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OECD

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CONSEIL AU NIVEAU DES MINISTRES

26-27 MAI 1999

POINT 5

**COMMERCE, INVESTISSEMENT : DEFIS ET OPPORTUNITES POUR LE SYSTEME MULTILATERAL,
ET OBJECTIFS POUR UN NOUVEAU CYCLE DE NEGOCIATIONS COMMERCIALES
DE L'OMC**

ETATS-UNIS

Déclaration : le Commerce électronique

**Mr. David L. AARON
Under-Secretary of Commerce for International Trade**

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COUNCIL AT MINISTERIAL LEVEL

26-27 MAY 1999

ITEM 5

**TRADE, INVESTMENT: POLICY CHALLENGES AND OPPORTUNITIES FOR THE MULTILATERAL
SYSTEM, AND OBJECTIVES FOR A NEW WTO ROUND**

UNITED STATES

Statement: Electronic Commerce

**Mr. David L. AARON
Under-Secretary of Commerce for International Trade**

Amb. Aaron OECD Intervention on Electronic Commerce

Privacy

- The OECD has been a leader internationally on electronic commerce, and I want to offer my sincere praise to this institution for its efforts and success to date.
- Last year's Ministerial conference was a big success and helped focus attention globally on a range of key issues affecting electronic commerce. It also served to lay out a solid work plan for the OECD for this year on issues such as taxes, privacy, consumer protection and authentication.
- I want to highlight two of these areas of activity now. First, as we all know, the OECD was an early pioneer on privacy and its 1980 Privacy Guidelines have served as a valuable international benchmark that has withstood the test of time. The Ottawa Declaration on Privacy demonstrated that these principles can be successfully adapted to new and different conditions.
- As your countries review or consider privacy in the Internet era, I hope you will be guided by the OECD's work in this area and seek a balance that protects individual privacy while allowing the free flow of information. With trade increasingly dependent on the free flow of information, we must all work to ensure that the right balance is found.

Consumer Protection

- This same approach and logic applies to a second major focus of the OECD, consumer protection. As you know, the OECD will complete consumer protection guidelines for electronic commerce this year.
- The United States has been a leader in protecting consumers' rights in traditional transactions, and continues to lead as we extend these same protections to consumer transactions on the Internet. In fact, many countries have modeled their consumer protection regimes after our own, or drawn on the expertise of the Federal Trade Commission in developing their own regimes.
- I want to say unequivocally that we support the development of Consumer Protection Guidelines, but guidelines, not rules or a model law. These guidelines should be broad in scope, flexible in application and should be able to stand the test of time, as the Privacy Guidelines have done.
- Some of the early drafts have been quite prescriptive in their approach. We also have raised concerns about trying to tackle issues of jurisdiction and choice of law in the consumer protection guidelines. We know from our experience that these are extremely difficult issues. These issues also have significant implications for electronic commerce

and significant implications for consumers. It is important that we proceed ^{on these issues} issues thoughtfully and with as much information as possible.

- That is why the Federal Trade Commission will be hosting an international workshop in two weeks (June 8-9) on this very topic. We expect to advance the discussion of these issues significantly at that workshop, and hope the international participants will similarly benefit from the dialogue.
- We also think it is important that we recognize that there are other important efforts underway that are looking at similar issues, and the OECD should be informed by and benefit from those efforts.

October Follow Up Conference

- We are pleased that the OECD is planning an October 12-13 working-level meeting to follow up on the Ottawa Conference. A working-level meeting is an important opportunity to assess progress since Ottawa on the key issues related to electronic commerce. We look forward to developing an agenda that reflects these goals.
- Given the constructive role of industry in the 1998 Conference, and the emphasis we have placed on private sector leadership, we are especially interested in hearing from the business community about their efforts over the past year.