

TEQI Q2 2004

The TEQI

The Tech Environmental Quality Index (TEQI, pronounced "techie") quantitatively measures the overall health of the Tech Environment from the perspective of businesses that create and deploy, and consumers who choose and use, technology. The TEQI accounts for relevant legislative, regulatory, and judicial activity at state and federal level (TEQI does not account for wholly market-driven effects on the tech environment).

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Quick Recovery for Tech Environment After Disastrous First Quarter

Summary

The second three months of 2004 held promising signs for a healthier tech environment according to the Association for Competitive Technology (ACT). ACT issued its second quarter 2004 Tech Environmental Quality Index (TEQI), demonstrating a rebound of more than 3 points from its first quarter index. Tech and business friendly e-commerce bills, legislation aimed to give consumers and businesses relief from resource-stealing spyware, and legislation that would stimulate free trade all contributed to this recovery.



The Numbers

The TEQI recovered **3.18** points during the second quarter of 2004, pushing the index up from **92.49** to **95.67**. The increase nearly erased the record-breaking **3.96** point decline in the TEQI during the first quarter.

A Broad-based Recovery

The vast improvement in the tech environment this quarter cannot be tied to any single piece of legislation. Rather, the recovery can be attributed to several changes including the slowed momentum of some dangerous proposals and some positive movement on other key pieces of legislation and trade agreements. Some of the highlights include:

Spyware Legislation on Track Towards Effectiveness — While the first congressional attempts to combat spyware would have had broad unintended consequences, the latest iterations of these bills are correctly striving to regulate the bad behaviors that contribute to the problem, rather than the technologies that may be used. Bills introduced by Rep. Bono (R-CA) and Rep. Inslee (D-WA) appropriately narrow the definition of what behaviors determine if a software product is spyware.

Just What the Doctor Ordered When it Comes to Online Pharmacies — Consumer protection and confidence in e-commerce got a boost from two bills that attempt to establish standards for online pharmacies. Bills introduced by Rep. Tom Davis (R-VA) and Rep. Greg Walden (R-OR) would create rigorous standards for online pharmacies and provide consumers easy access to information regarding state certifications, business location, and the names of practitioners who may provide online consultations through the site.

It's a "G'day" When it Comes to the US-Australian Free Trade Agreement — In the second quarter, this trade agreement passed Senate review and was sent on to the next hurdle in the House with a favorable outlook. With trade between the nations already totaling more than \$19 billion in 2001, the increased access to Australia's market would further boost trade in both goods and services, enhancing employment opportunities in both countries. In addition, an FTA would result in greater business integration, especially in the information technology sector, increasing efficiency and the competitiveness of U.S. industry.