

directive issued by the Federal Open Market Committee at its meeting held on January 28 and 29, 2003.¹

The Federal Open Market Committee seeks monetary and financial conditions that will foster price stability and promote sustainable growth in output. To further its long-run objectives, the Committee in the immediate future seeks conditions in reserve markets consistent with maintaining the federal funds rate at an average of around 1¼ percent.

By order of the Federal Open Market Committee, February 3, 2003.

Vincent R. Reinhart,

Secretary, Federal Open Market Committee.
[FR Doc. 03-3242 Filed 2-7-03; 8:45 am]

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FEDERAL TRADE COMMISSION

Public Forum: Spam Email

AGENCY: Federal Trade Commission (FTC).

ACTION: Notice announcing public forum.

SUMMARY: The FTC is planning to host a public forum to explore the issues regarding the proliferation of and potential solutions to unsolicited commercial email ("UCE" or "spam"). The forum will also look at how the unique qualities of spam contribute to and hinder both fraud and its prosecution.

DATES: The workshop will be held on April 30–May 2, 2003, from 8:30 a.m. to 5:30 p.m. at the Federal Trade Commission, 601 New Jersey Avenue, NW., Washington, DC. The event is open to the public, and there is no fee for attendance. Pre-registration is not required.

Requests to Participate as a Panelist: Written requests to participate as a panelist in the forum must be filed by March 25, 2003. For further instructions, please see the "Requests to Participate as a Panelist in the Workshop" section. Persons filing requests to participate as a panelist will be notified by April 8, 2003, if they have been selected.

ADDRESSES: Written requests to participate as a panelist in the forum should be submitted to: Secretary,

Federal Trade Commission, Room 159, 600 Pennsylvania Avenue, NW., Washington, DC 20580. In the alternative, they may be emailed to SpamForum@ftc.gov.

FOR FURTHER INFORMATION CONTACT:

Brian Huseman, Attorney, (202) 326-3320, or Lisa Tobin, Investigator, (202) 326-3218, Division of Marketing Practices, Federal Trade Commission, 600 Pennsylvania Avenue, NW., Washington, DC 20580. A detailed agenda and additional information on the forum will be posted on the FTC's Web site, www.ftc.gov, by April 8, 2003.

SUPPLEMENTARY INFORMATION:

Background and Forum Goals

Unsolicited commercial email ("UCE" or "spam") is any commercial electronic mail message that is sent, often in bulk, to a consumer without the consumer's prior request or consent. The very low cost of sending spam differentiates it from other forms of unsolicited marketing, such as direct mail or telemarketing. Those marketing techniques, unlike spam, impose costs on marketers that may serve to limit their use.

As a result of the low costs associated with sending bulk commercial email, the volume of spam that consumers and businesses receive is substantial and has continued to increase over time. A recent study by the Radicati Group, a market research group, estimated that 32 percent of the 7.3 billion email messages sent each day are spam and that the figure is likely to increase substantially in the future.¹ Another study recently conducted by the Symantec corporation found that 65 percent of those surveyed reported spending more than 10 minutes each day dealing with spam. Moreover, 37 percent of the survey respondents stated they received more than 100 spam email messages each week.² This increased volume of spam imposes financial and operational costs on Internet service providers ("ISPs"), burdens consumers, and impacts e-commerce generally."

In addition, the increased volume of spam has increased the potential for fraud on the Internet, such as deceptive content within spam messages or deceptive means of sending email. Although not all spam is fraudulent, fraud operators have seized on the Internet's capacity to reach literally millions of consumers quickly and at a

low cost through spam. Fraud operators also can misuse technology to conceal their identity. Many spam messages contain false information about the sender and where the message was routed from, making it difficult to trace the spam back to the actual sender. Spam messages often contain misleading subject lines that lead consumers to open email messages they otherwise would delete without reading. Thus, the proliferation of spam, and deceptive spam particularly, poses a threat to consumer confidence and participation in online commerce.

The Commission has taken law enforcement actions against deceptive spam and has engaged in several research efforts to explore how spam affects consumers and online commerce. For example, this year the Commission conducted a surf in which the FTC and law enforcement partners tested whether "remove me" or "unsubscribe" options in spam were being honored. The law enforcement agencies discovered that 63 percent of the removal representations were not honored.

Further, in its "Spam Harvest," the Commission conducted an examination of what online activities place consumers at risk for receiving spam. The examination discovered that one hundred percent of the email addresses posted in chat rooms received spam; the first received spam only eight minutes after the address was posted. Eighty-six percent of the email addresses posted at newsgroups and Web pages received spam; as did 50 percent of addresses at free personal Web page services; 27 percent from message board postings; and nine percent of email service directories. The "Spam Harvest" also found that the type of spam received was not related to the sites where the email addresses were posted. For example, email addresses posted to investment-related newsgroups did not receive solely investment-related spam, but also received a large amount of adult content and work-at-home-spam.

In addition to law enforcement and research, the Commission has engaged in education efforts about how consumers and businesses can reduce the amount of unwanted spam they receive. These materials can be found on the FTC's Web site, www.ftc.gov/spam.

Despite the research the Commission has conducted, its law enforcement actions, and education initiatives, there are other topics concerning spam that could benefit from additional study. To explore the impact that spam has on consumers' use of email, email marketing, and the Internet industry, the

¹ Copies of the Minutes of the Federal Open Market Committee meeting on January 28 and 29, 2003, which includes the domestic policy directive issued at the meeting, are available upon request to the Board of Governors of the Federal Reserve System, Washington, D.C. 20551. The minutes are published in the Federal Reserve Bulletin and in the Board's annual report.

¹ See www.radicati.com.

² An article describing the survey can be found at <http://rtnews.globetechnology.com/servlet/ArticleNews/tech/RTGAM/20021202/gtspammy/Technology/techBN/HYPERLINK> (visited Dec. 3, 2002).

Commission will convene a public forum on April 30–May 2, 2003. Email marketers, “anti-spammers,” ISPs, ISP abuse department personnel, spam filter operators, other email technology professionals, consumers, consumer groups, and law enforcement officials are especially encouraged to participate.

Panel #1 will consist of consumers, email marketers, anti-spammers, ISP abuse department personnel and filter programmers discussing their daily experiences with spam.

Panel #2 will focus on the email address gathering process and the implications that address gathering technology has on consumer participation in e-commerce and the Internet. The harvesting of email addresses from the Web, newsgroups and chat rooms will be discussed, along with lists available for sale. Panelists also will speak about the distribution of email to those lists through spamware. The panel also will address the issue of consent and disclosures in voluntarily obtaining consumers’ email addresses.

Panel #3 will address the aspects of spam that can be falsified by senders, including false from and reply-to addresses, false routing information, deceptive subject lines, and fraudulent removal representations.

Panel #4 will explore the costs and benefits of spam to consumers, ISPs, and email marketers. Panelists will comment on the costs of sending spam relative to traditional forms of marketing. The amounts spent by ISPs on filtering, bandwidth, and customer service will be explored. How those ISP costs are passed onto consumers will be addressed, as well as consumers’ costs in time and decreased Internet participation.

Panel #5 will cover security weaknesses inherent in email transfer technology and the way that spammers exploit these weaknesses. Open Relays, Open Proxies and FormMail Scripts will be discussed in terms of their legitimate purposes, costs to the open technology providers, use in sending spam, and processes for securing those weaknesses.

Panel #6 will address blacklists, which consist of lists of domain names or Internet Protocol (“IP”) addresses of suspected spammers. Maintained by private entities, the lists are used to block email from those names and IP addresses. Issues for the panel include standards for being placed on blacklists, how to remove one’s IP address or domain name from a blacklist, and whether the use of such lists constitutes an unfair business practice.

Panel #7 will discuss nefarious files that are downloaded with the content of

email messages, including viruses, Web beacons, and spyware.

Panel #8 will cover issues specific to wireless devices, including the nature of text-based messaging and wireless email. The economic burdens that recipients incur in per-message and per-minute service rates will be of particular interest, along with the international experience and forecasts for increased wireless messaging.

Panel #9 will explore current and proposed legislation, including U.S. federal and state bills. Consumer and ISP private right of action clauses and the preemption of state law by federal law will be issues of prominence, as well as the effect legislation might have on email marketing. The panel also will examine any constitutional limitations on legislation.

Panel #10 will examine proposed and current international spam legislation, including policy decisions behind those statutes. Panelists also will discuss their experience and plans for enforcing international laws.

Panel #11 will discuss recent private and governmental spam law enforcement actions and the challenges of litigating spam cases. Some of the challenges that will be discussed include cost-effectiveness, tracking spammers, collecting evidence across borders, and effecting relief against international entities.

Panel #12 will focus on best practices for e-mail senders and receivers. E-mail recipient topics will include keeping e-mail addresses private, evaluating privacy policies and consent terms, using filters and responding to removal requests. E-mail sender topics include providing removal mechanisms, providing valid “from” addresses, and using opt-in or confirmed recipient lists.

Panel #13 will explore evolving technologies that aim to eliminate spam or offset its negative effects. The technologies include filtering technology, such as white lists and bonded sender programs, among others.

Panel #14 will discuss possible structural changes to the way e-mail is sent and delivered, including new mail transfer protocols and proposals to reverse the cost model of e-mail.

Requests To Participate as a Panelist in the Forum

Those parties who wish to participate as panelists in the forum must notify the FTC in writing of their interest by March 25, 2003, either by mail to the Secretary of the FTC or by e-mail to SpamForum@ftc.gov. Requests to participate as a panelist should be captioned “Spam Forum—Request to Participate, P024407.” Parties are asked

to include in their requests the name and number of the panel on which they would like to participate, a statement setting forth their expertise in or knowledge of the issues on which the panel will focus, and their contact information, including a telephone number, facsimile number, and e-mail address. If requesting by mail, please submit an original and two copies of each document. Panelists will be notified by April 8, 2003, whether they have been selected.

Using the following criteria, FTC staff will select a limited number of panelists to participate in the forum:

1. The party has expertise in or knowledge of the issues that are the focus of the forum.
2. The party’s participation would promote a balance of interests being represented at the forum.
3. The party has been designated by one or more interested parties as a party who shares group interests with the designator(s).

In addition, there will be time during the forum for those not serving as panelists to comment or ask questions.

By direction of the Commission.

Donald S. Clark,

Secretary.

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FEDERAL TRADE COMMISSION

[Docket No. 9303]

Lentek International, Inc., et al.; Analysis To Aid Public Comment

AGENCY: Federal Trade Commission.

ACTION: Proposed consent agreement.

SUMMARY: The consent agreement in this matter settles alleged violations of federal law prohibiting unfair or deceptive acts or practices or unfair methods of competition. The attached Analysis to Aid Public Comment describes both the allegations in the complaint and the terms of the consent order—embodied in the consent agreement—that would settle these allegations.

DATES: Comments must be received on or before March 5, 2003.

ADDRESSES: Comments filed in paper form should be directed to: FTC/Office of the Secretary, Room 159–H, 600 Pennsylvania Avenue, NW., Washington, DC 20580. Comments filed in electronic form should be directed to: consentagreement@ftc.gov, as prescribed below.

FOR FURTHER INFORMATION CONTACT: Elena Paoli or Carol Jennings, FTC,