

# New net rules would hit digital economy: diplomat

Matt Smith, Reuters

(Reuters) - Inter-governmental regulation of the Internet could deter investment, raise costs for consumers and hinder online access, a U.S. diplomat said on Wednesday.

The United States has been leading efforts to stop a [United Nations](#) [1] body from extending its authority into cyberspace.

U.S. Ambassador Terry Kramer reiterated his country's "hands off" message at a summit hosted by the International Telecommunication Union that could decide the future of the Internet, at present largely unregulated at a global level.

"We are concerned some of the proposals could create an investment environment that is very tenuous," Kramer told Reuters. "We need to be very mindful that we are not creating new, much greater problems than we are solving."

About 150 countries are gathered to renegotiate an ITU treaty that was last updated in 1988, before the Internet and mobile phones transformed communications.

Western Internet companies and rights groups are fiercely opposed to proposals that would require companies to identify Web users at the demand of national governments, which would make it easier for countries to identify and punish dissidents.

Activists operating under the Internet banner Anonymous said on Wednesday they would organize public protests. A short time later, a denial-of-service attack was launched against the ITU's main website.

Such attacks, in which thousands of [computers](#) [2] try to connect to the same site simultaneously, can temporarily overwhelm the target with traffic, though they do not breach security or cause lasting damage.

The ITU site was rendered at least temporarily unavailable to net users in some regions and was sluggish afterward.

The United States wants to restrict the debate in Dubai to conventional telecoms, and two of its three core recommendations have been approved, Kramer said. Member states have agreed the definition of 'telecommunications' should remain unchanged, while the treaty's introductory passages, relating to its scope, will also be unaltered.

The third recommendation, still being debated behind closed doors, is a technical,

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but important distinction that the treaty should relate only to "recognized operating agencies" - conventional telecom operators - and not "operating agencies."

The latter definition would potentially place the likes of [Facebook](#) [3], Google and government and [business](#) [4] networks under the jurisdiction of the ITU.

"These sectors have done incredibly well without almost any regulation at all," said Kramer.

The United States and its allies, including [Australia](#) [5], Canada, Europe and [Japan](#) [6], want a strict delineation between the two, while other countries say the two are now inseparable and both should be governed by ITU legislation.

The United States says that allowing the Internet, and with it content, to come under global regulations would pave the way for online censorship and restrictions on free content.

"There are still a lot of countries seeking to sweep the internet into this, and some of them have got ulterior motives," said Kramer.

Some African and Arab states have adopted proposals from a European telecom association to introduce charges to companies such as Google if they deliver content to networks abroad.

Telecom operators' voice revenue is in decline, and they claim the investment needed to keep up with surging demand for data does not justify the returns.

"If there is a charge imposed on developers of content and applications that could significantly curtail traffic, it would potentially exacerbate the digital divide because a lot of countries would not receive the traffic they need," said Kramer.

(Additional reporting by Joseph Menn in San Francisco; Editing by Dan Lalor and Peter Henderson)

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