CA POLICY ISSUES

Cybersecurity and Data Privacy

The Internet and networked communications have enabled dramatic advances in online services, innovative business models and government-citizen interaction. They have fostered global economic growth and prosperity. However, increased communications have exposed governments, businesses and consumers to serious cyber security risks. Increased dependence on open networks to manage critical infrastructures; exploits such as spyware, phishing and spam; the need to secure large volumes of sensitive personal information; and daily attacks on corporate and government systems present a complex mix of cyber security and privacy challenges. These can be addressed only through a partnership between business and government, using a broad array of policy, operational and technical tools to create confidence in the growing cyber infrastructure.

Government Procurement Policy

The private sector supplies more than $530 billion in goods and services to the federal government annually and is a strategic partner to the government in providing services and support to citizens. Regulations detailing how the federal government procures goods and services have a significant effect on the ability of the government to fulfill its mission and on the ability of U.S. companies to compete in a global marketplace. Proposals to limit suppliers’ ability to use a global workforce and globally developed solutions raise concerns about international trade agreements and the potential for retaliatory procurement policies that could limit the ability of global companies to supply goods and services to governments world-wide. Efforts to re-define what services and functions are inherently governmental threaten to deprive the U.S. government of innovative, cost effective solutions to support federal initiatives. The government must ensure that procurement policies recognize the need of U.S. companies to operate globally.

Green IT

Businesses and governments worldwide are facing serious challenges due to rising energy costs and the impact of energy consumption on the environment. In the long term, new technologies and the discovery of additional energy resources may help. In the short term, the only thing that businesses and governments can do to control energy costs and reduce their impact on the environment is to use energy more efficiently. Green technology initiatives are a critical resource for enabling businesses and governments to make their IT infrastructure more efficient. Further, IT can be used to increase the efficiency of business and government operations across entire enterprises.
Health IT

The U.S. health care industry is plagued by rising costs and out-dated paper based systems that are expensive to manage and pose significant barriers to the delivery of high quality patient care. Today’s health care system is particularly ill suited to a population that is highly mobile, often served by multiple practitioners, and increasingly dependent upon pharmaceuticals and other treatment options that can result in adverse interactions. The use of electronic medical records that can be stored, accessed and exchanged among providers can be a key factor in reducing costs and improving the quality of patient care. However, the expanded use of networked, electronic health records must be accompanied by controls to ensure patient privacy, data accuracy and availability, and the secure storage and communications of sensitive health information. The Federal government should move quickly to facilitate the development of a modern, effective health IT system that will meet these challenges.

Patent Reform

The U.S. software industry is an engine of the economy and a leader in the creation of U.S. technology exports. Companies need to protect their intellectual capital, and they need to know that they will be protected from patent infringement litigation that results from the approval of patents that should never have been granted, or from so-called “patent trolls” who have turned patent litigation into a predatory industry. It is important that the U.S. Patent and Trademark Office be adequately funded and staffed by examiners with strong knowledge of the software industry. It is also important to have better guidelines to determine a patentable process to improve patent quality, and to bring the U.S. patent process into alignment with international laws. Comprehensive patent reform is essential to address these and other serious issues.

Research and Development

The United States is a world leader in the creation of new products and new industries. This leadership has been fueled by investment in research and development. Other nations have taken note and are making dramatic increases in public sector funding for research and other incentives to attract private sector investment. The United States should do the same. A strong research and development tax credit is important to companies that must make hard choices about what projects to fund and where to site them. The U.S. R&D tax credit should be strengthened and made permanent so that companies that make long-term investments know that their costs will not escalate in the middle of a project.

Taxation of Foreign Source Income

U.S. rules governing the taxation of foreign source income do not recognize the integration of the global economy or the way in which corporations must be structured to respond to global markets. One unfortunate result is over taxation of active business income and an environment that, under some circumstances, discourages companies from repatriating income earned abroad. Any reform of the U.S. tax system should make it easier for U.S. companies to compete effectively in world markets and grow their businesses at home and abroad.
Technology Transparency and Governance

The U.S. Government spends more than $50 billion each fiscal year purchasing information technology products and services from the private sector to support government missions. Examples of government technology initiatives gone bad are too numerous to count. The Obama Administration has promised greater transparency into technology spending and vigorous oversight and evaluation of technology initiatives’ success or failure. The 2009 Stimulus Measure raises the stakes for ensuring significant federal investments are wisely spent. The federal government should implement strong program and portfolio management tools to ensure government funding is spent wisely and achieves its intended results.

Trade in Intangibles and Services

The U.S. economy is driven by growth in intangibles and services. Software is a prime example. Yet the world trading system is largely designed to facilitate markets for agricultural products and tangible goods. It falls to U.S. trade negotiators to give a high priority to getting the rules right for trade in services and intangibles. U.S. officials must do all that they can to convince our trading partners in developed and developing countries to focus on the future.