



Accelerating Innovation in
Technology, Data & Media

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March 1, 2017

Secretary Wilbur Ross
Secretary of Commerce
Department of Commerce
1401 Constitution Ave NW
Washington, DC 20230

Dear Secretary Ross,

On behalf of the Software & Information Industry Association (SIIA), congratulations on your confirmation to become the Secretary of Commerce. As the leading voice of U.S. business, and with the job to maximize economic growth and job creation, SIIA looks forward to working with you and the Trump Administration to harness the vital role of technology and the digital economy in these efforts.

SIIA shares the President's concern about the unforeseen negative impact of various regulations on businesses and the economy. We therefore applaud his Presidential Memorandum "Streamlining Permitting and Reducing Regulatory Burdens for Domestic Manufacturing," issued on January 24, 2017.¹

However, in this era of rapid technological development, ill-suited or outdated regulations can have an equal or greater negative impact on technological innovation and growth opportunities presented in the digital marketplace, where virtual products—not manufactured physical goods—are the drivers of economic and job growth. Indeed, much of the output in the digital economy does not involve traditional manufacturing, but this is still a substantial component of U.S. domestic production activity.

As leaders in the global market for software and information products and services, SIIA's members are drivers of innovation and economic strength—software alone contributes \$425 billion to the U.S. economy and directly employs 2.5 million workers and supports millions of other jobs. We have long promoted the tremendous opportunities presented by Data-Driven Innovation and the Internet of Things (IoT).² Economic benefit from the IoT ranges from \$4 trillion to \$11 trillion through 2025.³ Businesses will be the top adopter of IoT solutions, leading the three key positive impacts on economic activity: 1) lowering operating costs; 2) increasing productivity; and 3) expanding to new markets or developing new product offerings.⁴

Many of the greatest regulatory burdens on data-driven, digital economic growth derive from statutes that are more than a decade old. In these cases, regulations either suffer from being outdated, or they have been revised by agencies to retrofit the evolution of technology, without clear guidance from

¹ <https://www.whitehouse.gov/the-press-office/2017/01/24/presidential-memorandum-streamlining-permitting-and-reducing-regulatory>

² SIIA white papers on Data-Driven Innovation and the Internet of Things.

³ McKinsey & Company. "Unlocking the Potential of the Internet of Things." June 2015

⁴ Business Insider. "How the 'Internet of Things' will impact consumers, businesses, and governments in 2016 and beyond." John Greenough; July 2016.

Software & Information Industry Association

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Congress. In light of the rapid technological advancement over the last decade, even many well-intended laws cannot be effectively applied to the 21st Century economy. There is much opportunity for a fresh look at various laws and regulations that pertain to this sector, where there is a substantial opportunity to achieve a better balance between the need for regulations to continue protecting consumers, workers and the environment, while also maximizing innovation in a hyper-innovative IoT environment.

Therefore, as you conduct your expedited review of regulations to support and promote the expansion of domestic manufacturing, SIIA urges you to not limit these efforts to traditional manufacturing. Rather, we urge you to cast a wider net that captures the breadth of the U.S. economy, covering all domestic production activities that present opportunities for economic and job growth. Regardless of the economic sector, whether in manufacturing, software development, or other digital content production that creates enormously valuable intellectual property, it is imperative to conduct a broad review of existing regulations to ensure that the benefits outweigh the limits to innovation and potential economic or consumer welfare that can be derived from new products and services. This is particularly true for small and medium-sized businesses that often disproportionately suffer from cumbersome regulations.

Thank you in advance for your consideration of this request. As you and other Trump Administration officials work to promote greater growth and job production, including but not limited to regulatory reform, we stand ready to work with you to grow the U.S. economy and job market through data-driven innovation.

Sincerely,

A handwritten signature in black ink that reads "Ken Wasch". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Ken Wasch
President & CEO
Software & Information Industry Association