



# Embrace Technology and Spur Innovation



From work to leisure to entertainment, technology and innovation impact every Louisianan every day. Technology and innovation touch every sector of the economy, particularly banking, drilling, farming, manufacturing, and entertainment, some of which form the bedrock of Louisiana's economy. As technology and its uses evolve over time, the government can either stand on the side of progress by embracing deregulation or erect barriers that suppress innovation. Louisiana's leaders must resolve to make the state an enabler of innovation and not an obstacle, aiming to be one of the friendliest states in the nation when it comes to innovation.

## PROBLEMS

Heavy-handed laws, rules, and regulations make it extremely difficult for innovators to innovate and develop new products and services that improve people's lives. Louisiana knows regulation all too well, having constrained businesses over the years to the point that many have closed, left the state, or refused to operate here to begin with. Studies have found that Louisiana ranks among the top states for state-level regulatory restrictions.

Too often government bureaucracies throw up roadblocks to new ideas, technologies, or products simply because they're new and unfamiliar or because they approach regulation with a worst-case scenario mindset. There are rarely processes in place for, or even an openness to allow, inventors and innovators to test new ideas under the general supervision of regulating entities charged with ensuring consumer or public health, safety, or welfare. New technologies often face policies designed to protect incumbents rather than consumer interests.

Government has increasingly set up roadblocks in information technology, inserting itself into the marketplace and into individuals' personal decision-making. States have waded into issues that are more appropriate for the federal government, given national and global implications.

Louisiana must regulate with care and caution, ensuring that innovation can be conceived and created for the benefit of consumers without overregulating and constraining it.

## SOLUTIONS

### 1. Allow pro-innovation principles to guide decision-making.

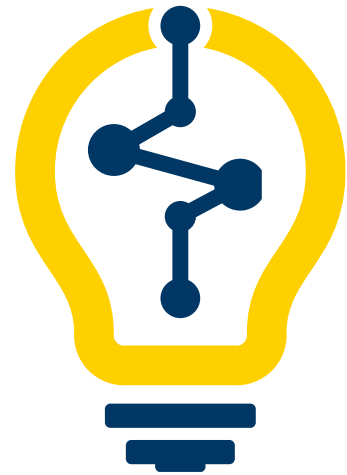
Each year, lawmakers face new and increasingly difficult questions surrounding technology and innovation. There is no one-size-fits-all response or solution when it comes to these vastly differing technologies, but there are principles lawmakers can use to guide decision-making.

- Avoid pre-emptive regulations of emerging technology.
- Examine whether current laws and regulations can be applied to new technologies before creating new ones.
- Use emerging technology as an opportunity to reduce regulation in legacy industries.
- Create a statewide framework to ensure regulatory certainty.

## 2. Create laboratories for innovation.

Instead of forcing new technologies and products into existing regulatory frameworks that don't fit and favor existing actors, lawmakers should create environments that:

- Put the burden on the government to show why an existing regulation is needed for a new product, or better yet, ensure that any new rules are properly costed out to see their economic impact.
- Make applying to participate in a collaborative regulatory development program simple, allowing for an easy information gathering process.
- Create open lines of communication between regulators and entrepreneurs, including through innovation councils.
- Create reciprocity agreements with other states, allowing testing of products to larger markets and reducing costs for entrepreneurs.
- Support the creation and implementation of a collaborative regulatory development program or process, making it functional and inviting.
- Require that as new regulations are enacted, existing ones are repealed or are sunset.



## 3. Expand internet connectivity responsibly.

With new federal dollars to support expansion of broadband internet service, the federal government has released new maps, showing which communities are most likely to benefit. State and local government leaders should resist the temptation to create their own maps and focus instead on making sure that the maps are as refined and accurate as possible. They should vigilantly guard federal funds for expanding broadband coverage to minimize waste and ensure that individuals are indeed connected with reliable broadband internet service. This includes ensuring that money is spent in a technology—neutral, responsible way, understanding that what works best for concentrated populations may not be well suited for rural communities. It also necessitates overcoming infrastructure roadblocks like permitting and right-of-way issues.

State leaders should also remain steadfast in pursuing public-private partnerships and enabling a 5G future, given that many government-owned broadband networks have been expensive failures.


## 4. Address antitrust concerns at the federal level.

While the role of antitrust enforcement and preventing anticompetitive behavior has typically been reserved for the federal government, states have increasingly attempted to flex their muscles. Recently, a number of state attorneys general have brought cases against technology companies in response to fears about how much control they exert over society. The problem is that while states have a role in antitrust enforcement, many cases involve companies with national footprints, making it interstate commerce and, therefore, regulated by Congress and federal agencies. Then there's the practical problem of companies navigating a hodgepodge of rules and regulations that differ from state to state. As these concerns come up in Louisiana, the state attorney general should carefully decide whether the state should engage and resist urges to deploy knee-jerk responses.

Policy environments matter, and with the right one in place, Louisiana's future could be exceedingly bright.



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