NCC Keynoter Calls for National DP Policy

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Today there is no coherent national policy on computers and telecommunications, asserted Senator Ernest F. Hollings (D-SC) in his keynote address at the opening session of the 1978 National Computer Conference, June 5, in Anaheim, California. He went on to cite a number of areas in which policy setting would benefit citizens, government, and industry.

Hollings, a member of the Senate Commerce Committee and chairman of the Subcommittee on Communications, also raised questions about federal regulation of the computer and telecommunications industries.

Congratulating the computer industry for the technical brilliance it has displayed without excessive government involvement, Hollings told attendees that he felt they were "really not looking for government," but rather for an understandable policy which would clearly define the government's relation to and involvement with the computer industry.

Hollings commented that it would be beneficial to everyone affected by computer technology if the government could simply come to "a very important group like this [the session attendees]... and say, 'Here is the policy.'" But currently there is no policy at all, he said, and the very complexity of issues involved with the effects of the computer revolution and the influence of many competing interest groups make policy formulation extremely difficult.

The Senator expressed the need for a policy that would encourage and direct the computer industry and yet not over-regulate it. He cited Congressional concern in four major policy areas—telecommunications regulation, improvement of government computer operations, promotion of international trade in electronics and data processing equipment, and protection of privacy and system security.

Telecommunications policy. Congress faces a dilemma in regulating the common carriers, he noted, since it does want to encourage the carriers to offer innovative information services of their own, but not in such a way as to restrict competition with similar services offered by computer companies.

Also of concern is the carriers' possible use of funds from regular communications operations to unfairly subsidize new telecommunications services which undercut competition. Hollings added that existing legislation, based on the Communications Act of 1934, is "not explicit about these issues" and that "the best judgment of the FCC" must be solicited before any new legislation is passed.

Federal computer operations. Congress is deeply interested in setting the standards which guide the federal procurement of computers, said Hollings. The issue is particularly important, he said, since federal agencies are such large customers—they have some 10,300 computers and spend $10 billion annually on hardware and software.

The National Bureau of Standards has been criticized for not setting proper standards, and the General Services Administration has likewise come under fire for failing to implement those that have been set. In response to these charges the Administration has requested additional funding so that NBS, through its Institute for Computer Sciences and Technology, can carry on its 5-year plan to upgrade procurement standards. This plan focuses on reducing the expense of software, reflecting the fact that the government's software needs are now much greater than those for hardware.

Hollings noted that NBS' strategy is aimed at improving the compatibility of computer languages and equipment and called for the assistance of computer professionals in helping NBS develop standards which "cut costs, increase flexibility, and generally benefit all computer users."

Computer and electronics exports. Noting the success of US computer companies in selling their products abroad, the Senator emphasized that Congress is nevertheless urging the Administration to meet the challenge of other nations, particularly Japan, in the international electronics trade. He expressed the desirability of reaching accommodations with Japan that will protect American interests without touching off an escalating series of trade controls. Citing his interest in the new US-Japan Trade Facilitating Committees, he hoped that they would resolve the specific market access problems faced by US companies in Japan.

Hollings solicited industry input on trade problems with Japan and expressed his determination that the federal government should do everything possible to help the American computer industry to maintain its technical and trade supremacy.

In commenting on international trade, Hollings also discussed the problems presented by possible re-
strips on the free flow of data from one country to another. Noting that several European nations have passed or are considering passing legislation to control data transmission across their borders, the Senator acknowledged AFIPS' newly created study group on this issue and anticipated receiving its recommendations for dealing with the effects of such restrictions on US overseas business activity.

Privacy and security. According to Hollings, privacy is the computer-related policy issue of greatest interest to Congress. Since most of the billions of records on individuals kept by the government are maintained as computer files, there is considerable pressure on Congress to prevent unwarranted intrusion into such files. As a result, there are over 100 privacy-related bills currently before that body.

The Senator suggested, however, that Congress must strike a balance between the need of the private citizen for privacy and the need of both government and business for information about the private citizen. He added that while Congress has recognized the "vital right of individuals to protect...[the] privacy...of information about them, and when necessary to have access to both government and private computer files concerning them," it has proceed carefully, avoiding sweeping legislation "out of a desire not to over-regulate or to cause unplanned side effects." Thus Congress has passed only specifically tailored acts so far, such as the Fair Credit Reporting Act and the Privacy Act of 1974, which deals with information held by federal agencies.

Hollings reported that Congress is now considering legislation dealing with electronic funds transfers, including the privacy aspects of that new application, and is interested in safeguarding medical records.

Both Congress and the executive branch, he said, are considering the recommendations issued last year by the Privacy Protection Study Commission. The recommendations are "aimed at minimizing unwarranted intrusion [and] opening up records so that information on an individual is not used in ways unfair to him, and [at] creating new guidelines which create legitimate and plausible expectations about what is to be kept confidential." The Senator added that it will be beneficial to citizens, government, and business if everyone knows what is considered proper use of information and what is not.

Hollings also commented on NBS work on data encryption to protect information from intrusion by unauthorized personnel, and complimented AFIPS for its activities in this area.

In concluding his address, Senator Hollings returned to the theme of government over-regulation, which would be echoed repeatedly the next day by industry luncheon speaker Harold J. Haynes and by the members of the Energy Symposium.

Asserting that "all problems cannot be solved in Washington" and that "most are better solved elsewhere," Hollings again emphasized that the role of federal DP policy should be to direct and encourage the continued technical and commercial growth of the computer industry, and to regulate only to promote competition among companies and protect individual privacy.