



An Industry Under Siege

By David P. McClure ■ *US Internet Industry Association (USIIA)*

Your business is at risk!

With the recession of 2000 safely behind us, this should be a time of rebuilding for most Internet companies. A time to invest in upgrades, expansions and new business development and to plan for what some will say is their first profitable year in many. Spring time after the long nuclear winter.

Instead, the Internet industry and its

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service providers face the most concentrated assault in its history. From spam and taxation to copyright and security, service providers are faced with new and challenging problems that have the capacity to put many of us out of business. We are an industry under siege.

Consider this:

- In 18 states, efforts are underway to heap new taxes on your services. Your telephone lines, your cable lines, your bandwidth and your equipment will be subject to new taxes as states struggle to offset \$100 billion or more in budget deficits this year. The other 32 states will follow shortly, as will counties and municipalities.

- The Federal Communications Commission has a proceeding already underway that would add a 9.1 percent surcharge to your cable revenues – what

they calculate to be your share of Universal Service funding for cable broadband.

- Copyright holders and consumers continue to battle over peer-to-peer networking, with your service caught in the middle. By fall, expect to be inundated with automated requests for information about hundreds or thousands of your subscribers – with no recourse but to hand the information over to the copyright holders.

- Spam continues to worsen, sapping your resources and generating ill will for your subscribers. They are looking to you for corrective action. Meanwhile, the legislation needed to give you the tools you need is bogged down in committee in the Congress.

And these are just the tips of the problems. You may soon be required to collect and submit sales and value-added taxes all over the world on behalf of the websites you host. New legislation being considered and passed into law in states across the nation will hold you liable for the actions of your subscribers.

The US Internet Industry Association has, since 1994, been your trade association and your representative on these issues at the federal and state levels. We've been the ones who kept you informed. Who alerted you to the threats. And who have treaded the halls of Congress and the state legislatures to fight for your rights.

We've had many successes. The Internet Fairness and Family Protection

Act. The Internet Tax Moratorium Act. ISP protections in the Digital Millennium Copyright Act. And a host of other bills that never got out of committee because of the USIIA.

But the threat to your business is growing and to keep you safe, we need your help. We need you to join the USIIA. By becoming a member, you give us more power to fight for your interests. And you give us the ability to keep you informed about the threats—and about what you can do to help stop them.

Membership is pretty painless—the Board of Directors has authorized a "Trial Membership" for subscribers to this publication of only \$500 per year. This membership, good for the remainder of 2003, is open to any subscriber to this publication. Renewal for 2004 and beyond will be based on your revenues, but generally does not increase for service providers. To join, simply fill out and remit the membership form on the adjoining page.

There is strength in numbers, and the industry in which you live and work needs to be able to count your voice on the dozens of issues that will affect you this year. You can save hundreds or thousands of dollars in legal and compliance fees and help assure a healthy and thriving industry for your company. All it takes is a small investment in your trade association, the USIIA. ■

About the Author

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Application For Trial Corporate Membership

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This is a special trial membership for 2003, and entitles you to designate two members of your company to be members of USIIA. Please provide for each their name, title, phone number and email address.

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Please complete all information and mail this document, along with your \$500 dues payment, to Director of Member Services, US Internet Industry Association, 5810 Kingstowne Center Dr., Suite 120, PMB 212, Alexandria, VA 22315. Or fax with credit card to (703) 924-4203. Dues must accompany the membership application.

This dues payment is not deductible as a charitable contribution, however, for most companies this fee is deductible as a business expense. Please note that up to 20 percent of member dues may be used for lobbying expenses on behalf of the members. Membership is for a one-year period, is not transferable or refundable. For further information contact USIIA.