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Policy Statement

A Technology Agenda for Freedom, Economic Growth, Competitiveness, and Jobs

July 7, 2004

Since its inception in March 2001, the House Policy Subcommittee on Biotechnology, Telecommunications, and Information Technology has advanced legislation to enhance American technological innovation and create new jobs. GOP-led efforts to establish Internet tax freedom, limit the regulation of new technologies, and reduce the cost of investment by reducing the penalty tax on capital gains in 1997 and the double tax on dividends in 2003 helped protect and create millions of American jobs.

Meanwhile, other nations have observed our policy initiatives and are continuing their own efforts to compete. As Ireland slashes its corporate tax rate to 12.5% and Germany finally attempts to rein in bloated social spending, the EU tops 450 million consumers with its recent expansion and achieves GDP greater than that of the United States. America's long-term economic health, therefore, depends more than ever on sustaining our competitive edge in high level technological innovation. The House Majority will meet these competitive challenges.

Few bright lines remain between the "old" manufacturing sector, the "new" tech sector, and the permanent service sector. Yet the greatest opportunities for growth—and for the environmental improvements that technological progress makes possible—remain in technology. In a series of meetings organized by Policy Subcommittee Chairman Jerry Weller, in which the entire House Republican Conference participated, the Policy Committee developed our 2004-05 technology agenda—which has been circulated to the entire Majority membership for review. Today, after full consultation with and support from the House Majority, the House GOP is advancing the following technology agenda:

Enhance Technological Competitiveness, Expand Trade, and Build Markets

- Make the Internet tax moratorium permanent
- Make the research and development tax credit permanent
- Support full disclosure of stock options on the balance sheet, not income statement
- Eliminate tax bias against stock compensation by reducing or deferring taxation
- Exempt qualified stock plans (Employee Stock Purchase Plans and Incentive Stock Options) from payroll tax withholding
- Replace technology depreciation with expensing for IT products and broadband deployment
- Nanotechnology tax moratorium to offset benefits of reduced externality costs
- Repeal the Gore Tax on telecommunications
- Repeal the Spanish-American War Tax on phone bills
- Investment incentives (including improved tax treatment of savings and investment in hydrogen-related energy technology, both advocated by President Bush)
- One-year tax exemption for dividends from foreign subsidiaries to repatriate foreign profits
- Accelerate legislative support for free trade agreements, including the Free Trade Area of the Americas (FTAA), and multilateral trade negotiations
- Accelerate adoption of a multilateral non-proliferation system to expedite trade in technology
- Establish a broadband consumer tax incentive

Protect Intellectual Property

- Enhance sanctions for both foreign and domestic patent and copyright infringement or misappropriation
- Provide broader confidentiality for proprietary research that must currently be disclosed by law
- Facilitate market-based, technology-based copyright solutions that do not stifle creativity and technological advancement
- Tax free database security
- Support broad and balanced public education about copyright and patent policy and law

Accelerate Broadband Deployment

- Remove regulatory burdens on competitive broadband deployment
- Establish spectrum rights protection equivalent to real property rights protection
- Reject “forced access”
- Create opportunity for private issuance of tax-free broadband bonds

Reduce e-Commerce Barriers

- Review state laws and regulations affecting e-commerce under Interstate Commerce clause with aim to eliminate e-commerce barriers
- Accelerate international negotiations to codify current moratorium on multiple and discriminatory Internet taxes
- Support implementation of recent spam legislation
- Apply common law of trespass to cyberspace, to fight spammers and hackers

Enhance Competition

- Review century-old antitrust doctrines and laws in light of global e-commerce, network effects, and fluid market boundaries
- Promote the application of government and academic funded research through commercial exploration in the private sector
- Restrict plaintiff “forum shopping” and end sky-high liability awards
- Reform government procurement policies to encourage competition from high-tech companies
- Reform business method patent issuances
- Assist the Patent Trademark Office in streamlining its operations by dedicating fees to the application process and authorizing refunds of excess fees to applicants
- Support efficiency and productivity through e-government
- Restrict government spending to compete against private sector solutions
- Deregulate the telecom technology sector to permit direct nationwide competition among telecommunications providers

Enhance Homeland Security

- Invest in technology to facilitate seamless information sharing among the departments of Homeland Security, Defense, Justice, Health and Human Services; the intelligence community; and state and local law enforcement and first responders
- Establish secure information networks and enterprise architecture that will enable DHS to better coordinate federal-state-private sector communications and response to security threats
- Require that Homeland Security technology investments provide both security improvements and efficiency gains in the economy
- Align U.S. regulations with commercial best practices to reduce administrative burdens of selling cutting-edge technologies to the Federal government
- Provide incentives to encourage private sector investment in infrastructure protection
- Increase penalties for virus creation and dissemination

Build a Skilled Tech Workforce

- Support the use of technology in:
 - Curriculum
 - Disadvantaged communities
 - Teacher training
- Support math, science, and technology programs
 - Increase number of teachers
 - Improve teaching techniques
 - Target disadvantaged students