

# Economic and Societal Impacts of Spam

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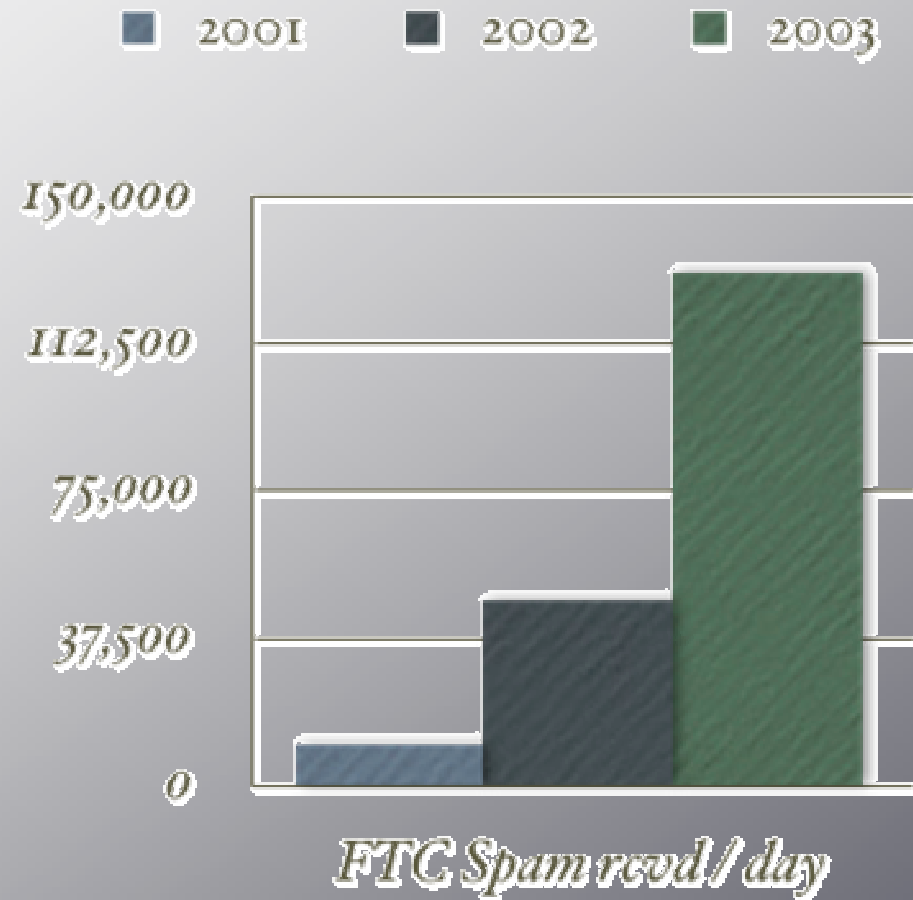
# The Importance of Email

- Internet is fundamentally a communications environment (compare with radio and TV)
- Email is most widely used Internet application (ahead of search engines, reading news, browsing web sites)
- 9 out of 10 Internet users use email
- Basis of other emerging applications - SMS, IM

# The Scope of the Problem

- Spam is expensive ( \$ 18 b) (Radicati Group, 2003)
- 66% of spam contains false headers (FTC, 2003)
- 85% of spam is in English (CNIL, 2002)
- But non-English spam on rise (INVBUSD 2003)
- 42% of spam is pornographic (CNIL, 2002)
- 58% of email is Spam (Brightmail, 2003)

# Spam is on the Rise



# Spam - The Multiple Dimensions

- Identity theft, fraud and deception
- Network security
- Reduced consumer confidence
- Invasion of privacy (children, pornography, etc)
- Unsolicited paper mail may be an environmental problem; unsolicited commercial is a security problem

# Pew Internet Study (2003)

- 70% say spam has made Internet unpleasant
- 25% say spam has reduced use of email
- 52% say spam has made users less trusting
- 30% say filters may block non-spam email
- "In large numbers, Internet users report that they trust email less and some even use email less."*

# TACD (2004) - Users Want Spam to End

- 95% "hate" or "are annoyed" by spam
- 84% said spam should be banned
- 82% favor opt-in
- 52% shop less online because of spam
- "Concerns about spam are shared by consumers around the world."*

# TACD (2001)

- Resolution “Governments need to work together to develop common approaches to address common concerns about unsolicited commercial email.”
- Policy should be based on “prior, affirmative consent.”

# USA NGO Statement on Spam (2002) - 5 Principles

- Opt-In (enables trust)
- Users with legal rights
- Baseline legislation (not preemptive)
- Technological approaches
- International cooperation (public education, enforcement, standards)

# Long-term Consequences of Failure to Address Spam

- Impact on Internet as communications media
- Impact on Internet as online marketplace
- Impact on Internet as means to deliver government services (e-government)
- Impact on Internet as political forum
- Collapse of trust and diminished growth of online economy and services (Key OECD concern for int'l frameworks -- privacy, security, commerce)

# Cost Shifting Dilemma

- Spam is fundamentally a cost-shifting problem (similar to pollution)
- But “solutions” may also impose costs on consumers in time, money, convenience, and privacy -- should homeowners near factories install filters on windows or wear gauze masks?
- Goal should be to establish accountability and impose costs on those who originate spam. Authentication for bulk, commercial e-mailers, not Internet users. Aggressive enforcement.

# EPIC to US Senate (2003)

- "Spam is a complex problem. There is no simple legislative solution. A multi-tiered approach that includes aggressive enforcement, better technology for identifying and filtering spam, and cooperation at the state and international level will be necessary."