

To: Mike Waldman  
Lowell Weiss  
Paul Glastris  
fax: 456-5709, 456-2505

From: Michael Moynihan

Re: President's Speech on Electronic Commerce at 11:00 AM

Mike,

As I discussed with Paul, Treasury would like to request that one change be made in the President's speech.

People have major heartburn here that the paragraph in the middle of the speech beginning, "But we must do more..." about consumer protection does not mention Treasury or Secretary Rubin. We currently have a large consumer protection effort underway with respect to banks and financial institutions and, for electronic commerce, will have direct responsibility for consumer protection with respect to National Banks, Thrifts and other institutions that we directly regulate as well as general responsibility for the financial sector, electronic payments etc. which is a pretty big piece of consumer protection.

We would suggest the following change. If you can accommodate a full sentence, after the sentence that runs, "Today, I am directing Sec. Daley... into cyberspace." add a new sentence "And with respect to the financial sector, I direct Secretary Rubin to address this challenge."

If that is too much verbiage, a lighter fix just adds Secretary Rubin before Secretary Daley.... "Today, I am directing Secretary Rubin and Secretary Daley..."

I will call you in the morning to discuss this. Thanks, Michael

unless we create the conditions for electronic entrepreneurship. That is why, in December of 1995, I asked VP Gore and Ira Magaziner to help build a framework for global electronic commerce. Last summer we released this framework. It said, in short, that the Internet should be a free-trade zone, with incentives for competition, protection for consumers and children, and supervised not by governments but by the people who use the Internet every day.

And I am proud to say that we are ahead of schedule in our efforts to put these principles into action. This year, 132 nations followed the U.S. lead by signing a declaration to refrain from imposing customs duties on electronic commerce. We reached agreements supporting our market-driven approach with the European Union, Japan, and other nations. In fact, today Australian Prime Minister Howard and I will issue a joint statement along these same lines.

Working with Congress, industry, and state and local officials, we passed a law to put a three-year moratorium on new and discriminatory taxes on electronic commerce. We ratified an international treaty to protect intellectual property online. We made it possible to conduct official transactions electronically. We secured the funds to challenge the nations research community to develop the Next Generation Internet. We passed a law to protect the privacy of our children online. We're working with companies representing a large share of the Internet's traffic to help them meet our privacy guidelines. We have effectively privatized the Internet's domain name and routing systems. We have moved to improve the security and reliability of cyberspace by focusing attention on protecting critical infrastructures and solving the Y2K computer problem.

But this holiday season we are seeing challenges we must still overcome. Many people who surf the Web still won't shop there. They worry that their credit card numbers will be misused. They worry that they will not get what they thought they were paying for. They worry that they will have nowhere to go if cheated. We have already begun to address these fears, not with burdensome regulations that might stifle growth and innovation but with incentives for online companies to offer customers the protections they need.

But we must do more. America has some of the strongest consumer protections in the world. Today, I am directing Sec. Daley to work with the FTC, other agencies, consumer advocates, industry, and our trading partners to develop new approaches that will extend this proud tradition into cyberspace. *And with respect to the financial sector, I direct Secretary Rubin to address this challenge.* We must ensure that truthful advertising and full disclosure of information are the foundations of global electronic commerce. People should get what they pay for online, and it should be easy to get redress if they don't. We must give consumers the same protections in our virtual mall that they now count on at the shopping mall.

*Option  
A*

And if the virtual mall is to grow, we must help small businesses and families gain access to the same services, at the same speeds, that big businesses enjoy today. For many people, connections are so slow that shopping at the virtual mall is filled with frustration. It is as if they had to drive over dirt roads to get to the mall, only to find an endless line of customers just waiting to get in the door. So today, I will also

unless we create the conditions for electronic entrepreneurship. That is why, in December of 1995, I asked VP Gore and Ira Magaziner to help build a framework for global electronic commerce. Last summer we released this framework. It said, in short, that the Internet should be a free-trade zone, with incentives for competition, protection for consumers and children, and supervised not by governments but by the people who use the Internet every day.

And I am proud to say that we are ahead of schedule in our efforts to put these principles into action. This year, 132 nations followed the U.S. lead by signing a declaration to refrain from imposing customs duties on electronic commerce. We reached agreements supporting our market-driven approach with the European Union, Japan, and other nations. In fact, today Australian Prime Minister Howard and I will issue a joint statement along these same lines.

Working with Congress, industry, and state and local officials, we passed a law to put a three-year moratorium on new and discriminatory taxes on electronic commerce. We ratified an international treaty to protect intellectual property online. We made it possible to conduct official transactions electronically. We secured the funds to challenge the nations research community to develop the Next Generation Internet. We passed a law to protect the privacy of our children online. We're working with companies representing a large share of the Internet's traffic to help them meet our privacy guidelines. We have effectively privatized the Internet's domain name and routing systems. We have moved to improve the security and reliability of cyberspace by focusing attention on protecting critical infrastructures and solving the Y2K computer problem.

But this holiday season we are seeing challenges we must still overcome. Many people who surf the Web still won't shop there. They worry that their credit card numbers will be misused. They worry that they will not get what they thought they were paying for. They worry that they will have nowhere to go if cheated. We have already begun to address these fears, not with burdensome regulations that might stifle growth and innovation but with incentives for online companies to offer customers the protections they need.

But we must do more. America has some of the strongest consumer protections in the world. Today, I am directing *Sec. Rubin and Sec. Daley* to work with the FTC, other agencies, consumer advocates, industry, and our trading partners to develop new approaches that will extend this proud tradition into cyberspace. We must ensure that truthful advertising and full disclosure of information are the foundations of global electronic commerce. People should get what they pay for online, and it should be easy to get redress if they don't. We must give consumers the same protections in our virtual mall that they now count on at the shopping mall.

*Option  
B*

And if the virtual mall is to grow, we must help small businesses and families gain access to the same services, at the same speeds, that big businesses enjoy today. For many people, connections are so slow that shopping at the virtual mall is filled with frustration. It is as if they had to drive over dirt roads to get to the mall, only to find an endless line of customers just waiting to get in the door. So today, I will also