November 8, 2017

Dear Readers,

Please find below the latest edition of the Cloud Computing Committee’s SciTech Cloud News. Do not hesitate to contact me with any questions, comments, or contributions (including suggested articles for the next newsletter) to make this most valuable for your practice.

Sincerely,
Jastin Mostowtt
Editor
Jastin.Mostowtt@botw.com

---

**Bennett B. Borden**  
Committee Co-Chair  
Chief Data Scientist and Chair, Information Governance Group  
Drinker Biddle & Reath LLP  
bennett.borden@dbr.com

**Joe Pennell**  
Committee Co-Chair  
Partner, Technology Transactions Group  
Mayer Brown LLP  
JPennell@mayerbrown.com

**Janet A. Stiven**  
Committee Co-Chair  
Vice President & General Counsel  
The Moody Bible Institute of Chicago  
Janet.stiven@moody.edu

**Arash Heidarian**  
Committee Vice Chair  
Senior Corporate Counsel  
Amazon Web Services  
heidaria@amazon.com

**Eric A. Hibbard**  
Committee Vice Chair  
CTO Security and Privacy  
Hitachi Data Systems  
Eric.Hibbard@hds.com

**Nkechi Kanu**  
Committee Vice Chair  
Associate  
Crowell & Moring  
nkanu@crowell.com

**Edward Paddock III**  
Committee Vice Chair  
Senior Counsel  
Data & Technology Practice Group  
McDonald's Corporation  
edward.paddock@us.mcd.com

---

**Data Security**

**Draft Cybersecurity Law Standards Are Published to Guide the Practice**  
*Lexology (CMS, China), September 11, 2017*  
In late August, the National Information Security Standardization Technical Committee published a list of draft standards to facilitate implementation of the PRC Cybersecurity Law. These standards provide detailed rules, procedures, and specifications related to data protection, cross-border transfer of data, critical information infrastructure, operation security, network products and services, and cloud computing.

**A Better Way to Teach Cybersecurity to Workers**  
*The Wall Street Journal, September 17, 2017*
Companies often train their employees on cybersecurity by scaring them about the consequences of weak security. However, evidence shows that this approach to training is largely ineffective. Effective new approaches highlighted in this article include incentive programs for employees who follow safe cybersecurity practices and a more relaxed training environment for employees.

**Half of Companies Fail to Meet PCI DSS Compliance Standards: Is Your Infrastructure Up to It?**  
*Cloud Tech, September 22, 2017*

Currently only about half of companies meet all PCI DSS compliance standards. Most companies struggle to comply with the PCI DSS standards involving protecting stored cardholder data, developing and maintaining secure systems covering the security of applications, testing security systems and processes, and maintaining information security policies.

**New Developments on the PRC Cyber Security Law**  
*Lexology (CMA, China), September 20, 2017*

The Cyberspace Administration of China drafted Regulations for Protection of Critical Information Infrastructure (CII Regulations) to supplement the government’s Cyber Security Law (CSL) that took effect in June. These regulations were authored to address the confusion regarding the CSL that were described in an article in last quarter’s SciTech Cloud News. However, ambiguities still exist. This article describes, in detail, internal guidelines that have been circulating among Chinese government authorities, as well as the obligations of CII operators as described in the CSL, CII Regulations, and Internal CII Guidelines. Foreign and foreign-invested companies should closely monitor the development of the CSL and its related regulations and assess potential risks of being recognized as a CII Operator.

**Data Privacy**

**Worldwide Group of Data Privacy Regulators Issues Guidance on Connected-Car Technologies**  
*The National Law Review (Ballard Spahr), October 2, 2017*

The Resolution on Data Protection in Automated and Connected Vehicles implements sixteen data privacy and security principles to guide automotive manufacturers, transportation service providers, car rental companies, and providers of data-driven services in the development of connected-car technologies. Notable recommendations include utilizing anonymization, minimizing collection and retention of personal data, and conducting data impact assessments for new, innovative, or risky development or implementation of these data technologies, amongst several other recommendations described in the article.

**Settlement of Uber Privacy/Data Security Complaint**  
*Lexology (Borden Ladner Gervais), September 5, 2017*

The FTC filed a complaint against Uber, claiming Uber failed to have a written information security program, implement reasonable security training and guidance, encrypt sensitive personal information, implement reasonable access controls to safeguard stored personal information, and deploy a system that effectively monitors access to consumer’s personal information by employees and contractors. In the settlement agreement, Uber is required to implement a comprehensive privacy program to address privacy risks and protect confidentiality of personal information.
Market News & Developments

What is Multicloud? The Next Step in Cloud Computing
IT World, September 25, 2017
This article describes a new term in the cloud computing world – “Multicloud” – which means using more than one public cloud. With more cloud options, companies are selecting different public clouds and utilizing aspects of each. Different groups within entire companies are also now utilizing different cloud platforms more and more frequently. Cloud management platforms and cloud service brokers help companies manage multiple cloud platforms as if they are one, although they can only use a subset of features from each.

Cloud Computing, The Great Uniter Of Enterprises
Forbes, September 30, 2017
This article describes an MIT survey that concludes most company executives feel the cloud is helping bring their enterprise together, particularly in the areas of finance, human resources, and information technology. The positive responses are credited to increases in productivity and performance with the cloud. As such, a growing percentage of companies are adopting cloud technologies and implementing new roles and trainings to merge the new technologies with current operations.

What is Edge Computing and How it’s Changing the Network
Network World, September 21, 2017
Edge computing is a “mesh network of micro data centers that process or store critical data locally and push all received data to a central data center or cloud storage repository, in a footprint of less than 100 square feet.” The article describes benefits of edge computing, including use when IoT devices have poor connectivity and it’s not efficient for IoT devices to be constantly connected to a central cloud. Edge computing also minimizes latency of information. However, while some people believe edge computing increases security of data, others have security concerns.

Public Sector News

Alert: DoD Contractors Required to Meet Cybersecurity Requirements by Year End
JD Supra (Cooley), October 5, 2017
In late 2016, changes were made to the Defense Federal Acquisition Regulation Supplement requiring that DoD contractors and subcontractors provide “adequate security” on “covered information systems.” If a contractor’s covered information system is not part of an IT service or system operated on the government’s behalf they must implement specific NIST standards “as soon as practical, but not later than December 31, 2017.” Furthermore, contractors are now required to investigate and report cyber incidents within 72 hours of discovery.

Interagency Group Soliciting Feedback on New Cloud Buying Guides
Federal News Radio, September 26, 2017
This article describes the Cloud Center of Excellence (CCoE), a group consisting of government IT leaders who advocate for helping agencies with funding, acquiring, and securing cloud platforms. They are pleased at the current momentum in the government to provide funding for cloud services. The CCoE facilitates this movement by providing agencies with common cloud
vocabulary, contract language considerations, and a cloud adoption guide. They will soon publish information explaining an “à la carte marketplace.”

**Governance & Agreements**

**Cloud Computing Crash Course: Location, Location, Location**
*JDSupra (Faegre Baker Daniels), September 29, 2017*
This article emphasizes the importance of knowing where your data is stored when using cloud service providers. Five specific reasons are discussed: (1) Legal obligations relating to the information can be based on the geographic location where the information is stored; (2) Information may not be as secure if the privacy and security laws in the server’s location are not as protective as in the U.S.; (3) Some countries’ data localization laws may require certain information be stored within a specific country, preventing it from being exported; (4) Compliance may be required with U.S. export control regulations; and (5) If a data breach were to occur, law enforcement agencies have varying authority over cloud data.

**Avoiding Glittering Generalities in Selecting eDiscovery Software – Considering Security: eDiscovery Best Practices**
*JDSupra (CloudNine), October 3, 2017*
This article addresses the use of cloud computing in the context of e-discovery and the security factors to consider when choosing between an on premise and cloud solution. Security factors to consider when evaluating solutions include encryption (in movement and at rest), security experts on staff, and first access to emerging technologies. The article also describes the various cloud environments that could be deployed for e-discovery solutions (similar to all cloud solutions).

**Building a Health App? What You Need to Know**
*The National Law Review (Mintz Levin), September 18, 2017*
This four-part article series provides legal considerations around the development and use of health apps, a growing technology industry. Considerations addressed in this article include navigating FDA, FTC and data privacy and security regulations, and app construction – including considerations about the use of cloud computing.

**Big Data**

**Has Big Data Reached a Tipping Point in the Cloud?**
*Bloomberg, August 1, 2017*
This article examines competitive advantages when using big data in a cloud environment as compared to an on premise solution. According to the article competitive advantages include: (1) availability to companies of all sizes without a big IT undertaking; (2) synergies between data scientists and operations personnel; (3) ease of applying analytics to data already stored in the cloud; and (4) ability to focus on the big data analytics rather than the requirements to maintain big data for business purposes.