



COLUMNS

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Mr. Internet, This Is Your Life!

By Nicholas Economides

Congratulations to the Internet, who, believe it or not, turned 35 years old this September. There's no denying that this invention -- which started in a lab with the transfer of bits and bytes between 2 computers connected by a 15-foot cable and never reached the average user until 10 years ago -- has caused the most revolutionary changes in our economy since the steam engine.

For our enjoyment, I have assembled behind the curtain the industries that the Internet is leaving in its wake. Mr. Internet -- This Is Your Life!

Our first visitor was shell-shocked by the advent of e-mail that put our lives and our need for immediate gratification into over-drive. With laptop computers, blackberries and even cell phones now bringing e-mail to us instantaneously, the U.S. Postal Service is becoming obsolete, with snail mail becoming the communications choice of last resort. Mr. Postman, come on out and introduce yourself to a crowd that rarely sees a postage stamp!

The family used to gather around our next guest to listen to Benny Goodman, Abbot and Costello, Amos and Andy, and Orson Wells' War of the Worlds. A younger generation can now download hundreds of songs off iTunes and stream audio collections posted from their favorite websites. That's why in the last five years more than 1 out of every 10 radio listeners between the ages of 25 to 34 stopped listening. Ms. Radio come on out and don't forget to bring with you the radio titans, Clear Channel, Citadel Broadcasting and Cumulus Media, who have watched their stock prices plummet 23%, 40%, and 26%, respectively in the last year!

Like its compatriots, newspapers are also becoming a relic of a bygone era when people ran to their sidewalks in the morning to get the morning news. News clips are emailed to our desk, and we can check [CNN](#) or [Fox News](#) Online 24 hours a day. In fact, fewer people read the newspaper today than

when John Kennedy was President, with circulation falling by over 7,000,000 papers since 1990. Perhaps feeling the heat, reputable papers like Newsday, the Chicago Sun Times and the Dallas Morning News have all admitted to falsely inflating their circulation numbers.

What's more, newspaper advertisers, seeing the writing on the wall, have started what one leading observer has called a "10-year migration of dollars" from newspapers to online websites. Newspapers have watched their revenue from Help Wanted ads, for instance, plummet by more than \$3.7 billion in the last 5 years, while online job boards saw their revenue rise by nearly \$700 million during the same period. Not to put too fine a point on it (no pun intended), but the Internet's birth marks the beginning of the end for the Newspaper Age. Let's have the newspaper come on out from behind the curtain to pass the torch!

Our final friend may be less obvious to guess as the Internet has only recently set its sights on it. With nearly 183 million telephone lines used today, nearly every American continues to have a home telephone. With the blessing of the White House, Federal Communications Commission Chairman Michael Powell has shepherded in new rules that mark the end of telephone competition as we know it. As the Bell telephone monopolies re-concentrate their power, consumers are now facing higher phone bills, fewer choices, and less innovation.

Given the pent-up demand for phone competition, it is not surprising to see the Internet come to consumers' rescue, as cable providers, the Bells' competitors and new carriers begin to offer low-cost, reliable telephone service over the Internet using what's called [Voice over Internet Protocol or VoIP \(define - news - alert\)](#). With unlimited long distance and local phone service costing roughly \$35 a month and dropping, the Bells' victory at the FCC could be short-lived. Would the four Bell companies -- SBC, Verizon, Qwest and BellSouth -- who appear to be quaking in their boots behind the curtain, please come say hello to your newest and strongest rival!

With so many Industrial Age institutions of our old economy either strewn to the side or facing oncoming Internet competition, there are many Internet successes who send their birthday best wishes but just couldn't be with us. One happy fellow busily dancing in the streets is [Google](#), whose recent IPO netted the search engine \$1.7 billion. [EBay](#), [Monster.com](#), and [Match.Com](#), all wildly popular websites, have also transformed the old way of doing business into buying, hiring and dating businesses that prosper in the Digital Age.

They unfortunately were also too busy to join us today.

As the Internet moves into adulthood, only time will tell who we bring out

from behind the curtain as the Internet transforms our lives even more in the next 35 years.

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