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January 27, 2003

Dear Delegate:

The Society for Information Management (SIM) urges each member of the American Bar Association's (ABA) House of Delegates to vote against the Uniform Computer Information Transactions Act (UCITA) resolution at your mid-year meeting in February in Seattle.

SIM, the premier network of information technology leaders, represents chief information officers (CIOs), chief technology officers (CTOs), and other senior executives from more than 2,200 major corporations across the United States.

SIM opposes UCITA as it continues to be unfairly biased toward the needs and interests of technology vendors to the detriment of their customers, both business and consumer. We feel the recent revisions UCITA do not address fundamental concerns articulated by your own ABA Working Group on UCITA, by 32 state attorneys general, and by Americans For Fair Electronic Commerce Transactions (AFFECT), which is the cross-industry, "grass roots" coalition of businesses, consumers, and libraries.

Highlights of SIM's objections include the following:

- UCITA permits licensors to withhold terms until after payment and installation of software.
- Licensors can include disabling code without disclosing its presence to licensees, putting confidentiality, integrity and security of a business's computer systems at risk at a time when privacy laws are requiring the exact opposite.
- UCITA still does not require licensors to disclose known software defects. The identification and repair of software defects known as "bugs" significantly contribute to the high cost of software support in today's businesses.
- The effective equivalent of electronic "self-help" is still present via "electronic regulation of performance" by means of automatic restraint, which is self-help by another name.

UCITA continues to lack the consensus needed for passage of a uniform law. The changes made to UCITA do not increase the clarity of the 256 pages of hard-to-penetrate text. As your own Working Group said last year, UCITA "would not achieve the principal objective that a uniform law is expected to achieve, namely, the establishment of a high level of clarity and certainty in a particular area of law."

Even with the 2002 amendments, for many companies the cost of doing business under UCITA would skyrocket due to increased administrative costs for negotiating standard software contracts. These increased costs would come with no added benefit to these businesses nor to their customers. We encourage you to visit <u>www.affect.ucita.com</u>, the AFFECT Web site, for additional analysis regarding our reasons for opposing UCITA.

Businesses and consumers in your state do <u>not</u> support UCITA because it does nothing to help or protect them. Please vote against the UCITA resolution. We believe that the ABA defeat of this resolution will go a long way to ensuring an end to UCITA.

Thank you for your consideration,

Ed Trainor

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