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EXECUTIVE ORDER

COMPUTER SOFTWARE PIRACY

Pursuant to the authority vested in the Office of the Governor of the State of Colorado, I, Bill Owens, Governor of the State of Colorado, hereby issue this Executive Order on Computer Software Piracy.

1. Background and Need.

Over the past decade, Colorado has emerged as one of the premiere locations in the United States for high-tech businesses. Colorado is home to approximately 1,800 high-tech companies, including software developers, computer service providers, telecommunications companies and high-tech manufacturers. These high-tech companies employ nearly 130,000 Colorado workers, making Colorado the number two state in the nation for high-tech workers per 1,000 employed. Colorado is a national leader for job growth in the high-tech industry, adding over 22,000 new jobs between 1990 and 1995, and also for venture capital investment, with individuals and firms investing \$1.5 billion in the state's high-tech industry in 1999.

The software industry has played a particularly important role in helping to transform Colorado's economy into one of the major technology centers in the nation. Software developers and computer service providers dominate Colorado's high-tech industry and employ a large percentage of Colorado's high-tech workers.

The software industry in Colorado could achieve even greater economic growth were it not for the widespread use of pirated software. Almost 27 percent of the software used in Colorado – more than one out of every four copies – has been illegally copied. With more than one-quarter of software sales lost to piracy, it is not surprising that software piracy is a significant drain on Colorado's high-tech industry and economy. In 1998 piracy cost the Colorado economy more than 3,000 jobs, \$136 million in wage and salary losses, \$337 million in retail sales, and nearly \$25 million in federal and state taxes. In total, software piracy robbed the Colorado economy of nearly \$500 million dollars,

In recognition of the destructive impact of software piracy on the Colorado government, economy and its citizens, the Governor's Office is issuing this Executive Order on Computer Software Piracy to combat the use of unlicensed software in all State agencies. The Executive Order will help reduce the economic losses associated with the use of pirated software and promote proper acquisition and management of software within State agencies.

2. Policy.

It shall be the policy of the State of Colorado that each State agency shall work diligently to prevent and combat computer software piracy in order to give effect to copyrights associated with computer software by observing the relevant provisions of federal law, including the U.S. Copyright Act, and applicable licensing restrictions.

- (a) Each agency shall adopt procedures to ensure that the agency does not acquire, reproduce, distribute, or transmit computer software in violation of U.S. copyright laws and applicable licensing restrictions.
- (b) Each agency shall establish procedures to ensure that the agency has present on its computers and uses only computer software not in violation of U.S. copyright laws and applicable licensing restrictions. These procedures shall include:
 - (1) preparing agency inventories of the software present on its computers;
 - (2) determining what computer software the agency has the authorization to use;
and
 - (3) developing and maintaining adequate record-keeping systems.
- (c) Each agency shall require its contractors and recipients of State financial assistance, including grants and loan guarantee assistance, to certify that they have appropriate systems and controls in place to ensure that State funds are not used to acquire, operate or maintain computer software in violation of U.S. copyright laws or applicable licensing restrictions. If an agency becomes aware that contractors, grantees or other recipients of State financial assistance are using State funds to acquire, operate or maintain computer software in violation of U.S. copyright laws or applicable licensing restrictions, the agency shall take such corrective measures as the executive director deems appropriate and consistent with the requirements of law.
- (d) The Department of General Support Services shall develop appropriate language for inclusion in State contracts to prohibit the use of State funds for the acquisition, operation or maintenance of computer software in violation of U.S. copyright laws or applicable licensing restrictions. Such language shall be required in all state contracts involving the purchase or utilization of computer software in the performance of such contracts.
- (e) State agencies shall cooperate fully in implementing this order and shall share information as appropriate that may be useful in combating the use of computer software in violation of applicable U.S. copyright laws or applicable licensing restrictions.

3. Responsibilities of Executive Directors.

In connection with the acquisition and use of computer software, the executive director of each State agency shall:

- (a) ensure agency compliance with U.S. copyright laws protecting computer software and with the provisions of this order to ensure that only authorized computer software is acquired for and used on the agency's computers;
- (b) utilize performance measures as recommended by the Chief Information Officer pursuant to section 4 of this order to assess the agency's compliance with this order;
- (c) educate appropriate agency personnel regarding copyrights protecting computer software and the policies and procedures adopted by the agency to honor them; and
- (d) ensure that the policies, procedures, and practices of the agency related to copyrights protecting computer software are adequate and fully implement the policies set forth in this order.

4. Office of Innovation and Technology.

The Governor's Office of Innovation and Technology shall be the office responsible for improving State agency practices regarding the acquisition and use of computer software, and monitoring and combating the use of unauthorized computer software. The Chief Information Officer ("CIO"), under the supervision of the Secretary of Technology, shall provide advice and make recommendations to State agencies and to the Office of the Governor regarding appropriate government-wide measures to carry out this order. The CIO shall issue his or her initial recommendations within 6 months of the date of this order.

5. Effective Date and Duration.

This Executive Order shall take effect immediately upon the enactment date and shall remain in force indefinitely until expressly repealed or superseded by executive order.

GIVEN under my hand and the
Executive Seal of the State
of Colorado, this thirteenth
day of March, 2000.

Bill Owens
Governor