

# America's New Communications Hubs: How Competition in the Telecommunications Industry is Revitalizing the Nation's Cities

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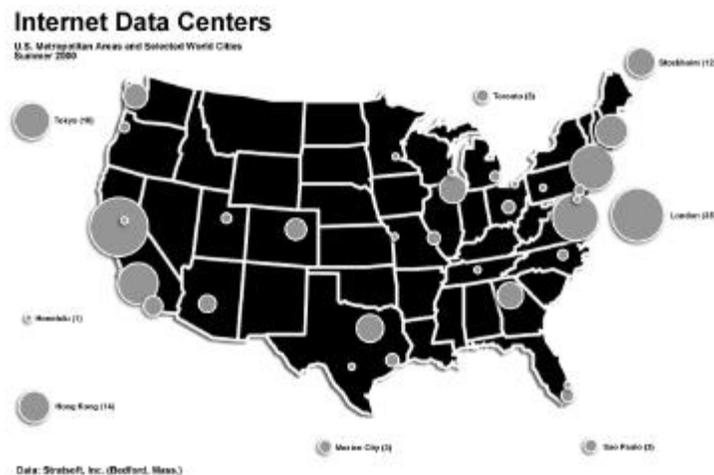
Competition in the telecommunications industry, spurred by the Telecommunications Act of 1996, is revitalizing America's cities. By phasing out the complex system of cross subsidies which used to force urban businesses to subsidize rural telephone subscribers, and breaking monopolies on local telecommunications markets, the new regulatory environment has let innovative firms forge ahead in building a new communications infrastructure for the 21<sup>st</sup> Century. Over the last two years, a fundamental physical transformation has taken place in metropolitan America. A nearly invisible construction project involving thousands of buildings, tens of thousands of workers, and hundreds of thousands of miles of fiber optic cable, has silently built a new communications infrastructure for North America.

This report examines the four major components of the nation's new communications infrastructure. These components serve similar functions for production, storage, and distribution in the Information Economy that earlier infrastructures did for industrial and mercantile economies. These four components are:

- *Information highways* – the transcontinental and undersea fiber optic lines which move data at light speed from city to city.
- *Information ports* – the neutral, third-party sites where communications carriers interconnect their systems into a single, global network. Also called 'carrier hotels' or 'telco hotels'.
- *Information warehouses* – the secure, climate-controlled structures which house row upon row of communications equipment, such as Internet servers and switches. Also call 'data centers' or 'co-los'.
- *Information factories* – the broadband-ready offices and homes which produce and consume the nation's information products.

These facilities are the result of tens of billions of dollars of private investment in the five years following the Telecommunications Act of 1996. This investment will provide a solid foundation for economic growth in America's cities and metropolitan areas for decades to come.

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**<http://www.informationcity.org>**



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