



July 6, 2012

The Ministry of Industry and Information Technology
Of the People's Republic of China
No. 13, Chang An West Road
Beijing, China 100804

Dear Sir,

Comments on the draft Internet Information Service Management Rules

Thank you for providing us the opportunity to offer you feedback on the proposed amendment to the Internet Information Service Management Rules.

The Asia Internet Coalition (AIC) is an industry association founded by eBay, Google, Nokia, Skype and Yahoo! Inc. As its mission, the AIC seeks to promote the understanding of internet policy issues in the Asia-Pacific Region.

The AIC recognizes the importance of the internet as a driver for innovation and economic growth. For example, the Boston Consulting Group reported in 2011 that the internet contributed HK\$96 billion to the economy, which is 5.9% of Hong Kong's GDP. It acknowledges the critical role regulations play in ensuring that the internet can continue to grow and play an important role for China's economy. It is from this perspective that the AIC offers its comments.

Specific Comments

The AIC is concerned by the Government's plans to introduce government mandated filtering without transparency or accountability, the real name system and additional licensing requirements. We appreciate your consideration on the following set of comments:

RE: Article 10 and 38 --- The additional licensing requirements seem to be a duplication of effort, because the services as regulated in article 10 and 38 are already covered by the existing ICP license as regulated in Article 2 and will increase costs for service providers unnecessarily. We recommend removing Article 10 and 38.

RE: Article 15 --- We are concerned that the real name system is an unproven policy measure and will impose an unreasonable regulatory burden on companies. Small

startups in particular will have difficulty taking on the administrative, technical and legal burdens of implementing a real name verification system. For example, Korea, the country that pioneered the real name system, is phasing out the system because it led to massive privacy breaches and it disadvantaged domestic companies from competing globally. At best, the real name system is an unproven policy that requires more discussion before any mandatory requirements are put into place. We recommend removing Article 15 or make registering with real identity voluntary rather than mandatory.

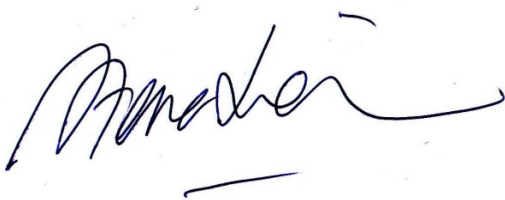
RE: Article 16 --- We are concerned with the lack of stipulation of a legal procedure that is required for the government in order to request user data. To be in compliance with international standards, we recommend a clear and transparent legal process for government requests for user data.

RE: Article 18 --- Many of the categories of “illegal content” regulated in Art 18 are not clearly defined, subjective and open to interpretation. A lack of transparency and accountability in laws and regulations makes it more difficult for foreign companies to compete in the market. We urge the Ministry to clearly and narrowly scope these categories. In addition, it should also be made clear that service providers should not have a duty to monitor for these activities.

We would also recommend that procedures requiring intermediaries to filter content should follow international best practices of notice-and-takedown so that there is a transparent process for receiving notifications, evaluating, removing and appealing the decision to filter or remove content. For example, filters targeting pornography might also screen out legitimate health information, such as breast cancer websites.

In conclusion, we thank you for taking the time to review our comments, and look forward to further engaging you on this. Should you have any further queries, please do not hesitate to contact us should you require further information on the contents of this submission.

With best regards,

A handwritten signature in black ink, appearing to read 'Steven Liew', with a horizontal line underneath it.

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