The Coalition for Fair Software Licensing

**Presentation before the
Colorado Joint Technology Committee
December 5, 2022
4:30 PM**

Coalition for
Fair Software
Licensing

About the Coalition

- The Coalition for Fair Software Licensing is comprised of a diverse cross-section of North American companies representing competitors and customers in key industrial sectors, including health IT, insurance, cloud and cybersecurity providers.

- Every one of our members have first-hand knowledge of the breadth of restrictive software licensing practices and their impact on digital transformation strategies.

- We believe that the *Principles for Fair Software Licensing* present an equitable solution for accountability that will ensure greater choice, innovation, and security in the cloud.

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Risks to Digital Transformation
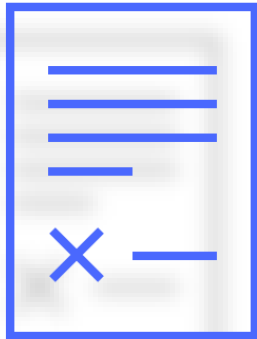
Restrictive Software Licensing

Aggressive Auditing

Unnecessary Technical Restrictions

Colorado Senate Bill 22-191

The Coalition and its members appreciate the work of State and local government officials - most notably those on the Joint Technology Committee - to advance legislative initiatives related to restrictive software licensing practices and their impacts on procurement activities. The relevant language included in CO SB 22-191.

"A contract for the licensing of software applications that are designed to run on generally available desktop or server hardware shall not limit a governmental body's ability to install or run the software on the hardware of the governmental body's choosing. This section applies to any contract or addendum for the licensing of software applications on or after the effective date of this section."

Related Legislation:
- Missouri (signed into law in 2022)
- New Jersey (pending legislation in House and Senate)

What This Means

Important First Step
- Addresses most egregious abuse
- Ensures competitive and flexible cloud options
- Encourages interoperability / increased integration capabilities of product offerings throughout the cloud stack

Next Steps for Consideration
- Continued oversight – by both the Joint Technology Committee and Office of Information Technology
  - Aggressive auditing practices
  - Restrictions embedded in State's software assets
    - Prohibit the use of contractual terms that require SaaS vendors use specific infrastructure technology

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Growing Interest

The Coalition for Fair Software Licensing is continuing to educate policymakers about the limitations these practices place on customers in both the public and private sector and the negative impact on digital transformation strategies.

The Invisible Tech Behemoth

Washington Ignores Predatory Software Vendors

House lawmakers introduce bill to overhaul how agencies buy software

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Principles for Fair Software Licensing

1. Licensing terms should be clear and intelligible
2. Freedom to bring previously purchased software to the cloud
3. Freedom to run on-premises software on the cloud provider of choice
4. Costs should be reduced through the efficient use of hardware
5. Freedom from retaliation for choice of cloud service
6. Avoiding customer lock-in through interoperable director software
7. Equal treatment for software licensing fees in the cloud
8. Permitted uses of software should be reliable and predictable
9. Licenses should cover reasonably expected software uses

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Connect with Us

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Thank You

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