

LawTechTalk

(A new series of informal talks about law & technology)

Junkbusters

The Political Economy of Junk Communications: Preventing a Tragedy of the Commons

Jason Catlett — Junkbusters Corporation

1–2 pm, Wednesday 19 March 2003

Room 1311, Law Faculty

13th floor, Library Stage 2, UNSW (via gate 11 Botany St)

Using examples from physical mail, email, telemarketing and faxes, Dr Catlett argues that such “channels” favored by marketers must be regulated to prevent them from suffering as a result of their own success. Consumer technology adoption, cycles of technological innovation and network effects from wider adoption lower the cost of each message. But as unit costs drops, the number of junk messages typically increases because the response rate stays steady or decreases. More accurate targeting also results in more junk messages because the total volume is increased to reach responders who could not previously be profitably acquired. Any good communications medium tends to be overrun if its use is insufficiently restrained.

Market forces alone do not moderate the abuses of some senders. If junk becomes too prevalent, the medium (and its network effects) may be spoiled, with many consumers abandoning it. US 900 numbers and many Usenet groups turned into ghost towns illustrate this “tragedy of the commons”. Law is needed to restrain abuses, promote confidence, and protect societal values. Yet businesses oppose such changes with histrionic stubbornness. Within this framework the regulation of marketing communications channels can be viewed as enabling governance, rather than as punishment for abuses.

About the speaker: Jason Catlett is President and founder of Junkbusters Corp. <www.junkbusters.com> A computer scientist with a Ph.D. in data mining, Dr Catlett is a leading expert on the interplay between technology, marketing and privacy. He is frequently quoted in US media and he has testified on privacy issues before the U.S. Senate, the House of Representatives, the Federal Trade Commission, the Department of Commerce and the National Governors’ Association. He is a member of the advisory board of Privacy International, a London-based human rights organization.

Dr Catlett taught for several years at the University of Sydney, including courses on technology and privacy. In 1992 he moved to AT&T Bell Laboratories in Murray Hill, NJ, where he continued work on data mining of large databases. He has served as an external examiner of Ph.D. candidates at Rutgers University, on the Editorial Board of the journal ‘Machine Learning’, as a visiting scholar at the department of Computer Science at Columbia University, and as a fellow at the Kennedy School of Government at Harvard University.



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