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Then we will discover whether amazon.com has built a new "paradigm" or just added another skill - a good website - to the necessary armoury of the good bookseller.

And, like Fedex and Post, it is no small paradox that the icon of e-commerce is a business - books - that the digital economy was supposed to have killed off by now.

It is also no small paradox that the middlemen, the people who are supposed to be put out of business by the direct contact between customers and manufacturers/service providers which is made so much simpler by the Internet, are some of the ones doing so nicely out of e-commerce.

"The Internet is going to make it very difficult for anybody in a middleman position to stay in business," says Frederick Smith, chairman, president and CEO of FDX Corporation, the parent company of one of the world's great middlemen, Federal Express.

Electronic commerce provides opportunities for new kinds of products and services, new markets (especially the potential of simplified access to interstate and overseas markets), scale economies (if the business can be grown), changed distribution arrangements, new relationships with customers and changed internal work practices, among many other things.

As most speakers at the e-commerce summit said, something big is happening.

But the smart businesses will not be those who decide in some abstract way to revolutionise their businesses from the top down

because they went to a conference where everyone told them that e-commerce was the Next Big Thing.

They will be the ones who work out, while coping with labour relations, regulatory reforms, tax, budgets and everything else, what particular aspects of e-commerce are good for their business. Is there *really* a global market for their goods and services? How can a website help them find their customers? What sort of a website? How will a website complement and how might it substitute for existing distribution and marketing activities? Are we really in the business we thought we were in? Where is our competition going to come from?

The really smart ones, of course, will already have done it, and be doing it over and over, day by day. Doing business.

As Linda Nicholls, chair of Australia Post, says: "If you don't have an e-commerce strategy, I don't think you've got a business strategy."

An edited version of this article is appearing in the Australian Financial Review. <

Jock Given

New CLC research: tort liability and telecommunications

When the first main power cable servicing Auckland's households and businesses gave out earlier this year, there was no immediate panic. There were three more, and the system was designed to handle outages.

When the fourth one failed and the inner city lights, lifts and everything else gave out, the city had a major crisis on its hands. It now has a lawyers' extravaganza as the arguments about who should wear the cost of damage suffered and profits lost get underway.

This is the kind of scenario that scares telecommunications companies and their customers, with communications services now so important to the operations of every commercial enterprise.

The CLC has undertaken a major piece of research entitled "Liability in Tort for Network and Service Failure". It explores:

- the likely consequences for liability under the law of torts where telecommunications networks and services fail; and
- possible policy responses to those consequences.

The research was undertaken in the context of the Australian

Communications Authority's consideration of whether to exercise its power under Clause 46, Schedule 3 to the *Telecommunications Act 1997* to limit tort liability in relation to the supply of specified carriage services.

It was funded by AAPT, the Australian Telecommunications Users Group (ATUG), Gilbert and Tobin, Optus Communications, Telstra and Vodafone.

The report's primary authors were Jane Hogan, currently on secondment to the Centre from Freehill Hollingdale & Page, and Maura Bollinger, who previously worked in the US with the Federal Communications Commission in Washington DC and with Southern New England Telephone in Connecticut. <

Copies are available from the Centre: (02) 9663 0551; (02) 9662 6839 (fax); or order on-line at <http://www.comslaw.org.au>