



June 1, 2006

We are writing to you in regard to the recent decision of many cities and towns to develop municipal broadband networks. Media reports suggest that over 400 cities and towns worldwide are already planning such projects, with that number projected to double this year. As organizations deeply committed to continued expansion of the Internet for the lawful delivery of high-quality content and next generation e-commerce, we welcome the advent of greater consumer access.

At the same time, however, we must remain vigilant against the dangers associated with online activity. Sadly, unscrupulous individuals and organizations exploit technology and the Internet to engage in a wide variety of dangerous and damaging unlawful activity. Increasingly, cyberspace has become a favored venue of criminals engaged in fraud, identity theft, piracy, phishing, hacking, distribution of child pornography, and the exploitation of children.

As broadband municipal networks develop in cities across this nation, those systems should set the example for safe, lawful Internet use by including adequate safeguards against illicit activity. State and local law enforcement have recognized the significant dangers involved with the growing sophistication of illicit activity on the Internet, and we have frequently worked together to combat online dangers. Likewise, we would like to build on those joint efforts and continue to expand the potential of the Internet in a safe way for both users and e-businesses.

Scarce taxpayer resources should not be used to build broadband infrastructure that can be easily exploited by criminals to prey on citizens with little fear of detection or apprehension. As one basic example, appropriate security measures should include validated identification mechanisms to identify users who engage in illegal activity on public systems. Similarly, publicly funded networks should prohibit transmissions by file sharing programs and applications that utilize encrypted protocols specifically to mask a broad range of illegal activity, from the massive unauthorized distribution of copyrighted works to the exchange of pornographic materials and child pornography. Additionally, steps should be taken to protect system users from the increasing use of botnets, spyware and other forms of malicious code now being disseminated globally via the Internet. It is incumbent on service providers to take these preventative steps as it is often the case that the consumer simply has no idea that their computer has been infected by these pernicious types of code. Consideration should also be given to technologies that can promote lawful Internet usage. A strong educational component, both for businesses and citizens using the system, is critical as well to help teach people how to avoid potential dangers and to promote responsible online conduct in general.

While the methods for the provision of such online safety and security will obviously differ, we believe that any municipal network provider agreement should include specific provisions setting forth such requirements. To that end, we would welcome the opportunity to discuss with you the guidelines and provisions which we, based on our experience in this area, believe municipal

networks could incorporate to help foster lawful Internet use and ensure a safe online experience for everyone.

Sincerely,

BITS

The Financial Services Roundtable

The Motion Picture Association of America

The National Center for Missing and Exploited Children

The Recording Industry Association of America

- BITS was created in 1996 to foster the growth and development of electronic financial services and e-commerce for the benefit of financial institutions and their customers. A nonprofit industry consortium that shares membership with The Financial Services Roundtable, BITS seeks to sustain consumer confidence and trust by ensuring the security, privacy and integrity of financial transactions. BITS works as a strategic brain trust to provide intellectual capital and address emerging issues where financial services, technology and commerce intersect, acting quickly to address problems and galvanize the industry. BITS' activities are driven by the CEOs and their appointees—CIOs, CTOs, Vice Chairmen and Executive Vice Presidents—who make up the BITS Executive Committee and BITS Advisory Council. For more information, go to www.bitsinfo.org.
- The Financial Services Roundtable represents 100 of the largest integrated financial services companies providing banking, insurance, and investment products and services to the American consumer. Member companies participate through the Chief Executive Officer and other senior executives nominated by the CEO. Roundtable member companies provide fuel for America's economic engine, accounting directly for \$50.5 trillion in managed assets, \$1.1 trillion in revenue, and 2.4 million jobs.
- The Motion Picture Association of America (MPAA) serves as the voice and advocate of the American motion picture, home video and television industries from its offices in Los Angeles and Washington, D.C. Its members include: Buena Vista Pictures Distribution; Metro-Goldwyn-Mayer Studios Inc.; Paramount Pictures; Sony Pictures Entertainment Inc.; Twentieth Century Fox Film Corporation; Universal City Studios, LLP; and Warner Bros. Entertainment Inc.
- The National Center for Missing & Exploited Children® (NCMEC) was established in 1984 as a private, nonprofit 501(c)(3) organization to provide services nationwide for families and professionals in the prevention of abducted, endangered, and sexually exploited children.
- The Recording Industry Association of America (RIAA) is the trade group that represents the U.S. recording industry. Its mission is to foster a business and legal climate that supports and promotes our members' creative and financial vitality. Its members are the record companies that comprise the most vibrant national music industry in the world. RIAA members create, manufacture and/or distribute approximately 90% of all legitimate sound recordings produced and sold in the United States. In support of this mission, the RIAA works to protect intellectual property rights worldwide and the First Amendment rights of artists; conduct consumer industry and technical research; and monitor and review - - state and federal laws, regulations and policies. The RIAA also certifies Gold®, Platinum®, Multi-Platinum™, and Diamond® sales awards, and recently launched Los Premios De Oro y Platino™, a new award celebrating Latin music sales.