet lessons,
applying to commercial space.

The collision of commercial space
and high speed Internet access.