

Apple Pay gets a boost from the federal government

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Apple Pay has won the federal government's stamp of approval.

Speaking at the White House Summit on Cybersecurity and Consumer Protection on Friday, Apple CEO Tim Cook announced that Apple Pay may soon be used for some transactions with the federal government, including federal payment cards and admission to national parks. In a fact sheet detailing the program, the White House emphasized its commitment to promoting secure payment technology. Cook said that completing store transactions with Apple Pay, a payment system built into the latest Apple gadgets that transmits a unique token rather than a user's <u>credit card number</u>, is safer than simply swiping a credit card.

"This is another product where security wasn't an afterthought," he said.

Cook's announcement came during a summit at Stanford University that brought together leaders from Washington and Silicon Valley to discuss how to boost <u>cybersecurity</u>. Cook said security was part of the reason the company developed Apple Pay, which lets people with the iPhone 6 and 6 Plus buy items in stores by waving their phones and also allows for inapp purchases.

Since the service debuted in October, it has been accepted by a growing number of retailers. Analyst Patrick Moorhead of Moor Insights and Strategy predicted that the federal government's approval will redouble Apple's momentum in the mobile payments space.



"This is really a big deal as it gives Apple access to the millions of federal employees, but more importantly, the billions of Americans who pay federal institutions," he wrote in an email.

Aneesh Chopra, former U.S. Chief Technology Officer, said the move signals the <u>federal government</u> is modernizing how it interacts with citizens.

"I think this is a broader shift toward better digital services, which has been a priority for the president from day one," said Chopra, who is cofounder and executive vice president at Hunch Analytics.

During a conference featuring many calls for public-private partnerships to boost cybersecurity, Cook offered up a fresh example. He stressed that government and the private sector must work together to stamp out cyber attacks - and the stakes are high.

"If those of us in positions of responsibility fail to do everything in our power to protect the right of privacy, we risk something far more valuable than money," he said. "We risk our way of life."

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