Avatars at House hearing on virtual world

By Peter Kaplan
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WASHINGTON (Reuters) - The founder of virtual world Second Life sought to reassure U.S. lawmakers on Tuesday that the online community is able to police itself.

Second Life founder Philip Rosedale and a handful of other virtual reality experts, testified at a House of Representatives hearing that was also attended by on-line personas, or avatars, portrayed on a video screen in the hearing room.

"It is likely that virtual world activities are somewhat more policeable and the law somewhat more maintainable within virtual worlds," said Rosedale, chief executive of Linden Lab, the company that runs Second Life.

Some lawmakers raised questions about what operators of virtual worlds are doing to stop them being used to stage real-world crimes such as terrorism, money-laundering and the exploitation of children.

"I am not advocating censorship. But I am asking what we can to make certain that these glorious tools are not ... changed into tools that facilitate the use of terror attacks on innocent civilians around the world," said Democratic Rep. Jane Harman, of California.

Harman cited a British newspaper report last year saying that Islamic extremists were suspected of using Second Life to recruit and mimic real-life terrorism.

"We have never seen any evidence that there is any such activity going on," Rosedale told the House Energy and Commerce subcommittee on telecommunications.

Second Life is an online community with several hundred thousand users who create their own avatar identities and can fly around the virtual world at will.

In addition to entertainment, Second Life has created its own currency -- the Linden dollar which can be converted to U.S. dollars -- in an active marketplace which supports...
millions of dollars in monthly transactions.

Lawmakers on the panel said the hearing was held for informational purposes and no legislation is planned. Rosedale, appearing in both physical and avatar form, outlined steps the company takes to "discourage and prevent illegal activity."

He said gambling is banned and financial transactions are closely monitored. Teenagers are restricted to a separate teenage-only version of Second Life, he told them.

"The virtual world has a degree of accountability ... and traceability which actually in many ways is better than the real world," Rosedale said.

On the video screen in the hearing room were about two dozen avatars from Second Life. They sat quietly, while their comments were displayed at the bottom of the screen.

At least two of the avatars had wings. A third turned into a giant bumble bee as the hearing ended.

Also on the screen was an avatar representing Rep. Edward Markey, the Massachusetts Democrat who chairs the subcommittee.

Rosedale and other experts said virtual reality was the next step in the evolution of the Internet.

"Virtual worlds and spaces are quickly becoming powerful tools with the potential to transform enterprise and government processes by increasing top line and bottom line growth, improving efficiency and productivity, and augmenting our ability to innovate and spur entrepreneurial growth," IBM vice president Colin Parris told the panel.

(Editing by Tim Dobbyn)