# Washington Internet Daily

Covering Legislative, Regulatory and Judicial News Affecting Internet Business. From the Publishers of Communications Daily.

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# Today's News

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# House and Senate Debate Internet-Related Anti-Terrorist Funding

Funds related to cybercrime and the use of the Internet as an investigative tool were part of spending debates in the House and Senate Thurs. following the terrorist attacks on the World Trade Center and Pentagon Tues. (WID Sept 12 p1). The spending debates came one day after Sen. Bennett (R-Utah) predicted a "substantial supplement" for cybersecurity (WID Sept 13 p1). The House was debating a \$20 billion supplemental spending bill to allow President Bush to respond to the attacks that had nearly unanimous support in principle, while the Senate debated a spending bill that included funds for anti-terrorism.

"Our first priority is to respond swiftly and surely," Bush said in a Thurs. letter to Congress requesting it to "immediately pass and send to me the enclosed request for \$20 billion in FY 2001 emergency appropriations." He said the funds would be used by the White House to provide aid to victims, as well as other activities that Hill sources said could be used to bolster protection against cyberterrorism as well as boosting law enforcement efforts in using the Internet to track terrorists.

It was impossible to determine Thurs. exactly how the \$20 billion would be spent, and House Speaker Hastert (R-III.) said on the floor that such vagueness was intentional: "The numbers aren't actually defined line by line." He said the U.S. was in "a time of war, a time of emergency," and it was more important to pass the spending bill and leave the discretion to President Bush than to debate how the money should be spent. Nearly all members expressed support for the supplemental spending, but Democrats wanted Congress to have more say in spending decisions.

The Senate debated the Commerce-State-Justice appropriations bill Thurs. while waiting for the emergency funding bill to arrive (all spending bills originate in the House). The \$42 billion bill contains a \$23-million line item for the Justice Dept. to combat terrorism, including a \$5 million line item that could be reserved for paying informants. Sen. Gregg (R-N.H.) echoed many members in saying the attacks showed "we as a nation are going to have to be more aggressive in the use of human intelligence." On the House and Senate floor and in Internet listservs, U.S. intelligence policy has come under attack this week for relying too heavily on technology for intelligence-gathering. As with the emergency spending bill in the House, the appropriations bill was stalled in the Senate at our deadline.

Earlier Thurs. the House passed 413-0 a bill to compensate financially the families of public service officers killed in the attacks, with

each family eligible for \$150,000-\$180,000. House and Senate leaders also were negotiating language on a joint resolution vowing support for the President as he prepared a counterstrike, although both houses have said the resolution wouldn't be a formal declaration of war. — Patrick Ross

#### **Spam Pervasive**

## **Internet Informs During Crisis but Also Provides Tool for Crime**

The packet-switched nature of the Internet worked as its Defense Dept. designers anticipated following the Tues. terrorist attacks, for the most part allowing people to access news sites and send e-mail to loved ones when landline and mobile phone services failed. However, the Internet also provided an opportunity for some to seek to profit from the misery, according to the Coalition Against Unsolicited Commercial Email (CAUCE). That group said fraudulent e-mails soliciting funds for the victims of the attacks have been sent. FCC Comr. Copps said during an FCC meeting Thurs. that the Internet proved to be an "important new channel" of communications in national tragedies. Wall St. remained closed Thurs., primarily because communications lines weren't yet operational in the N.Y. financial district. Meanwhile, more Internet industry officials were revealed to be casualties of the attacks.

Originally designed by the military as a communications network that wouldn't be disrupted by nuclear war, the Internet proved a highly reliable communications source after the attacks. Internet data packets can run on different paths to reach the same destination, which differs from circuit-switched technology found in phone lines. Some Web site servers were overwhelmed in the first hour or 2 after the attacks, including news sites such as ABCNews.com and MSNBC.com. CNN.com reported 9 million page views per hour immediately after the attacks, compared with a usual rate of 11 million daily. However, a decrease in usage later Tues, and a reduction in graphics use by many Web sites to speed downloading cleared most of the traffic congestion, operators said.

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Among those taking advantage of the Internet's lack of congestion were spammers, CAUCE charged, saying some spams soliciting money went out within an hour of the World Trade Center attack. The group cited e-mails claiming to represent groups such as the "Express Relief Fund" or "Victims Survivor Fund," without providing information on the named groups. Another said money would go to the Red Cross, although CAUCE said the hyperlink in the e-mail led Web surfers to a site unaffiliated with the Red Cross (www.redcross.org). One spam was more brazen once opened, telling visitors: "No terrorists here! Join our porn site, turn off your TV, quit watching the crap happening in the States, and join our free site!"

CAUCE said recipients of e-mail seeking funds for terrorist victims should assume it was fraudulent if they didn't know the sender or the organization, saying that almost all relief agencies e-mail only individuals already involved with them. They also said those looking to give should see whether the URL for the group's link is hidden (a sign it's fraudulent) and should verify the group's legitimacy independently. Some of these incidents could be cited soon on the House floor, as House Majority Leader Armey (R-Tex.) has given Rep. Wilson (R-N.M.) a verbal commitment to have her antispam bill debated no later than the end of next week.

The FBI received more than 22,700 tips in its investigation of the attack through its Web site, Attorney Gen. John Ashcroft said, and its hotline has received 2,055 calls.

Wall St. continued its longest closure since the end of World War II Thurs. Most of the focus was on trying to identify survivors of the myriad brokerages that operated in the World Trade Center. However, one reason for the continued closure of the N.Y. Stock Exchange and Nasdaq was that much of lower Manhattan's communications grid and electric service still was down. "Both systems are integral parts of the stock exchanges and must be fully functional before the markets are reopened," U.S. Chamber of Commerce CEO Thomas Donohue said: "No one understands the importance of the stock market more than American businesses, but reopening it right is more important than reopening it fast." At our deadline Thurs., House Financial Services Chmn. Oxley (R-O.) and ranking Democrat LaFalce (D-N.Y.) were holding a briefing on the restoration of the financial industry, after which they had scheduled a private briefing with SEC Comr. Laura Unger, Treasury Asst. Secy.-Financial Institutions Sheila Bair and Federal Reserve Board Vice Chmn. Roger Ferguson.

Sun Microsystems occupied the 25th and 26th floors of the south World Trade Center tower, the 2nd tower hit in the Tues. attacks. The company said that all of its N.Y.C. employees were safe and accounted for. However, Phil Rosenzweig, 47, a Sun manager stationed in Burlington, Mass., was a passenger on American Flight 11 to L.A. that crashed into the World Trade Center's north tower, Sun said. "Our prayers and thoughts are with Phil's family and loved ones," Sun CEO Scott McNealy said, and "although we are relieved that our World Trade Center employees are safe, we are devastated by the tremendous losses that are being suffered." Other fatalities included Edmund Glazer, CFO for optical network systems manufacturer MRV Communications, who was on one of the hijacked planes; also on one of the airliners were 4 employees of Raytheon's Electronic Systems Div., whose names weren't released. — *Patrick Ross* 

#### **Good, Bad News for ICANN**

### **Protocol Council Leaves Door Open for Alternate Roots**

While it's technologically feasible to build a functioning alternate root system, there's no reason to do so, the ICANN Protocol Supporting Organization's Protocol Council (PC) said in a statement provisionally adopted this month. The Internet domain name system (DNS) now operates using a single authoritative root server system (the U.S. govt. root), the PC said. While it's technically possible to devise and standardize a "fully compliant" alternative root system, doing so would require the development of a new set of protocols for use by the DNS, the council said. If the statement is approved by a working group of the International Telecom Union it will be forwarded to ICANN, the PC said.

The council's statement was unexpected, we're told, because it didn't unequivocally support either the Internet Architecture Board's position on the uniqueness of the DNS root or ICANN CEO Stuart Lynn's paper on the authoritative root (that ultimately became ICANN policy ICP-3). And while the PC said there was no technical reason to have alternate roots, it left open the possibility that there could be policy reasons for doing so, a source said. At the same time, the source said, the PC threw some support to ICANN by saying that additional root systems would need new protocols, implying that existing alternate roots weren't doing it right.

The "good news" for Lynn is that the PC statement says that the DNS currently runs on a single authoritative root, that the system works and that alternate roots can't be implemented without new protocols that there's no reason to develop, Wayne State U. law prof. Jonathan Weinberg said. On the other hand, he said, it "tells us that multiple roots are

not inherently bad" and that an alternate root system "could be fully compliant given the right set of protocols." The statement "significantly undercuts the 'alternate roots are evil and their proponents must be suppressed' tone of ICP-3," Weinberg said.

The metamorphosis of Lynn's paper on alternate roots into official ICANN board policy drew sharp criticism from some in the Internet community. In Aug., Weinberg and U. of Miami law prof. Michael Froomkin sought reconsideration, saying the process of the paper's adoption as policy — without board approval or "bottom-up" consensus — was "badly flawed" (WID Aug 10 p2). After the reconsideration request was filed, Weinberg sent a personal message to several board members and ICANN Vp-Gen. Counsel Louis Touton asking the board to wait for the PSO's position statement and then refer the issue to the Domain Name Supporting Organization for input. Only then, Weinberg said, would the board be in a position to adopt the document as its own. "Everybody wins if ICP-3 is withdrawn from the ICP series so that it can be replaced by a document that is the product of a bona fide consensus process," Weinberg wrote. The reconsideration request is pending. ICANN couldn't be reached for comment by our deadline. — *Dugie Standeford* 

### **Capitol Hill**

<u>Congressional hearings scheduled for Thurs.</u> but postponed indefinitely include: (1) Senate Commerce Committee's Science, Technology & Space Subcommittee on "digital divide." (2) House Govt. Reform Committee on FBI oversight and agency's reported refusal to provide Congress with documents relating to criminal investigations and wiretaps.

# **Agencies**

The FCC began a review Thurs. of the 1975 rule barring cross-ownership of a broadcast station and a daily newspaper in the same market. In a rulemaking, the Commission asked a series of wide-ranging questions that note changes in the number and kinds of media outlets established in the last 30-plus years, including the Internet. It also asked parties to provide data on how the public interest was harmed by or benefited from such combinations. The Newspaper Assn. of America (NAA) said it was encouraged by the FCC action. "With the ever-expanding number of types of media voices today, there simply is no reason that justifies continuation of the cross-ownership ban," NAA Pres. John Sturm said. An NAB spokesman said the rules were instituted when there was no cable, satellite, Internet or other media alternatives. "These are antiquated rules that are a relic of a bygone era," he said. — BG

<u>The Customs Service said it would award a sole-source online</u> worldwide airline passenger manifest information services contract to GE Global eXchange Services, Gaithersburg, Md., and "no other offer will be considered." Further information wasn't available.

### **States**

Tex. officials will meet today (Fri.) to discuss computer and critical infrastructure security, said Reid Wittliff, Tex. Attorney Gen. Internet Bureau chief. The meeting's goal will be the formation of a working group to continue studying the issue, which could lead to the establishment of a state infrastructure protection center (SIPC), similar to FBI's National Infrastructure Protection Center (NIPC), he said. "We need to figure out what the state's needs are and how we can better protect our critical infrastructure," Wittliff said. Tex. officials were to have held a conference on that issue earlier this week, but the terrorist attack forced a postponement, he said. State officials already were aware of the need for a review of computer security, but the attack made the review even more pertinent, Wittliff said. Computer and infrastructure security became an issue after state agencies began putting information online at a quick rate, he said. "We started thinking about what would happen, heaven forbid, if the systems were destroyed," Wittliff said. "That's something we need to think about ahead of time." Currently, state agencies are on an "island," he said, and have little access to threat assessments. He said an SIPC would be useful to distribute information learned at the federal level. The meeting also will include Tex. Chief Information Officer (CIO) Carolyn Purcell and a representative of the Justice Dept. (DoJ) Computer Crimes and Intellectual Property Section (CCIPS). Wittliff said Ariz. Rep. Wesley Marsh (R) could join the meeting by telephone. Marsh introduced legislation in Ariz. that would have created a SIPC there, but Ariz. Gov. Jane Hull (R) vetoed the bill. However, Marsh told us many of the legislative initiatives in the bill were being enacted now through executive orders. He said that in the wake of the terrorist attacks, states should work to improve their cybersecurity. Marsh said Okla. also was considering forming an SIPC. — TL

#### **Courts**

The Judicial Conference of the U.S., the administrative policy body of the federal court system, hasn't yet rescheduled its meeting cancelled Tues. after the terrorist attacks. Richard Carelli, U.S. Courts spokesman, said the meeting always is difficult to coordinate because of the judges' schedules and it usually is planned a year in advance. Carelli said a new date could be determined by today (Sept. 14). Included in the recommendations the conference will consider are policies on monitoring of court employees' computer usage and posting of court documents onto the Internet. — TL

# Security

In an address to the InfowarCon 2001 conference Sept. 5,Ronald Dick, FBI National Infrastructure Protection Center (NIPC) Dir., said the ability of cyberintruders to remain anonymous was hurting his group's ability to investigate intrusions. His comments were made before the terrorist attack and a transcript was just received by *Washington Internet Daily*. Dick said the most difficult legal debate on computer intrusions was the balance of privacy rights. "The most difficult decision involves properly balancing our right to privacy or, in my view, simply reestablishing the traditional balance between privacy rights on one hand and the demands of public safety and national security on the other," he said: "However, there is reason for concern that cyberintruders are gaining the ability to remain anonymous, regardless of their impact on human life and national security and regardless of whether the government can make a showing that it should be able to get the information necessary to catch them. Quite simply, the balance described in the Constitution, which provides the government with the capacity to protect the public, is eroding. In its place, the privacy of criminals and foreign enemies is edging towards the absolute." As a result, the number of people and organizations being victimized by intrusions is growing, he said. Dick didn't suggest any specific changes in current law. He defended the placing of the NIPC in the FBI. Sen. Bennett (R-Utah) had suggested that it be in the Defense Dept., but Dick said restrictions on the military to act as a domestic police force made it unsuitable for many investigative actions. — *TL* 

#### **Domain Names**

The World Intellectual Property Organization (WIPO) had opened nearly 200 .info domain-name sunrise challenges as of Thurs. afternoon. Domain names being challenged include "wireless.info," "tech.info," "sex.info," "software.info," "money.info," and "telecom.info." Meanwhile, the National Arbitration Forum said it would handle dispute resolution for .biz domain names.

## **Industry Notes**

<u>EGlobal Digital and RightsLine Inc. will partner</u> to help companies track artists' contract rights and payments, they said. The integration will pair eGlobal's media asset management solution with RightsLine's Rights Intelligence System to allow copyright rights changes to be done quickly from one location and then sent out across the system, the companies said.

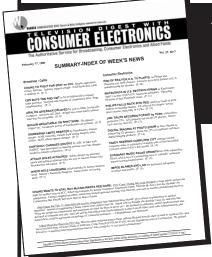
<u>Correction</u>: Chris Hoofnagle of the Electronic Privacy Information Center (EPIC) was quoted incorrectly in the Sept. 6 edition. He said EPIC did not believe regulation ensuring Internet privacy would violate the public's right to self-expression.

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