

TESTIMONY OF
DAVID MOORE, C.E.O. OF 24/7 MEDIA
BEFORE THE SENATE COMMUNICATIONS SUBCOMMITTEE
APRIL 26, 2001

Good Afternoon, I am David Moore, CEO of 24/7 Media.

I'd like to thank Chairman Burns and the ranking member, Senator Hollings and members of the committee for inviting 24/7 Media to participate today and would like to begin by commending Senators Burns and Wyden for their leadership in crafting the "Unsolicited Commercial e-mail Act of 2001". This bill represents a responsible, common-sense approach to establishing standards for commercial email practices and is an important first step in helping to protect consumers and legitimate marketers from the abuses of spammers.

As a leading provider of online marketing and advertising solutions and services, 24/7 Media's clients have included such notable businesses as Reuters, The Economist, USA Today, American Express, Law.com, MSNBC, General Motors, Verizon, AT&T, The Financial Times, and Disney to name a few. We provide a valuable service to consumers by delivering content they have requested such as news, real-time stock quotes, and other information.

The success of the interactive industry lies in the confidence of the relationship among content publishers, service providers, marketers, advertisers, and consumers. We support "permission-based" communications that empower consumers with notice and choice.

The interactive marketing industry has been tainted by the actions of disreputable marketers who use deceptive practices in sending unsolicited commercial electronic mail. These marketers, or spammers, should not be allowed to infringe upon or negatively influence the need for legitimate commerce to prosper in the online world. The Committee and Congress should focus on legislation this year that especially addresses the problem of fraudulent, misleading, forged and inaccurate e-mail communications. These practices are an encroachment on the rights and privacy of consumers.

24/7 Media, along with other companies, has worked diligently over the past year to establish and put into effect guidelines and practices that will enable the Internet to prosper as the world's leading communication, educational and information tool.

24/7 Media has an interest in minimizing spam. We maintain one of the largest, permission-based email databases and generate a significant portion of our revenue from list management and brokerage as well as from our email service bureau, 24/7 Exactis. We recognize that respecting the privacy rights of consumers will help sustain our long-term business model.

Let me tell you more specifically how we conduct our business:

We don't spam
We don't allow our clients to spam
We include a functioning return e-mail address in all e-mail deliveries
We don't use deceptive subject headings
We always provide clear and conspicuous notice for consumers to opt-out
We don't do business with any business that distributes pornography

I am proud to say that 24/7 Media's level of accuracy in delivering the appropriate content to the consumer is exceptional. During a six month period last year, 24/7 Exactis received one complaint for every 16,000 emails delivered. Most client lists, in fact, generated no complaints at all. We also found that in most instances, if there was a complaint, the complaint was resolved soon after the subscriber was reminded of how the marketer obtained their email address.

From 24/7 Media's point-of-view, the Burns-Wyden bill appropriately focuses on email abuse. These spammers devalue our own efforts and weaken the consumer confidence that is so important for all online businesses to succeed and flourish. We also believe that enforcement mechanisms should deter spammers from encroaching on the privacy of consumers and not penalize legitimate marketers who are adhering to the standards.

In announcing the introduction of this bill on March 27, Senator Wyden said: "...Spam could have a significant negative impact on how consumers use Internet Services and e-commerce. This legislation strikes at unscrupulous individuals who use e-mail to annoy and mislead". I agree with that sentiment and I invite the rest of our industry to stand behind this effort to "strike out at the unscrupulous", support best industry practices and continue to provide value to the consumer.

Mr. Chairman and the Committee, I thank you again for the opportunity to participate in today's hearing. This is a complex policy challenge that must accommodate evolving technologies and business models. We look forward to working with you to fine-tune this legislation.

24/7 Media remains committed to engaging lawmakers on key policy issues and recognizes that regulation of commercial e-mail practices is only one of many key decisions this Committee will have to sort through in the future. We look forward to continuing to work with you and to be a resource to you as you consider Internet-related policy and work toward our common objective of protecting the rights and privacy of all consumers while at the same time ensuring the long-term viability of the Internet and legitimate web-related businesses.

Again, thank you for the time and I look forward to your questions.

Thank you.