



---

## Excerpts from "INNOVATION"

---

**By Contributing Editors John Gehl and Suzanne Douglas**

These items are from Innovation, a NewScan Service, written by John Gehl and Suzanne Douglas. They report on trends, strategies, and innovations in business and technology to give their readers an executive briefing on the future. For free trial subscription send mail to [innovation-trial@newsscan.com](mailto:innovation-trial@newsscan.com) with the word "subscribe.pl" in the Subject line.

---

### **Net Banks on the Rise**

Internet banks are catching on, luring customers with higher interest rates and the convenience of banking at home. According to the Online Banking Report, currently close to 5 million people, or 5% of the U.S. population, do some form of online banking, but by the end of 2001, that number will go up to about 22 million, or 21% of the population. Customers of virtual banks can make deposits, check accounts, pay bills, transfer funds, and apply for loans 24 hours a day, while reaping as much as 4% interest on some checking accounts, compared to 1% to 1.5% at brick-and-mortar institutions. (Wall Street Journal 15 May 98)

### **Japan Supports Clinton's Market-Focused Approach to On-line Commerce**

Japan has endorsed the Clinton Administration's unregulated, tax-free approach to electronic commerce, as well as its position against the European Union's privacy regulations, which prohibit companies that collect personal information about citizens of European countries from sending that information to any country that doesn't insist on the same degree of privacy as the citizens' own countries. The Clinton view is that such restrictions could hurt U.S. companies trying to collect global marketing data. (source: New York Times May 15 1998)

### **Moratorium on Cybertax**

The House Commerce Committee voted 41-0 for a three-year moratorium on taxes on Internet sales and services, but allowed state and local governments to keep Internet taxes that were in effect before March 1, 1998. The bill would also prevent the FCC from regulating subscriber fees charged by online service providers. (source: USA Today May 15, 1998)