

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.

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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).