



January 18, 2023

The Honorable Charles Schumer
Majority Leader
United States Senate
Washington, DC 20510

The Honorable Mitch McConnell
Minority Leader
United States Senate
Washington, DC 20510

The Honorable Kevin McCarthy
Speaker
US House of Representatives
Washington, DC 20515

The Honorable Hakeem Jeffries
Minority Leader
US House of Representatives
Washington, DC 20515

Dear Leader Schumer, Leader McConnell, Speaker McCarthy, and Leader Jeffries:

The 118th Congress – like each before it – presents its own unique and historic opportunities. On behalf of the enterprise software industry, I urge you to seize this moment and advance a truly bipartisan cause by crafting and implementing the United States' first **National Agenda for Digital Transformation**.

American industry needs US leadership on digital transformation and, specifically, for Congress to establish strong and clear national laws on technology policy. For too long, the United States has allowed others to set the policy trajectory governing technology and digital tools used throughout the economy. This new Congress must ensure that the United States plays an active leadership role in shaping technology policy by advancing a comprehensive digital transformation agenda.

Recent experience has demonstrated that strong bipartisan consensus is possible on issues like privacy, cybersecurity, global data transfers, and the responsible development of artificial intelligence. Evidence of this came last year in the passing of the CHIPS Act and bipartisan action on federal privacy legislation.

Digital transformation is key to growing the American economy – it helps organizations, including government agencies, leverage the tools and insights enabled by technology to add new value and connections to their businesses, employees, customers, and communities. Digital tools are increasingly embedded across industries – empowering farmers and ranchers to increase yields using fewer resources; advancing how manufacturers design, build, and make things in America; and building more connected, efficient, and resilient infrastructure. Digital transformation furthers economic growth and helps businesses and organizations better counter some of the root causes of inflation, like supply chain and productivity disruptions.

Strong national laws will provide clarity to help spread the benefits of digital transformation more broadly. Companies in all sectors of the economy need to be competitive to create jobs and grow. Businesses that embrace and adopt responsible digital solutions will be able to provide better products and services at more competitive prices. And the countries that best facilitate digital transformation – with effective laws to ensure digital solutions are developed and used responsibly – will see the most significant economic and job growth in the coming years.

That is why, alongside the array of issues outlined by BSA | The Software Alliance in our [2023 Policy Agenda](#), I am asking you to prioritize and advance the following as part of a National Agenda for Digital Transformation.

Privacy

Congress should build upon the progress made in crafting the ADPPA to make relevant improvements and finally pass a comprehensive federal privacy bill. Consumers deserve transparency, clarity, and confidence in how their data is used and protected. The United States must show leadership on this

issue and enact a clear and modern national privacy law that outlines companies' obligations to handle personal data.

Artificial Intelligence (AI)

Artificial Intelligence is transforming every sector of the economy. Congress should pursue policies that enable continued innovation and allow the country to leverage the tremendous benefits of AI. As part of these efforts, Congress should thoughtfully act to ensure that federal policy promotes the responsible development and deployment of AI. An important step in achieving this goal is to differentiate between those who develop AI and those who deploy it and establish appropriate obligations for both. As Congress explores how best to maximize AI's benefits while minimizing its risks, it should also ensure that any legislation facilitating the responsible deployment of AI focuses on high-risk uses and recognizes the importance of impact assessments in mitigating risks. Policies that spur the continued development of AI-enabled products and services are vital to US global competitiveness and long-term economic growth.

Cybersecurity

Congress can improve software security, modernize IT infrastructure and cybersecurity, and harmonize disparate sectoral cybersecurity requirements by passing laws that encourage public-private collaboration, support risk-based approaches, and build on internationally recognized standards. Such measures will enhance the security of organizations and the digital ecosystem and ensure citizens and customers have access to the tools they need to thrive in the digital economy.

Global Data Transfers and Trade

The United States' role as a global leader must include supporting US engagement in international organizations and agreements that help set digital trade rules. The United States must also engage with trading partners to guard against destructive data localization requirements that upend and disrupt the mechanisms of the modern connected economy and risk degrading cybersecurity. There are significant opportunities to build upon the leading provisions within the USMCA and to expand the forward-looking rules from those frameworks around the world.

Modernizing Government Services

Policymakers should digitally transform government services as many other businesses and organizations already have. Modernizing IT infrastructure and other digital capabilities requires access to software, computer hardware, digital identity, AI technologies, and cloud computing services, including multi-cloud environments. Software makers provide innovative and cost-saving technologies that – with the appropriate procurement requirements in place – will empower governments to meet the needs of their citizens.

While BSA has outlined many other policies that should be included within a National Agenda for Digital Transformation, the enterprise software industry believes these recommendations represent some of the most attainable opportunities for action this Congress. A proactive digital transformation agenda is vital for national competitiveness. The United States can spread the benefits of digital transformation by creating strong national policies that build trust and elevate standards for privacy, AI, cybersecurity, and cross-border data transfers. My team and I look forward to working with you and other Members of Congress to advance these priorities.

Sincerely,

Victoria A. Espinel
President and Chief Executive Officer