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Cloud Computing Policy Paper***

Joseph Alhadeff, Chief Privacy Officer & VP Global Public Policy, Oracle

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Cloud computing is an evolution of technologies that further enables the seamless and remote use of computing resources; software, platform and hardware. Cloud computing represents an amalgam of services that has existed and been used by big business for years. Cloud today is an expansion of the scope, scale and availability of these services, which, coupled with reduction in costs and improvements in network infrastructure, have made cloud computing accessible to SMEs and individuals. The addition of individuals and SMEs to cloud has not only expanded the user base, but also expanded and changed the nature of content and applications available on the net, as individuals are no longer creators and publishers of content and applications.

As was hinted at above, cloud is much less of a unitary offering than a marketplace of services and platforms from different providers delivered or accessed remotely via the Internet. These services are often dependent on global information flows and most of the services themselves, use, process, or transfer personal data. As the cloud represents a global ecosystem of services, it is important for those services to remain interoperable through the use of open standards and program interfaces.

The seamless nature of cloud services and their delivery over the Internet makes it very difficult to determine location of service providers, and in the case of new or small providers, reputation. Thus the cloud as an ecosystem extends the challenges that global sourcing and hosted applications have posed to established concepts of jurisdiction. Furthermore, the lack of readily available metrics on reputation may create greater than normal challenges in evaluating the privacy and security capacity and related policies of providers. This is especially challenging in the case of cloud services that are used by the provider on the back end who has the direct relationship with the individual customer.

The cloud today is at the outset of its potential; evolving technologies and business models are further expanding the type and innovative potential of how to use the cloud. Without discounting any of the potential issues and challenges that are being encountered related to privacy, security or jurisdiction, unreasonable constraints on the cloud ecosystem could cripple the innovative potential of the cloud to drive economic growth or provide social benefit. This is especially the case where there are outright prohibitions on all data exports or through requirements that all data be processed in data centers in the country. Furthermore, we must recall that cloud represents an evolution, which means that we have an experience curve related

to the policy challenges arising from these services and have previously implemented flexible, yet credible, ways of addressing them.

Going forward, in contemplating future policy directions and the cloud, and as informative guidance for the proposed TEC Cloud Experts Group, we should:

1. Rely on our experience related to policy challenges and existing cloud and cross border data flow deployments in developing legal, regulatory, or self-regulatory approaches
2. Consider the constraining impact of regulation on innovation and tailor legal or regulatory frameworks to narrowly defined and compelling public policy issues,
3. Look to emerging technologies and business models for innovative ways to enhance the responsible management of information and develop flexible, but credible compliance mechanisms,
4. Engage in broad stakeholder consultation to assure that we identify benefits, issues and potential unintended consequences
5. Inform and appropriately empower users related to what data is collected, how information is used and how they may exercise available choice or control
6. Engage across stakeholders in education related to technology, privacy and security, and finally
7. Consider how globally deployed, responsible practices could bridge the varying legal requirements across jurisdictions.
8. Establish a transatlantic Cloud Expert Group to begin a dialogue on issues including broadband access, economic opportunities for SMEs, interoperability, data portability, privacy, security, reliability and standards and governance.

For more information please contact:

Alex Propes, Policy Manager, EABC: 1-202-828-9107 or alex.propes@eabc.org