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ATLANTIC MEMO #49

Creating Cloud Norms While Keeping Innovation Alive

Our Cloud Theme Week looked at the ways in which current regulation on Cloud technology has fallen short or lagged behind innovative technological growth. As part of our new project "Transatlantic Digital Dialogue" we published five articles (February 9-13) on Cloud computing and its increasingly important role in business and consumer applications.

As this technology becomes increasingly important for both business and consumers, how the government regulates and addresses data protection and risks inside the Cloud is important to future policy discussions. The impact of such regulation will be critical for both the US and EU moving forward.

1. Realize the uniqueness of Cloud computing when creating new laws

The complexities of the cloud combined with a lack of binding legislation means that current guidelines on the subject often substitute for actual law (Neal Cohen). Using these guidelines, company compliance departments often interpret contradictory frameworks for understanding the full scope and risk of managing Cloud data (Steve Durbin). Thus, clarifying existing guidelines through creation of actual law would help here.

2. Track tech growth through economic and financial forecasts

The regulatory lag behind technological innovation is a perrenial problem for policymakers, and while preventing abuse is important, so is the need to encourage economic growth and innovation. This means that regulators must look ahead of the current economic trends in Cloud computing instead of focusing on what has already gained prominence. Tracking financial investment in specific sectors of the Cloud computing industry (Xenofon Kontargiris) would allow for this awareness in long-term trends, with overall financial forecasting providing a good way to keep ahead of the curve instead of constantly lagging behind it.

3. Integrate IT and Computer Science experts into the discussions

The ubiquity of the Cloud for consumers and business means that technological advancements will continue to make the Cloud even safer and friendlier to use (Dr. Kolesnichenko and Dr. Smorodin) but in order to do this an integrated approach should be applied. The technological aspect allows one to create common Cloud architecture for many different local Clouds, while the separation of "security" definitions helps clarify what is needed. Finally, IT and Computer Science experts need to be included in the policymaking discussions so that data protection and privacy concerns adequately address the tech-specific needs of the Cloud.

One area that IT experts can help is in developing more transparency within the Cloud service, which as it currently stands, is often opaque and far-removed from the user (Dr. Jatinder Singh and Dr. Julia Powles). Increasing transparency will also address the multiple functions of the Cloud as both a fiduciary and protector of confidential and sensitive information.

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