



## **Democratic platform focuses on outsourcing, broadband**

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The U.S. government should focus on protecting U.S. workers' jobs and creating universal access to broadband services, says the Democratic Party's 2004 platform. The platform, approved by the party's Platform Committee July 10, doesn't mention offshore outsourcing by name, but it does seem to focus on the position taken by some Republicans that U.S. companies have the right to move jobs overseas. "We believe Americans are the smartest, toughest competitors in the world," the platform says. "Our products and ideas can compete and win anywhere, as long as we're given a fair chance. And our companies can keep and create jobs in America without sacrificing competitiveness."

While presumptive Democratic presidential nominee John Kerry hasn't been involved in a lot of technology issues in his Senate career, Democrats include a handful of technology-related issues in the 41-page platform, released as the party heads toward its national convention in Boston next week. Some issues, including the party's advocacy of universally available broadband and a permanent research and development tax credit, mirror positions by many Republicans.

Most of the document, titled "Strong at Home, Respected in the World," focuses on issues not directly related to IT, including fighting terrorism, achieving energy independence and reforming health care. But in a section titled "Creating Good Jobs," the platform takes a handful of technology-related positions.

The document accuses President George W. Bush's administration of defending policies that "weaken America's competitive position and destroy American jobs."

The platform continues: "Instead of meeting the challenge of globalization by strengthening our workers' ability to compete and win, this Administration uses globalization as an excuse not to fight for American jobs."

The Republican National Committee didn't immediately respond to a request for comments on the Democratic platform.

Democrats are concerned about offshore outsourcing, and the two parties have some major differences on the issue, said Representative Rick Boucher, a Virginia Democrat who's frequently involved in Congressional tech issues. In February, N. Gregory Mankiw, chairman of Bush's Council of Economic Advisors, called outsourcing "just a new way of doing international trade."

U.S. tax law should encourage U.S. companies to keep jobs at home, by giving companies incentives to keep jobs in the U.S., Boucher said, echoing a Kerry campaign theme. Democrats have decried a tax loophole in which corporations can

campaign theme. Democrats have decried a tax loophole in which corporations can take advantage of tax deferrals for money made overseas, as long as the money stays overseas.

Boucher suggested Congress should even consider penalties for companies moving jobs overseas. "I think we should have tax incentives the reverse of what we have today," he added.

Technology groups such as the Information Technology Association of America have opposed most legislation designed to curb outsourcing, saying U.S. companies need that option to stay competitive. U.S. companies need to take advantage of ideas from foreign workers and need foreign workers to localize and sell products in foreign markets, added Robert Cresanti, vice president for public policy at the Business Software Alliance (BSA).

Cresanti praised most of the Democratic platform, saying a couple of the tech issues it addresses, including universal broadband and a permanent research and development tax credit, "are right squarely within the technology industry's agenda."

But the platform's language on protecting U.S. jobs and reforming labor laws may suggest additional regulation for U.S. companies, Cresanti said. "It's concerning to me," he said. "How deep do they plan to go in and define things that affect our industry? I hope we're talking about an incremental approach to regulation and not brute force."

Cresanti opposed tax penalties in response to outsourcing, saying such a policy could slow job growth in the U.S. "If we start to fiddle with penalizing companies for moving jobs overseas, we could easily find ourselves in uncomfortable straights," he said.

The 2004 Democratic platform seems to address fewer technology issues than President Bill Clinton-era platforms, Cresanti said. Indeed, the 2000 party platform included a whole section on "Investing in Innovation," as opposed to the 2004 platform's mentions of technology-related issues in the jobs section.

The new platform's focus on antiterrorism and domestic security is appropriate, Cresanti said, but security sections are missing any mention on cybersecurity. "You would've thought (the security sections) would be a great place to put critical infrastructure and cybersecurity issues," he said. "That all still demands attention."

The BSA supports efforts to expand broadband availability and make the research and development tax credit permanent, although Cresanti said that both issues also have support among many Republicans. The platform says universal access to broadband services could add US\$500 billion to the U.S. economy, create 1.2 million new jobs and "transform the way we learn and work."

The parties take different approaches to achieving universal broadband adoption, however, said Boucher, the Virginia representative. While Republicans focus on ending telecommunication and broadband regulation, Democrats also want to use tax credits and other incentives for companies to roll out broadband in rural areas and other places with limited broadband choices.

"I support both approaches," Boucher said. "In some places in the country, you can deregulate down to zero and still not get broadband deployment "

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The 2004 Democratic platform, available at <http://a9.g.akamai.net/7/9/8082/v001/www.democrats.org/pdfs/2004platform.pdf>, also calls for the U.S. government to enforce trade laws on countries such as China, which the U.S. government has accused of discriminatory semiconductor trade practices. The Democratic convention is next Monday to Thursday in Boston.