



NetChoice

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NetChoice Unveils The 10 Worst Internet Laws of 2012

Legacy regulations being used against innovative businesses top 2012 iAWFUL

WASHINGTON NetChoice, a coalition of Internet and e-commerce companies committed to defending online freedom, today called out America's worst Internet laws with the release of the 2012 Internet Advocates Watch-list for Ugly Laws (iAWFUL). In a first for iAWFUL, the worst offender on the 2012 list is not a new measure, but a patchwork of old-line regulations threatening innovation across the country.

Over the past year, innovative emerging business models like the mobile-enabled car service Uber, online rental tool AirBNB and car comparison and shopping site TrueCar, have been tripped up by legacy regulations -- many of which were written long before the advent of e-commerce. Rather than protect consumers, these regulations are increasingly being used to protect old-line businesses against innovation and limit the choices available to consumers.

The full 2012 iAWFUL list is now online [[LINK](#)].

"Now, in addition to fending off new, misguided efforts to regulate the Internet, innovators have to be concerned about an enormous, confusing, and sometimes contradictory patchwork of legacy regulations creating new obstacles to e-commerce and online communication," said Steve DelBianco, Executive Director of NetChoice. "It's a cruel irony that these regulations, which were created to protect consumers, are now being used to limit their choices and opportunities online."

The legacy regulations in question include long-standing taxi commission rules, hotel regulations and dealer franchise laws. None of the laws are "bad" in the traditional sense of iAWFUL, but all are being used in ways they were never intended, DelBianco said.

The good news about this disturbing trend, is that in many cases, the laws don't need to be changed or re-written to protect innovative business models and online consumers. NetChoice is urging local, state and federal regulators around the country to stand up and send a clear message that these measures should not be manipulated to undermine consumer-empowering Internet tools.

Coming in at number two on this year's iAWFUL list, is an effort being pursued in Congress and in a handful of state legislatures, to impose heavy-handed rules on Internet and mobile applications that use location technology. The law would require users to click through a pop-up every time they used a location-enabled app – even if the app in question is specifically advertised as a location tool (such as Foursquare).

Rounding out the “top” three on the list, the ongoing federal effort to force online retailers to collect sales taxes regardless of whether they have physical presence in a jurisdiction. Despite pleas from small businesses, which stand to lose the most from these efforts, the bills in the House and Senate provide no mandatory help for small sellers. Also, the measures would transfer authority from state legislatures to a cartel of unelected tax administrators.

Rather than try to work with small e-commerce sellers, the advocates of so-called “streamlined” sales tax – backed by big box retail chains – have repeatedly sought to push through the most aggressive (and regressive) version of the bill possible.

2011 Success Stories

The iAWFUL list is not an academic exercise. NetChoice uses the list as a tool to actively oppose measures that threaten to stifle and squelch innovation and e-commerce. Since the list debuted in 2009, iAWFUL has been instrumental in helping defeat or fix several awful bills in Congress and statehouses across the country. This past year marked several key successes for iAWFUL.

Although it's still on this year's list at number 2, the Federal mandate for remote retailers to collect state sales taxes that failed to move last year, despite an aggressive push by advocates. The federal data retention measure (number 3 on last year's list) also stalled amid concerns raised by NetChoice and others.

Elsewhere, an Indiana law (number six on the 2011 list) that would have created an e-mail registry for minors failed to move after NetChoice testified against it, and Missouri law preventing students and teachers from engaging via social networking (number seven on the list) was repealed.

NetChoice looks forward to similar success in 2012.

“As long as the Internet remains a force for change and development, there will be misguided, restrictive and outright awful efforts to restrict and control it. With iAWFUL we work to shine a light on these efforts, and to make sure that today's bad ideas don't become tomorrow's obstacles to innovation and online freedom,” DelBianco said.