



An Ineffective Industry

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

It wasn't very large news in January when the House Judiciary Committee passed a bill that would give databases of information protection under the copyright laws. Sure, it is a bad bill that does not deserve to be made into law. And it is harmful to the interests of Internet companies and ISPs. But there is still a long road before such a bill becomes law.

What was interesting about the news reports of the committee action was that it honed in on the reason why the Internet industry was unable to convince the committee to vote the

measure down.

"The loosely organized technology coalition opposed to the proposal had stepped up its lobbying efforts in the days leading up to the committee vote..."

The industry got clobbered in committee because it went up against a well-organized and well-funded special interest group armed only with a loose coalition that started too late and did too little. That's not an isolated case for the Internet—in one public policy area after another the industry is failing to win key votes or influence positive

public policy changes.

There are two facets to the problem. First, companies that are absorbed only with their own quarterly profits refuse to work together on an ongoing basis. Sure, the US Internet Industry Association does some effective work. We are striving to develop leaders for the industry, and engaging in most of the policy battles that count. But we are doing so with only a handful of voices.

When it comes to working together for the long term, most of the major players are working only on the side of their own self-interests. They attempt to influence legislation and regulation based not on what is good for the industry in the long term, but what puts the most cash in their pockets in the next fiscal year. Or worse, they are attempting to use national policy to cripple competitors with little thought to how this impacts on the growth of the industry.

That's not surprising given how young the industry is—even most of the people reading this article have done little or nothing to advance the industry in the past year, and do not even belong to the industry's trade association.

But the industry is losing too much ground to allow this to continue. This disjointed and poorly implemented approach to public policy generally results in:

- A lack of any educational programs or outreach to the Congress and the federal agencies, leaving a disastrous gap in their ability to understand the industry and its issues.



- The lack of early warning or forecasting capabilities, so that issues frequently catch even the most capable companies off guard.
- The inability to quickly raise and commit resources to combat threats. While other industries are able to marshal such resources effectively, the Internet industry wastes valuable time raising funding for each issue. Further, each new issue must be funded from outside the existing budgets of Internet companies, making each request for funding an emergency measure.
- Waste and inefficiency. With each issue demanding its own administration, mailing list, phone capabilities and web site, duplication and waste are rampant.
- Poor planning and execution of operating plans. Since each issue is approached on a last-minute, emergency basis there is insufficient time for planning or efficient and successful execution.

That industry is trying to limp along using its temporary coalitions and self-interest groups that include phony front organizations, single-issue groups, and single-technology groups et al. They continue to work this way even though the interests of the wireless Internet people and the VoIP people and the cable people and the telephone people and the satellite people are remarkably similar. And even though we are seeing evidence every day that this approach is no longer working.

The solution is simple. Companies that have an interest in the growth of the Internet and deployment of broadband—companies large and small—must band together to implement long-term programs that will raise awareness of the issues among legislators and regulators, and must commit financial resources to programs to help to identify issues and take positive action.

Working together through a trade association is such a non-brainer that

virtually every industry on the planet committed to do so—except the Internet industry.

If our industry is to survive, it must mature. Just as squabbling children must learn social skills in kindergarten before they can advance to the first grade, the Internet industry must learn to play well together before they can effectively advance in Washington. It

is not happening yet, but if it does not happen soon the consequences will be devastating. ■

About the Author

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