



State Efforts to Regulate Commercial Activities on the Internet

iAWFUL (Internet Advocates' Watchlist for Ugly Laws)
A NetChoice Initiative Dedicated to Tracking the Worst Internet Laws in America



A NetChoice Initiative

1. Legacy Regulations That Have Become Barriers To e-Commerce – Around the country, innovative consumer-empowering tools are colliding with regulatory regimes created long before the Internet.

2. Location Pop-Up Notification Bills - Do consumers really want to see a pop-up window every time they use an app that relies on geolocation information?

3. Mandates for Remote Retailers To Collect State Sales Taxes – A national mandate forcing retailers to collect sales taxes for states where they have no physical presence.

4. State Data Breach Rules – Strict restrictions on how businesses deal with data breaches will cause unanticipated harm.

5. Advertiser-Nexus Revenue Ruling and Bills – Imposes an unconstitutional expansion of sales tax burdens resulting in a loss of ad revenue for small websites publishers.

6. Taxing Digital Goods – Taxes on digital goods harm emerging artists, create a new tax on the state's own citizens, and discourage green initiatives.

7. Online Dating Restrictions – These online dating regulations freeze the current state of technology and foster a false sense of security in the minds of users.

8. Cyber Bullying Bills – Let's stop the act of bullying, not shut down the forum that passively hosts the hostile communications.

9. Federal Legislation on Privacy Bill of Rights – It's dangerous to give federal regulators wide latitude to make new privacy rules and to give privacy zealots veto power over a multi-stakeholder process.

10. Prohibiting Information Sharing Among Businesses – Preventing businesses from sharing consumer information erects unnecessarily high barriers to actions that benefit consumers.



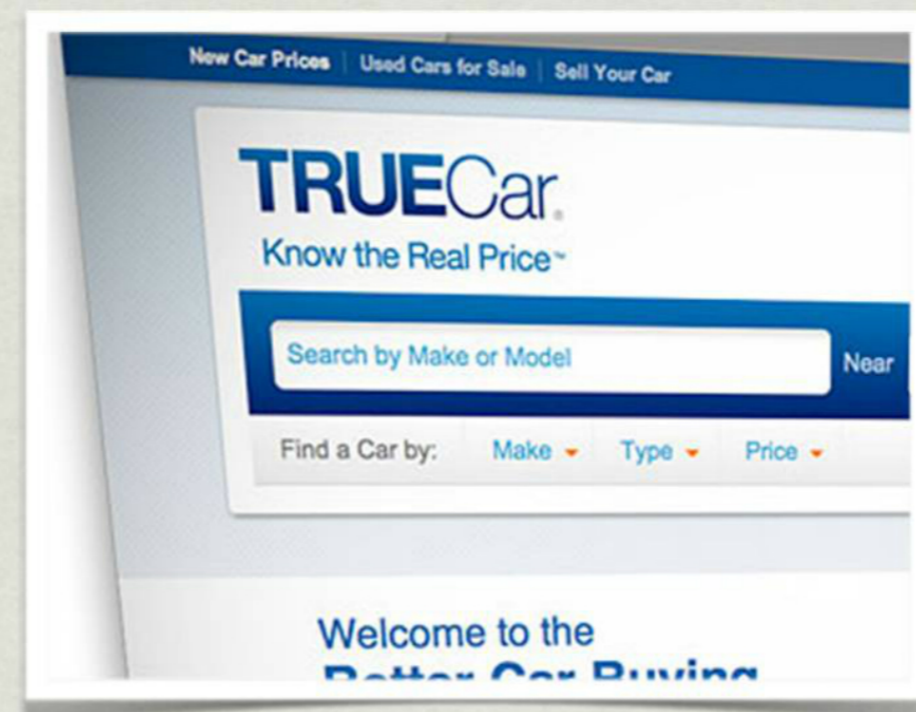
Paved with
Good
Intentions

Competition
prevention can be
disguised as
consumer protection



Legacy regulations that have become barriers to e-commerce

Laws designed to protect consumers are being misused to prevent innovation.



Over notification to consumers



Location privacy notification

Do consumers really want to see a pop-up window every time they open an app that uses geolocation?

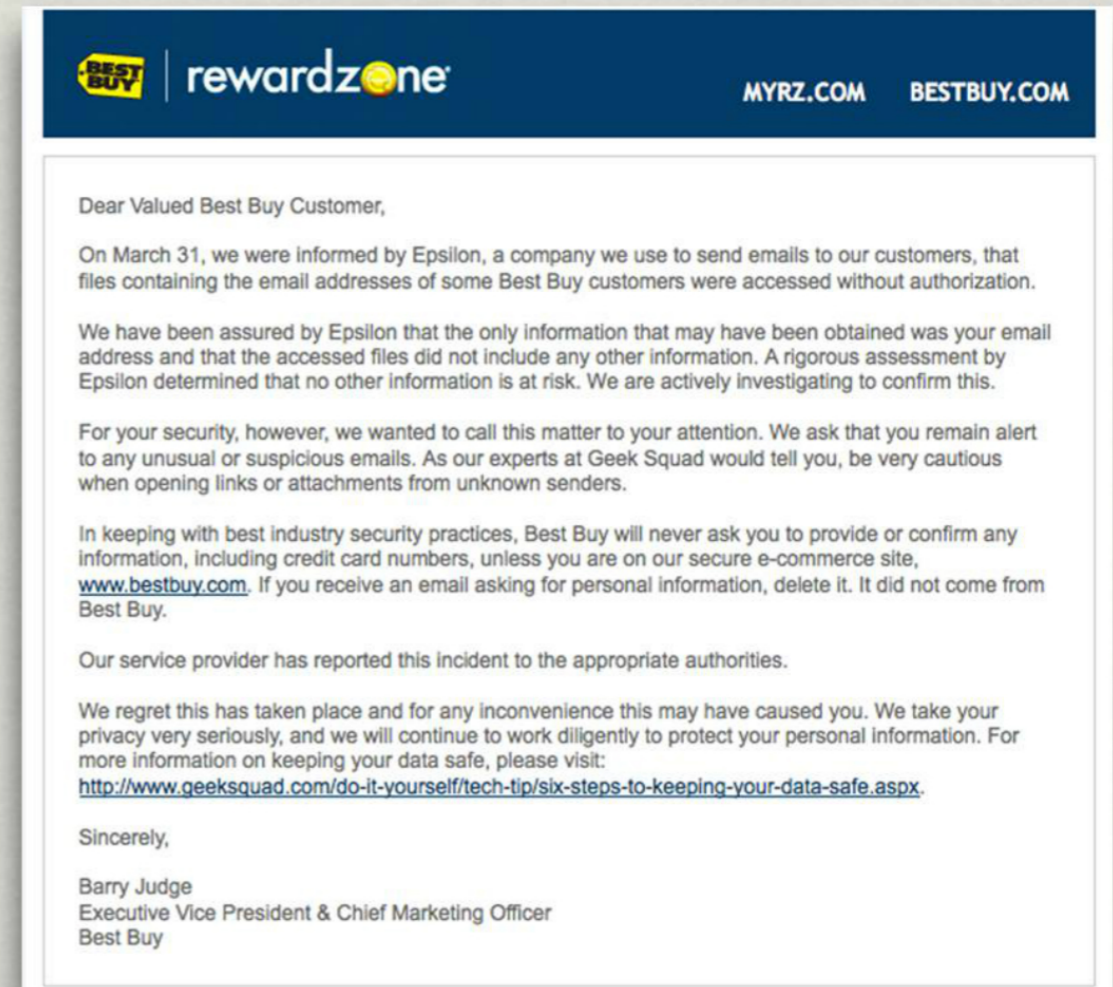
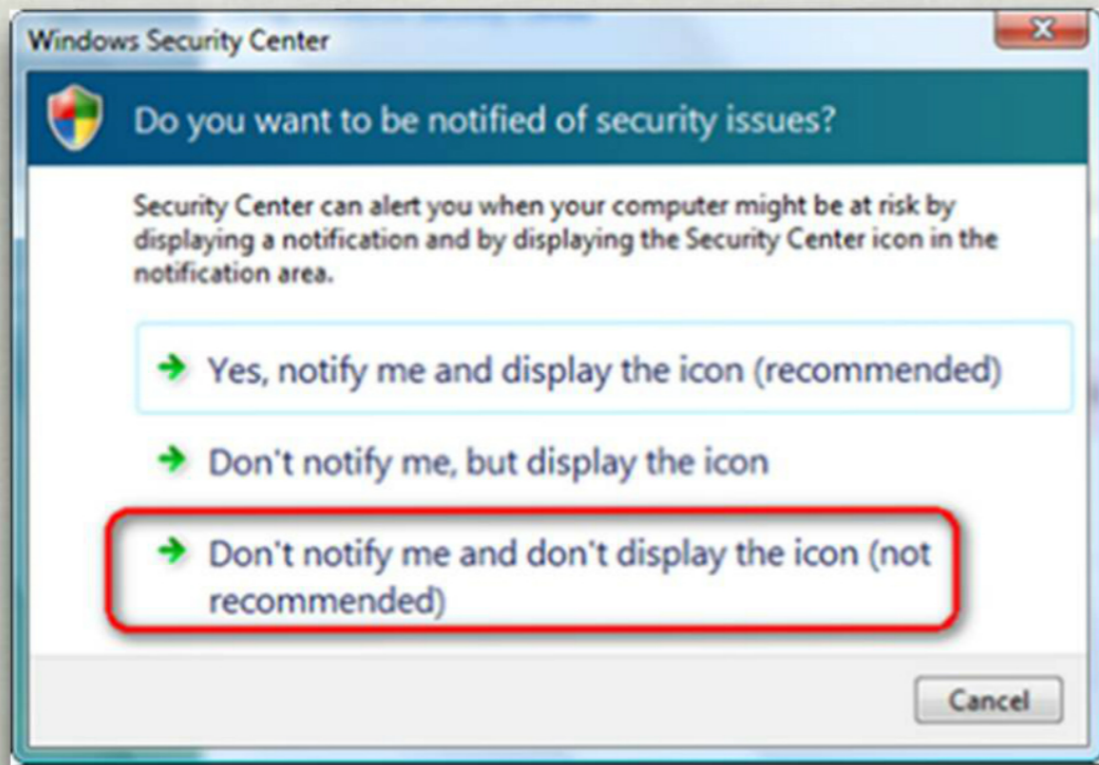


A screenshot of the OpenTable mobile application. The top bar shows "Charlotte, Charlotte: Fri. May 11, 7:00PM for 2" and a "Filter" button. Below is a map of Charlotte, North Carolina, with several red location pins. To the right of the map is a list of restaurants with their names, addresses, cuisine types, and operating hours. The list includes: 18 Asian and Sushi Bar (Charlotte, Asian, 6:30PM-7:30PM, \$\$), 300 East (Charlotte, American, 6:45PM-7:15PM, \$\$), Aria Tuscan Grill (Charlotte, Italian, 6:45PM-7:15PM, \$\$), Arooji's Wine Room & Ristorante (SouthPark, Italian, 6:45PM-7:15PM, \$\$), Bask (Uptown, Contemporary American, 6:45PM-7:15PM, \$\$), Bernardin's Restaurant - Charlotte (Charlotte, Contemporary American, 6:45PM-7:15PM, \$\$), Big View Diner (Charlotte, American, 6:30PM-7:30PM, \$\$), and Bistro La Bon.

A screenshot of the BillsShrink mobile application. The top status bar shows "AT&T", "5:26 PM", and "86%". The app title "BILLSHRINK" and a "Sign Out" button are in the top navigation bar. The main content is divided into "Nearby Rewards" and "Already Purchased" sections. The "Nearby Rewards" section has a table with columns for Merchant, Distance, and Description. It lists "POTTERY BARN" (0.1 mi, \$50 of value for \$35) and "BIG K" (0.1 mi, \$25 of clothes for \$50). The "Available" section has a similar table listing "SAFEWAY" (0.1 mi, \$50 of value for \$35) and "NORDSTROM" (0.1 mi, \$25 of clothes for \$40). At the bottom, there are three buttons: "Nearby" (with a location pin icon), "Purchased" (with a barcode icon), and "Available" (with a dollar sign icon).

Do businesses risk lawsuits by using geolocation information?

Data breach notification



premature notification creates over-notification, and de-sensitizes consumers to the important notices.

Prohibiting sharing of customer information



Bank of America



Companies frequently share consumer information to prevent identity theft and fraud.

Interest-based advertising

Interests are based on context, location, and browsing history

Ads Preferences

Your categories

Below you can review a summary of the interests that Google has associated with your cookie.

▶ Ads on Search and Gmail

Arts & Entertainment

[Remove](#)

Computers & Electronics

[Remove](#)

▼ Ads on the web

Games

[Remove](#)

Opt out

Age: 25-34

[Remove](#)

Gender: Male

[Remove](#)

[Add or edit demographics](#)

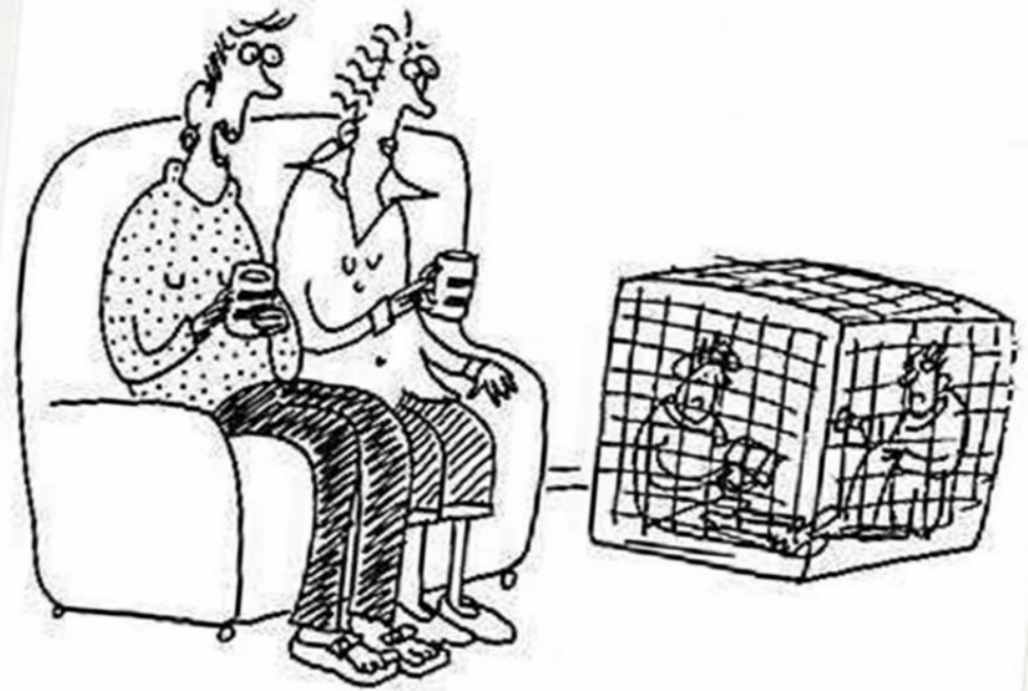
Your cookie

Google stores the following information in a cookie to associate your ads preferences with the browser you're using:

id=c8585a73300009c|3087314/1074947/15320|t=1298398862|et=730|cs=002213fd4832bce438be357939

Use legislation to
protect people from
decisions they
cannot make for
themselves....

...not for the
decisions they
can make

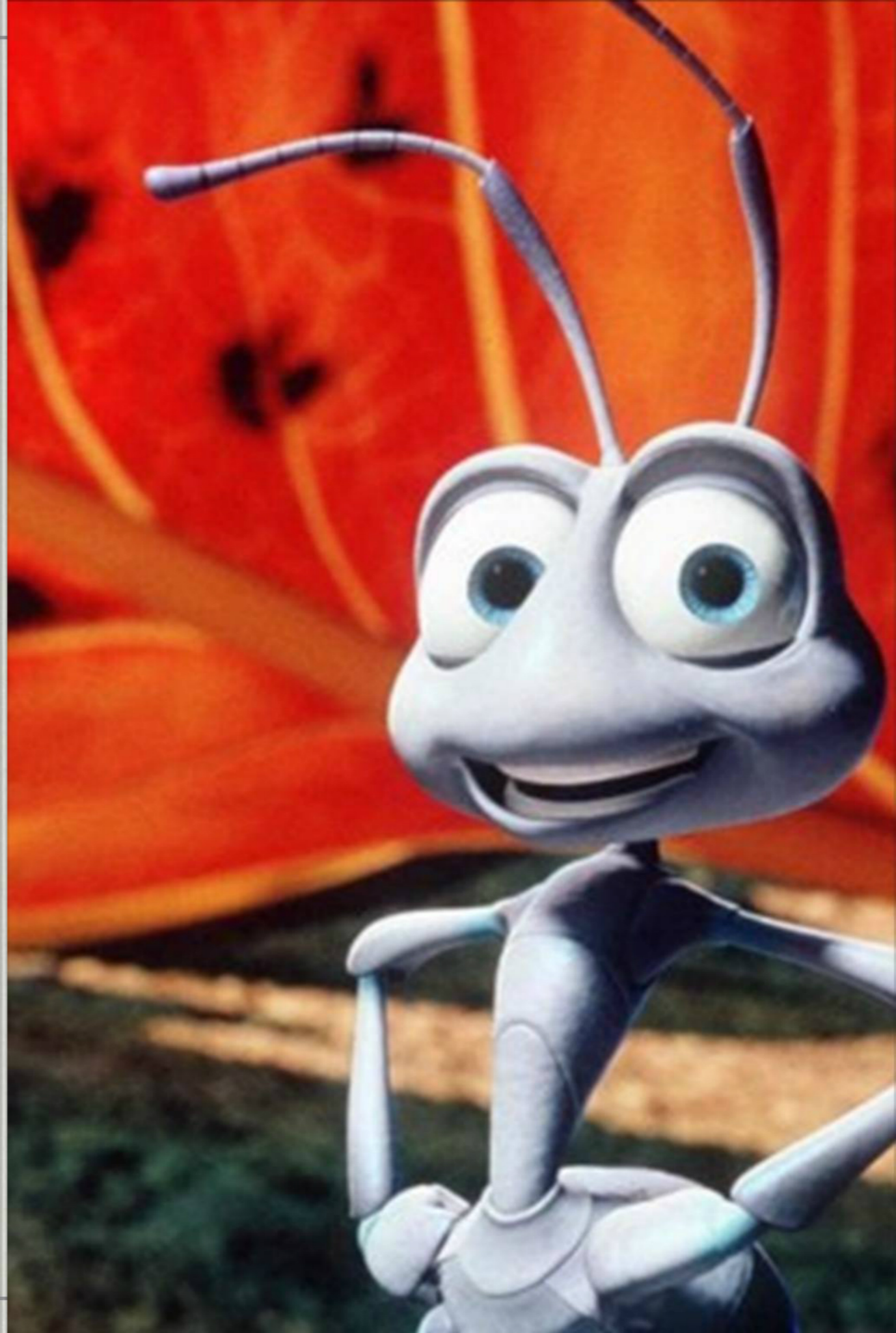


"I'd be an irresponsible parent to let them out."

Keeping your antennae up

- Will this bill harm consumers or limit their choices?
 - Interest based ads
- Where is this bill coming from and why am I seeing it?
 - Efforts by legacy interests like those stopping AirBnB

NetChoice



conclusion



“There ought to be a law for that.”

- The internet creates opportunity and jobs
- Greater choice and convenience for users
- US online ad revenue is \$32 billion



contact

Steve DelBianco

Executive Director

202.420.7482

sdelbianco@netchoice.org

Carl Szabo

Policy Counsel

202.420.7485

cszabo@netchoice.org

<http://www.NetChoice.org>

