Week 6

2. What new technologies are posing a threat to CheckFree’s leadership?

The new technologies that pose a threat to CheckFree’s leadership include those used by PayPal, which now has its own bank charter. This will let it hook directly into the ACH so PayPal won’t have to wait for banks to agree on bill presentment; this may give it a competitive edge over CheckFree. PayPal also has an easy-to-use customer interface, while CheckFree doesn’t have its own user interface at all. Other new technologies are less expensive software systems that use XML and are built on open Web standards. Aside from being much less expensive, these new systems can be easily integrated into a merchant’s existing transaction systems.

4. How might the continued evolution of broadband Internet connections spur the growth of online bill payment?

The display of statements and interactivity required for online bill payment will be more easily accomplished with a broadband Internet connection than with a dial-up connection.
Week 7

2. If you were a librarian, would you support Google’s Print Library program? Why or why not?

Yes, because the purpose of a library is to make books easily and inexpensively available to a local community. The Google service is complimentary to this mission by making relevant portions of books easily available to users.

No, because Google’s program which relies heavily on libraries making their collections available to Google will put a strain on the relationship between publishers and libraries. Moreover, why should people come to libraries when they can gain online access to relevant portions of books? The two services, libraries and Print Library, are substitutes for one another.

3. Do you believe Google’s claim that scanning entire books fits within the concept of “fair use?” Why or why not?

Fair use was invented as a concept to make it possible for reviewers, satirists, reporters and academics to use very limited portions of copyrighted works in their works without having to seek permission. Google’s claim is quite a bit more far-reaching. Google claims the right to scan an entire book and make any portion it wants available to users. It is similar to a lending library online although this comparison is limited because only a “portion” of books will be presented to users. The question is: how much of the book, and what portions, will be available?
2. What are the social implications of a single firm such as VeriSign dominating the market for digital certificates? Who oversees VeriSign? Is there a need for legislation to regulate the digital certificate industry, and if so, what kind of regulation do you think might be appropriate?

One implication of a single firm dominating the market is that whenever any one company controls a market for which there is high demand, they have no need to constantly improve their product. Lack of competition driving a firm to maintain a competitive advantage can lead to stagnancy. In the case of digital certificates, this could be particularly dangerous because security systems could become compromised, resulting in losses to both consumers and businesses. Utah was the first state to adopt digital signature legislation, and other states followed the trend. This was intended to regulate the use and enforceability of digital signatures.

On October 1, 2000, the *Electronic Signatures in Global and National Commerce (E-sign) Act* became federal law in the United States. Although the main purpose of these statutes was to make digital signatures the legal equivalent of their pen-and-paper counterparts, under the E-Sign law, “a state or federal regulatory agency can interpret the E-Sign law and specify standards to carry out the agency's statutory directives.” While an agency may not require the use of a particular type of hardware or software, it can specify a performance standard or technical specification to address security, record integrity, signer authentication, and interoperability issues.

Many consumer advocates believe that further legislation is required to regulate the digital certificate industry because the E-Sign law does not go far enough to protect consumers’ rights. They worry that if someone steals a credit card, the owner of that credit card is protected under credit card laws, but the owners of digital signatures are not. A handwritten signature can be scientifically linked to its owner, but how can anyone prove an electronic signature is not his or hers? Consumer advocates want protections put in place that will relieve consumers of the responsibility for the unauthorized use of their digital signatures.
Week 9

1. Do you believe the advertising networks bear any responsibility for ad bombs placed on your machines? How about Colonize.com? Why or why not?

Although it is possible that some students may think that ad networks have no responsibility for adware, spyware, or the ad bombs that they facilitate, most students will likely believe that they do bear some responsibility because they make money serving ads to ambush marketing firms like colonize.com. These techniques would not work without advertising networks.
Week 10

3. *With the marriage of content and distribution in the Internet age and the concentration of these industries into a few top players, do you believe the harm to consumer interests is already manifesting itself and/or is there potential for long-term damage?*

The harm to consumer interests may be somewhat unclear so far, but price increases in both ISP services and cable services are already occurring. Reduction in the quality of offerings in the content industry is also already manifesting itself. There are so many copycats and mimics attempting to attract the attention and the dollars of the major content players that a proliferation of pat, formula programming is occurring in music, television, cable programming, and movies. Everything is turning into a bland, one-flavor, uninspiring rehash of the same material that has garnered profits in the past. Not only are price increases already harming consumers, but the offerings are rife with mediocrity throughout the content industry. The potential for long-term damage may compound this situation as network management practices are used to thwart competition from unaffiliated content providers. The people who use cable for Internet access may be held hostage to price increases at the same time that their access to content is restricted. Cable users are already disadvantaged because they must adopt whatever ISP service the cable company owns. The potential long-term damage is that they will have restricted access and have to pay premium prices for their ISP service. “Must-carry” provisions could be watered down so that consumers can no longer access their local broadcast television stations via cable and community access channels covering such topics as local government public affairs and other non-profit programming.

The quantity of programming on television, cable, and via Internet access may be continually reduced by an increase in advertising airtime. Restraints may be placed on the ability of specific users to upload or download different types of content. For example, the cable companies may see streaming video over the Internet as competition for their on-air offerings. Fearing a cannibalization of their existing distribution channel, they may impose restrictions and/or quality reductions in order to maintain profitability. Escalating prices may include pricing structures that utilize a tiered service approach with only users paying the most exorbitant rates at the top of the tier, receiving full access to Internet offerings. The Internet may in fact devolve into a pay-per-view experience with the content and distribution owners charging for access to each and every site. The most dangerous long-term effect of this will be the ever-widening gap between the haves and the have-nots in the digital world: a digital divide of monumental proportions. With the costs for Internet access skyrocketing and access restricted by the ability to pay for multiple encounters, the content industries gain could wind up having hugely negative effects on society at large.