



17 September 2014

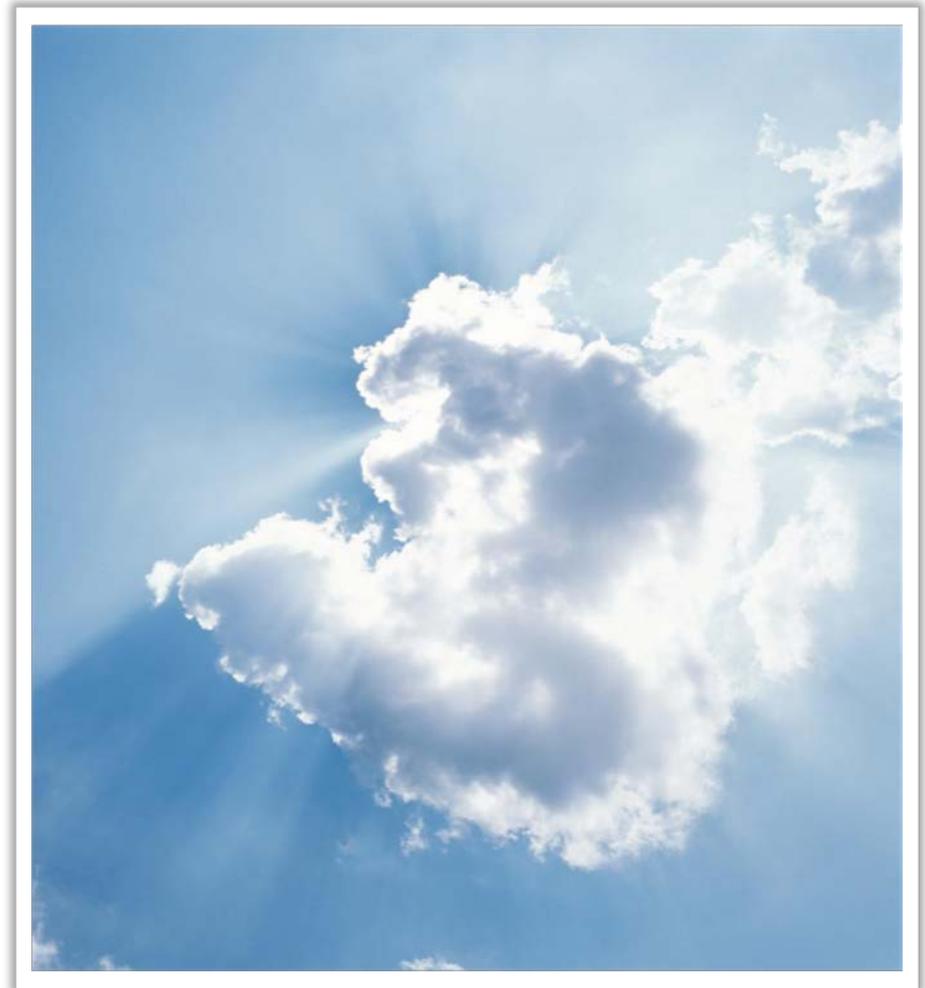
# Industry Perspectives on Cloud Computing in the U.S. and Around the World

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# Global "Climate Change"

## Clouds and Public Policy

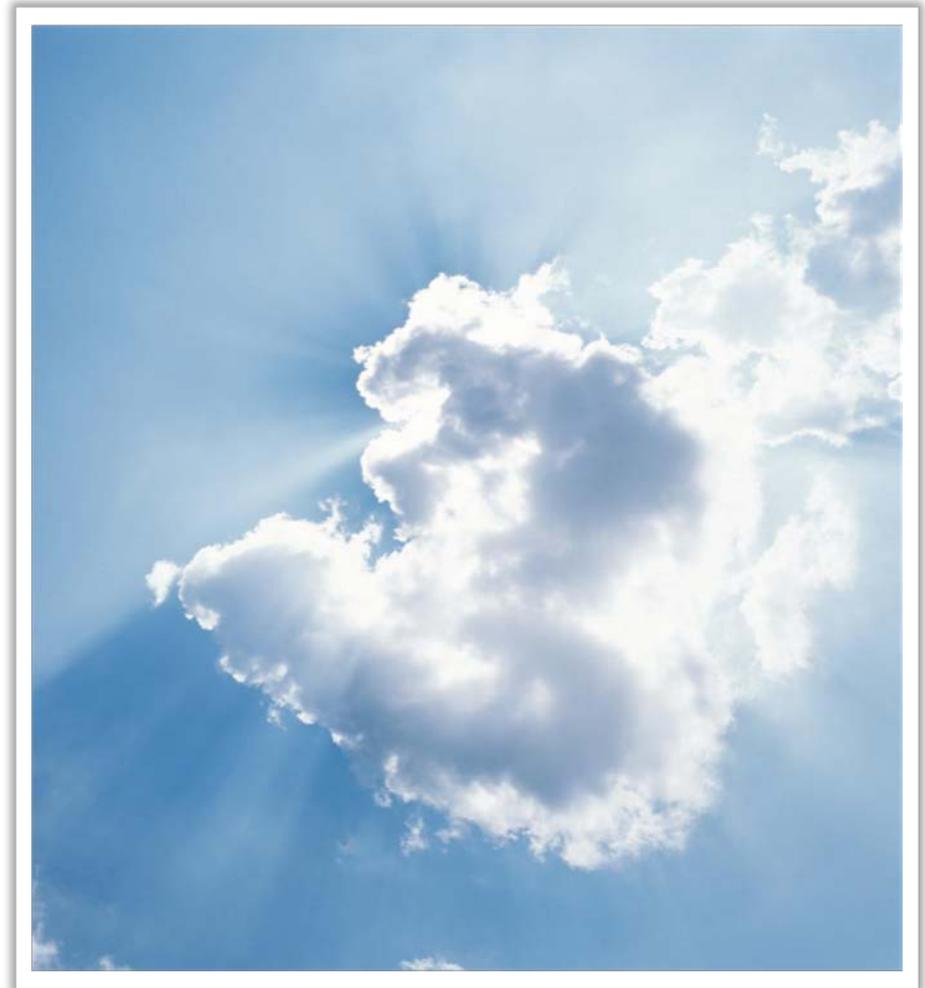
- **Cloud Computing –“transformative” technology with huge impact on international public policy**
- **Cybersecurity and Data Privacy Implications**
- **“National” Economic Policies**
  - EU Data Protection Regulation (January 2012)
  - Brazil data center location legislation
  - Related “protectionist” policies such as China’s “Indigenous Innovation”



# Fundamental Enablers of Cloud Update

## Technology Underpinnings

- Robust adoption and the economic gains that can be derived necessitate three main technological capabilities:
  - Broadband networks
  - Unrestricted flow of information between customers and providers
  - Freedom to locate data centers and workloads where most efficient and cost effective.
- Policy frameworks can either inhibit or accelerate adoption



# Roadmap For Cloud Computing Policy

**policy barriers to  
cloud deployment**

**Security and  
Identity**

**Importance of  
standards  
development  
and adoption**

**Governance  
and Legal  
impediments**

**Privacy and  
Trust**

**Interoperability,  
Data Portability,  
and Data  
Management**

# Security Issues



**Risk  
management**



**Data  
classification**



**Use of open  
standards**

- Need common understanding of risk management
- Need to adopt sound risk mitigation practices
- Appropriate data classification
- Clear principles applied to use of public/shared infrastructure and services
- Standards are NOT optional.

# Legal And Compliance Challenges

**legal and compliance challenges**

**Cloud computing security and cybersecurity**

**Localization**

**Reliable messaging and transactional patterns**

**Federated identity (of humans and organizations )**

**Remote data storage access**

# Privacy And Trust Issues

User interests

Context

“Right to be  
Forgotten” – user  
controlled deletion of  
personal information

Jurisdiction and  
location

**NO COMMON DEFINITION**

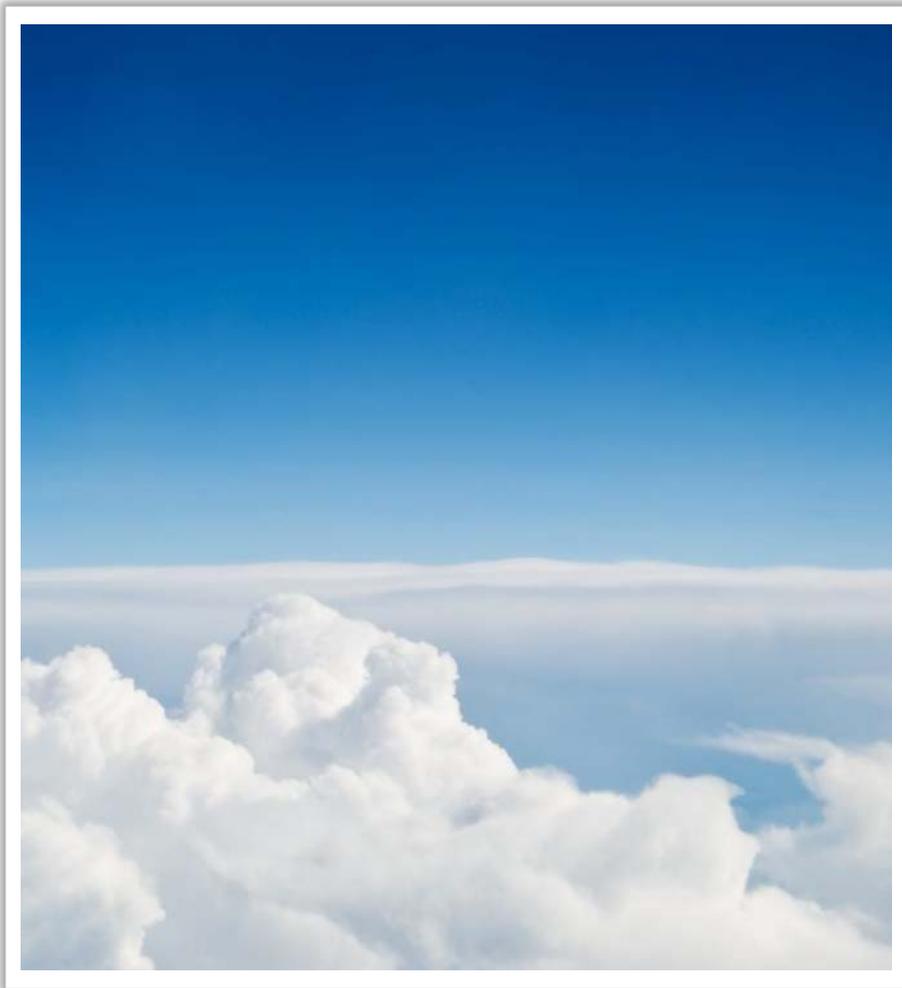
Law enforcement  
and national security  
access (PATRIOT Act  
etc.)

Effective notice

Availability

Harmonization of  
privacy regulations  
across jurisdictions

# The Role Of Standards In the Cloud



- **Standards are essential**
  - Broaden choice
  - Foster the emergence of new markets
  - Accelerate innovation to reach consumers
- **Continue the dialogue between public sector officials, industry SDOs**
  - Policy and technology convergence
  - Opportunity for constructive and structured dialogue and useful outcomes

# Implications For Tax And Trade

- **Multilateral and bilateral trade agreements must evolve to address cross-border cloud issues.**
  - No WTO members have made cloud specific commitments
  - FTAs emerging as bilateral mechanism to provide stronger assurances against localization, indigenous innovation, and other market access policies
- **Tax treatment for cloud services must reconcile where services are delivered and/or consumed**



# Recommendations



Policy actions must recognize global nature of cloud solutions and services



Join, contribute to and embrace open standards to facilitate global solutions



Avoid onerous localization and indigenous innovation restrictions



Craft policies that enhance trust and security without restricting technology uptake

**Thank you.**

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