

MEMORANDUM

TO: BRUCE REED
ELENA KAGAN

FROM: TOM FREEDMAN
MARY L. SMITH
DREW HANSEN

RE: ALCOHOL MARKETING TO CHILDREN ON THE INTERNET

DATE: AUGUST 1, 1997

Handwritten notes:
- A circle with a diagonal line through it, containing the letters "V.P." and "J.M."
- The words "Internet" and "alcohol" written vertically next to each other.
- The initials "hlc" and "JLF" written at the bottom right.

SUMMARY

Alcohol companies are currently engaged in a series of creative marketing efforts on the Internet, most of which seem to be targeted at children and adolescents. Home pages for beers and liquors offer games, contests, and virtual environments to attract younger Web surfers. These pages have no effective way to make sure that their visitors are over 21, and often do not even make a serious effort to warn younger readers away from the sites.

HOW ALCOHOL COMPANIES MARKET TO CHILDREN ON THE INTERNET

1. Games

Most alcohol sites on the web offer free games, with inevitable product tie-ins, to visitors. Many companies offer games that seem designed to appeal to young children. On the José Cuervo site (www.cuervo.com), the visitor is greeted with an opportunity to play "Beasts in a Blender," a game where the contestant must match three beasts to win. Other games on the Cuervo site feature J.C. Roadhog (potentially the Joe Camel of the late 1990s), the Cuervo mascot, in games such as the "Cuervo River Run," where the player moves J.C. Roadhog down a river, avoiding snakes and alligators and picking up Cuervo Gold bottles, salt shakers, and limes. Molson's (www.molson.com) makes "SRP," an interactive racecar game, available for download so that the visitor can "race" with other Molson's fans. Stolichanya Vodka (www.stoli.com) offers a game room that includes "Stoli Says," a Concentration-like game in which the player matches the mixed drink with the ingredients, and a virtual *coloring book* of a Stolichanya Vodka bottle.

Several alcohol companies introduce the visitor to more complex games of the kind that would appeal to adolescents, such as "mysteries" that the visitor must solve. Dewars (www.dewars.co.uk), for instance, urges the visitor to save disappeared multimillionaire Tommy Dewar by solving a set of four puzzles. Heineken (www.Heineken.com) offers the visitor a chance to play "Heineken Quest," a game in which the visitor accompanies "Sidney," the son of a millionaire, on a trip from Amsterdam to Australia. In each city, the player receives travel updates which present him or her with problems to solve to get to the next stage. Email messages are sent to the player when he or she has a new problem to solve. Of course, Heineken

appears everywhere -- a day in Amsterdam is finished off by a quiet drink of Heineken in a local bar.

Another common type of game environment is the "virtual casino." Canadian Mist (www.canadianmist.com), for instance, offers access to the "Mist Arcade," where visitors can play blackjack online. The Smirnoff site (www.purethrill.com) contains a casino where the visitor can play casino-style games.

2. Contests

Many sites offer contests with company-related merchandise as prizes. On the Budweiser site (www.budweiser.com), visitors are urged to submit a form predicting where Bud racecar driver "Ricky" will finish in his races. The Bacardi rum site (www.bacardi.com) has a contest to see who can build the best virtual sand castle. The weekly winner gets a bag of Bacardi gear. The Malibu Rum site (www.malibu-rum.com) boasts a "Surfin' Safari" contest, in which entrants are urged to surf the Web to find the right answers to the contest questions. The contest, though, has only three questions: the first two are about surfing, and the third is "What two fruit juices, combined with Malibu Rum and creme de banana, make a Malibu Tropicale?"

3. Virtual Environments

Several alcohol companies attempt to create "virtual environments" on their Web sites for the visitor to explore. Malibu Rum introduces the visitor to a bright yellow page dotted with palm trees, and says "Welcome to the Malibu Beach Home! We're Ready to Start the Party!" A visit to "Cabana Cool" on the site is touted as an opportunity to relax at "a little poolside bar where you can discover island specialties...and let the bartenders in on your special trade secrets for making a *Malibu* drink that is ALWAYS the hit of the party." Bacardi offers "Club Bacardi," with an introductory scene of a nightclub with cartoon dancing girls, bartenders, and other guests. The homepage for Captain Morgan's Rum (www.rum.com) is headed by a grinning pirate who presents "CyberShip 2: Voyage to the Bottom of the Net." The rest of the page is filled with pirate-theme messages like "Welcome Aboard, Swabbie!" and a chance to visit the "Yo Ho Ho Room." Rum isn't even mentioned until near the bottom of the page.

One of the more imaginative virtual environments on offer is Smirnoff's "Purethrill Hotel," where "nothing is as it seems." Playing on Smirnoff's popular, surreal ad campaign, the Purethrill Hotel places the visitor in an interactive world of shifting images and strange rooms to explore. The whole effect is much like that produced by "Myst," the popular home computer game.

AGE RESTRICTIONS ON ALCOHOL SITES

Age restrictions on alcohol sites range from small-print ("This site is not to be accessed unless you are 21 years of age or older. Thank you." (Cuervo)) to oblique ("Your visit to BUD ONLINE is subject to The Legal Stuff." (Budweiser)) to tongue-in-cheek ("Remember, alcoholic beverages should be consumed in moderation and by persons of legal drinking age (21 in the

U.S.) -- so if that isn't you, scram!" (Bacardi)).

Most sites will note on the "Age" section of contest entry forms that the contestant must be 21 or over, but there is no mechanism for ensuring that this is the case. In fact, I submitted a completely blank "registration" form to Canadian Mist to get into the casino, and instead of making me fill the form out again, they just linked me right into the blackjack area.

Some sites make the whole age requirement into a joke (see Budweiser and Bacardi above). Captain Morgan's Rum has a hypertext link on "Avast! You Must be Twenty-one Years Old to Enter This Site" (which doesn't even appear until halfway down the page). Following the hypertext link leads to a quiz to find out if you are legal or not: a set of ten true/false questions like "You think classic rock means the early Hootie" and "You are sitting on a phone book right now."

CONCLUSION

Alcohol companies appear to be engaged in an aggressive campaign to market beer and liquor to children through the Internet. Games, contests, and virtual environments provide younger Web surfers with an opportunity to engage with the company's images and marketing material, and even offer a chance for young visitors to win free bags of company merchandise. At this time, there is no way for companies to make sure that their viewers are over age 21, and most companies do not seem to take the age requirement at all seriously.

MEMORANDUM

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FROM: DREW HANSEN
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DATE: AUGUST 1, 1997

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Blocking / filtering software key -

(A.)

Substance — Can block drugs / alcohol ~~site~~ use or sale sites as ~~std~~ get option
Cyber Patrol — Alcohol: Tobacco sites as set option
CyberSitter
Net Nanny

(a)

b) Commercial Online Censor

All major commercial online services + over 145 regional and local ISPs nationwide offer filtering free or @ low-cost.

(B.)

Parental Controls -

AOL has parental control screen, often bundled on Home PCs.

(c.) Diverse rating systems - 3 well-accepted rating systems using PICs

└ Net Shepherd

RASCI

Safe Surf

PARENTS

- AAA Guide to cyberspace for kids
- PICs-based rating - self-labelling by alcohol?
- ^{Internet} Family Summit

July 1 '97 Framework for Global Electronic Commerce.

2/3

Principles for Internet -

- 1.) P! sector shd lead
- 2.) Gov shdnt restrict electronic comm
- 3.) " shd be minimalist
- 4.) Gov shd recognize @ quality
- 5.) shd facilitate global e-commerce

CONTENT

Filtering tech = p need negs →

- a.) industry self-regulation
- b.) adaption of competing ratings systems
- c.) dev. of easy-to-use technical tools (filter tech, age verification)

labelling language = PICS — interpreted in use and next gen Netscape.

(gh school)
NetNanny
SafeSurf

3/3
* Industry/non-IT
arise → Summit in
October
re Family-Friendly

RASC: uses then w/ 4 #'s, indicating (1) cert, maturity, language

Safe Surf More labels

October summit -
Ch Demo / Tech
Netherlands?

Can be done by info provider or by ind 3rd party (Simon Wiesenthal ctr
neo-nazi propaganda)

"Family Friendly Internet" - July 16

- existing laws -
- 1.) browsers have blocking/filtering tech (PICS)
 - 2.) PC manufacturers, ISP provide filtering software
 - 3.) Internet companies promote use of ratings & filter tech

Parents/educators must also watchdog.

Prohibit's Remarks July 16

- 1.) New tech
- 2.) enforce existing laws
- 3.) More active part. of parents

Yahoo, Excite, Lycos ask that all WWW
sites label content when
applying for spot in directories.

Industry officials want to ✓ v-chip → ↑ access to anti-smut software,
flag Internet sites that are good for kids.

INTERNET

- Filter systems
- Voluntary Ratings
- Voluntary Agreements
(CyberPen. agr ✓ w/p)

1 October
Secret?

July 16
1997

mtg re
CyberPen

NYT
Apr 11 '96

RATINGS

Net Shepherd - Family Search "provides search results suitable for general and child audiences"

www.netaepherd.com

"kids & families" category search

RSACi - used by IN Explorer, CompuServe

std rating vocabulary -

cervo

malibu rum

cap'n morgan's

stolichnaya

heizen

mdsels

bacardi

smirnoff

budweiser

denon

N

N

Y

Y

N

Y - "Brit's home" (also playing)

N (General 3*)

N

Y but adv, drugs, bottle

Y

(1) Nudity, Sex, Language (level 4)

Safe Surf

www.safeSurf.com

Age Range

Profanity

heterosexual

trans

homosexual

trans

nudity

(1)

sex (1)

profanity

intolerance

glorify drug

etc

other

adult

trans

gambling

six marking levels -

General, Child,

Pre-teen,

Teen,

Adult,

objectionable -

and 1-5 stars

if include alcohol as list of sites/content

tree

FILTERS

SurfWatch www.surfwatch.com

market category
pages / Alcohol

www.cyberpatrol.com

Alcohol & Tobacco
"pictures of text
advertising the
sale, consumption
or production
of alcoholic
beverages and
tobacco
products."

cruzero	cruzero	Y	Y
malibu rum	malibu-rum	Y	Y
cap'n morgan's	rum	Y	Y
stolichnaya	stolichnaya	Y	Y
heinek	heinek	N	N
nolson's	nolson	N	N
bacardi	bacardi	Y	Y
smirnoff	smirnoff	Y	N
budweiser	budweiser	Y	N
dewars	w.dewars.co.uk	Y	Y

→ "sites that encourage minors to consume
beer, wine or other alcoholic beverages"
"sites that sell or encourage the sale of
alcoholic beverages (beer, wine, distilled
spirits) by or to minors."

MEMORANDUM

TO: TOM FREEDMAN, MARY L. SMITH

FROM: DREW HANSEN

**RE: PROPOSALS TO PREVENT ALCOHOL MARKETING TO CHILDREN
ON THE INTERNET**

DATE: AUGUST 13, 1997

CURRENT ADMINISTRATION POLICY ON INTERNET CONTENT REGULATION

The Framework for Global Electronic Commerce (July 1, 1997) proposes that regulations on Internet content be provided by private industry, consumer groups, and parents instead of by the government. The Framework suggests that Internet content be controlled by industry self-regulation, by the adoption of competing ratings systems, and by the development of easy-to-use technical solutions such as filters to block objectionable content. The July 16, 1997 White House conference on the "Family Friendly Internet" built on this framework by creating family-friendly Internet policies based on the development and use of new technologies, the enforcement of existing laws (against child pornography and stalking, for instance) and the encouragement of active parental participation in the Internet rating and filtering process.

Proposals to prevent the marketing of alcohol to children on the Internet can be created within this general plan of private industry, consumer group, and parental guidelines with minimal government regulation. Specifically, we should encourage filters to block sites that market alcohol to children, encourage ratings systems to label sites that market alcohol to children, encourage voluntary restraint by alcohol companies, and educate parents about alcohol marketing to children on the Internet. An upcoming summit (Fall 1997) of industry groups, non-profit organizations, and parents will focus on public education and parental empowerment regarding family-friendly Internet policies. This summit could provide an opportunity to put the following proposals into action in a highly visible setting.

PROPOSALS TO PREVENT ALCOHOL MARKETING TO CHILDREN ON THE INTERNET

1. Encourage Filters to Block Sites that Market Alcohol to Children.

The two most commonly used "stand-alone" filters on the market -- SurfWatch and Cyber Patrol -- attempt to block sites that encourage the sale and consumption of alcoholic beverages. Yet their efforts are not always successful: a random check of ten alcohol sites against the two filter programs found that Surf Watch let two of the sites slip through and that Cyber Patrol let four of the sites slip through. We should encourage filters to pay close attention to the efforts of alcohol companies to market their products to minors and to block alcohol-related sites from users.

2. Encourage Ratings Systems to Label Sites that Market Alcohol to Children.

None of the three most popular ratings systems available -- Net Shepherd, RSACi, and SafeSurf -- have an explicit ratings category for alcohol-related sites. The RSACi system, used by Microsoft's Internet Explorer and CompuServe, rates sites on violence, nudity, sex, and language. The SafeSurf ratings system, which has rated over 70,000 sites, rates by general age range, profanity, heterosexual themes, homosexual themes, nudity, violence, sex-violence-profanity, intolerance, the glorification of drug use, "other adult themes," and gambling. Net Shepherd, which has rated over 300,000 sites, provides a "Family Search" facility that aims to provide search engine capability similar to Yahoo or Excite but with a limitation to sites rated by Net Shepherd as suitable for kids and families. As far as I can tell, their ratings/limitation system provides considerable opportunities for alcohol-related sites to appear on "family-friendly" search results: in a random check of ten alcohol-related sites, four of them appeared on "family-friendly" searches. (The Bacardi Rum site, in the supposedly family-friendly "General" category, received a three-star rating.) Some other sites are available through hypertext links on pages that are allegedly "family friendly." A search for the Molson's site did not bring up the Molson's home page but did bring up the home page of some guy in Canada, which included links to the Molson's home page (as well as links to Playboy). We should encourage ratings systems to provide labels that denote the presence of alcohol-related material on reviewed sites.

3. Encourage Voluntary Restraint by Alcohol Companies.

Apparently, all alcohol companies have self-regulating codes that prohibit the targeting of minors in marketing efforts. We should encourage alcohol companies to abide by their own codes of conduct. Specifically, we should ask alcohol companies to stop putting games, contests, and "virtual environments" likely to appeal to children and adolescents on their web sites, to provide clear notification on every site of its alcohol-related content, and to provide stricter controls on the ages of those who enter the sites.

4. Educate Parents About Alcohol Marketing to Children on the Internet.

Most "family-friendly" Internet conferences, articles, and Web pages to date have focused on the ready availability of sexually explicit content on the Internet and the possibility of children being lured into meetings with pedophiles. We should educate parents about the efforts made by alcohol companies to market their products to children and encourage them to take steps to control their children's access to alcohol-related sites.

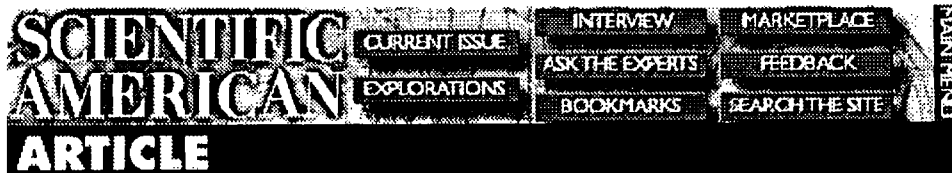


Image: Jeff Brice

SPECIAL REPORT

Filtering Information on the Internet

Look for the labels to decide if unknown
software and World Wide Web sites
are safe and interesting

by Paul Resnick

SUBTOPICS:

- [What's in a Label?](#)
- [Establishing Trust](#)

ILLUSTRATIONS:

- [Filtering System](#)
- [Computer Code](#)

**FURTHER
READING****BACK TO THE
INTRODUCTION**

The Internet is often called a global village, suggesting a huge but close-knit community that shares common values and experiences. The metaphor is misleading. Many cultures coexist on the Internet and at times clash. In its public spaces, people interact commercially and socially with strangers as well as with acquaintances and friends. The city is a more apt metaphor, with its suggestion of unlimited opportunities and myriad dangers.

To steer clear of the most obviously offensive, dangerous or just boring neighborhoods, users can employ some mechanical filtering techniques that identify easily definable risks. One technique is to analyze the contents of on-line material. Thus, virus-detection software searches for code fragments that it knows are common in virus programs. Services such as [AltaVista](#) and [Lycos](#) can either highlight or exclude World Wide Web documents containing particular words. My colleagues and I have been at work on another filtering technique based on electronic labels that can be added to Web sites to describe digital works. These labels can convey characteristics that require human judgment--whether the Web page is funny or offensive--as well as information not readily apparent from the words and graphics, such as the Web site's policies about the use or resale of personal data.

The Massachusetts Institute of Technology's World Wide Web Consortium has developed a set of technical standards called PICS (Platform for Internet Content Selection) so that people can electronically distribute descriptions of digital works in a simple, computer-readable form. Computers can process these labels in the background, automatically shielding users from undesirable material or directing their attention to sites of particular interest. The original impetus for PICS was to allow parents and teachers to screen materials they felt were inappropriate for children using the Net. Rather than censoring what is distributed, as the Communications Decency Act and other legislative initiatives have tried to do, PICS enables users to control what they receive.

What's in a Label?

PICS labels can describe any aspect of a document or a Web site. The first labels identified items that might run afoul of local indecency laws. For example, the Recreational Software Advisory Council (RSAC) adapted its computer-game rating system for the Internet. Each RSACi (the "i" stands for "Internet") label has four numbers, indicating levels of violence, nudity, sex and potentially offensive language. Another organization, SafeSurf, has developed a vocabulary with nine separate scales. Labels can reflect other concerns beyond indecency, however. A privacy vocabulary, for example, could describe Web sites' information practices, such as what personal information they collect and whether they resell it. Similarly, an intellectual-property vocabulary could describe the conditions under which an item could be viewed or reproduced [see "Trusted Systems," by Mark Stefik]. And various Web-indexing organizations could develop labels that indicate the subject categories or the reliability of information from a site.

Labels could even help protect computers from exposure to viruses. It has become increasingly popular to download small fragments of computer code, bug fixes and even entire applications from Internet sites. People generally trust that the software they download will not introduce a virus; they could add a margin of safety by checking for

labels that vouch for the software's safety. The vocabulary for such labels might indicate which virus checks have been run on the software or the level of confidence in the code's safety.

In the physical world, labels can be attached to the things they describe, or they can be distributed separately. For example, the new cars in an automobile showroom display stickers describing features and prices, but potential customers can also consult independent listings such as consumer-interest magazines. Similarly, PICS labels can be attached or detached. An information provider that wishes to offer descriptions of its own materials can directly embed labels in Web documents or send them along with items retrieved from the Web. Independent third parties can describe materials as well. For instance, the Simon Wiesenthal Center, which tracks the activities of neo-Nazi groups, could publish PICS labels that identify Web pages containing neo-Nazi propaganda. These labels would be stored on a separate server; not everyone who visits the neo-Nazi pages would see the Wiesenthal Center labels, but those who were interested could instruct their software to check automatically for the labels.

Software can be configured not merely to make its users aware of labels but to act on them directly. Several Web software packages, including CyberPatrol and Microsoft's Internet Explorer, already use the PICS standard to control users' access to sites. Such software can make its decisions based on any PICS-compatible vocabulary. A user who plugs in the RSACi vocabulary can set the maximum acceptable levels of language, nudity, sex and violence. A user who plugs in a software-safety vocabulary can decide precisely which virus checks are required.

In addition to blocking unwanted materials, label processing can assist in finding desirable materials. If a user expresses a preference for works of high literary quality, a search engine might be able to suggest links to items labeled that way. Or if the user prefers that personal data not be collected or sold, a Web server can offer a version of its service that does not depend on collecting personal information.

Establishing Trust

Not every label is trustworthy. The creator of a virus can easily distribute a misleading label claiming that the software is safe. Checking for labels merely converts the question of whether to trust a piece of software to one of trusting the labels. One solution is to use cryptographic techniques that can determine whether a document has been changed since its label was created and to ensure that the label really is the work of its purported author.

That solution, however, simply changes the question again, from one of trusting a label to one of trusting the label's author. Alice may trust Bill's labels if she has worked with him for years or if he runs a major software company whose reputation is at stake. Or she might trust an auditing organization of some kind to vouch for Bill.

Of course, some labels address matters of personal taste rather than points of fact. Users may find themselves not trusting certain labels, simply because they disagree with the opinions behind them. To get around this problem, systems such as GroupLens and Firefly recommend books, articles, videos or musical selections based on the ratings of like-minded people. People rate items with which they are familiar, and the software compares those ratings with opinions registered by other users. In making recommendations, the software assigns the highest priority to items approved by people who agreed with the user's evaluations of other materials. People need not know who agreed with them; they can participate anonymously, preserving the privacy of their evaluations and reading habits.

Widespread reliance on labeling raises a number of social concerns. The most obvious are the questions of who decides how to label sites and what labels are acceptable. Ideally, anyone could label a site, and everyone could establish individual filtering rules. But there is a concern that authorities could assign labels to sites or dictate criteria for sites to label themselves. In an example from a different medium, the television industry, under pressure from the U.S. government, has begun to rate its shows for age appropriateness.

Mandatory self-labeling need not lead to censorship,

so long as individuals can decide which labels to ignore. But people may not always have this power. Improved individual control removes one rationale for central control but does not prevent its imposition. Singapore and China, for instance, are experimenting with national "firewalls"--combinations of software and hardware that block their citizens' access to certain newsgroups and Web sites.

Another concern is that even without central censorship, any widely adopted vocabulary will encourage people to make lazy decisions that do not reflect their values. Today many parents who may not agree with the criteria used to assign movie ratings still forbid their children to see movies rated PG-13 or R; it is too hard for them to weigh the merits of each movie by themselves.

Labeling organizations must choose vocabularies carefully to match the criteria that most people care about, but even so, no single vocabulary can serve everyone's needs. Labels concerned only with rating the level of sexual content at a site will be of no use to someone concerned about hate speech. And no labeling system is a full substitute for a thorough and thoughtful evaluation: movie reviews in a newspaper can be far more enlightening than any set of predefined codes.

Perhaps most troubling is the suggestion that any labeling system, no matter how well conceived and executed, will tend to stifle noncommercial communication. Labeling requires human time and energy; many sites of limited interest will probably go unlabeled. Because of safety concerns, some people will block access to materials that are unlabeled or whose labels are untrusted. For such people, the Internet will function more like broadcasting, providing access only to sites with sufficient mass-market appeal to merit the cost of labeling.

While lamentable, this problem is an inherent one that is not caused by labeling. In any medium, people tend to avoid the unknown when there are risks involved, and it is far easier to get information about material that is of wide interest than about items that appeal to a small audience.

Although the Net nearly eliminates the technical barriers to communication with strangers, it does not remove the social costs. Labels can reduce those costs, by letting us control when we extend trust to potentially boring or dangerous software or Web sites. The challenge will be to let labels guide our exploration of the global city of the Internet and not limit our travels.

Further Reading

Rating the Net. Jonathan Weinberg in Hastings Communications and Entertainment Law Journal, Vol. 19; March 1997 (in press). Available on the World Wide Web

Recommender Systems. Special section in Communications of the ACM, Vol. 40, No. 3; March 1997 (in press).

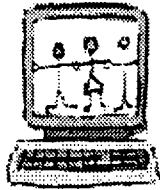
The Platform for Internet Content Selection home page is available on the World Wide Web

The Author

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CENTER FOR MEDIA EDUCATION

Telecommunications Policy in the Public Interest



ACTION FOR
CHILDREN IN
CYBERSPACE

Alcohol and Tobacco on the Web: New Threats to Youth

Executive Summary

The rapid emergence of cyberspace, especially the World Wide Web (Web), is ushering in an entirely new electronic media environment. The visual, interactive nature of the Web puts unprecedented power in the hands of marketers, especially to reach and influence youth. Recent estimates indicate that children and adolescents constitute a significant proportion of Internet users. According to Jupiter Communications, nearly five million youth between the ages of two and seventeen used the Internet or an online service from school or home in 1996.

The Center for Media Education (CME) has just completed a major investigation of marketing of alcohol and tobacco on the Web. The purpose was to determine how alcohol and tobacco companies are using online technologies to promote their products. The study also looked at the characteristics of the Web and general trends in online advertising, to better understand how marketing of these products might evolve in the future.

The study found that alcohol and tobacco companies are using the online media to advertise and promote their products, through a variety of marketing techniques that capitalize on the medium's strong and unique attraction for young people.

These campaigns are being launched at a time when drinking and smoking among youth are at alarmingly high levels. Underage drinking and smoking are already a major public health problem in the U.S. Alcohol is a factor in all leading causes of death for young people, ages 15 to 24. While smoking among adults is declining, smoking among youth is on the rise. Advertising and marketing play a major role in influencing the drinking and smoking behavior of youth.

Research Findings

The principal findings of the study are as follows. These and other conclusions are fully explored in the body of the text.

1. Major alcohol beverage companies are a growing commercial presence on the Web, with more than 35 brands represented.

2. While regulatory constraints and fear of political backlash have kept most of the big tobacco companies from launching advertising Web sites, recent developments suggest they may be poised to move online. In winter 1997, the Brown & Williamson Tobacco Corporation began running Lucky Strike print ads in the San Francisco area in an effort to bring new visitors to the Web site for Circuit Breaker, an online magazine that collects information on smoking habits and offers free T-shirts. Some tobacco companies have launched youth-appeal Web sites in other countries, which are easily accessed in the U.S.
3. Numerous other Web sites and homepages are dedicated to smoking, a number of them run by commercial entities. These have helped foster an online Smoking-Is-Cool culture which runs contrary to prevailing attitudes among most Americans about smoking and health.
4. Web sites promoting alcohol and tobacco employ a number of techniques. Some are an extension of the marketing and promotion efforts utilized elsewhere; others are designed to take advantage of the unique properties of the interactive online media. Many of these techniques are particularly appealing to children and youth. These include:

- ☐ Themes and icons of youth popular culture, such as the Budweiser online radio network, "KBUD," hosted by DJ BuddyK, which intersperses music, interviews with rock stars, and reviews of albums with a steady stream of promotions for the beer.
- ☐ Interactive games and contests, like Molson's Berserk in Banff or the Cuervo J.C. Roadhog Adventure, an off-the-road wild ride with a red "cyber-rodent" who zooms through a desert littered with tequila bottles and other Cuervo merchandising icons.
- ☐ Branded merchandise and free giveaways, including hip clothing (leather jackets, baseball caps, tee-shirts); drinking related products, such as beer mugs or bar accessories; and downloadable screensavers, screen wallpaper, rock music audio clips, and E-mail postcards with company logos.
- ☐ Promotion of "bridge drinks," sweet concoctions that disguise the taste of alcohol and are more appealing to novice drinkers. Some sites include contests for best recipes, and many sites solicit new recipes from readers. The Malibu Rum site offers extensive lists of "Radical Party Recipes" and "Bartenders' Favorite Recipes."
- ☐ Creation of "virtual communities," based on the product brand, such as Cuervo Tequila's "Republic of Cuervo Gold," where inhabitants can "separate from our fears, our blues, and our cares, as we enter the doors of our favorite establishment in search of frivolity, and perhaps a margarita or two."
- ☐ Use of chat rooms in the form of clubs, graffiti walls, and virtual bars, such as Smokey's Cafe, on the Smoker's Home Page, where against a backdrop of glamorous photos of famous celebrities smoking, smokers (and would-be smokers) can chat with other smokers; read pro-smoking articles [e.g. "Persecution of Smokers" and "Secondhand Smoke: The Big Lie"]; and consult lists of cigarette and cigar vendors. The messages and quality of the conversations in many of these chat rooms strongly suggest that underage consumers are among the eager participants.
- ☐ Brand spokescharacters, such as Captain Morgan (of Captain Morgan's Rum) and Budbrew J. Budfrog (of Budweiser Beer), whose online bio has a

lot in common with college-age drinkers—elected president of his campus fraternity during rush week in 1989, “drives a German luxury car, has memorized the entire Oxford English Dictionary and likes to hang on the beach with a hot babe, a cold Bud and a folio edition of the Kama Sutra in its original Sanskrit.”

- Online magazines and marketing surveys collecting personal data, like the Schläger Web site's extensive survey, where visitors are encouraged to “Take the Goldschläger Fan test and as a reward we'll give you a 30% discount off any Goldschläger Gear from our Gear Catalog.”
- Seamless fictional narratives which weave advertising messages into imaginative online playgrounds, games, and novels designed to engage visitors for extended periods of time. Moët & Chandon's Web site offers a branching novel about several twenty-somethings who live in New York and occasionally meet in a hotel restaurant to flirt and banter over glasses of champagne.

5. Hundreds of Web sites offer wine, beer, distilled spirits and tobacco products for sale on the Internet with few or no questions asked. Products purchased are delivered directly to homes. When sellers do ask if a buyer is age 21, there is no mechanism for verifying the answer.

The combination of these new Web marketing technologies gives marketers of alcohol and tobacco an arsenal of powerful new weapons. Urgent action is needed to ensure that effective safeguards are put in place to protect young people from the harmful effects of online marketing of alcohol and tobacco. Because of the unique nature of the interactive media, many of these new forms of advertising, of particular appeal to youth, appear to be inherently unfair and deceptive. Some of these practices may already be violating the law.

The Cigarette Act, which has since 1971 kept advertising of cigarettes off radio and television, applies to “any medium of electronic communication subject to the jurisdiction of the Federal Communications Commission” and thus would be applicable to the Internet as well. The alcohol industries have not been subjected to the same kinds of legal barriers to advertising as tobacco. However, all advertising, including online advertising, is subject to the current laws against deceptive, unfair, or other illegal practices.

Though the alcoholic beverage industries have self-regulatory guidelines that prohibit targeting underage youth, these rules appear to have little impact on the Web marketing of many companies.

While screening software programs and blocking technologies may be somewhat helpful—e.g., Net Nanny, Cyber Patrol, SafeSurf—they will not adequately protect children and youth from online marketing of alcohol and tobacco. The seamless interweaving of content and advertising, the ever-changing nature of content on the Web, and the use of surreptitious techniques like those employed in the Lucky Strike promotion, are likely to thwart efforts to effectively screen out these forms of marketing. Screening devices will do little to protect underage youth in college, where binge drinking is a major public health problem. Though the alcohol industries may promise not to promote their products on college campuses, they now have a direct line into the

dorm of nearly every student.

Recommendations:

Among the recommendations for action, the Center for Media Education calls for the following steps to combat the online promotion of alcohol and tobacco products to young people:

1. Congress should conduct hearings on the online marketing of alcohol and tobacco to the nation's children.
2. The Federal Trade Commission should use its authority over unfair and deceptive advertising to immediately launch an investigation into these practices. The FTC should also expand its current inquiry on online privacy to include alcohol and tobacco marketing data-collection practices.
3. The Food and Drug Administration should carefully monitor online tobacco promotion developments and develop any additional safeguards needed to protect youth that are not already covered by the Cigarette Act.
4. Federal agencies responsible for the public health, including the National Cancer Institute and the Centers for Disease Control, should examine the implications for public health of online marketing of alcohol and tobacco products.
5. The national public health community, including professional medical organizations, should launch initiatives to educate their members and the public about this issue.
6. The international health community, including the World Health Organization, should launch similar inquiries. Special attention should be given to the negative consequences of new media marketing in the developing world. The U.S. should play a leadership role in the international arena to create effective global safeguards.
7. Parents and educators should help educate our nation's youth about these new dangers. They should establish policies in the schools to limit exposure of underage youth to these sites.
8. Alcohol industries should abide by their own self-regulatory codes and stop targeting youth in all media, including online.
9. Cigarette companies should refrain from moving onto the Internet to market and promote their products. If companies fail to comply with the Cigarette Act, appropriate legal action should be taken.



CME is a member of the Electronic Policy Network, a project of *The American Prospect*

[Graphic Version]

A Family Friendly Internet

On Wednesday, July 16, President Clinton and Vice President Gore announced a strategy for making the Internet "family friendly." This strategy is designed to give parents and teachers the tools they need to prevent children from getting access to inappropriate material on the Internet, and to guide them towards high-quality educational resources.

Family Friendly Internet Remarks | NetParents (www.netparents.org)

About the Strategy for a Family Friendly Internet

The President and Vice President believe that the Internet is a powerful educational tool for our children. All over America, students are using the Internet to follow the Pathfinder mission to Mars and conduct research using the Library of Congress. But there is clearly material on the Internet that is not appropriate for children. In the wake of the Supreme Court's decision on the Communications Decency Act, America needs a strategy for protecting children and creating a safe, educational environment on the Internet that is consistent with our First Amendment values.

The President emphasized that government, industry, parents and teachers all have an

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important role to play in achieving the goal of a family friendly Internet in the following ways:

The Administration will continue to enforce laws to protect children on-line. The Supreme Court's decision on the Communications Decency Act did not affect U.S. laws against obscenity, child pornography, and on-line stalking. The President made clear that the Administration remains committed to the vigorous enforcement of federal prohibitions against the transmission of child pornography and obscenity over the Internet and other media, and the use of the Internet by pedophiles to entice children to engage in sexual activity. Recent steps by law enforcement include:

- ☐ FBI has increased its staff committed to combating computer-related exploitation of minors by 50 percent in the last three months, and has established a task force that specializes in computer child pornography and solicitation cases.
- ☐ The U.S. Customs Service has used the Internet to crack down on child pornography, and has seen an increase in convictions from 35 in FY1995 to 90 in FY1996.
- ☐ The Attorney General's Advisory Committee is providing training for law enforcement and prosecutors around the country, so that they can keep up with the latest computer technology.

Industry will provide blocking, filtering, and labeling technology for parents and teachers that is widely available and effective. Netscape announced that they plan to include Internet filtering technology in the next major release of their "browser" -- the software used to access the World Wide Web. This technology, known as the Platform for Internet Content Selection (PICS), allows parents to choose from a variety of ratings systems to block sites that are inappropriate for children. Microsoft has already incorporated this filtering technology in its browser. Combined, Microsoft and Netscape account for more than 90

percent of the browser market.

All major commercial online services, as well as over 145 regional and local Internet Service Providers in more than 40 states, now offer their customers filtering software either for free or for a small fee. This software allows parents to block objectionable material, and may have other features, such as the ability to limit the amount of time that a child spends online, or prevent a child from typing personal information (e.g. telephone number, street address) in an online chat-room. Major computer manufacturers such as Acer, Apple Computer, Compaq, IBM and Packard Bell are also "bundling" home PCs with filtering software.

Internet directory companies such as Yahoo, Excite, and Lycos which serve as the "yellow pages" of the Internet, agreed to make it easy for Web site developers to rate their sites appropriately. IBM announced a grant to the Recreational Software Advisory Council - a non-profit organization that has developed a content labeling system for the Internet. Major Internet content providers led by the Internet Content Coalition announced their intention to label their sites.

To support these efforts, the President also directed the Office of Management and Budget, working with the Department of Commerce and the Government Information Technology Services Board, to develop policies for labeling Executive Branch web sites.

Industry commitments include the following:

- ☐ Over 90 percent of World Wide Web "browsers" will include filtering technology.
- ☐ Major PC manufacturers and Internet service providers serving 85 percent of all Internet users will provide filtering software.
- ☐ Internet companies are promoting the use of "ratings" for filtering technology.

Parents and educators must do their part as well. The President also challenged parents to get involved with their children's use of the Internet. Technology is not a "silver bullet," and is no substitute for parental involvement. To help parents learn how to make the best use of this technology:

- ☐ Non-profit organizations have developed NetParents -- a user-friendly web site for parents
- ☐ "Librarians Guide to Cyberspace for Parents and Kids"

By logging on to NetParents (www.netparents.org) -- parents can get information on blocking software that meets their concerns, find out which Internet service providers offer this software for free or at low cost, and get tips on child safety on the information superhighway.

The American Library Association launched an effort called "The Librarian's Guide to Cyberspace for Parents and Kids," that will help parents find positive sites for their children.

This problem will not be solved in a single day. It will require the continued cooperation of industry, government, and groups representing parents, teachers, and children. Industry and non-profit organizations are organizing a summit to be held in the fall that will continue the momentum towards a "family-friendly" Internet.

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THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

July 16, 1997

REMARKS BY THE PRESIDENT AT EVENT ON THE E-CHIP FOR THE INTERNET

The East Room

12:45 P.M. EDT

THE PRESIDENT: Thank you very much, Lois Jean, and thank you, Steve Case. Thank you, Mr. Vice President, for all the work you've done on this issue. And to Secretary Daley, Commissioner Varney, Deputy Attorney General Waxman, and the members of Congress who had to go for a vote. I thank all of you for your interest. And thank you, all of you, who come here from the various companies who were part of the Vice President's meeting this morning and from other interested groups.

I think it's fair to say that history will evaluate the Internet as having sparked a revolution in information perhaps every bit as profound as the printing press. For today, at the click of a mouse, children can tap into the resources of the Library of Congress, to a great museum, communicate with classrooms around the world.

I am particularly proud to point out that the Internet allows us now to join beyond the Earth. Just since July 4, NASA's Mars Pathfinder Web site has received more than 27 million visits. And we are very proud of that, and proud of NASA.

But we all know and we've heard the horror stories about the inappropriate material for children that can be found on the Internet. We know children can be victimized over the Internet. After the Supreme Court struck down the portion of the Communications Decency Act last month affecting this as an abridgement of free speech, we brought together industry leaders and groups representing teachers, parents, librarians to discuss where to go next.

This morning there was a discussion that I believe can fairly be said to have reached a consensus about how to pave the way to a family-friendly Internet without paving over the constitutional guarantees of free speech and free expression. The plan has three components -- new technologies, enforcement of existing laws, more active participation of parents.

As you have heard already with regard to technology, the computer industry is developing a whole toolbox full of technologies that can do for the Internet what the V-chip will do for television. Some of the tools are already widely in use, as Steve said. They give parents the power to unlock -- or and to lock the digital doors to objectionable content.

Now we have to make these tools more readily available to all parents and all teachers in America, and as new tools come on line, we have to distribute them quickly and we have to make sure that parents are trained to use them.

In an extremely adroit use of language in our meeting earlier, one of the leaders said, well, Mr. President, you've talked about how technologically inept you are; perhaps you would be our guinea pig as each new thing comes along -- (laughter) -- and then we

could certainly certify that, if you can figure out how to use it, anybody can. (Laughter.) And so I sort of volunteered. Having been damned with faint praise, I enjoyed that. (Laughter.)

But I think it is important, it is important to know not only that things exist but that they are being used and that they can be used. So we had a little laugh about what is a very serious element of this whole endeavor.

Today several industry leaders are taking major steps in this direction. I'm pleased to announce first that Netscape Communications has committed to add family-friendly controls to the next release of its popular Internet browser. Parents who use the Netscape browser to explore the Internet will be able to tell the browser precisely what types of materials they do not wish their children to see. Microsoft, which also offers a popular Internet browser, has already incorporated this technology.

Therefore, with Netscape's pledge today, we now have assurance that 90 percent of all software used to explore the Internet will have family-friendly controls built right in. It's also important to note that all of the major companies that offer Internet service now provide some form of family-friendly controls. And I commend all of them for that.

For these controls to work to their full potential, we also need to encourage every Internet site, whether or not it has material harmful for young people, to label its own content as the Vice President described just a few moments ago. To help to speed the labeling process along, several Internet search engines -- the Yellow Pages of cyberspace, if you will -- will begin to ask that all Web sites label content when applying for a spot in their directories.

I want to thank Yahoo, Excite and Lycos for this important commitment. You're helping greatly to assure that self-labeling will become the standard practice. And that must be our objective.

Beyond technology, we must have strict enforcement of existing laws -- the anti-stalking, child pornography and obscenity laws as they apply to cyberspace. In the past three months alone, the FBI has expanded by 50 percent the staff committed to investigating computer-related exploitation of minors, and established a task force to target computer child pornography and solicitation. In the past six months, the Department of Justice has increased the number of lawyers working in its Child Exploitation and Obscenity Section by 50 percent. We simply must not allow pornographers and pedophiles to exploit a wonderful medium to abuse our children.

And, finally, we must recognize that in the end, the responsibility for our children's safety will rest largely with their parents. Cutting-edge technology and criminal prosecutions cannot substitute for responsible mothers and fathers. Parents must make the commitment to sit

down with their children and learn together about the benefits and challenges of the Internet. And parents, now that the tools are available, will have to take upon themselves the responsibility of figuring out how to use them.

I think it's fair to say that all parents will likely lag behind their children in facility on the Internet, but at least if we understand the tools that are available, it will be possible to do the responsible and correct thing.

Thanks to the talents, to the creativity, to the commitments of so many of you assembled today, we have now, therefore, a road map toward constructive steps for a family-friendly

Internet. There is still a lot to do. Parent groups and educators must work to help hone our labeling systems so that they will actually screen out materials we don't want our children to see and, as others have said today, with equal energy help to highlight the materials that serve our children best. That is very, very important.

The Internet community must work to make these labels as common as food safety labels are today, to continue to expand access to family-friendly tools, including software to protect children's privacy from unscrupulous vendors.

With a combination of technology, law enforcement and parental responsibilities, we have the best chance to ensure that the Internet will be both safe for our children and the greatest educational resource we have ever known. And that is our common commitment, and for that, I thank you all very much. (Applause.)



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THE WHITE HOUSE
Office of the Vice President

For Immediate Release

Contact: 202-456-7035

July 16, 1997

Statement by Vice President Al Gore

We are here today so we can begin the important work of making the Internet family friendly.

President Clinton and I just came from an extremely productive meeting with industry leaders, parent and teacher groups, child advocacy groups, librarians, and Internet users. It was a diverse group with different views -- but we all

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agreed on the same thing and walked away with a common mission.

We agreed that the Internet has astonishing power -- that it is truly revolutionizing how, and how much, our children learn. But we also agreed that, in addition to its great educational value, there is a lot of material on the Internet that just isn't fit for kids.

We all recognized that we must do something about that -- we must all take responsibility in harnessing new technologies in the service of our oldest values.

President Clinton will make some exciting announcements on how we can give parents not just a tool, but a virtual tool box, to help them screen out inappropriate material and steer them to the positive wonders of the Internet.

But before he does, let me say a word about the promising new technologies that are already available to help parents stop the dirt at the digital door.

One technology gives Internet publishers and outside groups the ability to add "smart labels" to the content of Internet sites -- labels that can contain the kind of information parents need. Parents then use a piece of software that can read these labels automatically, and act on the information. I guess you can call it a seat belt for children traveling on the Information Superhighway. Our challenge is to make these blocking technologies and the accompanying rating systems as common as the computers themselves.

Also, parents must know what tools are available in the virtual toolbox -- and how to use the tools once they have them.

Today we take a step in that direction, too.

I am pleased to announce that the Center for Democracy and Technology and

other non-profit organizations have developed "NetParents"-- a user-friendly web site for Mom and Dad.

By logging on to -- WWW.netparents.org -- parents can get the information on the blocking software that meets their family's concerns. They can find out which Internet Software Providers offer this software for free or at low cost. And they can get the tips they need to make sure that the Internet is family friendly in their household.

I'd like to thank the groups who came together to create this web site -- as well as all the groups who have come here today on behalf of our children. I do not want to underestimate the work we still have to do. We need to keep moving forward. We need to keep bringing public values and private actions together. And that will take tremendous vigilance from all of us.

But today is a great step forward. And if our meeting was any indication, I have no doubt we will succeed.



*To comment on this service,
send feedback to the Web Development Team.*

THE WHITE HOUSE
Office of the Press Secretary

For Immediate Release

July 16, 1997

PRESS BRIEFING BY
MIKE MCCURRY AND DON GIPS,
DOMESTIC POLICY ADVISOR TO THE VICE PRESIDENT

The Briefing Room

1:55 P.M. EDT

MR. MCCURRY: Good afternoon, ladies and gentlemen, and welcome to our briefing today. Just an update. Earlier today I was not quite certain whether the President would drop by the working meeting the Vice President had with some of the industry leaders and representatives of the industry, parents groups and others who are working together in a strategy to create a family-friendly Internet. He did. He clearly enjoyed it a great deal. I think you can probably tell from his remarks.

And I've asked Don Gips, who is new on the staff of the Vice President, his chief Domestic Policy Advisor, who's been working on this issue, to be here in case you had some questions.

about what the President is working on.

Q Before you get into it, can you say whether there's going to be an announcement today on joint chief?

MR. MCCURRY: No. Well, I can't say whether there will be. I don't at this point anticipate it.

Q Is the President meeting with Cohen --

MR. MCCURRY: I'll do that after we're done with this. But I know your colleagues at the Pentagon are breathing heavy and you should just tell them to cool off a little bit.

Q I have a couple of Internet related things. The ACLU is complaining that they weren't invited to the meeting today. You guys were obviously aware that civil libertarians, civil liberties groups had concerns about the positions the administration has taken on this. Why weren't they included?

MR. GIPS: The ACLU was invited, and I believe they actually did attend the event.

Q Do you know who was there, the name of the person?

Q When were they invited?

MR. GIPS: Yesterday. I don't know the name.

Q Were there people from any of the religious organizations who have been active in promoting the CDA -- were they involved, or invited as well?

MR. GIPS: This was a first set of meetings. We will have additional meetings which clearly

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will involve them. They've been involved in some of the conversations with groups who are at these meetings, and this will be an ongoing process and they definitely will be involved.

Q But they weren't invited to this meeting?

MR. GIPS: I don't believe that there were any religious groups at the meeting.

Q Did the President drop by?

MR. GIPS: The President did drop by the early meeting.

Q Did he have anything to say?

MR. GIPS: Yes, he heard what the meeting -- people had gone through. He asked question of the people, how to use the technology, and as he said, the industry came back and challenged him to get on line and be a tester for some of the software to see if he could make it work.

Q And did he?

MR. GIPS: He said he would accept the challenge.

Q There was a lot of talk on how this replaces or acts kind of as a V-chip for computers. Is there still a plan underway or being considered here for a V-chip type set-up for computers.

MR. GIPS: What this is, is a virtual toolbox. The Internet is different than television and you need a whole set of tools to address the issues that CDA originally enacted to address. The announcement today was about creating a virtual toolbox, and another way of thinking of it is sort of digital doorways -- some you want to lock up so that your children can't go there, and others you want to open so that your children can go to the good stuff on the Internet.

So what we're really talking about is sort of a two-part strategy here -- figure out how to lock off the bad stuff and figure out how to direct parents and children to the good stuff that's on the Internet.

Q What part of this would exist anyway if the White House didn't get involved in this, and what part is new?

MR. GIPS: Industry has been working on some of this in the past. The new announcements today were Netscape announcing that they're going to add this picks technology, which is the underlying technology that allows you to rate, to their browser in their next addition. That will mean that 90 percent -- over 90 percent of the browsers out there on the market will have this.

In addition, the search engines, which are like the Yellow Pages on the Internet, have all said that they're going to incentives rating so that anybody who rates -- any new content that's put on the Internet will be incentivized to rate.

In addition, there were numerous other announcements that some of the companies made. American Library Association talked about how they're going to put out on their Web site ways to get to good content. The Center for Democracy and Technology and other nonprofits created a Web site, WWW.NETPARENTS.org, that is a one-stop shop for parents to go to find out about all the things that are out there to help steer their children on the Internet.

Q But wouldn't they have don't that anyway?

MR. GIPS: This is something we've been working with them on to try and encourage them.

Q So you're saying without any prodding -- did they decide to do this?

MR. GIPS: You know, the industry here wants to try and find a solution. We're working with them. I don't want to take credit for tall this. I think this is a broad industry, government, parents groups, religious groups hopefully -- all in partnership trying to find a way to move this forward.

Q You said that it would be incentives for new Web sites to rate. What about existing Web sites?

MR. GIPS: We're going to try and work on that problem, too. Now, remember, the Internet, because it's dynamic, people are constantly updating their Web sites, changing them. In that process, we hope to try and encourage more and more people to rate. That's sort of the chicken and the egg problem. Until we had Netscape committing to put picks into their browser, people were saying, well, if I rate, half of the people that are looking stuff won't get access to it anyway. So you need to move this forward on all fronts.

There is another type of technology that I want to highlight, too, which is a lot of the companies will create safe areas on the Internet that don't depend on the rating. They go out and review the sites and say, this is a safe place for children to go. And it's like -- somebody used the analogy of a sand box. It's a sand box where you can send your children and you know you can play safely there.

Q When you say incentives, can you describe what you mean? I mean, is there some financial incentive for companies?

MR. GIPS: No, basically when you go to create a Web site, there is a whole set of steps to register a Web site. There is a whole set of steps you have to go through. This would make it -- rating just would appear on your screen. You would almost have to sort of try and figure out how to get around is. That's the tool that they're going to try and put in, so that it becomes just a part of what you do. It becomes a part of netiquette, as sort of standard of etiquette on the Internet.

Q And then what would you say to parents for whom some of the terms you're using, like

netiquette and digital doorways, is just Greek -- and people who can't get on the WWW.NetParents.org because they're not on the Net -- or they don't know how to get on? What do you say to parents --

MR. GIPS: This is what the American Library Association, the PTA, all the groups who were at the meeting are committed, along with industry, to try and figure out how do we make this so simple. And what the industry people at the meeting today said is this has to be easier than programming your VCR, because a lot of parents still can't do that. And that's the challenge.

We're not there yet. And today the President and Vice President laid out the challenge; industry and parents groups accepted the challenge and were very much looking forward to working together to achieve it.

Q There are figures out there for how many households have televisions. How many American children are actually on the Internet or going on the Internet.

SPOKESMAN: About 20-25 percent of households have Internet access at this point.

Q And how many of those have children?

MR. GIPS: I think it's higher than that. But we can try and get you that number. I think it's closer to 40 percent of families with children. But I'm not positive of that. Don't quote me on that. Let us get you that number.

Q But this is the number of families who have computers or who have Internet access?

SPOKESMAN: There are over 40 million children who have Internet access -- people who have Internet access at this point. Q And you don't know how many of those are children?

MR. GIPS: We'll get you that.

Q Didn't the PTA woman say a million?

MR. GIPS: Did she?

Q Wouldn't a lot of those 40 million be people who have access at work and not necessarily at home?

Q Or school?

MR. GIPS: Schools, work, home, libraries.

Q What role would the White House play in this October summit? Is it a White House-organized event or --

MR. GIPS: No. This is -- I don't know if we'll appear at it, or not. It's an industry-led, along with parents groups. The group that they talked about is organizing that summit, and it is an outgrowth of what we are doing today.

Q Two question on the rating. The earlier question about the oversights, you say that they're updated fairly frequently so that then they'd have to be rated.

MR. GIPS: And some of them already rate, too.

Q What's to force a company who wants to put something that kids shouldn't see on the Internet not to update, just so that every time they want they can tap into it?

MR. GIPS: The way the technology works is you can set it to say I don't want to look at anything that isn't rated, period. So if you haven't rated you're not going to be seen.

Q Also, who rates?

MR. GIPS: That's an important question. There's self-rating, and then there are third party rating systems. And one of the things that I think people will be working on is figuring out which of the third party rating systems people want to back, what should those third party systems include, and is there one standard or is there going to be many standards. That's an open question that I think industry and parents groups will be working on and will be involved in that discussion.

Q Do the school systems have this pretty much under control, or are some more measures needed to control the intranet?

MR. GIPS: School systems -- the problem does exist for school systems as well. Given that classrooms are more of a monitored situation, the teachers are in the room, they can see what's happening. The NEA who was at the meeting today talked about the types of steps they're taking to train teachers in how to make sure the children in the classroom are looking at appropriate material and accessing appropriate material.

Q So that these same rating systems would be available to school children?

MR. GIPS: Sure, sure.

Q When do you think the ratings will be in effect? And what do you hope -- what else do you hope will grow out of these continued meetings with industry?

MR. GIPS: The ratings will be an evolutionary -- I mean, there are sites already rated today. So this will be an evolutionary process. More and more of the content, we hope will be rated on the Web.

The second part of your question was, what are the other things we hope to grow out of this. Really, a continued discussion on how do we make what exists today more widespread, both ratings and technology, make it simpler for parents to us, and make it completely understandable.

And a second key piece of what we talked about today that hasn't gotten much mention is the CDA -- only portions of the CDA are overturned. And Justice Department is going to aggressively continue to prosecute child pornographers on line and to try and make sure that we do our part to enforce the existing laws as aggressively as we can.

Q Would the White House still prefer to have seen the entire CDA pass muster and be the law of the land? Or have you all now concluded that this is, in fact, a better way to police the Internet?

MR. GIPS: We are going to go forward with this approach. The goal is the same.

Q You're obviously going forward with it, but do you prefer this approach now to the other approach?

MR. GIPS: The goal is the same, which is to protect children, and we're going to do our best to make sure that we protect children in a First Amendment consistent fashion.

Q One of parents' primary concerns is not just the content of sites, but that someone might approach their children over the Internet. Did you discuss at all today anything that can be done about that? Is there anything that can be done about people using e-mail in chat rooms to approach kids?

MR. GIPS: Yes, some of these tools actually block e-mail and block chat rooms. And that's part of this whole virtual tool kit, about blocking certain things that are out there. And that's going to be a continuing discussion. I know that's going to be one of the major themes at the summit that the industry is going to be holding as well.

Q But if an approach is not explicit or obviously improper in some way, how could that be blocked by --

MR. GIPS: You can block certain classes of e-mail. You can have e-mail lists that are only accessible to names you've approved. You can block out certain chat rooms. There are varying range of technologies to achieve this. It really depends how much you want to restrict access for your child.

Q Wouldn't you prefer that the industry come up with one sort of rating standard?

MR. GIPS: That will be a very interesting discussion, and we don't have an answer to that now. There are many people who think it's better, no, to actually have a number of different rating standards because different people will have different standards and different

differently. Others think one is the right answer. And that's part of this dialogue that we're looking forward to have.

Q Does the White House have a position on that?

MR. GIPS: Not yet.

THE PRESS: Thanks.

Q Mike, do the White House computers have filters? (Laughter.)

MR. MCCURRY: You're asking the absolute wrong guy.

Q So you guys have web searches, don't you?

MR. MCCURRY: I don't believe so. Do we have -- we don't have that technology on our Netscape browser, not to my knowledge. On the other hand, government employees shouldn't be using that. Unless they have some very specific job-related purpose for accessing sites like that, they shouldn't be accessing that in any event.

Q Was that a consideration, to put them on either the government or White House computers, some sort of filter that --

MR. MCCURRY: You should really ask people from information technology divisions within government that question.

Q Mike, is the White House getting ready to officially announce the nomination of William Weld?

MR. MCCURRY: We are in the final stages of preparing Governor Weld's nomination as U.S. Ambassador to Mexico. The President looks forward to fighting hard for that nomination. We hope we can prevail in the Senate and see his nomination confirmed. He'd be an excellent U.S. ambassador.

Q Mike, wasn't it embarrassing that the President had to say that he was going to nominate Weld only after Weld challenged him to either put up or shut up?

MR. MCCURRY: I think I said here yesterday the President considered him an excellent choice for U.S. Ambassador to Mexico. If I did not, I recall saying that.

Q You also said you would give up the ghost eventually.

MR. MCCURRY: Well, I also said that we understand that there is an advice and consent process, and we'll have to see how that plays out and how it's reconciled with the President's strong support for the nominee.

Q But he is going to submit the nomination?

MR. MCCURRY: Yes.

Q Could you describe what fighting hard means? Is the President going to --

MR. MCCURRY: You've all seen nomination fights around here before, and we will have to have resources deployed to it. Most of those have ended successfully for us this year, as you know.

Q The President was also accused of not fighting hard enough.

MR. MCCURRY: Well, we have fought hard for nominees this year that have been challenged, and they've been confirmed; haven't they?

Q Mike, the Chemical Weapons Treaty was stuck in the same committee until the President enlisted the help of Senator Lott. Might he do this kind of thing again with the nomination?

MR. MCCURRY: We will certainly have discussions with the Majority Leader about the

status of the nomination.

Q How much support have you gotten from other Republicans? What kinds of --

MR. MCCURRY: It's pretty clear we will need strong support if the nomination is going to be confirmed?

Q And have you gotten that support, gotten any indications?

MR. MCCURRY: The nomination hasn't been sent forward to the Senate yet. We've made some soundings, but I think you could do that yourself.

Q Does the President plan to talk to Senator Helms?

Q How close are you to announcing it? How close? Is the FBI screen finished? When you say you're in the final stages -- MR. MCCURRY: The background checks for ambassadors are done by Diplomatic Security personnel at the State Department. They are, in my understanding, completing their work and we're completing the other paperwork associated with the nomination. And when finalized, it will be sent to the Hill.

Q Mike, does the President plan to Senator Helms directly about the nomination to overcome his opposition?

MR. MCCURRY: He has asked, as you know in the past, Secretary of State Albright to have some conversations. I believe she has. And I'll leave it open whether the President will be talking to the Chairman about it.

Q She struck out, though, didn't she?

Q Mike, can you tell us what's going on for tomorrow as far as Chicago and Pittsburgh?

MR. MCCURRY: The President is going to go to Pittsburgh and speak to the NAACP and then to Chicago, the National Association of Black Journalists. In both venues he will be talking about his recently announced race initiative. I think he'll have some specific things to say in Pittsburgh tomorrow to the NAACP about ways that we can continue to promote diverse environments for education in America and ways in which we can enhance educational opportunities, especially for African Americans.

Q This is the first time talking to large black audiences on this race initiative. Can you talking about the importance of that venue and the fact that he's packing two of them into the same day?

MR. MCCURRY: Well, it's in some sense a coincidence that both organizations are choosing to meet at this time. The NAACP is of course one of the nation's venerable institutions promoting civil rights. It has been through many struggles over many, many years and has a very proud legacy of promoting tolerance, racial diversity, respect for the differences that exist in America which are underpinnings of the President's own initiative. And the Society of Journalists that he'll speak to in Chicago is an effort by the President to fulfill a commitment I think he made last year, that he would attempt to attend their convention this year, and it happens to fall during the same time period.

Q Will the White House extend six months more for Title III of the Helms-Burton --

MR. MCCURRY: We've already announced that. Yes. The President -- we've already put out the announcement from the President on that, and I believe Under Secretary of State Eizenstat has now briefed on that at the State Department.

Q Back on tomorrow's issue, Angela Oh had made some statements the other day during the task force, the Race Advisory Board, during their first meeting, she said it should not just be a black-white issue that should be focused upon, but expanded. Will the President address that tomorrow as well at the NAACP?

MR. MCCURRY: I think he in a sense addressed that in his speech at the University of California-San Diego, and talked about the different complexion of diversity in America as ~~we~~ think about multiethnicity and the different racial compositions of different parts of America and think of how that's going to change over time looking ahead to the 21st century. So I think in a sense the President already addressed that point himself.

Q Now that this group has held its organizational meeting, is he in a better position to use this speech tomorrow to elaborate on where he hopes this effort will go?

MR. MCCURRY: I think he is going to talk about it -- I mean, this is not to give them a schedule of meetings or anything like that. I think he wants to talk in a broader sense about the importance of the initiative he has announced. Specifically, he wants to talk about the role education plays in helping America become more diverse and helping people come to understand the differences that exist so we can be more tolerant of each other. I think that will be the central theme of his remarks.

Q Education at what level? Are you talking about -- MR. MCCURRY: Public education -- he'll talk principally about public education and some of the issues related to the integration of public school environments and how important that is.

Q Well, what about -- he said that he's disturbed by what's happening in graduate schools. Is he going to have specific solutions for those?

MR. MCCURRY: I'm glad your interest has been piqued on the speech. I think the President will answer those questions tomorrow.

Q The European Union is intensifying its opposition to the Boeing-McDonnell Douglas merger. Any further --

MR. MCCURRY: That kind of like changes hourly. Is that the latest hourly report?

Q A group of antitrust experts have recommended that the commission reject the merger and President Chirac has said that's a good idea.

MR. MCCURRY: There has been an -- over the last 48-72 hours, been an ongoing consultation with the European Union. We hope it will be resolved satisfactorily and most importantly, we hope it will be done consistent with antitrust laws that's applied within the union. We think the principles of competitiveness are those that ought to attend to the

European Union's consideration of the proposed merger.

Q Will the President meet with a prospective candidate for chairman of the Joint Chiefs this afternoon?

MR. MCCURRY: On the question of the Joint Chiefs, I'm going to do something -- just try something different here. The President is making a personnel decision. It's an important one for the future of the U.S. military, it's an important one to him personally as Commander-In-Chief, and I'm going to respect his ability to make that decision in private. I'm not going to answer any questions about who he's considering or what the process is. There is a good process under way, he's worked closely with the Secretary of Defense about it, he'll talk to the Secretary of Defense about it, he will presumably want to talk to the candidate recommended by the Secretary of Defense, and the President will want to think hard, and I don't know how long and hard, about a decision that is very important to every American, in one sense or another.

Q Can I ask it from a different direction? Is he going to meet with the Secretary of Defense this afternoon?

MR. MCCURRY: He probably will. I think I told everyone this morning I expected that to happen.

Q Do you know when?

MR. MCCURRY: Maybe even now.

Q On the Versace murder, since it's attracted so much worldwide attention, do you have anything to say about the safety of the United States, about the crime system, any comments you can make?

MR. MCCURRY: Say it again?

Q The murder of the fashion designer, Versace.

MR. MCCURRY: Local law enforcement officials are handling that. They have announced a suspect that is on the FBI's Most Wanted list. We hope that local law enforcement, working with cooperative Americans, are able to apprehend the suspect that they're looking for.

Q The way the press is playing it overseas is, it's another example of how dangerous this country is. Do you have any stronger statements?

MR. MCCURRY: I can't -- every country overseas also has its own moments when they have particularly high-profile cases of what appears to be murder. We hear here in the United States about sensational cases that occur overseas from time to time. I don't think that we -- hopefully, no one makes judgments based on isolated incidents.

Q Mike, one other question on Chicago. Is the White House disturbed at all that groups like the Klan plans to use his meeting and his high-profile initiative tomorrow to protest?

MR. MCCURRY: I think the President is generally concerned about the Klan and about its

history and about the values that it proposes to espouse in America. But he also cherishes the right of free speech.

~~Q Mike, is Secretary Cohen meeting with the President as we speak?~~

MR. MCCURRY: I don't know the answer to that. It was likely he would meet at some point this afternoon with the Secretary.

Q Are they meeting alone, or is there going to be anybody with Secretary Cohen? We've had some indications that there will be a general coming along with Secretary Cohen.

MR. MCCURRY: Well, I've told you I'm going to give the President some space to consider the recommendation of the Secretary. I'm not going to describe the process. If folks at the Pentagon talk about it that's their business.

~~Q One other point. When you say the person recommended by the Secretary of Defense -- it o l s~~
sounds like he's going to have a choice of one person. Is he going to have more than one?

MR. MCCURRY: I think, if I'm not mistaken, the Secretary in the past has said he would like to be in a position of recommending a candidate to the President. But if that changes, we'll brief you on it at the point the President has made a decision.

Q But the President won't have a selection then to pick from?

MR. MCCURRY: Not unless the Secretary of Defense for some reasons presents him a choice.

Q Do you rule out an announcement today on that, Mike?

MR. MCCURRY: I'm not describing any further the process we're using. I made that pretty clear, I think.

Q I'm not asking about the process, I'm asking about the timetable.

Q Why are you so touchy about it?

MR. MCCURRY: Because I think it's important -- personnel decision, just as people here have interviewed for jobs, you like to have a certain amount of confidentiality applied to that. Someone goes and applies for a job, and if you don't get the job you don't want the whole world to know you didn't get the job.

Q Well, do you think someone leaked it deliberately to put you on the spot?

MR. MCCURRY: Who knows. Do you want me to spend time trying to find out who leaks things in our government, Helen. Are you suggesting that?

Q Did the President fire Walter Dellinger because of a New Yorker article?

MR. MCCURRY: No. Absolutely not.

Q There is going to be a period of time before he selects a chairman of the joint chiefs.

MR. MCCURRY: I think we were talking about solicitor general.

Q I know.

Q Can I ask one more race question? Is tomorrow's speech the first in sort of a series of race events? Like, will there be one a month that the President will do over the next year? I mean, I know about the town hall meetings.

MR. MCCURRY: There will be a series of events. I wouldn't necessarily say one a month, but that might end up being a likely timetable -- maybe more than one a month, in which the President advances some of the dialogue with respect to the race initiative that he suggested he would pursue in the speech in California. I think that he wants to continue to do that.

Q When do you think the first town meeting will be?

MR. MCCURRY: I'm not in a position to announce anything. I don't know that it's been set yet.

Q Is he going to Arkansas for a personal visit? Is he planning any travel to Arkansas in the near future? I heard there was another funeral.

MR. MCCURRY: Can you guys check that? I hadn't heard that myself.

Q Related to the race initiative, the hearing tomorrow on the Civil Rights Commission based on a GAO report that says there is mismanagement or lack of management in that commission; there have been other problems brought up by Jesse Jackson and others -- can you go into what the administration plans to do to improve that commission?

MR. MCCURRY: I can, but if you want to ask me tomorrow after the report comes out, we can deal with that tomorrow.

Q Mike, both the President and the First Lady --

Q After what report?

MR. MCCURRY: I thought you said the -- Report.

Q No, the report has been out for a while.

MR. MCCURRY: Okay, well, we'll -- I'll take a look at it, and maybe we can do some more on that tomorrow.

Q Both the President and the First Lady have been very intimately involved in the micro lending issue and there's a Treasury Department report that came out yesterday saying that some senior officials in that Treasury Department CDFI program may have doctored documents that were being provided to Congress. Is the White House concerned about that or looking into that at all?

MR. MCCURRY: Well, certainly, the White House would be concerned about that specifically. But I think that specifically has been addressed by the Treasury Secretary, and if I'm not mistaken, the Treasury Secretary has sent a letter to Congressman Lewis today that outlines some of the thinking in the Treasury Department on that. You may want to contact them.

Q Mike, did the White House note with concern the skirmish, I guess you'd call it, on the Korean Peninsula yesterday? And did they think that it might endanger or derail the upcoming peace talks in New York?

MR. MCCURRY: I think, to the contrary, the administration believes that the continuing status of ongoing hostility absent a peace agreement between the two Koreas is precisely the reason why the President and the President of the Republic of Korea advanced the proposal for four-party talks. We hope that the dialogue that we are seeking to foster will create a more secure, safer, more peaceful environment on the Korean Peninsula. That's the answer to incidents such as the one that has occurred.

Q Mike, did the President have any personal reaction to the Starr report on Vince Foster?

MR. MCCURRY: No.

Q Has Dellinger's resignation been accepted -- just to clarify?

MR. MCCURRY: He has resigned. It's been announced. The President met with him for 10 minutes this morning, thanked him for his extraordinary service to the country. He has been a superb litigator on behalf of all the people of the United States of America. He has been an astute and, in many ways, brilliant analysis of constitutional law. The President, as one who highly values constitutional interpretation, has highly valued Walter Dellinger's service to the country. And with great regret, the President accepted the resignation even though for some time the Acting Solicitor General has indicated that he wanted to return to private life.

Q Why didn't he formally nominate him?

MR. MCCURRY: We will have a statement -- we'll have a statement from the President shortly, I'm told. Correct?

Q If he thought it was so great, why didn't he formally nominate him?

MR. MCCURRY: I'm not aware he was under consideration for anything to be nominated.

Q Mike, back on the Internet thing, are there any prohibited Web sites for White House officials, and are they monitored in any way by --

MR. MCCURRY: I think Internet use here at the White House can be monitored by our Office of Administration. And people know the rules -- they're not supposed to be accessing sites that they don't have any business being on.

Q Sort of a generic question related to the event this morning. How do you avoid giving the appearance of endorsing -- of a White House endorsement of a particular product, given the problems, particularly of America Online. Is that something you all worry about?

MR. MCCURRY: Steve Case from America Online has been indisputably a leader within the industry on this. But of course the company has got a leading position within the industry, too. But representatives of some of their competitors were there and he was there on behalf of all in the industry who have come together. I think one of the things that came out of the meeting is that even though the industry is competitive itself, there is great desire across the industry to deal with the issues that were raised by the concern that people have over indecency on the Internet. In fact, just about every company executive who was there said, look, we are not only people in the business of making a profit because of the

explosive growth of the Internet, we're also, for the most part, parents and people who are active in our community and we care about these issues, too.

Q But just to follow up on Bill's question. You said that people in the White House know they're not supposed to be on sites they have no business on. Is there some kind of a list of restricted sites? How do they know that?

MR. MCCURRY: I don't think -- I mean, common sense rule applies. You should be working on things related to your business, for official purposes only. The taxpayers pay for those machines and that time, and you're not supposed to be goofing around on the Internet.

Q So you're saying people never play cards on the -- MR. MCCURRY: Oh, I think they probably do the same things you do with your company's computer from time to time. (Laughter.)

Q Does the President have any reaction to the American soldier shot in Bosnia today?

MR. MCCURRY: I'm not aware of any incident. I was aware of a soldier being stabbed earlier today, and that's being investigated.

Q There was also a bombing.

MR. MCCURRY: There have been some sporadic reports of bombing. The incident in Vlasenica is being investigated right now. So far, what we're hearing from military authorities that we've been talking to is it sounds like a criminal incident. But we are -- my understanding is, it's under investigation.

Q You don't see it related to efforts to pick up war criminals?

MR. MCCURRY: This is not -- there was no suggestion that we've seen or I've heard of that this particular incident, I believe it was yesterday, had a political motivation.

Q On the Boeing thing, would the administration consider any kind of retaliatory response if the Europeans do block?

MR. MCCURRY: That's probably a trade law question. I don't want to answer that casually. I'd have to check on that.

Okay. See you tomorrow.



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Clinton Presses for Voluntary Controls on Adult Net Content

By THE ASSOCIATED PRESS

WASHINGTON -- Shackled by the Supreme Court ruling that quashed the Communications Decency Act, the Clinton Administration said Wednesday it was getting voluntary help from the computer industry and parents' groups to make the *Internet* safer for youngsters.

President Clinton said that a White House meeting yielded a consensus on "how to pave the way to a *family friendly Internet* without paving over the constitutional guarantees to free speech and free expression." The Supreme Court last month struck down the Communications Decency Act, a law designed to keep cyberspace's seedy side away from children. The court ruled that the law, in its attempt to protect children from indecent material on the *Internet*, improperly restricted the free-speech rights of adults.

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Hoping to avoid a solution for the *Internet* like the v-chip -- the controversial computer chip that would allow parents to block unwanted television programs -- computer industry representatives announced that they would provide greater access to anti-smut software and work to flag *Internet* sites that are clean enough for kids.

"We have tools out there which are 100 percent available," said Jerry Berman of the Center for Democracy and Technology, a group that works to protect computer users' civil liberties. They just need to be more widely used and understood, he said.



Credit: Paul Hosefros/The New York Times

President Clinton listens during a ceremony Wednesday at the White House where he announced his commitment to take steps to make the *Internet* more "family friend."

Vice President Al Gore was the host at a meeting of industry representatives and child advocates before the announcement ceremony in the East Room.

"We agreed that the *Internet* has astonishing power, that it is truly revolutionizing how and how much our children learn," Gore said. "But we also agreed that in addition to its great educational value, it has a lot of material that just isn't fit for children."

Joining Gore and Clinton at the White House, Steve Case, chief executive of America Online, said that the industry didn't expect new software alone to keep kids out of inappropriate *Internet* areas.

"These tools aren't a replacement for good parenting," Case said, "but rather a supplement for it."

About 30 to 40 people were invited, including representatives from America Online, Netscape Communications Corp., Microsoft Corp., Yahoo! Inc., the National Parent Teacher Association and the American Library Association, plus makers of screening technology and electronic civil liberties groups.

The White House has said it wants a solution "as powerful for the computer as the v-chip will be for the television, that protects children in ways that are consistent with America's free-speech values."

Instead of seeking new legislation to force the computer industry to shield children from *Internet* smut -- as some in Congress are doing and some anti-pornography groups want -- the Clinton Administration is pushing a system of voluntary restraints.

That's welcome news for the industry and electronic civil liberties groups, which fought to overturn anti-smut provisions in the 1996 telecommunications law.

“The message is there's technology out there now that works. It's a much better alternative to legislation that won't.”

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"The message is there's technology out there now that works. It's a much better alternative to legislation that won't," said Andrew Schwartzman, president of the Media Access Project, a media watchdog group in Washington

No final industrywide voluntary plan was expected to be announced today, but some companies were expected to unveil plans. The industry was expected to hold a summit on the issue this fall.

For instance, Netscape Communications was expected to announce it would back a software standard allowing people using a

Web browser either to block or to select certain Web sites based on electronic labels on the sites. The company's next browser product would use the technology, the company said.

Microsoft's Explorer browser already uses the standard, dubbed PICS, which can work with more than one labeling or ratings system. Parents using a browser with the PICS technology could, for example, call up Web sites designated to be '*family friendly*' or they could block sites labeled as violent or sex-filled.

"We can look at this as a glass-half-empty proposition, where we have to prevent kids from getting the bad content, or we can look at it as the glass half full, where we can entice them to come to good content," said Peter Harter, Netscape's global public policy counsel.

The Center for Democracy and Technology, meanwhile, was supposed to debut a Web page that would give parents information on how and where to get free smut-screening software, Berman said.

The center estimated that all of the major providers of *Internet* access to consumers offer screening technology for free or at a nominal cost. Those providers cover 14 million households, and include AOL, AT&T WorldNet, CompuServe, Prodigy and Erol's.

The American Library Association was working on a broader effort. It has compiled a listing of *family friendly* Web sites parents can access separately or through its Web page, said a spokeswoman, Joyce Kelly. The listing would be updated and expanded, she said.

Microsystems Software Inc., maker of Cyber Patrol, a widely used screening software, was expected to unveil new technology to make it easier for owners to label their Web sites, a company representative said.

"We feel that for the most part that industry has been responsive," said Patty

Yoxall, spokeswoman for the National PTA.

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Read the Framework

Background

The Global Information Infrastructure (GII), still in the early stages of its development, is already transforming our world. Over the next decade, advances on the GII will affect almost every aspect of daily life -- education, health care, work and leisure activities. Disparate populations, once separated by distance and time, will experience these changes as part of a global community.

No single force embodies our electronic transformation more than the evolving medium known as the Internet. Once a tool reserved for scientific and academic exchange, the Internet has emerged as an appliance of every day life, accessible from almost every point on the planet. Students across the world are discovering vast treasure troves of data via the World Wide Web. Doctors are utilizing tele-medicine to administer off-site diagnoses to patients in need. Citizens of many nations are finding additional outlets for personal and political expression. The Internet is being used to reinvent government and reshape our lives and our communities in the process. As the Internet empowers citizens and democratizes societies, it is also changing classic business and economic paradigms. New models of commercial interaction are developing as businesses and consumers participate in the electronic marketplace and reap the resultant benefits. Entrepreneurs are able to start new businesses more easily, with smaller up-front investment requirements, by accessing the Internet's worldwide network of customers.

Internet technology is having a profound effect on the global trade in services. World trade involving computer software, entertainment products (motion pictures, videos, games, sound recordings), information services (databases, online newspapers), technical information, product licenses, financial services, and professional services (businesses and technical consulting, accounting, architectural design, legal advice, travel services, etc.) has grown rapidly in the past decade, now accounting for well over \$40 billion of U.S. exports alone.

An increasing share of these transactions occurs online. The GII has the potential to revolutionize commerce in these and other areas by dramatically lowering transaction costs and facilitating new types of commercial transactions.

The Internet will also revolutionize retail and direct marketing. Consumers will be able to shop in their homes for a wide variety of products from manufacturers and retailers all over the world. They will be able to view these products on their computers or televisions, access information about the products, visualize the way the products may fit together (constructing a room of furniture on their screen, for example), and order and pay for their choice, all from their living rooms.

Commerce on the Internet could total tens of billions of dollars by the turn of the century. For this potential to be realized fully, governments must adopt a non-regulatory, market-oriented approach to electronic commerce, one that facilitates the emergence of a transparent and predictable legal environment to support global business and commerce. Official decision makers must respect the unique nature of the medium and recognize that widespread competition and increased consumer choice should be the defining features of the new digital marketplace.

Many businesses and consumers are still wary of conducting extensive business over the Internet because

of the lack of a predictable legal environment governing transactions. This is particularly true for international commercial activity where concerns about enforcement of contracts, liability, intellectual property protection, privacy, security and other matters have caused businesses and consumers to be cautious.

As use of the Internet expands, many companies and Internet users are concerned that some governments will impose extensive regulations on the Internet and electronic commerce. Potential areas of problematic regulation include taxes and duties, restrictions on the type of information transmitted, control over standards development, licensing requirements and rate regulation of service providers. Indeed, signs of these types of commerce-inhibiting actions already are appearing in many nations. Preempting these harmful actions before they take root is a strong motivation for the strategy outlined in this paper.

Governments can have a profound effect on the growth of commerce on the Internet. By their actions, they can facilitate electronic trade or inhibit it. Knowing when to act and -- at least as important -- when not to act, will be crucial to the development of electronic commerce. This report articulates the Administration's vision for the emergence of the GII as a vibrant global marketplace by suggesting a set of principles, presenting a series of policies, and establishing a road map for international discussions and agreements to facilitate the growth of commerce on the Internet.

PRINCIPLES

1. The private sector should lead.

Though government played a role in financing the initial development of the Internet, its expansion has been driven primarily by the private sector. For electronic commerce to flourish, the private sector must continue to lead. Innovation, expanded services, broader participation, and lower prices will arise in a market-driven arena, not in an environment that operates as a regulated industry.

Accordingly, governments should encourage industry self-regulation wherever appropriate and support the efforts of private sector organizations to develop mechanisms to facilitate the successful operation of the Internet. Even where collective agreements or standards are necessary, private entities should, where possible, take the lead in organizing them. Where government action or intergovernmental agreements are

necessary. On taxation for example, private sector participation should be a formal part of the policy

making process.

2. Governments should avoid undue restrictions on electronic commerce.

Parties should be able to enter into legitimate agreements to buy and sell products and services across the Internet with minimal government involvement or intervention. Unnecessary regulation of commercial activities will distort development of the electronic marketplace by decreasing the supply and raising the cost of products and services for consumers the world over. Business models must evolve rapidly to keep pace with the break-neck speed of change in the technology; government attempts to regulate are likely to be outmoded by the time they are finally enacted, especially to the extent such regulations are technology-specific.

Accordingly, governments should refrain from imposing new and unnecessary regulations, bureaucratic procedures, or taxes and tariffs on commercial activities that take place via the Internet.

3. Where governmental involvement is needed, its aim should be to support and enforce a predictable, minimalist, consistent and simple legal environment for commerce.

In some areas, government agreements may prove necessary to facilitate electronic commerce and protect consumers. In these cases, governments should establish a predictable and simple legal environment based on a decentralized, contractual model of law rather than one based on top-down regulation. This may involve states as well as national governments. Where government intervention is necessary to facilitate electronic commerce, its goal should be to ensure competition, protect intellectual property and privacy, prevent fraud, foster transparency, support commercial transactions, and facilitate dispute resolution.

4. Governments should recognize the unique qualities of the Internet.

The genius and explosive success of the Internet can be attributed in part to its decentralized nature and to its tradition of bottom-up governance. These same characteristics pose significant logistical and technological challenges to existing regulatory models, and governments should tailor their policies accordingly.

Electronic commerce faces significant challenges where it intersects with existing regulatory schemes. We should not assume, for example, that the regulatory frameworks established over the past sixty years for telecommunications, radio and television fit the Internet. Regulation should be imposed only as a necessary means to achieve an important goal on which there is a broad consensus. Existing laws and regulations that may hinder electronic commerce should be reviewed and revised or eliminated to reflect the needs of the new electronic age.

5. Electronic Commerce over the Internet should be facilitated on a global basis.

The Internet is emerging as a global marketplace. The legal framework supporting commercial transactions on the Internet should be governed by consistent principles across state, national, and international borders that lead to predictable results regardless of the jurisdiction in which a particular buyer or seller resides.

ISSUES

This paper covers nine areas where international agreements are needed to preserve the Internet as a non-regulatory medium, one in which competition and consumer choice will shape the marketplace. Although there are significant areas of overlap, these items can be divided into three main subgroups: financial issues, legal issues, and market access issues.

Financial Issues

- ☐ customs and taxation
- ☐ electronic payments

Legal Issues

② Uniform Commercial Code for electronic commerce

- Similar to other countries for electronic commerce

- ☐ intellectual property protection
- ☐ privacy
- ☐ security

Market Access Issues

- ☐ telecommunications infrastructure and information technology
- ☐ content
- ☐ technical standards

I. Financial Issues

1. CUSTOMS AND TAXATION

For over 50 years, nations have negotiated tariff reductions because they have recognized that the economies and citizens of all nations benefit from freer trade. Given this recognition, and because the Internet is truly a global medium, it makes little sense to introduce tariffs on goods and services delivered over the Internet.

Further, the Internet lacks the clear and fixed geographic lines of transit that historically have characterized the physical trade of goods. Thus, while it remains possible to administer tariffs for products ordered over the Internet but ultimately delivered via surface or air transport, the structure of the Internet makes it difficult to do so when the product or service is delivered electronically.

Nevertheless, many nations are looking for new sources of revenue, and may seek to levy tariffs on global electronic commerce.

Therefore, the United States will advocate in the World Trade Organization (WTO) and other appropriate international fora that the Internet be declared a tariff-free environment whenever it is used to deliver products or services. This principle should be established quickly before nations impose tariffs and before vested interests form to protect those tariffs.

In addition, the United States believes that no new taxes should be imposed on Internet commerce. The taxation of commerce conducted over the Internet should be consistent with the established principles of international taxation, should avoid inconsistent national tax jurisdictions and double taxation, and should be simple to administer and easy to understand.

Any taxation of Internet sales should follow these principles:

- ☐ It should neither distort nor hinder commerce. No tax system should discriminate among types of commerce, nor should it create incentives that will change the nature or location of transactions.
- ☐ The system should be simple and transparent. It should be capable of capturing the overwhelming majority of appropriate revenues, be easy to implement, and minimize burdensome record keeping and costs for all parties.

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international partners today.

Wherever feasible, we should look to existing taxation concepts and principles to achieve these goals.

Any such taxation system will have to accomplish these goals in the context of the Internet's special characteristics -- the potential anonymity of buyer and seller, the capacity for multiple small transactions, and the difficulty of associating online activities with physically defined locations.

To achieve global consensus on this approach, the United States, through the Treasury Department, is

participating in discussions on the taxation of electronic commerce through the Organization for Economic Cooperation and Development (OECD), the primary forum for cooperation in international taxation.

The Administration is also concerned about possible moves by state and local tax authorities to target electronic commerce and Internet access. The uncertainties associated with such taxes and the inconsistencies among them could stifle the development of Internet commerce.

The Administration believes that the same broad principles applicable to international taxation, such as not hindering the growth of electronic commerce and neutrality between conventional and electronic commerce, should be applied to subfederal taxation. No new taxes should be applied to electronic commerce, and states should coordinate their allocation of income derived from electronic commerce. Of course, implementation of these principles may differ at the subfederal level where indirect taxation plays a larger role.

Before any further action is taken, states and local governments should cooperate to develop a uniform, simple approach to the taxation of electronic commerce, based on existing principles of taxation where feasible.

2. ELECTRONIC PAYMENT SYSTEMS

New technology has made it possible to pay for goods and services over the Internet. Some of the

methods would link existing electronic banking and payment systems, including credit and debit card networks, with new retail interfaces via the Internet. □&Electronic money,□8 based on stored-value, smart card, or other technologies, is also under development. Substantial private sector investment and competition is spurring an intense period of innovation that should benefit consumers and businesses wishing to engage in global electronic commerce.

At this early stage in the development of electronic payment systems, the commercial and technological environment is changing rapidly. It would be hard to develop policy that is both timely and appropriate. For these reasons, inflexible and highly prescriptive regulations and rules are inappropriate and potentially harmful. Rather, in the near term, case-by-case monitoring of electronic payment experiments is preferred.

From a longer term perspective, however, the marketplace and industry self-regulation alone may not fully address all issues. For example, government action may be necessary to ensure the safety and soundness of electronic payment systems, to protect consumers, or to respond to important law enforcement objectives.

The United States, through the Department of the Treasury, is working with other governments in international fora to study the global implications of emerging electronic payment systems. A number of organizations are already working on important aspects of electronic banking and payments. Their analyses will contribute to a better understanding of how electronic payment systems will affect global commerce and banking.

The Economic Communique issued at the Lyon Summit by the G-7 Heads of State called for a cooperative study of the implications of new, sophisticated retail electronic payment systems. In response, the G-10 deputies formed a Working Party, with representation from finance ministries and central banks (in consultation with law enforcement authorities). The Working Party is chaired by a representative from the U.S. Treasury Department, and tasked to produce a report that identifies common policy objectives

among the G-10 countries and analyzes the national approaches to electronic commerce taken to date.

As electronic payment systems develop, governments should work closely with the private sector to inform policy development, and ensure that governmental activities flexibly accommodate the needs of the emerging marketplace.

II. Legal Issues

3. 'UNIFORM COMMERCIAL CODE' FOR ELECTRONIC COMMERCE

In general, parties should be able to do business with each other on the Internet under whatever terms and conditions they agree upon.

Private enterprise and free markets have typically flourished, however, where there are predictable and widely accepted legal environments supporting commercial transactions. To encourage electronic commerce, the U.S. government should support the development of both a domestic and global uniform commercial legal framework that recognizes, facilitates, and enforces electronic transactions worldwide. Fully informed buyers and sellers could voluntarily agree to form a contract subject to this uniform legal framework, just as parties currently choose the body of law that will be used to interpret their contract.

Participants in the marketplace should define and articulate most of the rules that will govern electronic commerce. To enable private entities to perform this task and to fulfill their roles adequately, governments should encourage the development of simple and predictable domestic and international rules and norms that will serve as the legal foundation for commercial activities in cyberspace.

In the United States, every state government has adopted the Uniform Commercial Code (UCC), a codification of substantial portions of commercial law. The National Conference of Commissioners of Uniform State Law (NCCUSL) and the American Law Institute, domestic sponsors of the UCC, already are working to adapt the UCC to cyberspace. Private sector organizations, including the American Bar Association (ABA) along with other interest groups, are participants in this process. Work is also ongoing on a proposed electronic contracting and records act for transactions not covered by the UCC. The Administration supports the prompt consideration of these proposals, and the adoption of uniform legislation by all states. Of course, any such legislation will be designed to accommodate ongoing and possible future global initiatives.

Internationally, the United Nations Commission on International Trade Law (UNCITRAL) has completed work on a model law that supports the commercial use of international contracts in electronic commerce. This model law establishes rules and norms that validate and recognize contracts formed through electronic means, sets default rules for contract formation and governance of electronic contract performance, defines the characteristics of a valid electronic writing and an original document, provides for the acceptability of electronic signatures for legal and commercial purposes, and supports the admission of computer evidence in courts and arbitration proceedings.

The United States Government supports the adoption of principles along these lines by all nations as a start to defining an international set of uniform commercial principles for electronic commerce. We urge UNCITRAL, other appropriate international bodies, bar associations, and other private sector groups to continue their work in this area.

The following principles should, to the extent possible, guide the drafting of rules governing global electronic commerce:

- ☐ parties should be free to order the contractual relationship between themselves as they see fit;
- ☐ rules should be technology-neutral (i.e., the rules should neither require nor assume a particular technology) and forward looking (i.e., the rules should not hinder the use or development of technologies in the future);
- ☐ existing rules should be modified and new rules should be adopted only as necessary or substantially desirable to support the use of electronic technologies; and
- ☐ the process should involve the high-tech commercial sector as well as businesses that have not yet moved online.

With these principles in mind, UNCITRAL, UNIDROIT, and the International Chamber of Commerce (ICC), and others should develop additional model provisions and uniform fundamental principles designed to eliminate administrative and regulatory barriers and to facilitate electronic commerce by:

- ☐ encouraging governmental recognition, acceptance and facilitation of electronic communications (i.e., contracts, notarized documents, etc.);
- ☐ encouraging consistent international rules to support the acceptance of electronic signatures and other authentication procedures; and
- ☐ promoting the development of adequate, efficient, and effective alternate dispute resolution mechanisms for global commercial transactions.

The expansion of global electronic commerce also depends upon the participants' ability to achieve a reasonable degree of certainty regarding their exposure to liability for any damage or injury that might result from their actions. Inconsistent local tort laws, coupled with uncertainties regarding jurisdiction, could substantially increase litigation and create unnecessary costs that ultimately will be born by consumers. The U.S. should work closely with other nations to clarify applicable jurisdictional rules and to generally favor and enforce contract provisions that allow parties to select substantive rules governing liability.

Finally, the development of global electronic commerce provides an opportunity to create legal rules that allow business and consumers to take advantage of new technology to streamline and automate functions now accomplished manually. For example, consideration should be given to establishing electronic registries.

The Departments of Commerce and State will continue to organize U.S. participation in these areas with a goal of achieving substantive international agreement on model law within the next two years. NCCUSL and the American Law Institute, working with the American Bar Association and other interested groups, are urged to continue their work to develop complementary domestic and international efforts.

4. INTELLECTUAL PROPERTY PROTECTION

Commerce on the Internet often will involve the sale and licensing of intellectual property. To promote this commerce, sellers must know that their intellectual property will not be stolen and buyers must know that they are obtaining authentic products.

International agreements that establish clear and effective copyright, patent, and trademark protection are therefore necessary to prevent piracy and fraud. While technology, such as encryption, can help combat piracy, an adequate and effective legal framework also is necessary to deter fraud and the theft of intellectual property, and to provide effective legal recourse when these crimes occur. Increased public education about intellectual property in the information age will also contribute to the successful implementation and growth of the GII.

Copyrights

There are several treaties that establish international norms for the protection of copyrights, most notably the Berne Convention for the Protection of Literary and Artistic Works. These treaties link nearly all major trading nations and provide them with a means of protecting, under their own laws, each other's copyrighted works and sound recordings.

In December 1996, the World Intellectual Property Organization (WIPO) updated the Berne Convention and provided new protection for performers and producers of sound recordings by adopting two new treaties. The two treaties -- the WIPO Copyright Treaty and the WIPO Performances and Phonograms Treaty -- will greatly facilitate the commercial applications of online digital communications over the GII.

Both treaties include provisions relating to technological protection, copyright management information, and the right of communication to the public, all of which are indispensable for an efficient exercise of rights in the digital environment. The U.S. Government recognizes private sector efforts to develop international and domestic standards in these areas. The Administration understands the sensitivities associated with copyright management information and technological protection measures, and is working to tailor implementing legislation accordingly.

Both treaties also contain provisions that permit nations to provide for exceptions to rights in certain cases that do not conflict with a normal exploitation of the work and do not unreasonably prejudice the legitimate interests of the author (e.g., "fair use"). These provisions permit members to carry forward and appropriately extend into the digital environment limitations and exceptions in their national laws which have been considered acceptable under the Berne Convention. These provisions permit members to devise new exceptions and limitations that are appropriate in the digital network environment, but neither reduce nor extend the scope of applicability of the limitations and exceptions permitted by the Berne Convention.

The Administration is drafting legislation to implement the new WIPO treaties, and looks forward to working with the Senate on their ratification.

The two new WIPO treaties do not address issues of online service provider liability, leaving them to be determined by domestic legislation. The Administration looks forward to working with Congress as these issues are addressed and supports efforts to achieve an equitable and balanced solution that is agreeable to interested parties and consistent with international copyright obligations.

The adoption of the two new WIPO treaties represents the attainment of one of the Administration's significant intellectual property objectives. The U.S. Government will continue to work for appropriate copyright protection for works disseminated electronically. The Administration's copyright-related objectives will include:

- ☐ encouraging countries to fully and immediately implement the obligations contained in the

Agreement on Trade-Related Aspects of Intellectual Property (TRIPS);

- ☐ seeking immediate U.S. ratification and deposit of the instruments of accession to the two new WIPO treaties and implementation of the obligations in these treaties in a balanced and appropriate way as soon as possible;
- ☐ encouraging other countries to join the two new WIPO treaties and to implement fully the treaty obligations as soon as possible; and
- ☐ ensuring that U.S. trading partners establish laws and regulations that provide adequate and effective protection for copyrighted works, including motion pictures, computer software, and sound recordings, disseminated via the GII, and that these laws and regulations are fully implemented and actively enforced.

The United States will pursue these international objectives through bilateral discussions and multilateral discussions at WIPO and other appropriate fora and will encourage private sector participation in these discussions.

Sui Generis Protection of Databases

The December 1996 WIPO Conference in Geneva did not take up a proposed treaty to protect the non-original elements of databases. Instead, the Conference called for a meeting, subsequently held, to discuss preliminary steps to study proposals to establish sui generis database protection.

Based on the brief discussion of sui generis database protection that took place before and during the Diplomatic Conference, it is clear that more discussion of the need for and the nature of such protection is necessary domestically and internationally.

The Administration will seek additional input from, among others, the scientific, library, and academic communities and the commercial sector, in order to develop U.S. policy with respect to sui generis database protection.

Patents

Development of the GII will both depend upon and stimulate innovation in many fields of technology, including computer software, computer hardware, and telecommunications. An effectively functioning patent system that encourages and protects patentable innovations in these fields is important for the overall success of commerce over the Internet. Consistent with this objective, the U.S. Patent and Trademark Office (PTO) will (1) significantly enhance its collaboration with the private sector to assemble a larger, more complete collection of prior art (both patent and non-patent publications), and provide its patent examiners better access to prior art in GII-related technologies; (2) train its patent examiners in GII-related technologies to raise and maintain their level of technical expertise; and (3) support legislative proposals for early publication of pending patent applications, particularly in areas involving fast moving technology.

To create a reliable environment for electronic commerce, patent agreements should:

- ☐ prohibit member countries from authorizing parties to exploit patented inventions related to the GII without the patent owner's authority (i.e., disapproval of compulsory licensing of GII-related technology except to remedy a practice determined after judicial or administrative process to be

anti-competitive);

- ☐ require member countries to provide adequate and effective protection for patentable subject matter important to the development and success of the GII; and
- ☐ establish international standards for determining the validity of a patent claim.

The United States will pursue these objectives internationally. Officials of the European, Japanese, and United States Patent Offices meet, for example, each year to foster cooperation on patent-related issues. The United States will recommend at the next meeting that a special committee be established within the next year to make recommendations on GII-related patent issues.

In a separate venue, one hundred countries and international intergovernmental organizations participate as members of WIPO's permanent committee on industrial property information (PCIP). The United States will attempt to establish a working group of this organization to address GII-related patent issues.

Trademark and Domain Names

Trademark rights are national in scope and conflicts may arise where the same or similar trademarks for similar goods or services are owned by different parties in different countries. Countries may also apply different standards for determining infringement.

Conflicts have arisen on the GII where third parties have registered Internet domain names that are the same as, or similar to, registered or common law trademarks. An Internet domain name functions as a source identifier on the Internet. Ordinarily, source identifiers, like addresses, are not protected intellectual property (i.e., a trademark) per se. The use of domain names as source identifiers has burgeoned, however, and courts have begun to attribute intellectual property rights to them, while recognizing that misuse of a domain name could significantly infringe, dilute, and weaken valuable trademark rights.

To date, conflicts between trademark rights and domain names have been resolved through negotiations and/or litigation. It may be possible to create a contractually based self-regulatory regime that deals with potential conflicts between domain name usage and trademark laws on a global basis without the need to litigate. This could create a more stable business environment on the Internet. Accordingly, the United States will support efforts already underway to create domestic and international fora for discussion of Internet-related trademark issues. The Administration also plans to seek public input on the resolution of trademark disputes in the context of domain names.

Governance of the domain name system (DNS) raises other important issues unrelated to intellectual property. The Administration supports private efforts to address Internet governance issues including those related to domain names and has formed an interagency working group under the leadership of the Department of Commerce to study DNS issues. The working group will review various DNS proposals, consulting with interested private sector, consumer, professional, congressional and state government and international groups. The group will consider, in light of public input, (1) what contribution government might make, if any, to the development of a global competitive, market-based system to register Internet domain names, and (2) how best to foster bottom-up governance of the Internet.

5. PRIVACY

Americans treasure privacy, linking it to our concept of personal freedom and well-being. Unfortunately,

the GII's great promise -- that it facilitates the collection, re-use, and instantaneous transmission of information -- can, if not managed carefully, diminish personal privacy. It is essential, therefore, to assure personal privacy in the networked environment if people are to feel comfortable doing business.

At the same time, fundamental and cherished principles like the First Amendment, which is an important hallmark of American democracy, protect the free flow of information. Commerce on the GII will thrive only if the privacy rights of individuals are balanced with the benefits associated with the free flow of information.

In June of 1995, the Privacy Working Group of the United States government Information Infrastructure Task Force (IITF) issued a report entitled, *PRIVACY AND THE NATIONAL INFORMATION INFRASTRUCTURE: Principles for Providing and Using Personal Information*. The report recommends a set of principles (the "Privacy Principles") to govern the collection, processing, storage, and re-use of personal data in the information age.

These Privacy Principles, which build on the Organization for Economic Cooperation and Development's GUIDELINES GOVERNING THE PROTECTION OF PRIVACY AND TRANSBORDER DATA FLOW OF PERSONAL DATA and incorporate principles of fair information practices, rest on the fundamental precepts of awareness and choice:

- ☐ Data-gatherers should inform consumers what information they are collecting, and how they intend to use such data; and
- ☐ Data-gatherers should provide consumers with a meaningful way to limit use and re-use of personal information.

Disclosure by data-gatherers is designed to stimulate market resolution of privacy concerns by empowering individuals to obtain relevant knowledge about why information is being collected, what the information will be used for, what steps will be taken to protect that information, the consequences of providing or withholding information, and any rights of redress that they may have. Such disclosure will enable consumers to make better judgments about the levels of privacy available and their willingness to participate.

In addition, the Privacy Principles identify three values to govern the way in which personal information is acquired, disclosed and used online -- information privacy, information integrity, and information quality. First, an individual's reasonable expectation of privacy regarding access to and use of, his or her personal information should be assured. Second, personal information should not be improperly altered or destroyed. And, third, personal information should be accurate, timely, complete, and relevant for the purposes for which it is provided and used.

Under these principles, consumers are entitled to redress if they are harmed by improper use or disclosure of personal information or if decisions are based on inaccurate, outdated, incomplete, or irrelevant personal information.

In April, 1997, the Information Policy Committee of the IITF issued a draft paper entitled Options For Promoting Privacy on the National Information Infrastructure. The paper surveys information practices in the United States and solicits public comment on the best way to implement the Privacy Principles. The IITF goal is to find a way to balance the competing values of personal privacy and the free flow of information in a digital democratic society.

Meanwhile, other federal agencies have studied privacy issues in the context of specific industry sectors. In October 1995, for example, the National Telecommunications and Information Administration (NTIA) issued a report entitled *Privacy and the NII: Safeguarding Telecommunications-Related Personal Information*. It explores the application of the Privacy Principles in the context of telecommunications and online services and advocates a voluntary framework based on notice and consent. On January 6, 1997, the FTC issued a staff report entitled *Public Workshop on Consumer Privacy on the Global Information Infrastructure*. The report, which focuses on the direct marketing and advertising industries, concludes that notice, choice, security, and access are recognized as necessary elements of fair information practices online. In June of 1997, the FTC held four days of hearings on technology tools and industry self-regulation regimes designed to enhance personal privacy on the Internet.

The Administration supports private sector efforts now underway to implement meaningful, consumer-friendly, self-regulatory privacy regimes. These include mechanisms for facilitating awareness and the exercise of choice online, evaluating private sector adoption of and adherence to fair information practices, and dispute resolution.

The Administration also anticipates that technology will offer solutions to many privacy concerns in the online environment, including the appropriate use of anonymity. If privacy concerns are not addressed by industry through self-regulation and technology, the Administration will face increasing pressure to play a more direct role in safeguarding consumer choice regarding privacy online.

The Administration is particularly concerned about the use of information gathered from children, who may lack the cognitive ability to recognize and appreciate privacy concerns. Parents should be able to choose whether or not personally identifiable information is collected from or about their children. We urge industry, consumer, and child-advocacy groups working together to use a mix of technology, self-regulation, and education to provide solutions to the particular dangers arising in this area and to facilitate parental choice. This problem warrants prompt attention. Otherwise, government action may be required.

Privacy concerns are being raised in many countries around the world, and some countries have enacted laws, implemented industry self-regulation, or instituted administrative solutions designed to safeguard their citizens' privacy. Disparate policies could emerge that might disrupt transborder data flows. For example, the European Union (EU) has adopted a Directive that prohibits the transfer of personal data to countries that, in its view, do not extend adequate privacy protection to EU citizens.

To ensure that differing privacy policies around the world do not impede the flow of data on the Internet, the United States will engage its key trading partners in discussions to build support for industry-developed solutions to privacy problems and for market driven mechanisms to assure customer satisfaction about how private data is handled.

The United States will continue policy discussions with the EU nations and the European Commission to increase understanding about the U.S. approach to privacy and to assure that the criteria they use for evaluating adequacy are sufficiently flexible to accommodate our approach. These discussions are led by the Department of Commerce, through NTIA, and the State Department, and include the Executive Office of the President, the Treasury Department, the Federal Trade Commission (FTC) and other relevant federal agencies. NTIA is also working with the private sector to assess the impact that the implementation of the EU Directive could have on the United States.

The United States also will enter into a dialogue with trading partners on these issues through existing bilateral fora as well as through regional fora such as the Asia Pacific Economic Cooperation (APEC)

forum, the Summit of the Americas, the North American Free Trade Agreement (NAFTA), and the Inter-American Telecommunications Commission (CITEL) of the Organization of American States, and broader multilateral organizations.

The Administration considers data protection critically important. We believe that private efforts of industry working in cooperation with consumer groups are preferable to government regulation, but if effective privacy protection cannot be provided in this way, we will reevaluate this policy.

6. SECURITY

The GII must be secure and reliable. If Internet users do not have confidence that their communications and data are safe from unauthorized access or modification, they will be unlikely to use the Internet on a routine basis for commerce. A secure GII requires:

- (1) secure and reliable telecommunications networks;
- (2) effective means for protecting the information systems attached to those networks; (3) effective means for authenticating and ensuring confidentiality of electronic information to protect data from unauthorized use; and
- (4) well trained GII users who understand how to protect their systems and their data.

There is no single "magic" technology or technique that can ensure that the GII will be secure and reliable. Accomplishing that goal requires a range of technologies (encryption, authentication, password controls, firewalls, etc.) and effective, consistent use of those technologies, all supported globally by trustworthy key and security management infrastructures.

Of particular importance is the development of trusted certification services that support the digital signatures that will permit users to know whom they are communicating with on the Internet. Both signatures and confidentiality rely on the use of cryptographic keys. To promote the growth of a trusted electronic commerce environment, the Administration is encouraging the development of a voluntary, market-driven key management infrastructure that will support authentication, integrity, and confidentiality.

Encryption products protect the confidentiality of stored data and electronic communications by making them unreadable without a decryption key. But strong encryption is a double-edged sword. Law abiding citizens can use strong encryption to protect their trade secrets and personal records. But those trade secrets and personal records could be lost forever if the decrypt key is lost. Depending upon the value of the information, the loss could be quite substantial. Encryption can also be used by criminals and terrorists to reduce law enforcement capabilities to read their communications. Key recovery based encryption can help address some of these issues.

In promoting robust security needed for electronic commerce, the Administration has already taken steps that will enable trust in encryption and provide the safeguards that users and society will need. The Administration, in partnership with industry, is taking steps to promote the development of market-driven standards, public-key management infrastructure services and key recoverable encryption products. Additionally, the Administration has liberalized export controls for commercial encryption products while protecting public safety and national security interests.

The Administration is also working with Congress to ensure legislation is enacted that would facilitate

development of voluntary key management infrastructures and would govern the release of recovery information to law enforcement officials pursuant to lawful authority.

The U.S. government will work internationally to promote development of market-driven key management infrastructure with key recovery. Specifically, the U.S. has worked closely within the OECD to develop international guidelines for encryption policies and will continue to promote the development of policies to provide a predictable and secure environment for global electronic commerce.

III. Market Access Issues

7. TELECOMMUNICATIONS INFRASTRUCTURE AND INFORMATION TECHNOLOGY

Global electronic commerce depends upon a modern, seamless, global telecommunications network and upon the computers and information appliances that connect to it. Unfortunately, in too many countries, telecommunications policies are hindering the development of advanced digital networks. Customers find that telecommunications services often are too expensive, bandwidth is too limited, and services are unavailable or unreliable. Likewise, many countries maintain trade barriers to imported information technology, making it hard for both merchants and customers to purchase the computers and information systems they need to participate in electronic commerce.

In order to spur the removal of barriers, in March 1994, Vice President Gore spoke to the World Telecommunications Development Conference in Buenos Aires. He articulated several principles that the U.S. believes should be the foundation for government policy, including:

- (1) encouraging private sector investment by privatizing government-controlled telecommunications companies;
- (2) promoting and preserving competition by introducing competition to monopoly phone markets, ensuring interconnection at fair prices, opening markets to foreign investment, and enforcing anti-trust safeguards;
- (3) guaranteeing open access to networks on a non-discriminatory basis, so that GII users have access to the broadest range of information and services; and
- (4) implementing, by an independent regulator, pro-competitive and flexible regulation that keeps pace with technological development.

Domestically, the Administration recognizes that there are various constraints in the present network that may impede the evolution of services requiring higher bandwidth. Administration initiatives include Internet II, or Next Generation Internet. In addition, the FCC has undertaken several initiatives designed to stimulate bandwidth expansion, especially to residential and small/home office customers.

The goal of the United States will be to ensure that online service providers can reach end-users on reasonable and nondiscriminatory terms and conditions. Genuine market opening will lead to increased competition, improved telecommunications infrastructures, more customer choice, lower prices and increased and improved services.

Areas of concern include:

- ☐ **Leased lines:** Data networks of most online service providers are constructed with leased lines that

must be obtained from national telephone companies, often monopolies or governmental entities. In the absence of effective competition, telephone companies may impose artificially inflated leased line prices and usage restrictions that impede the provision of service by online service providers.

- **Local loops pricing:** To reach their subscribers, online service providers often have no choice but to purchase local exchange services from monopoly or government-owned telephone companies. These services also are often priced at excessive rates, inflating the cost of data services to customers.
- **Interconnection and unbundling:** Online service providers must be able to interconnect with the networks of incumbent telecommunication companies so that information can pass seamlessly between all users of the network. Monopolies or dominant telephone companies often price interconnection well above cost, and refuse to interconnect because of alleged concerns about network compatibility or absence of need for other providers.
- **Attaching equipment to the network:** Over the years, some telecommunication providers have used their monopoly power to restrict the connection of communication or technology devices to the network. Even when the monopoly has been broken, a host of unnecessary burdensome "type acceptance" practices have been used to retard competition and make it difficult for consumers to connect.
- **Internet voice and multimedia:** Officials of some nations claim that "real time" services provided over the Internet are "like services" to traditionally regulated voice telephony and broadcasting, and therefore should be subject to the same regulatory restrictions that apply to those traditional services. In some countries, these providers must be licensed, as a way to control both the carriage and content offered. Such an approach could hinder the development of new technologies and new services.

In addition, countries have different levels of telecommunications infrastructure development, which may hinder the global provision and use of some Internet-based services. The Administration believes that the introduction of policies promoting foreign investment, competition, regulatory flexibility and open access will support infrastructure development and the creation of more data-friendly networks.

To address these issues, the Administration successfully concluded the WTO Basic Telecommunications negotiations, which will ensure global competition in the provision of basic telecommunication services and will address the many underlying issues affecting online service providers. During those negotiations, the U.S. succeeded in ensuring that new regulatory burdens would not be imposed upon online service providers that would stifle the deployment of new technologies and services.

As the WTO Agreement is implemented, the Administration will seek to ensure that new rules of competition in the global communications marketplace will be technology neutral and will not hinder the development of electronic commerce. In particular, rules for licensing new technologies and new services must be sufficiently flexible to accommodate the changing needs of consumers while allowing governments to protect important public interest objectives like universal service. In this context, rules to promote such public interest objectives should not fall disproportionately on any one segment of the telecommunications industry or on new entrants.

The Administration will also seek effective implementation of the Information Technology Agreement concluded by the members of the WTO in March 1997, which is designed to remove tariffs on almost all types of information technology. Building on this success, and with the encouragement of U.S.

Companies, the administration is developing plans for ITA II, in which it will seek to remove remaining tariffs on, and existing non-tariff barriers to, information technology goods and services. In addition, the Administration is committed to finding other ways to streamline requirements to demonstrate product conformity, including through Mutual Recognition Agreements (MRAS) that can eliminate the need for a single product to be certified by different standards laboratories across national borders.

Bilateral exchanges with individual foreign governments, regional fora such as APEC and CITELE, and multilateral fora such as the OECD and ITU, and various other fora (i.e. international alliances of private businesses, the International Organization of Standardization [ISO], the International Electrotechnical Commission [IEC]), also will be used for international discussions on telecommunication-related Internet issues and removing trade barriers that inhibit the export of information technology. These issues include the terms and conditions governing the exchange of online traffic, addressing, and reliability. In all fora, U.S. Government positions that might influence Internet pricing, service delivery options or technical standards will reflect the principles established in this paper and U.S. Government representatives will survey the work of their study groups to ensure that this is the case.

In addition, many Internet governance issues will best be dealt with by means of private, open standards processes and contracts involving participants from both government and the private sector. The U.S. government will support industry initiatives aimed at achieving the important goals outlined in this paper.

8. CONTENT

The U.S. government supports the broadest possible free flow of information across international borders. This includes most informational material now accessible and transmitted through the Internet, including through World Wide Web pages, news and other information services, virtual shopping malls, and entertainment features, such as audio and video products, and the arts. This principle extends to information created by commercial enterprises as well as by schools, libraries, governments and other nonprofit entities.

In contrast to traditional broadcast media, the Internet promises users greater opportunity to shield themselves and their children from content they deem offensive or inappropriate. New technology, for example, may enable parents to block their children's access to sensitive information or confine their children to pre-approved websites.

To the extent, then, that effective filtering technology becomes available, content regulations traditionally imposed on radio and television would not need to be applied to the Internet. In fact, unnecessary regulation could cripple the growth and diversity of the Internet.

The Administration therefore supports industry self-regulation, adoption of competing ratings systems, and development of easy-to-use technical solutions (e.g., filtering technologies and age verification systems) to assist in screening information online.

There are four priority areas of concern:

- **Regulation of content.** Companies wishing to do business over the Internet, and to provide access to the Internet (including U.S. online service providers with foreign affiliates or joint ventures) are concerned about liability based on the different policies of every country through which their information may travel.

Countries that are considering or have adopted laws to restrict access to certain types of content

through the Internet emphasize different concerns as a result of cultural, social, and political difference. These different laws can impede electronic commerce in the global environment.

The Administration is concerned about Internet regulation of this sort, and will develop an informal dialogue with key trading partners on public policy issues such as hate speech, violence, sedition, pornography and other content to ensure that differences in national regulation, especially those undertaken to foster cultural identity, do not serve as disguised trade barriers.

- **Foreign content quotas.** Some countries currently require that a specific proportion of traditional broadcast transmission time be devoted to "domestically produced" content. Problems could arise on the Internet if the definition of "broadcasting" is changed to extend these current regulations to "new services." Countries also might decide to regulate Internet content and establish restrictions under administrative authority, rather than under broadcast regulatory structures.

The Administration will pursue a dialogue with other nations on how to promote content diversity, including cultural and linguistic diversity, without limiting content. These discussions could consider promotion of cultural identity through subsidy programs that rely solely on general tax revenues and that are implemented in a nondiscriminatory manner.

- **Regulation of advertising.** Advertising will allow the new interactive media to offer more affordable products and services to a wider global audience. Some countries stringently restrict the language, amount, frequency, duration, and type of tele-shopping and advertising spots used by advertisers. In principle, the United States does not favor such regulations. While recognizing legitimate cultural and social concerns, these concerns should not be invoked to justify unnecessarily burdensome regulation of the Internet.

There are laws in many countries around the world that require support for advertising claims. Advertising industry self-regulation also exists in many countries around the globe. Truthful and accurate advertising should be the cornerstone of advertising on all media, including the Internet.

A strong body of cognitive and behavioral research demonstrates that children are particularly vulnerable to advertising. As a result, the U.S. has well established rules (self-regulatory and otherwise) for protecting children from certain harmful advertising practices. The Administration will work with industry and children's advocates to ensure that these protections are translated to

and implemented appropriately in the online media environment.

The rules of the "country-of-origin" should serve as the basis for controlling Internet advertising to alleviate national legislative roadblocks and trade barriers.

- **Regulation to prevent fraud.** Recently, there have been a number of cases where fraudulent information on companies and their stocks, and phony investment schemes have been broadcast on the Internet. The appropriate federal agencies (i.e., Federal Trade Commission and the Securities and Exchange Commission) are determining whether new regulations are needed to prevent fraud over the Internet.

In order to realize the commercial and cultural potential of the Internet, consumers must have confidence that the goods and services offered are fairly represented, that they will get what they pay for, and that recourse or redress will be available if they do not. This is an area where government action is appropriate.

The Administration will explore opportunities for international cooperation to protect consumers and to prosecute false, deceptive, and fraudulent commercial practices in cyberspace.

Federal agencies such as the Department of State, U.S. Trade Representative (USTR), the Commerce Department (NTIA), the FTC, the Office of Consumer Affairs and others have already engaged in efforts to promote such positions, through both bilateral and multilateral channels, including through the OECD, the G-7 Information Society and Development Conference, the Latin American Telecommunications Summits, and the Summit of the Americas process, as well as APEC Telecommunications Ministerials. All agencies participating in such fora will focus on pragmatic solutions based upon the principles in this paper to issues related to content control.

9. TECHNICAL STANDARDS

Standards are critical to the long term commercial success of the Internet as they can allow products and services from different vendors to work together. They also encourage competition and reduce uncertainty in the global marketplace. Premature standardization, however, can "lock in" outdated technology. Standards also can be employed as de facto non-tariff trade barriers, to "lock out" non-indigenous businesses from a particular national market.

The United States believes that the marketplace, not governments, should determine technical standards and other mechanisms for interoperability. Technology is moving rapidly and government attempts to establish technical standards to govern the Internet would only risk inhibiting technological innovation. The United States considers it unwise and unnecessary for governments to mandate standards for electronic commerce. Rather, we urge industry driven multilateral fora to consider technical standards in this area.

To ensure the growth of global electronic commerce over the Internet, standards will be needed to assure reliability, interoperability, ease of use and scalability in areas such as:

- ☐ electronic payments;
- ☐ security (confidentiality, authentication, data integrity, access control, non-repudiation);
- ☐ security services infrastructure (e.g., public key certificate authorities);
- ☐ electronic copyright management systems;

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□ **Electronic Copyright Management Systems,**

- video and data-conferencing;
- high-speed network technologies (e.g., Asynchronous Transfer Mode, Synchronous Digital Hierarchy); and
- digital object and data interchange.

There need not be one standard for every product or service associated with the GII, and technical standards need not be mandated. In some cases, multiple standards will compete for marketplace acceptance. In other cases, different standards will be used in different circumstances.

The prevalence of voluntary standards on the Internet, and the medium's consensus-based process of standards development and acceptance are stimulating its rapid growth. These standards flourish because

of a non-bureaucratic system of development managed by technical practitioners working through various organizations. These organizations require demonstrated deployment of systems incorporating a given standard prior to formal acceptance, but the process facilitates rapid deployment of standards and can accommodate evolving standards as well. Only a handful of countries allow private sector standards development; most rely on government-mandated solutions, causing these nations to fall behind the technological cutting edge and creating non-tariff trade barriers.

Numerous private sector bodies have contributed to the process of developing voluntary standards that promote interoperability. The United States has encouraged the development of voluntary standards through private standards organizations, consortia, testbeds and R&D activities. The U.S. government also has adopted a set of principles to promote acceptance of domestic and international voluntary standards.

While no formal government-sponsored negotiations are called for at this time, the United States will use various fora (i.e., international alliances of private businesses, the International Organization for Standardization [ISO], the International Electrotechnical Commission [IEC], International Telecommunications Union [ITU], etc.) to discourage the use of standards to erect barriers to free trade on the developing GII. The private sector should assert global leadership to address standards setting needs. The United States will work through intergovernmental organizations as needed to monitor and support private sector leadership.

A COORDINATED STRATEGY

The success of electronic commerce will require an effective partnership between the private and public sectors, with the private sector in the lead. Government participation must be coherent and cautious, avoiding the contradictions and confusions that can sometimes arise when different governmental agencies individually assert authority, act vigorously, and operate without coordination.

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The variety of issues being raised, the interaction among them, and the disparate fora in which they are being addressed will necessitate a coordinated, targeted governmental approach to avoid inefficiencies and duplication in developing and reviewing policy.

An interagency team will continue to meet in order to monitor progress and update this strategy as events unfold. Sufficient resources will be committed to allow rapid and effective policy implementation.

The process of further developing and implementing the strategy set forth in this paper is as important as the content of the paper itself. The U.S. Government will consult openly and often, with groups representing industry, consumers and Internet users, Congress, state and local governments, foreign governments, and international organizations as we seek to update and implement this paper in the coming years.

Private sector leadership accounts for the explosive growth of the Internet today, and the success of electronic commerce will depend on continued private sector leadership. Accordingly, the Administration also will encourage the creation of private fora to take the lead in areas requiring self-regulation such as privacy, content ratings, and consumer protection and in areas such as standards development, commercial code, and fostering interoperability.

The strategy outlined in this paper will be updated and new releases will be issued as changes in technology and the marketplace teach us more about how to set the optimal environment in which electronic commerce and community can flourish.

There is a great opportunity for commercial activity on the Internet. If the private sector and governments act appropriately, this opportunity can be realized for the benefit of all people.

A Framework For Global Electronic Commerce

President William J. Clinton

Vice President Albert Gore, Jr.

Washington, D.C.

[Back to Electronic Commerce](#)

Internet Family Empowerment White Paper

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How Filtering Tools Enable Responsible Parents to Protect Their Children Online

July 18, 1997

A White Paper prepared by the Center for Democracy and Technology in consultation with members of the Citizen's Internet Empowerment Coalition attending the July 16 White House meeting on Internet Parental Empowerment Tools:

America Online
American Library Association
AT&T
Commercial Internet eXchange
Interactive Services Association
IBM
Media Access Project
Microsoft
Microsystems/Cyber Patrol
NETCOM On-Line Communication Services
People for the American Way
Recreational Software Advisory Council
Software Publishers Association
Spyglass/Surfwatch
World Wide Web Consortium

For more information see the web site:

<http://www.netparents.org/>

or contact:

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Center for Democracy and Technology
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Positive Guidance for Internet Resources
Next Steps: The Internet Community's Ongoing Commitment to Parental Empowerment

Conclusion

Appendices

Executive Summary: Parental Empowerment, Blocking, Filtering, and the Uniqueness of the Internet

Policymakers in the United States and around the world are faced with the critical question: How best to help assure that children who use the Internet are protected from material that their parents or guardians consider inappropriate for them? This question is especially urgent because nearly ten million children use the Internet regularly today in the United States alone. Parents, educators, librarians, and industry leaders agree: The Internet is an incredible new vehicle for children -- one that is genuinely innovative, engages children, and enhances education. Today, children and teens go on line to do homework, to display artwork and creative writing, to access educational materials, collaborate with others in the neighborhood or across the nation, and to make new friends around the globe.

Child safety on the Internet begins with responsible parenting. But to help parents, those seeking to supervise their children's Internet access must have easy access to effective blocking and filtering technology that can shield children from unwanted material (including sexually-explicit images, violence, gambling, alcohol advertising, ideological extremism, etc.) no matter which of the over 150 Internet-connected countries is the home of the site publishing the content. In addition, an increasing number of child-safe Internet sites offer positive guidance toward online resources that are especially useful for children. No United States censorship law could give parents this range of control, nor could it reach content from around the world so effectively. Moreover, by placing control over content in the hands of individual parents, as opposed to bureaucrats and prosecutors, policy makers can assure full respect for our constitutional protection of freedom of expression and enable the Internet to grow free from unnecessary and ineffective regulatory interference.

Unlike the television V-chip, Internet parental empowerment tools are here today and in the hands of millions of Internet-connected families. And unlike the V-chip, a great variety of blocking and filtering software exists which can serve the diversity of family values of American communities, providing choice to families online without infringing the constitutional First Amendment rights of Internet users. This White Paper provides an overview of the parental empowerment technologies available today, as well as highlights of planned partnerships among industry, community groups, and government which will enhance the safety and utility of the Web for all children and families.

The advantages of the parental empowerment approach are plain:

100% Available Today: Every family that brings Internet access into the home for children has the option, often at no cost, to filter out information judged inappropriate for children and invite that which is appropriate according to that family's own values. In the United States, filtering software is easily available to Internet families:

- ☐ All (100%) major national Internet/Online services offer filtering at little or no cost.
- ☐ Over 14 million Internet connected households have access to filtering capability.
- ☐ ISPs serving 85% of all Internet users offer at least one form of filtering software.
- ☐ Over 241 local ISPs in over 35 states offer filtering software for free or at nominal cost.

Easy-to-use and Effective: Advanced blocking and filtering technology is doing a far more effective job of shielding children from inappropriate material than could any law. Filtering software is able to keep up with a proliferation of content from millions of Internet sites around the world and across jurisdictional boundaries. Moreover, filtering is easy-to-use, available at a parent's fingertips, and secure against the tampering of the average child.

- ☐ A large number of foreign web sites contain material considered inappropriate for children -- filtering software can block them, regardless of legal jurisdiction.
- ☐ 5 leading PC manufacturers bundle filtering software with their computers.

Accommodate a Diversity of Family Values and Educational Needs: As filtering software and services develop, they enable parents to share their children's Internet experiences as appropriate to the particular child's upbringing and maturity level.

- ☐ Over 10 different filtering software products, reflecting a diversity of values.
- ☐ 3 PICS-based labeling services have rated over 300,000 sites around the world.
- ☐ 30 % of web browsers have built-in filtering capability using PICS. These browsers are available at no cost to all Internet users;

Positive Guidance for Children on the Internet: Today, there are many Internet resources which help point children toward useful web sites that are specially selected as appropriate for children.

- ☐ All major online services offer kid-safe areas featuring content and interaction appropriate for children;
- ☐ Search engines and content providers offer specially-designed child-safe services;

Protective of Constitutional Freedom of Expression and Children: Adults have a constitutional right to speak and publish in some ways that are nevertheless considered inappropriate for children. Since parental empowerment tools limit that which is available to children at the receiving end, as opposed to that which can be published at the sending end, freedom of expression is preserved for adults while parents are able to protect their children from whatever categories of speech they consider inappropriate given the child's age and maturity and the family's own moral values.

The approach to child safety online will prove critical, not only for the children who use the Internet in years to come, but also to the development of the Internet and its ability to continue to function as an engine of economic growth and a global platform for the free flow of information and democratic values.

Policy makers face two options in addressing this critical issue. The traditional approach, and the one adopted in the Communications Decency Act, is to enact a top-down, bureaucratic command and control regulatory regime that attempts to protect children through censorship laws which punish content providers for making certain kinds of constitutionally-protected material (i.e., indecency) publicly available on the Internet. The more effective alternative, which also avoids censorship, is to give parents and others responsible for children the ability to control what kinds of material come into the home. Today, parents are already empowered to block and filter Internet content that they believe to be inappropriate for their own children. Policy makers ought to lend their full support to the parental empowerment approach because it is the only option which will effectively protect children on the global Internet.

Next Steps

Growing Partnership Between the Internet Industry, Parent and Community Groups, and Government: In the coming months, families on the Internet will have even easier access to filtering technology through web browsers. They will find the Internet an easier-to-navigate, safer place due to stepped-up public education campaigns and services which will direct parents and their children to Internet resources specifically selected for children. Highlights of these efforts include:

- The American Library Association will launch a project to select web sites useful for children, to offer positive guidance in Internet usage.
- The University of Michigan School of Information will launch a project to help incubate new content selection, labeling, and filtering services.
- This Fall, leaders from the Internet industry, parent, teacher and family organizations, Internet users, and law enforcement officials will come together for a summit develop strategies for expanded public education and to ensure that parents have the tools and knowledge they need to guide their children's online experience.

I. Content Filtering Software and Services

A. One Hundred Percent Available

100% availability today: There are a growing number of parental empowerment options available to families online. These options range from services that are part of commercial online services, to stand-alone software, to web-based labeling services and filtering software building on the Platform for Internet Content Selection (PICS) specification. Today it is safe to say that every family using the Internet has ready access to filtering sufficient to shield themselves and their children from unwanted content. In the coming months, we can expect even more progress in several areas: PICS deployment in more major web browsers, creation of additional third-party labeling services, broader use of self-labeling options, and increased availability of positive guidance services to help families find appropriate Internet content.

Today, those desiring to filter out certain materials when accessing the Internet have three distinct options:

- **Stand-alone Filtering Software:** Software which runs together with an Internet access program and blocks access to whatever type of content the parent believes inappropriate for their child. In this category are products such as Surfwatch and Cyber Patrol, as well as Cybersitter, NetNanny, and over ten others.
- **Commercial Online Service Blocking Features:** Several major commercial online services offer blocking features integrated into their access software. These features are easy-to-use and part of the regular menu of options offered to users.
- **Web-based PICS filtering:** An integral part of major web browsing software gives parents the ability to set up their Web software to block access to certain material on the World Wide Web through rating systems such as Net Shepherd, RSACi, and SafeSurf.

1. Stand-alone filtering software

Since the introduction of the first Internet filtering software in May 1995, a wide variety of software products have been offered which give parents (or other users) the ability to block access to various

categories of objectionable content. This software is easy to use and *available today to 100% of Internet-connected households, often at no charge.*

A variety of stand-alone, inexpensive, and easy-to-install software blocks access to material judged inappropriate for children. Most packages give parents the option of choosing what kinds of material to block such as sexually-explicit material, violence, advertising, or extremist views. Each filtering software offers different choices of content categories to be filtered. For example, one product, SurfWatch, offers users the following filtering choices:

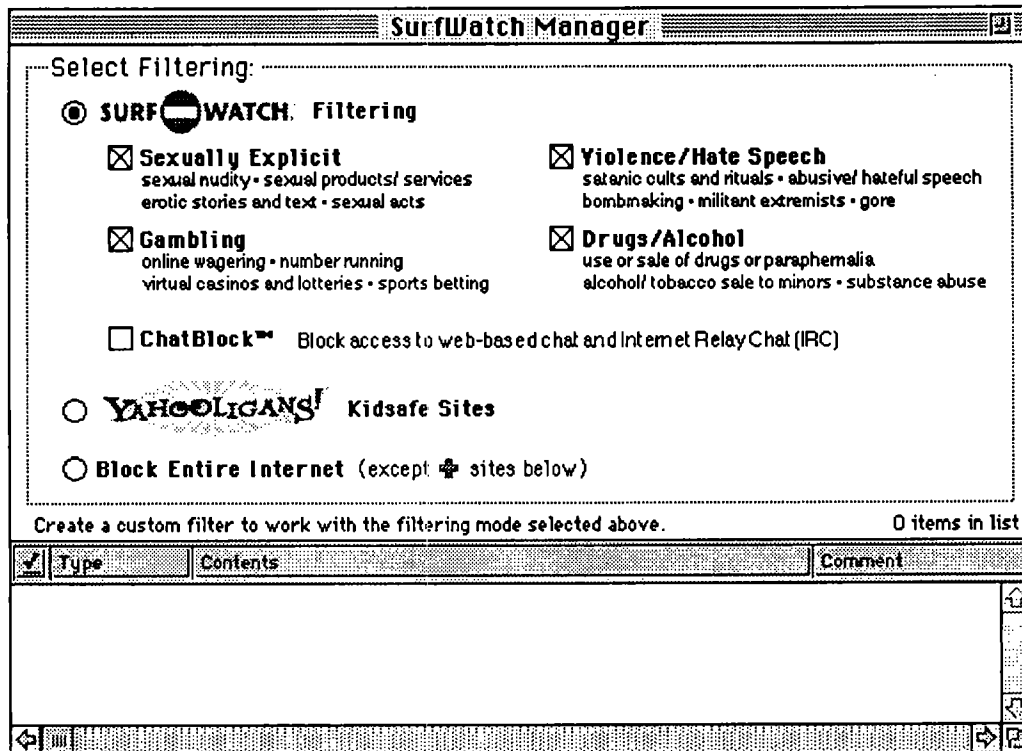


Figure 1 Screenshot -- Surfwatch Setup screen

Different software also offers additional features such as the ability to selectively unblock blocked sites, track email sent and received by particular children in the household, and even monitor the amount of time spent online.

The product Cyber Patrol offers the parent this choice:

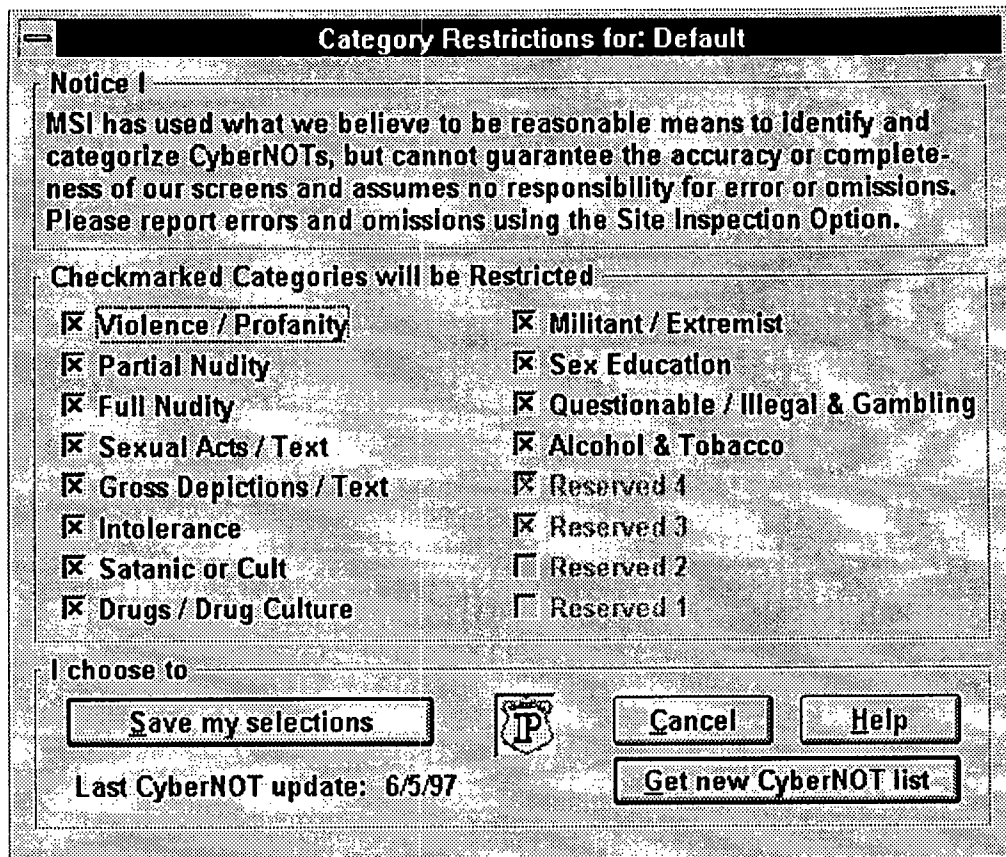


Figure 2 Screenshot -- Cyber Patrol Setup Screen

In addition to the two software products described above, over ten such filtering software packages exist, blocking material based a diversity of editorial standards of the software developers.

Filtering Software Vendors
Cyber Patrol
CyberSitter
CyberSnoop
The Internet Filter
Microsoft Plus for Kids
NetNanny
NetRated
Net Shepherd
PlanetWeb
Safe Surf
Specs for Kids
SurfWatch
Times Up!
Triple Exposure
X-Stop

Figure 3 -- Filtering Software Vendors

Most filtering software vendors claim to filter based on objective criteria, but the blocking options do span the political spectrum. General interest software such as Cyber Patrol and Surfwatch exists along with software affiliated with conservative Christian groups such as CyberSitter, which has been endorsed and funded by Focus on the Family.

Though many filtering vendors disclose their general filtering criteria, they do not reveal the actual lists of blocked sites. This lack of transparency in blocking software is a deficiency of this approach. During the relatively short lifetime of these products there have been occasions where sites are blocked inappropriately (i.e. CDT's web site was blocked for our discussion of bomb making information and counter-terrorism policy). However, the filtering software vendors have been responsive to such complaints and corrected their blocking lists based on such mistakes. The critical issue is that consumers be aware of such possibilities.

The vast majority of households connected to the Internet today have easy access to filtering capability through a variety of avenues, either through offerings from their Internet Service Provider or because this software comes already installed on the computer that they purchased for their home.

All major commercial online services, as well as over [145] regional and local Internet Service Providers around the country, offer their customers filtering software either for free or for a small fee. As Figure 4, below shows, nearly 14 million Internet households have access to online services which offer easy access to filtering.

Service Provider	Service Area	Software Offered	Cost	Number of Users
America Online	Global	AOL Parental Controls Cyber Patrol MS Internet Explorer with PICS	Free	8,000,000
AT&T WorldNet	Global	SurfWatch Cyber Patrol MS Internet Explorer with PICS	<\$20 Free	900,000
Compuserve	Global	SurfWatch on kids service Cyber Patrol	Free	1,700,000
Earthlink	National	SurfWatch	<\$20	280,000
Erols	National	SurfWatch	Free	200,000
MSN	Global	SurfWatch MS Internet Explorer with PICS	Free	1,600,000
Netcom	National	SurfWatch MS Internet Explorer with PICS	<\$20 Free	590,000
Prodigy	Global	Cyber Patrol	Free	1,000,000
WebTV Networks	National	SurfWatch	Free	200,000
TOTAL				14,470,000

Figure 4 -- Major National Online Services and Internet Service Providers Offering Filtering Software

Whether offered for free or for a small cost, it is clear that every household which chooses to provide their children Internet access will have an opportunity to select some form of filtering software at the same time as they purchase Internet access service. Along with the national and global service providers, there are over

B. Easy-to-Use and Effective

1. Built-in online service parental controls

Major commercial online services also offer a variety of parental controls that include site blocking, limitation on receipt of email, and restriction of children's accounts to limited areas of the online service's own content. These controls are available at no cost and easy to configure as part of establishing accounts for children.

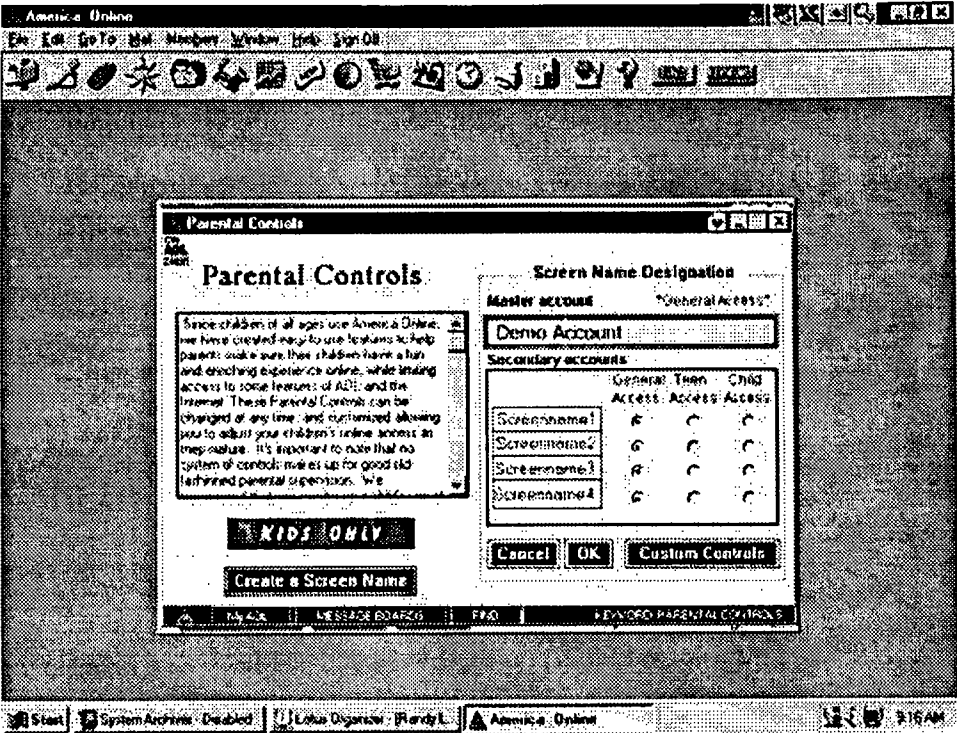


Figure 5 -- AOL Parental Control Screen

Taken together with the filtering options offered by other online services, we see that over 14,000,000 Internet households today already have easy access to filtering capability. (See Figure 4, above).

2. Easy-to-access when bundled on Home PCs

PCs purchased through retail outlets or by mail order often come "bundled" with a variety of software products. Many consumers who have purchased a PC recently will find that it will include not only software to allow immediate Internet access, but also some form of filtering software. This is especially true of PCs sold with modems already installed. The following chart illustrates just some of the bundling arrangements made between hardware vendors and filtering software companies.

Hardware Manufacturer	Filtering Software	Product Lines
Acer	Cyber Patrol	Home PCs
Apple Computer	SurfWatch	All Macintosh
Compaq	SurfWatch	All Presario
IBM	Cyber Patrol	WorldBook & NetVista
Packard Bell	SurfWatch	Home & Small Office PCs

Figure 6 -- Major PC Manufacturers Bundling Filtering Software with PCs Sold into the Home Market

Bundled software is already loaded onto the computer's hard drive, so no complicated installation is necessary. In this way even parents who need their child's help to load software can employ blocking software as they judge necessary. Through these arrangements many millions of users around the country

have ready access to filtering if they desire for any reason.

C. Services Accommodate a Diversity of Family Values and Needs

In response to a perceived need on the part of Internet parents to control child access to inappropriate material, the Internet community undertook the development of technical standards to facilitate the growth of an unlimited variety of rating and filtering systems for the Internet. The result in less than two years is that today there are three well-established independent rating systems accessible at no charge for all Internet families, plus a platform on which any interested party can create additional rating systems to meet the needs and values of their own community.

These three rating systems have been created using the technical tools made available by the Platform for Internet Content Selection (PICS), created through the efforts of the World Wide Web Consortium and a number of leaders in the Internet development community. Since the creation of PICS and the launch of these three labeling systems, virtually all leading Internet hardware, software, and services vendors have cooperated to give Internet using families the ability to block and filter content based on PICS-formatted labels. Anyone on the web can create third-party labels, self-label their own content, and use the labels that exist to filter web access. Since 1996, Microsoft's Web browser, Internet Explorer, has enabled parental control through any PICS-formatted labeling service. With roughly 30% of the browser market, a substantial number of users have PICS access today. Netscape has also recently announced its commitment to implement PICS.

In addition to PICS-compatible browsers, a number of stand-alone filtering products such as Cyber Patrol allow any Internet parent to filter based on PICS labels. Thus, today 100% of Internet-connected families have easy access to all PICS labeling services. With these various PICS-enabled Internet software devices, parents have access to the following rating services:

Rating Service	# Web Sites Rated	URL
Net Shepherd	300,000+	www.shepherd.net
RSACi	35,000+	www.rsac.org
SafeSurf	70,000+	www.safesurf.com

1. Self labeling

The PICS platform allows web publishers to label their own content. Leading examples of this approach include RSACi and SafeSurf. Both RSACi (see Appendix 2) and SafeSurf (see Appendix 3) include standard rating vocabularies which allows web publishers to describe the levels of sex, nudity, violence, and harsh language in a common format. To date, over 35,000 sites have rated their pages according to the RSACi labeling system and over 50,000 have rated their pages with SafeSurf. A number of major online content providers are working with RSACi to extend the reach of RSAC's ratings around the Web, including Disney, ESPN, and Playboy.

2. Third-party labeling

In addition to self-labeling, PICS also enables any individual or organization to label any content on the

web. This feature of PICS supports the creation of multiple, diverse, independent labeling on content. Recently, the Net Shepherd has created independent labels for over 300,000 web sites. (see Appendix 4)

3. PICS filtering built into browsers

In August 1996, Microsoft shipped Internet Explorer 3.0 - the first web browser to support PICS. The Internet Explorer 3.0 browser was equipped with a feature called "Content Advisor" that enabled parents to limit their children's access to Internet content. The next version of Microsoft's browser, Internet Explorer 4.0, maintains this important functionality. By default, both versions of Internet Explorer use RSACi ratings, but other third-party rating systems may also be used. Microsoft has committed to rating all of its online content. As shown below, users of Microsoft's Internet Explorer have easy access to any PICS-formatted ratings, including Net Shepherd, RSACi, and SafeSurf ratings.

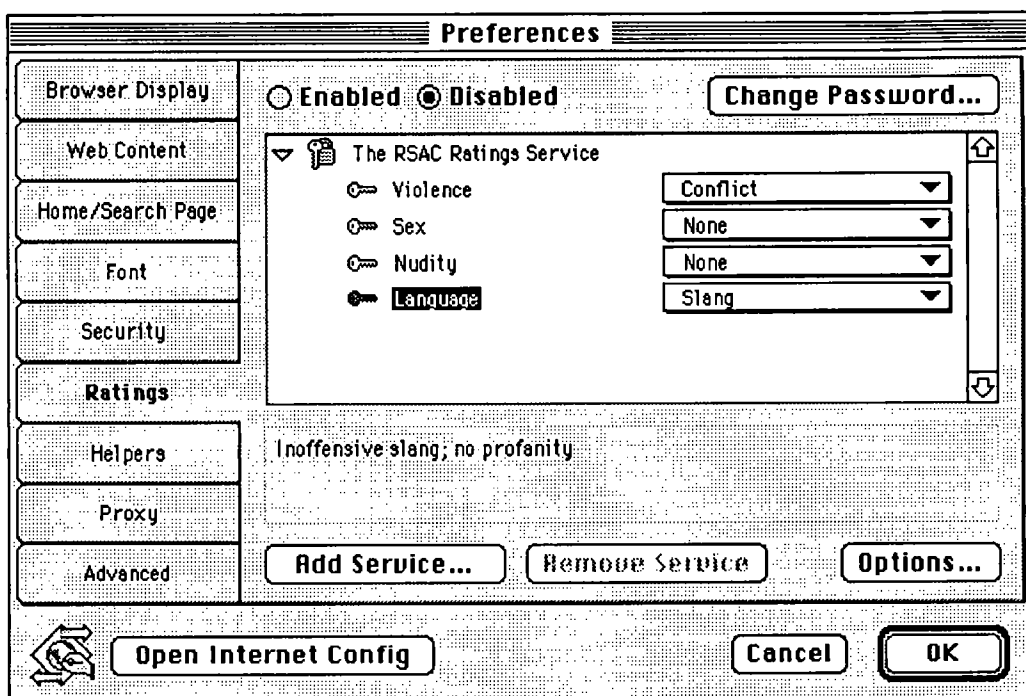


Figure 7 -- Internet Explorer Filtering Screen

4. Filtered searches

Net Shepherd has teamed with Alta Vista to offer an Internet search service to find materials that Net Shepherd has labeled as appropriate for younger children. Using this service, children can search the web and have returned results that include only those sites that meet rating criteria specified by parents.

II. Positive Guidance for Internet Resources

A. Yahooligans

Yahooligans!, the web guide for kids from Yahoo!, is an Internet search engine for children to explore the wonders of the World Wide Web. Yahooligans! includes a directory of web sites that are selected and individually reviewed for appropriateness, so parents and teachers can feel safe letting their children discover a delightful world of online education and entertainment. Yahooligans! can be found on the Web

at www.yahooligans.com.

As the first online navigational guide to the Web, www.yahoo.com is the single largest guide in terms of traffic, advertising, and household reach, and is one of the most recognized brands associated with the Internet. Yahoo! Inc. can be found on the Web at www.yahoo.com.

B. Project OPEN: Internet resources for parents

Project OPEN (the Online Public Education Network) is a joint effort of the National Consumers League (NCL), the Interactive Services Association (ISA), and leading online and Internet service companies -- America Online Inc., AT&T, CompuServe Inc., Microsoft Corporation, and NETCOM On-Line Communication Services. Project OPEN's primary mission is to help consumers understand how to use online and Internet services in an informed and responsible way.

The partners of Project OPEN understand the importance of consumer education to maintain safe and productive online communities. To achieve this goal, Project OPEN provides educational tools and resources to promote safe computing for children and other users; facilitate understanding about privacy rights; promote the proper use of copyright-protected online content; and advance online consumer protection. Project OPEN's brochure, *How to Get the Most Out of Going Online*, provides an introduction to online safety issues and offers useful tips for people venturing online for the first time. The brochure introduces parents to software tools that can be easily programmed to restrict the sites children can visit on the World Wide Web and restrict the information they can divulge to others online, whether in a chat room or thorough e-mail. The software can also assist parents who want to limit the information that a marketer can collect from a child through an online survey or registration process.

The Project OPEN brochure has been featured in national publications such as *USA Today*, *The Christian Science Monitor*, *Family Circle*, *Essence*, *Moneysworth* and the *1997 Consumer's Resource Handbook*. The publication is available at no charge through a toll-free hotline number. Over 100,000 copies of the brochure have been distributed to teachers, computer trainers, church groups and families. Many have requested bulk orders for distribution to students in their classrooms and computer labs. In addition, the brochure is posted along with additional privacy information at the Project OPEN Web site (<http://www.isa.net/project-open>). More than 70 Web sites have linked to the Project OPEN consumer education information.

Project OPEN is working with representatives from leading educational associations to develop materials to acquaint teachers with the online and Internet medium. Some 40,000 copies of *How to Get the Most Out of Going Online* have been distributed to members of the National Education Association, the National Association of Secondary School Principals, the National Association of Elementary School Principals, the American Association of School Administrators and the National School Boards Association. In addition, AT&T includes Project OPEN materials in information kits distributed to nearly 20,000 Learning Network partners.

III. Next Steps: The Internet Community's Ongoing Commitment to Parental Empowerment

A. Librarian's Guide to Cyberspace for Parents and Kids

The American Library Association has launched an effort to develop an ongoing Internet collection for children and young adults that is built on the values and selection criteria of the library profession, is

widely available to families through links in libraries and on the ALA site, and that puts forth a vision of librarianship for the next century. The Librarian's Guide to Cyberspace for Parents and Kids, will be a full and continuous service that will draw on the skills of librarianship and the work being done by librarians all over the country to develop and maintain a dynamic Internet collection for children and young adults.

There is a demonstrable need for guidance on the Internet. Unlike other media, the vastness of the Net coupled with its dynamic and fluid nature makes it very difficult for anyone to effectively select useful sites or be fully comfortable with the quality and the veracity of the material presented on any site. The need to empower families in a positive manner to make good choices for their families is not currently being adequately met. While filtering and blocking technologies may help parents screen out sites that are offensive to their values, they do not determine whether those sites or any others are useful or valuable to children. What's more, the "positive" search engines that search key words and concepts to help identify sites are not linked to any set of selection criteria and are entirely value neutral. They may help point the way to sites on a certain subject, but they cannot evaluate the quality of the site or the source material that supports it, or the usefulness to children.

For these reasons full family empowerment on the Internet must include guidance to materials that are of value for children and young adults. The role of the librarian is not only to provide society with access to information but to review information against a set of well considered "selection criteria," to create collections based on those criteria and then to guide library patrons to material that is useful and valuable. It is that core set of skills inherent in "librarianship" that need to be brought more fully to cyberspace.

Librarians around the country have been engaged in directing their patrons to sites that are valuable. Many have developed Internet sites for children and young adults. The ALA proposes to build on that work to develop a widely available collection for families. That collection (which will be featured on the ALA website) will include not only an evolving and growing list of sites that are valuable for children, but also linkages to libraries around the country that have already developed Internet collections for children. All librarians will be asked to assist in developing the collection and the links.

B. New Filtering Applications and PICS

As PICS labeling and filtering technology becomes more widely deployed in web browsers, the Internet technical community will also help interested organizations and individuals to develop PICS-based

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labeling systems. Online providers of other sensitive content such as gambling, alcohol and tobacco advertising, etc. are also investigating self-labeling approaches in order to empower parents to shield their children from material judged by the parent to be inappropriate for the child. The University of Michigan School of Information will also launch a project to help incubate new content selection, labeling, and filtering services.

C. Internet Family Summit

In order to ensure that filtering and blocking tools keep pace with technology and that parents, educators and others responsible for the well-being of the nation's children understand the ease with which those tools can be used, the Internet industry, together with organizations representing children, families, educators, Internet users and law enforcement will come together at a summit later this year. Together the summit participants will identify concrete ways to better educate parents about the tools that are available and how easy it is to use them. The summit will ensure that all interested parties work together to help equip parents and teachers with everything they need to supervise their children as they become more dependent upon the online world. Finally, summit participants will work with law enforcement to

determine how industry can be of assistance in strengthening the enforcement of existing child protection laws and their application to the online environment.

IV. Conclusion

Finding the most effective means of protecting children online is a critical task for parents, policy makers, community groups, and the Internet industry. As in any other medium it is parental responsibility, not simple quick-fix technologies will ultimately be the cornerstone of child protection. However, content blocking and filtering services available today do provide invaluable tools to assist parents in their efforts to ensure that their children's experience of the Internet is consistent with their own family values. The entrepreneurial genius of the Internet market, together with industry cooperative efforts such as the PICS rating platform, have already produced a wide range of options for parents. With creative partnerships between industry, government, and community groups, these options will multiply through both technology innovation and enhanced public education.

Appendices

Appendix 1 -- Local and Regional Internet Service Providers Offering Filtering Software

Service Provider	Service Area	Software Offered
A & S Technologies	Salt Lake City, UT	Cyber Patrol
A World of Difference	Charleston, SC	Cyber Patrol
Access Wisconsin	Madison, WI	Cyber Patrol
Accucomm	Irvington, GA	SurfWatch
Adhesive Media, Inc.	Austin, TX	SurfWatch
Alliance Network Internet Services		SurfWatch
Allstar Internet Services, Inc.		SurfWatch
Alpha Tech On-Line	Hendersonville, NC	Cyber Patrol
Altinet	Dallas, TX	Cyber Patrol
America's Computers		SurfWatch
American InfoMetrics	Modesto, CA	Cyber Patrol
Anet		SurfWatch
ANS	Global	Cyber Patrol
Applied Innovations, Inc.	Gainesville, GA	Cyber Patrol
Arden Computers, Inc	Sacramento, CA	Cyber Patrol
Association Assist	Dallas, TX	Cyber Patrol
AT&T WorldNet Services, Inc		SurfWatch
Avana Communications	Atlanta, GA	SurfWatch
Axis.Net	Milwaukee, WI	SurfWatch

Badger Internet Services	Morgantown, WV	Cyber Patrol
Basin Office Systems	Pasco, WA	Cyber Patrol
Bell Atlantic	Regional	Cyber Patrol
BellSouth	Regional	SurfWatch
Berkshire Computer Consultants	Lenox, MA	Cyber Patrol
Black Box		SurfWatch
Bold Solutions Computing	Asbury Park, NJ	Cyber Patrol
BrighamNET Online Communications	Brigham City, UT	Cyber Patrol
CallTexas		SurfWatch
Cambridge Telephone	Cambridge, ID	SurfWatch
Cannon Communications	Hager City, WI	Cyber Patrol
CDS Internet	Medford, OR	SurfWatch
Century Telephone	Monroe, LA	Cyber Patrol
Chapelgate Media Center	Mariettesville, MD	Cyber Patrol
Charm Net	Baltimore, MD	Cyber Patrol
Chibardun Telephone	Dallas, WI	Cyber Patrol
ClarkNet	Columbia, MD	Own service
CMS Automation	Richmond, VA	SurfWatch
CoastalNet	New Bern, NC	SurfWatch
Comp-U-Talk	North Bend, OR	Cyber Patrol
Compass Net, Inc.		SurfWatch
Compu-Net		SurfWatch
Computer & Network Services	Peterborough, NH	Cyber Patrol
Computer Land	Salina, KS	Cyber Patrol
Computer Pro Inc.	Duluth, MN	SurfWatch
Computer Super Center	Paris, TX	SurfWatch
Comsource	Evansville, , IN	SurfWatch
Connect 2 Internet Networks, Inc.	Staten Island, NY	Cyber Patrol
Connect International	San Antonio, TX	Cyber Patrol
Connect! Communications Co		SurfWatch
Consultant (formerly Sonnet)	Tuolumne, CA	SurfWatch
Contact Network/In line Connections	Birmingham, AL	SurfWatch
Core Digital	Steven's Point, WI	Cyber Patrol
Cybercom	College Station, TX	SurfWatch
CyberRamp	Dallas, TX	SurfWatch
CyberShore, Inc.	Madison, CT	Cyber Patrol
CyberStation		SurfWatch
Dakota Internet Access	Williston, ND	SurfWatch

Data-Net Corp.	Fargo, ND	Cyber Patrol
Datacraft, Inc.	Chesterfield, MO	Cyber Patrol
Davis County School District	Woods Cross, UT	Cyber Patrol
DCCI Internet Services	San Antonio, TX	SurfWatch
DelNet, Inc.	Worthington, OH	Cyber Patrol
DFW Internet	Fort Worth, TX	SurfWatch
Digex	Beltsville, MD	Cyber Patrol
DNet Internet Services	Franklin, NC	SurfWatch
DomiNet, Inc.	Houston, TX	SurfWatch
E-Z Computer Services	Rochester, NY	Cyber Patrol
Eden Matrix Online	Austin, TX	SurfWatch
Edgenet	Westerly, RI	Cyber Patrol
Educational Software Institute	Omaha, NE	Cyber Patrol
Electrotex	Houston, TX	SurfWatch
ERI Net	Dayton, OH	Cyber Patrol
Erols Internet Services	National	SurfWatch
Family Net	Springfield, IL	Cyber Patrol
FastLane		SurfWatch
Fibcom	San Antonio, TX	SurfWatch
Finite Technologies Service Corporation	Anchorage, AK	Cyber Patrol
Flashnet	Fort Worth, TX	SurfWatch
FlexNet, Inc.	The Woodlands, TX	SurfWatch
Franklin Communication Services	Buffalo, NY	Cyber Patrol
Freeside Communications, Inc.	Austin, TX	SurfWatch
Fullnet Communications	Oklahoma City, OK	Cyber Patrol
Global Information Systems	Staten Island, NY	Cyber Patrol
Global Internet (INFOWEST)	St. George, UT	Cyber Patrol
Graphic Traffic	Ventura, CA	SurfWatch
Great River Systems	St. Paul, MN	SurfWatch
GreenNet Internet Service	West Newbury, MA	Cyber Patrol
Grove Enterprises, Inc.	Brasstown, NC	SurfWatch
GTE	National	Cyber Patrol
HA U.S.A., Inc.	Santa Clara, CA	SurfWatch
Hawaii Online	Honolulu, HI	Cyber Patrol
Headwaters Telephone Company	Rhineland, WI	SurfWatch
Hearst Corporation	Austin, TX	SurfWatch
I-Link, Inc.	Austin, TX	SurfWatch
IAmerica		SurfWatch

ID Entertainment Group	Nyack, NY	Cyber Patrol
Indiana Communications & System	Rushville, IN	Cyber Patrol
Industry Inet	Industry, TX	SurfWatch
InfiNET	Middletown, NJ	Cyber Patrol
InnerX Communications	Cartersville, GA	Cyber Patrol
Innovative System Design.	Tucson, AZ	Cyber Patrol
Insync Internet Services, Inc.	Houston, TX	SurfWatch
INTAP	Providence, RI	Cyber Patrol
Integrated Data Services	Duluth, MN	Cyber Patrol
Integrated Digital Network	Houston, TX	SurfWatch
Integrity Online	Aloha, OR	SurfWatch
Intellinet	Little Rock, AR	Cyber Patrol
Interglobal Communications	Niles, IL	SurfWatch
Internet 2000	Brainerd, MN	Cyber Patrol
Internet Concepts	Oklahoma City, OK	SurfWatch
Internet Direct	San Antonio, TX	SurfWatch
Internet of Asheville	Asheville, NC	SurfWatch
Internet Oklahoma Services INC	Oklahoma City, OK	SurfWatch
Interpoint Internet Comm.	Fort Lauderdale, FL	SurfWatch
Intex.Net	Dallas, TX	SurfWatch
Inturnet Inc.	Richardson, Tx	SurfWatch
Intx Networking LLC	San Antonio, TX	SurfWatch
K.3M. Inc. / Mirad Computers	Greensburg, IN	Cyber Patrol
Keystone Technology	Oklahoma City, OK	SurfWatch
Kids Unlimited / CyberPlay	Mount Dora, FL	Cyber Patrol
Klinknet	Northville, NY	Cyber Patrol
Komputer Kingdom	Gainesville, FL	Cyber Patrol
Lafayette News	Lafayette, CO	SurfWatch
LAN Lines Communications	White Plains, NY	SurfWatch
Landmark NETACCESS	North Conway, NH	Cyber Patrol
Leap Frog Technologies	Abilene, TX	Cyber Patrol
Learning Services	Eugene, OR	Cyber Patrol
Legendary Services	Royersford, PA	Cyber Patrol
Lightspeed Net	Bakersfield, CA	Cyber Patrol
Linear Internet Services	Dallas, TX	SurfWatch
Logical Micros	Albany, NY	SurfWatch
Macmillan Computer Publishing	Reno, NV	Cyber Patrol
Magic Soft	Flowery Branch, GA	Cyber Patrol

Mastermind Learning Centers	Tulsa, OK	Cyber Patrol
MediaOne (Continental Cable)	Regional	Cyber Patrol
Michael Ball	Denton, TX	Cyber Patrol
MicroServ Tele Computing	Idaho Falls, ID	SurfWatch
MicroServe Information Systems	Wilkes-Barre, PA	SurfWatch
Microsystems of Buckhannon, Inc.	Buckhannon, WV	Cyber Patrol
Mil-Tel Communications	Wichita Falls, TX	Cyber Patrol
MindSpring Enterprises, Inc.	Atlanta, GA	Cyber Patrol
Missing Link Communications	Galesburg, IL	Cyber Patrol
Mobile-Tech Computers	Whitefish, MT	Cyber Patrol
MPS Computer Services	Carrollton, TX	SurfWatch
MVI	Long Beach, CA	Cyber Patrol
NeoSoft		SurfWatch
Net Path	Burlington, N.C	SurfWatch
Net Solutions Corp.	Nashville, TN	Cyber Patrol
Netlink, Inc.	Chunky, MS	Cyber Patrol
NetNet	Green Bay, WI	Cyber Patrol
Netropolis		SurfWatch
NetSense	Wakefield, RI	SurfWatch
Network Management Group		SurfWatch
Networks	Wake Forest, NC	Cyber Patrol
Networks On-Line		SurfWatch
NORTEL	Durham, NC	Cyber Patrol
North Shore Access	Lynn, MA	Cyber Patrol
Nova Internet Services, Inc.		SurfWatch
NTR.NET Corporation	Louisville, KY	Cyber Patrol
Oasis Technologies	Tampa, FL	SurfWatch
Office Technology	Neenah, WI	Cyber Patrol
OKNET		SurfWatch
Online Network Enterprises, Inc	Boulder, CO	SurfWatch
OnLineXpress	Logan, UT	Cyber Patrol
Onramp Access, Inc.		SurfWatch
OnRamp Technologies	Dallas, TX	SurfWatch
OTW Inc.	Franklin, MA	Cyber Patrol
P.O.W.E.R. Net, Inc.	Spokane, WA	Cyber Patrol
Pacific Bell Internet	Regional	SurfWatch
Pacific Internet	Ukiah, CA	Cyber Patrol
Paulman Associates	West Hartford, CT	Cyber Patrol
PC Professionals	Wausau, WI	Cyber Patrol

Pencor Services (PenTeledata)	Palmerton, PA	SurfWatch
Peoples Communication	Randolph, WI	SurfWatch
Performix		SurfWatch
Perigee, Inc	Matthews, NC	Cyber Patrol
PERnet Communications, Inc.	Nederland, TX	SurfWatch
Phoenix DataNet		SurfWatch
Pittsburgh Online	Pittsburgh, PA	Cyber Patrol
PMH Network Services, Inc.	Emerson, NJ	Cyber Patrol
Primary Network	St. Luis, MO	SurfWatch
ProAxis	Corvallis, OR	Cyber Patrol
ProNET	Binghamton, NY	Cyber Patrol
RAM Technologies	Ashland, KY	SurfWatch
RapidRamp		SurfWatch
Red Rose SuperNet	Ephrata, PA	Cyber Patrol
Rhineland Telephone Company	Rhineland, WI	Cyber Patrol
ROMAN.NET	Rome, GA	Cyber Patrol
Sage Computer Systems	Temple, TX	SurfWatch
Signet Partners	Austin, TX	SurfWatch
Simple Computer	Greenville, SC	Cyber Patrol
Simply Interactive, Inc.	San Jose, CA	Cyber Patrol
Sojourn Systems Ltd.		SurfWatch
Solisys	Davis, CA	Cyber Patrol
South Carolina Supernet	Columbia, SC	SurfWatch
South Carolina SuperNet	Columbia, SC	Cyber Patrol
South Texas Internet Connections	San Antonio, TX	SurfWatch
Southwestern Bell Internet	Regional	
Spiff.Net	Granite City, IL	Cyber Patrol
Sprint Business Operations	Reston, VA	SurfWatch
StarNet Online Systems		SurfWatch
StoneGate Consulting	Chardon, OH	Cyber Patrol
Strategic Computer Solutions	Laredo, TX	SurfWatch
SysNet Corporation	Washington, DC	SurfWatch
TCA-LD	Amarillo, TX	SurfWatch
TDSnet		SurfWatch
TDSnet	Madison, WI	SurfWatch
TechniX Micro Systems, Inc.	San Antonio, TX	SurfWatch
Technology Dimension, Inc.	Monroe, MI	Cyber Patrol
TEK Services & Resources Inc.	Hammond, IN	SurfWatch

Teleplex Communications	Roebuck, SC	SurfWatch
Teleport Internet Services	Portland, OR	SurfWatch
TeleTeam Internet		SurfWatch
Texas GulfNet	Brazoria, TX	SurfWatch
Texas Networking, Inc.	Austin, TX	SurfWatch
The Church Online!	Corona, CA	Cyber Patrol
The Computer Link Ltd.	Manitowoc, WI	Cyber Patrol
The Computer Shop NetLink	Paso Robles, CA	Cyber Patrol
The Edge Internet Services	Nashville, TN	Cyber Patrol
Thurber Technology Group	Portland, OR	Cyber Patrol
TNT Online, Inc.	Fort Myers, FL	Cyber Patrol
Total Software Resources	Lexington Park, MD	Cyber Patrol
Ultimate Internet Access	Ontario, CA	SurfWatch
Unicomp Technologies	Dallas, TX	SurfWatch
Upcom Internet Center	Dana Point, CA	Cyber Patrol
Utah Wired	Salt Lake City, UT	Cyber Patrol
VidcomNet Inc.	Texarkana, AR	Cyber Patrol
Volcano Internet Provider	Pine Grove, CA	Cyber Patrol
Voyager Online LLC	Chattanooga, TN	Cyber Patrol
VPlus Network, Inc.	Chatsworth, CA	Cyber Patrol
Wachusett Programming Associates	Holden, MA	Cyber Patrol
WaterNet	Fort Myers, FL	Cyber Patrol
Web Fire		SurfWatch
Web Route Internet Service	Lake Oswego, OR	Cyber Patrol
Weidenhammer Systems Corp	Wyomissing, PA	SurfWatch
Wentworth Worldwide Media, Inc.	Lancaster, PA	Cyber Patrol
West Net	Rye, NY	Cyber Patrol
WestNet	Ventura, CA	SurfWatch
Whole Earth Networks		SurfWatch
Wildrose Net, Inc.	Camrose, AL	Cyber Patrol
WingNET	Cleveland, TN	Cyber Patrol
World Touch	Pleasant Hill, CA	SurfWatch
WorldNet	Norwood, MA	Cyber Patrol
WorldNet of Louisiana	Leesville, LA	Cyber Patrol
Worldpath Internet Services	Farmington, NH	Cyber Patrol
Z Land	Santa Ana, CA	SurfWatch
ZipLink	Hartford, CT	Cyber Patrol
Ziplink	Cambridge, MA	Cyber Patrol

Appendix 2 -- RSACi ratings

NUDITY

Level 0 - no nudity

Level 1 - revealing attire

Level 2 - partial nudity

Level 3 - frontal nudity

Level 4 - provocative frontal nudity

SEX

Level 0 - innocent kissing or romance

Level 1 - passionate kissing

Level 2 - clothed sexual touching

Level 3 - non-explicit sexual acts

Level 4 - explicit sexual acts; sex crimes

LANGUAGE

Level 0 - no offensive language

Level 1 - mild expletives

Level 2 - profanity

Level 3 - strong language; hate speech

Level 4 - extreme hate speech; crude, vulgar language

VIOLENCE

Level 0 - none or sports violence

Level 1 - injury to human beings

Level 2 - destruction of objects with implied social presence

Level 3 - death to human beings; blood and gore

Level 4 - wanton, gratuitous violence; rape

Appendix 3 -- SafeSurf Ratings

The SafeSurf SS~ Rating Standard

Designed by and for parents to empower each family to make informed decisions concerning accessibility of online content.

Section One: Adult Themes with Caution Levels

0. Age Range

- 1) All Ages
- 2) Older Children
- 3) Teens
- 4) Older Teens
- 5) Adult Supervision Recommended
- 6) Adults
- 7) Limited to Adults
- 8) Adults Only
- 9) Explicitly for Adults

Section One: Adult Themes with Caution Levels

1. Profanity

1) Subtle Innuendo

description: Subtly Implied through the use of Slang

2) Explicit Innuendo

description: Explicitly implied through the use of Slang

3) Technical Reference

description: Dictionary, encyclopedic, news, technical references

4) Non-Graphic-Artistic

description: Limited non-sexual expletives used in a artistic fashion

5) Graphic-Artistic

description: Non-sexual expletives used in a artistic fashion

6) Graphic

description: Limited use of expletives and obscene gestures

7) Detailed Graphic

description: Casual use of expletives and obscene gestures.

8) Explicit Vulgarly

description: Heavy use of vulgar language and obscene gestures. Unsupervised Chat Rooms.

9) Explicit and Crude

description: Saturated with crude sexual references and gestures. Unsupervised Chat Rooms.

2. Heterosexual Themes

1) Subtle Innuendo

description: Subtly Implied through the use of metaphor

2) Explicit Innuendo

description: Explicitly implied (not described) through the use of metaphor

3) Technical Reference

description: Dictionary, encyclopedic, news, medical references

4) Non-Graphic-Artistic

description: Limited metaphoric descriptions used in a artistic fashion

5) Graphic-Artistic

description: Metaphoric descriptions used in a artistic fashion

6) Graphic

description: Descriptions of intimate sexual acts

7) Detailed Graphic

description: Descriptions of intimate details of sexual acts

8) Explicitly Graphic or Inviting Participation

description: Explicit Descriptions of intimate details of sexual acts designed to arouse. Inviting interactive sexual participation.

Unsupervised Sexual Chat Rooms or Newsgroups.

9) Explicit and Crude or Explicitly Inviting Participation

description: Profane Graphic Descriptions of intimate details of sexual acts designed to arouse. Inviting interactive sexual

participation. Unsupervised Sexual Chat Rooms or Newsgroups.

3. Homosexual Themes

1) Subtle Innuendo

description: Subtly Implied through the use of metaphor

2) Explicit Innuendo

description: Explicitly implied (not described) through the use of metaphor

3) Technical Reference

description: Dictionary, encyclopedic, news, medical references

4) Non-Graphic-Artistic

description: Limited metaphoric descriptions used in a artistic fashion

5) Graphic-Artistic

description: Metaphoric descriptions used in a artistic fashion

6) Graphic

description: Descriptions of intimate sexual acts

7) Detailed Graphic

description: Descriptions of intimate details of sexual acts

8) Explicitly Graphic or Inviting Participation

description: Explicit descriptions of intimate details of sexual acts designed to arouse. Inviting interactive

sexual participation.

Unsupervised Sexual Chat Rooms or Newsgroups.

9) Explicit and Crude or Explicitly Inviting Participation

description: Profane Graphic Descriptions of intimate details of sexual acts designed to arouse. Inviting interactive sexual

participation. Unsupervised Sexual Chat Rooms or Newsgroups.

4. Nudity

1) Subtle Innuendo

description: Subtly Implied through the use of composition, lighting, shaping, revealing clothing, etc.

2) Explicit Innuendo

description: Explicitly implied (not shown) through the use of composition, lighting, shaping or revealing clothing

3) Technical Reference

description: Dictionary, encyclopedic, news, medical references

4) Non-Graphic-Artistic

description: Classic works of art presented in public museums for family viewing

5) Graphic-Artistic

description: Artistically presented without full frontal nudity

6) Graphic

description: Artistically presented with frontal nudity

7) Detailed Graphic

description: Erotic frontal nudity

8) Explicit Vulgarly

description: Pornographic presentation

9) Explicit and Crude

description: Explicit pornographic presentation

5. Violence

- 1) Subtle Innuendo
- 2) Explicit Innuendo
- 3) Technical Reference
- 4) Non-Graphic-Artistic
- 5) Graphic-Artistic
- 6) Graphic
- 7) Detailed Graphic
- 8) Inviting Participation in Graphic Interactive Format
- 9) Encouraging Personal Participation, Weapon Making

6. Sex, Violence, and Profanity

- 1) Subtle Innuendo
- 2) Explicit Innuendo
- 3) Technical Reference
- 4) Non-Graphic-Artistic
- 5) Graphic-Artistic
- 6) Graphic
- 7) Detailed Graphic
- 8) Explicit Vulgarly
- 9) Explicit and Crude

7. Intolerance

- 1) Subtle Innuendo
- 2) Explicit Innuendo
- 3) Technical Reference
- 4) Non-Graphic-Literary

- 5) Graphic-Literary
- 6) Graphic Discussions
- 7) Endorsing Hatred
- 8) Endorsing Violent or Hateful Action
- 9) Advocating Violent or Hateful Action
- 8. Glorifying Drug Use
 - 1) Subtle Innuendo
 - 2) Explicit Innuendo
 - 3) Technical Reference
 - 4) Non-Graphic-Artistic
 - 5) Graphic-Artistic
 - 6) Graphic
 - 7) Detailed Graphic
 - 8) Simulated Interactive Participation
 - 9) Soliciting Personal Participation
- 9. Other Adult Themes
 - 1) Subtle Innuendo
 - 2) Explicit Innuendo
 - 3) Technical Reference
 - 4) Non-Graphic-Artistic
 - 5) Graphic-Artistic
 - 6) Graphic
 - 7) Detailed Graphic
 - 8) Explicit Vulgarly
 - 9) Explicit and Crude

A. Gambling

- 1) Subtle Innuendo
 - 2) Explicit Innuendo
 - 3) Technical Discussion
 - 4) Non-Graphic-Artistic, Advertising
 - 5) Graphic-Artistic, Advertising
 - 6) Simulated Gambling
 - 7) Real Life Gambling without Stakes
 - 8) Encouraging Interactive Real Life Participation with Stakes
 - 9) Providing Means with Stakes
-

Appendix 4 -- Net Shepard Ratings

In December 1996, NSI launched an Internet event: We recruited over 300 'Net aficionados to examine sites and rate them for maturity and quality using NSI's CRC (Collaboratively Rated Content) rating scale.

The CRC rating scale has six maturity levels (General, Child, Pre-teen, Teen, Adult and Objectionable),

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and five quality levels (1 through 5 stars, with 5 stars signifying excellence). Quality on the CRU scale

includes everything from content to navigation to graphics, and ultimately reflects the overall impression our raters have of the sites they visit.

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