



i2Coalition March 2021 Legislative Update

Your update on important Internet policy issues

OUTLOOK

Following the House (220-211) and Senate (50-49) party-line votes to pass the Biden Administration's \$1.9 trillion American Rescue Plan and [its enactment into law on March 11](#), President Biden, Vice President Harris, and other Administration officials launched major public outreach efforts in the states to educate citizens about it and show support for its implementation. In the ongoing battle against COVID-19, accelerating vaccinations is the focal point. Also, public health experts are warning against pulling back on protective public health measures too soon, citing the latest COVID-19 surges in Europe and the growing threat of variants in the U.S. [According to the CDC](#), as of March 22, more than 13% of the total U.S. population has been fully vaccinated.

The Senate has continued its series of confirmation hearings for the [Biden Cabinet](#) and senior appointed officials while shifting attention to additional legislative priorities including infrastructure, climate change, and voting access. An intense debate over the [filibuster](#) currently looms over the Senate Democrats' legislative agenda. The House has turned to the sweeping topic of improving the nation's infrastructure with numerous hearings underway in House committees to address funding for broadband and closing the digital divide, clean energy, energy efficiency, and health care infrastructure, among many issues. The Biden Administration is expected to present major proposals in April. Administration staff is reportedly working on a still-evolving, [massive, roughly \\$3 trillion infrastructure and jobs package](#).

Tech Policy Priorities

Section 230. Two House Energy & Commerce subcommittees scheduled a March 25 remote hearing addressing online disinformation and misinformation at which the CEOs of Twitter, Facebook, and Google will testify. Bipartisan interest in revising Section 230 is expected to figure prominently in this hearing which continues Congress' intense scrutiny of the role of the largest social media platforms and tech companies in spreading online misinformation and disinformation as well as allegedly censoring online political speech. More Section 230 reform bills have been introduced in the Senate and House, including S. 797, largely a re-introduction of the bipartisan "Platform Accountability and Consumer Transparency Act" (PACT Act) by Senators Schatz (D-HI) and Thune (R-SD), and H.R. 2000, the "Stop Shielding Culpable Platforms Act" by Rep. Jim Banks (R-IN) and 8 other Republicans. No single Section 230 reform bill has emerged to address fully all of the various concerns lawmakers have raised. Reforming Section 230 is a complex issue not limited solely to "Big Tech." As the debate unfolds in the 117th Congress and efforts accelerate to revise this foundational Internet law, it is critical that Congress hears from the full, diverse range of entities in the Internet ecosystem that Section 230 covers--from Internet infrastructure

providers to small and medium businesses and their users, to libraries, educational institutions, and nonprofit organizations.

Antitrust/Competition. The Judiciary subcommittees on antitrust in the Senate and House have launched hearings to address the state of competition in the tech sector and to consider related antitrust legislative proposals. With U.S. DOJ AG Merrick Garland's confirmation and swearing-in completed on March 11, the Biden Administration is moving forward on filling key antitrust policy and enforcement positions at the DOJ and FTC.

Federal Privacy. Calls for passing a comprehensive federal consumer data privacy bill have increased in Congress following the state of Virginia's enactment of a comprehensive consumer data privacy law and ongoing debate and interest in consumer privacy bills in numerous other states. Toward that end, Representative Suzan DelBene (D-WA) introduced the "Information Privacy and Personal Data Control Act." DelBene has emphasized that consumer data privacy is an international issue as much as it is a domestic concern and that if the U.S. does not establish a clear domestic policy, it will not be able to shape standards abroad, and risks letting others, like the European Union, drive global privacy policy.

Copyright. Numerous stakeholders provided input by March 5 to Senate IP Subcommittee Ranking Member Senator Thom Tillis (T-NC) regarding his discussion draft Digital Copyright Act of 2021, and Senator Tillis is assessing the next steps. IP Subcommittee Chair Senator Leahy (D-VT) and Ranking Member Senator Tillis continue to collaborate to support enhanced enforcement efforts to combat online piracy.

Broadband. New funding for broadband deployment in unserved and underserved areas is part of the massive infrastructure legislation under consideration in Congress. The issue has taken on increasing urgency given the impact of COVID-19 forcing major societal shifts to online work, education, and commerce, among other things. The House infrastructure bill introduced by Energy and Commerce Committee Chairman Frank Pallone (D-NJ) includes more than \$100 billion to expand broadband Internet access to unserved and underserved communities. [Lawmakers are closely monitoring](#) the FCC's current efforts under existing statutory mandates and funding mechanisms to generate more accurate broadband mapping so that broadband deployment funding resources can be allocated properly.

ISSUE

Section 230/Intermediary Liability

House: E&C Big Tech CEOs Joint Subcommittee Hearing - On March 25 the House Energy and Commerce Committee will hold a joint subcommittee hearing entitled "[Disinformation Nation: Social Media's Role in Promoting Extremism and Misinformation](#)." The CEOs from Facebook, Google, and Twitter will testify. Subcommittee members may at that time or soon after the hearing unveil additional legislation to revise Section 230. One proposal likely to be introduced is Rep. Schakowsky's (D-IL) Online Consumer Protection Act, which would remove liability protections if platforms violate their terms of service and allow for FTC enforcement and consumer lawsuits. Rep. Eshoo (D-CA) may discuss her Protecting Americans from Dangerous Algorithms Act. Rep. Clarke (D-NY) is working on the Civil Rights Modernization Act, which would amend Section 230 to ensure federal civil rights laws apply to tech companies' targeted advertisements.

Senate: S. 797 PACT Act Re-introduced - On March 17 Senators Brian Schatz (D-HI) and John Thune (R-SD) [reintroduced](#) the Platform Accountability and Consumer Transparency (PACT) Act, bipartisan

legislation to update Section 230 of the Communications Act. The PACT Act seeks to make platforms' content moderation practices more transparent and hold those companies accountable for content that violates their own policies or is illegal. The key provisions addressing the bill's core goals of transparency, accountability, and consumer protection include:

- Requiring online platforms to explain their content moderation practices in an acceptable use policy that is easily accessible to consumers;
- Implementing a biannual reporting requirement for online platforms that includes disaggregated statistics on content that has been removed, demonetized, or deprioritized;
- Promoting open collaboration and sharing of industry best practices and guidelines through a National Institute of Standards and Technology-led voluntary framework;
- Requiring large online platforms to provide due process protections to consumers by having a defined complaint system that processes reports and notifies users of moderation decisions within twenty-one days, and allows consumers to appeal online platforms' content moderation decisions;
- Amending Section 230 to require that large online platforms remove court-determined illegal content and activity within four days;
- Allowing smaller online platforms to have more flexibility in responding to user complaints, removing illegal content, and acting on illegal activity, based on their size and capacity;
- Exempting the enforcement of federal civil laws from Section 230 so that online platforms cannot use it as a defense when federal regulators, like the Department of Justice and Federal Trade Commission, pursue civil actions online;
- Allowing state attorneys general to enforce federal civil laws against online platforms; and
- Requiring the Government Accountability Office to study and report on the viability of an FTC-administered whistleblower program for employees or contractors of online platforms.

The bill includes an exemption for "internet infrastructure services" as defined in the bill from the provisions requiring the acceptable use policy, complaint system, processing of complaints, and biannual transparency reporting.

House: H.R. 2000, Banks bill - On March 18, Rep. Jim Banks (R-IN), Chair of the Republican Study Committee, along with 8 fellow Republican co-sponsors, [introduced](#) the "Stop Shielding Culpable Platforms Act" to clarify that Section 230 does not shield online platforms when they knowingly share illicit content. It seeks to do so by ensuring that Section 230 is not inappropriately interpreted to prevent a provider or user of an interactive computer service from being treated as a *distributor* of information provided by another information content provider. This bill follows up on U.S. Supreme Court Justice Clarence Thomas's view expressed in an order last year that Section 230 has been interpreted too broadly.

House: Cicilline "Content Amplification" Legislation - House Judiciary Antitrust Subcommittee Chairman David Cicilline (D-RI) plans to introduce a bill [targeting](#) Section 230 that would focus on the decisions companies like Facebook make to amplify content posted by users. "That's a very complicated algorithm that is designed to maximize engagement to drive up advertising prices to produce greater profits for the company," Cicilline said. "That whole set of decisions, one could argue, is different than the initial post. That's a set of business decisions for which, it might be quite easy to argue, that a company should be liable for." The bill is reportedly in its early stages.

House: E&C Committee Democrats Letter to Facebook - A group of 23 Democratic representatives, led by House Energy and Commerce Chairman Frank Pallone (D-NJ), sent a [letter](#) to Facebook Chief Executive Mark Zuckerberg requesting more information about the company's advertising practices regarding targeted ads for gun accessories and other protective equipment. The letter cites reports that the ads are shown "next to content that amplified election misinformation" and posts about the January 6 U.S. Capitol insurrection.

House: Eshoo/McNerney Letter - Reps. Anna Eshoo (D-CA) and Jerry McNerney (D-CA) sent [letters](#) to cable and streaming companies asking them about their decision-making process in allowing Fox News, OAN, and News Max on their platforms. Republicans reacted very harshly to the letter, accusing the members of unethically pressuring cable companies and streaming services to silence these news networks because they do not adhere to the same political agenda. Republicans are expected to continue to focus on this issue in the coming weeks and beyond. House Minority Leader McCarthy recently dedicated a floor speech to the topic and a group of E&C Republican members sent a [letter](#) to Acting FCC Chair Rosenworcel calling for her to push back against the rhetoric of canceling certain networks.

Trump Social Media Return Expectations - Jason Miller, a Trump spokesperson, [said](#) the former president could return to social media in the next few months with his own platform in lieu of being banned from Twitter, Facebook, and YouTube. Facebook's Oversight Board expects to rule on his suspension by late April, meaning he could return even sooner than planned.

Facebook Political Ads - Facebook [lifted](#) its political advertising ban, which has been in effect since November in order to curb the spread of disinformation.

Twitter Vaccine Misinformation - Twitter [announced](#) it will start labeling posts that include misleading information about COVID-19 vaccines by placing text underneath that links to official sources of information like the Centers for Disease Control and Prevention. Twitter may also remove tweets that it determines are particularly dangerous, including those that play into a broader conspiracy about the virus.

i2Coalition's Perspective - The i2Coalition will continue its work to educate policymakers, particularly new members of the Commerce and Judiciary committees in the House and Senate and incoming Biden Administration tech policymaking officials, about the complexities of the Section 230 debate and threats posed to the entire Internet ecosystem beyond the largest tech social media platforms if uninformed legislation is adopted. We are continuing our close collaborations with key allies on refining and presenting this messaging, including libraries and higher education entities who would be exposed to similar damaging liability risks and new, costly uncertainties.

Copyright/IP

Senate: March 5 Stakeholder Input on Tillis DMCA Reform Discussion Draft - Multiple stakeholders submitted input to Senate IP Subcommittee Ranking Member Thom Tillis (R-SC) by March 5 regarding his draft bill entitled the "Digital Copyright Act of 2021" which was released in late December 2020. The i2Coalition submitted a letter jointly with the Computer and Communications Industry Association (CCIA) underscoring numerous grave concerns with the bill's approach, including the proposal to replace the existing notice and takedown framework with "notice and staydown," and dozens of other extreme, problematic changes that would upset the careful balance struck in the DMCA and create massive

uncertainty for businesses, creators, and users without providing effective ways to address piracy. Senator Tillis has indicated that he will review the stakeholder input and hopes to introduce his bill on a bipartisan basis in late April or early May. Senator Tillis also continues to call upon the major tech platforms voluntarily to do more to combat online piracy.

Senate: Leahy-Tillis Letter to AG Garland on unlawful streaming - Senate Judiciary IP Subcommittee Chair Leahy (D-VT) and Ranking Member Tillis (R-NC) sent a [letter](#) on March 12 to Attorney General Merrick Garland posing questions about the need to pursue criminal copyright penalties against commercial piracy enterprises under the recently enacted Protecting Lawful Streaming Act (PLSA) which empowers the Department of Justice to pursue felony charges against criminal commercial piracy enterprises which have no legitimate purpose other than to facilitate copyright infringement. The letter seeks responses from AG Garland to these questions by April 12, 2021:

1. Now that have you been confirmed, will you commit to making prosecutions under the PLSA a priority? If so, what steps will you take during your first one hundred days to demonstrate your commitment to combating copyright piracy?
2. How quickly do you intend to update the U.S. Attorneys' manual to indicate prosecutors should pursue actions under the PLSA?
3. When updating the U.S. Attorneys' manual, what type of guidance do you intend to provide to make clear that prosecutions should only be pursued against commercial piracy services? Such guidance should make clear that the law does not allow the Department to target the ordinary activities of individual streamers, companies pursuing licensing deals in good faith, or internet service providers (ISPs) and should be reflective of congressional intent as reflected in our official record.

Senate: Patent Eligibility Bipartisan Letter to PTO - A group of bipartisan Senators, Tillis (R-NC), Hirono (D-HI), Cotton (R-AR), and Coons (D-DE) sent a [letter](#) on March 5 to acting U.S. Patent and Trademark Office Director Drew Hirshfeld warning that a lack of consistency and clarity in the patent eligibility laws is threatening American innovation in the diagnostics, precision medicine, biopharmaceutical and life sciences sectors during the pandemic.

i2Coalition's Perspective - The i2Coalition will continue to actively fight for the preservation of Section 512 safe harbors of the DMCA that its members have relied upon, including particularly the conduit provisions, in order to launch and operate their businesses successfully without being deluged with litigation threats. We will work to educate policymakers in Congress and the Biden Administration to ensure balanced policy outcomes for our members.

Antitrust

Senate: Judiciary Antitrust Subcommittee Hearing - On March 11, members of the Senate Judiciary Antitrust Subcommittee held a hearing to discuss the current state of competition in the U.S. economy and the potential need to modernize federal antitrust law. The witnesses included: Ashley Baker, the Committee for Justice; George Slover, Consumer Reports; Barry Lynn, Open Markets Institute; Jan Rybnicheck, Freshfields Bruckhaus Deringer; and Nancy Rose, MIT.

House: Judiciary Antitrust Subcommittee Hearing - On March 12, the House Judiciary Antitrust Subcommittee held its second hearing, in an ongoing series, examining the state of competition in online markets. The hearing specifically considered the impact that digital platforms have on local news outlets. The witnesses included Brad Smith, the President of Microsoft.

House: Antitrust Cicilline Legislation- Antitrust Subcommittee Chairman David Cicilline (D-RI) [plans](#) to introduce 10 or more proposals [targeting big tech](#) this spring, building off of the subcommittee's report on competition online. Cicilline said he is breaking up his legislative plans into a number of bills to make it harder for Silicon Valley to lobby against them. The tactic could also make it easier to assess which ideas have bipartisan support, given that even some of Cicilline's closest GOP allies have expressed reservations about signing onto broader antitrust reforms that go beyond big tech.

Biden Administration Antitrust Positions - The White House is said to be considering [candidates](#) to fill the administration's remaining major antitrust posts: Jon Sallet, an adviser to the Colorado attorney general, and longtime antitrust lawyer Jonathan Kanter are both being considered to lead the Justice Department's antitrust division, while Karl Racine, Washington, D.C.'s attorney general, is also being vetted for a possible administration role, potentially at the Federal Trade Commission. Alvaro Bedoya, a data collection and surveillance expert, is reportedly being considered to serve as a Democratic FTC commissioner.

WH: National Economic Council - Tim Wu, the Columbia University professor known as a major antitrust advocate against Big Tech, [is joining](#) the White House National Economic Council.

FTC Nomination - President Biden [is nominating](#) Lina Khan to be a commissioner at the Federal Trade Commission. Khan is an antitrust legal scholar who worked on the House Judiciary antitrust subcommittee's 16-month investigation into competition among large tech companies.

Google/Microsoft & Media Antitrust - Google attacked Microsoft for rallying support for legislation that would give news publishers more power to negotiate with technology platforms for payment for content. Google said in [a blog post](#) that Microsoft is engaging in "naked corporate opportunism" by appearing before Congress to back a proposal that would allow media organizations to band together to negotiate with Google and Facebook.

i2Coalition's Perspective -The i2Coalition monitors but has not actively engaged on this issue.

Privacy

House: DelBene Legislation - On March 10 Rep. Suzan DelBene (D-Wash.) reintroduced her version of [federal privacy legislation](#), which includes pre-emption of state laws and additional funding for the FTC so it can hire 500 employees focused on privacy and security. The [bill](#), titled the "Information Privacy and Personal Data Control Act," is narrowly focused on giving Americans the most essential privacy rights and protections, with DelBene saying that additional legislation can build upon this to target issues surrounding artificial intelligence, facial recognition technology, and other sources for privacy concerns.

Virginia: Privacy Law - Governor Northam officially [signed](#) the Consumer Data Protection Act into law making it the second state to adopt its own data protection rules. The law is expected to take effect on January 1, 2023. The bill has renewed the call for preemptive Federal privacy law in order to avoid the patchwork of state laws.

Other State Legislation - Following the signing of Virginia's Consumer Data Protection Act, a number of [states](#) have continued to move forward on their own comprehensive privacy bills. Bills in Oklahoma

and Washington have both passed one chamber, and proposals in Illinois, Minnesota, and Massachusetts were introduced last month.

California: Privacy Law Changes - Prior to his confirmation as HHS Secretary, California Attorney General Xavier Becerra announced an update to the California Consumer Privacy Act that [bans "dark patterns,"](#) or interfaces designed to trick users, that make it more difficult for state residents to opt-out of the sale of their personal data. Businesses that are suspected of violating the regulation will receive a warning and a 30-day window to fix the issue.

France: Clubhouse Investigation - Clubhouse is [under investigation](#) by the National Commission for Computing and Liberties (CNIL), a French privacy watchdog group, after a complaint. The complaint called into question Clubhouse's compliance with European data privacy regulations. The CNIL is also looking into a petition circulating in France that calls for regulatory intervention. The petition reportedly has more than 13,000 signatures.

i2Coalition's Perspective - The i2Coalition works closely with U.S. policymakers to educate about and maximize understanding of the business impacts of privacy and data collection legislation and regulation affecting the technology sector in the U.S. and globally. The i2Coalition will continue to follow EU-US negotiations on transatlantic data flows and engage with the responsible U.S. Department of Commerce officials and staff and with our EU allies and partners. We have accelerated our focus on actively presenting substantive updates to Congress and federal policymakers about the work we are doing and progress being made with ICANN and NTIA on the development of a sound, workable global access model for domain name registration data that, among other things, meet the requirements of the GDPR. In the 117th Congress and before the Biden Administration, we will continue to emphasize the need to combine enhanced privacy policies with the ability to deploy strong encryption, unencumbered by backdoors, as primary tools we leverage in order to keep people safe online.

Telecommunications

House & Senate: Broadband Update - On March 11 E&C Chairman Pallone (D-NJ) reintroduced the [LIFT America Act](#), the sweeping infrastructure legislation that was included in the larger Democratic package last Congress. It includes over \$312 billion for clean energy, energy efficiency, drinking water, broadband, and health care infrastructure. The House E&C Committee scheduled a March 22 full committee hearing on the legislation with former FCC Chairman [Tom Wheeler](#) (D) and former FCC Commissioner [Mike O'Rielly](#) (R) testifying. The bill includes more than \$100 billion to expand broadband internet access to underserved and unserved communities. O'Rielly testified at a previous Senate Commerce Committee hearing that broadband investment should not exceed \$20 billion unless it is split into tranches, but Wheeler is expected to advocate for \$80 billion. March 22 began the first of several planned "infrastructure weeks" in the House, with many committees holding hearings or member days on the issue.

House-Senate: Digital Divide/Internet Access Clyburn/Klobuchar Bill - Rep. James Clyburn (D-SC) and Sen. Amy Klobuchar (D-MN) introduced [a \\$94 billion proposal](#), known as the Accessible, Affordable Internet for All Act, to expand internet service in rural and tribal communities, improve speeds and help subsidize expensive internet bills, which they hope to advance through an expected infrastructure package.

Senate: Broadband Reserve Fund Act - Sens. Roger Wicker (R-MS) and Marsha Blackburn (R-TN) introduced the [Broadband Reserve Fund Act](#). This legislation would require the net proceeds from the C-Band spectrum auction to be deposited into a reserve fund at the Department of Treasury to be used to expand broadband access and digital opportunity, modernize the nation's communications infrastructure, increase accessibility to telehealth technologies, and meet other connectivity priorities.

Biden Administration: American Rescue Plan Broadband Provisions - There are a number of broadband and telecom-related provisions in the new economic stimulus law, including: allowing states and localities to use some of the \$350 billion in aid for "necessary investments in water, sewer or broadband infrastructure"; and \$7 billion for E-Rate.

FCC: Emergency Broadband Benefit Program - The FCC adopted a [Report and Order](#) on the \$3.2 billion [Emergency Broadband Benefit Program](#). The program, which was created at the end of the last Congress through the end-of-year funding and relief package, will provide a discount of up to \$50 per month towards broadband service for eligible households and up to \$75 per month for households on Tribal lands. Eligible households can also receive a one-time discount of up to \$100 to purchase a laptop, desktop computer, or tablet from participating providers if they contribute \$10-\$50 toward the purchase price. A household is eligible if one member:

- Qualifies for the Lifeline program;
- Receives benefits under the free and reduced-price school lunch program or the school breakfast program, including through the USDA Community Eligibility Provision, or did so in the 2019-2020 school year;
- Received a Federal Pell Grant during the current award year;
- Experienced a substantial loss of income since February 29, 2020 and the household had a total income in 2020 below \$99,000 for single filers and \$198,000 for joint filers; or
- Meets the eligibility criteria for a participating providers' existing low-income or COVID-19 program.

California: Net Neutrality Law - Judge John Mendez of the U.S. District Court for the Eastern District of California denied a motion from a group of internet service providers that would [delay the enforcement](#) of a 2018 state net neutrality law, beginning the process for the state to start applying the rules.

FCC: Commissioner Carr 5G Roadmap - On March 15 Republican FCC Commissioner Brendan Carr offered a detailed blueprint for a potential FCC agenda on 5G wireless spectrum and infrastructure efforts over the next two years. Included in the plan is a fast-track push for accurate broadband maps and the steps the FCC should take to free up more wireless spectrum for the private sector, including scheduling a sale of the 2.5 GHz airwaves this year; working with Congress on the agency's authority for auctioning spectrum (which expires at the end of next year); and starting an FCC proceeding on whether to increase the power levels telecom companies can use in tapping airwaves in the so-called Citizens Broadband Radio Service band, a cut of airwaves they share with the Defense Department on a limited basis.

i2Coalition's Perspective - The i2Coalition monitors but has not actively engaged on this issue.

Tech

House: E&C Bipartisan Emerging Tech Letter to Commerce Secretary - House E&C Ranking Member Cathy McMorris Rodgers (R-WA) and Energy Subcommittee Chairman Bobby Rush (D-IL) [wrote](#) to Commerce Secretary Gina Raimondo on March 12 asking about her priorities on emerging technologies. They referred to the December 2020 appropriations bill that included legislation requiring the Commerce Secretary to report to Congress on the state of such technologies as artificial intelligence, quantum computing, blockchain, advanced materials, the Internet of Things, 3-D printing, and unmanned delivery systems.

i2Coalition's Perspective - The i2Coalition monitors but has not actively engaged on this issue.

Trade/Tax

USTR: Katherine Tai Confirmed - The Senate [confirmed](#) Katherine Tai to serve as U.S. Trade Representative. Ambassador Tai is a former chief counsel for the Ways and Means Committee.

Senator Tillis DMCA "Notice & Takedown" Exclusion Letter to USTR Ambassador Tai - On March 18 Senate IP Subcommittee Ranking Member Thom Tillis (R-NC) sent a [letter](#) to the new USTR Ambassador Tai which, among other things, asks that DMCA ("notice and takedown") related provisions be excluded from future trade agreements.

China: LinkedIn Rebuke - The China internet regulator, the Cyberspace Administration of China (CAC), has [rebuked](#) LinkedIn executives in March for failing to control political content. LinkedIn, owned by Microsoft, is the only major American social media network allowed to operate in China and does so by censoring posts made by its millions of Chinese users. The CAC said it had found objectionable posts circulating in the period around an annual meeting of China's lawmakers. To punish LinkedIn, China is requiring the company to perform a self-evaluation, offer a report to CAC, and suspend new sign-ups of users inside China for reportedly 30 days. The news about LinkedIn followed reports that Microsoft said state-sponsored hackers based in China were behind a massive attack on its Microsoft Exchange Server product that has claimed at least 60,000 victims. There was [speculation](#) that China may be signaling displeasure over Microsoft blaming the country for the attack, but LinkedIn stated that the move is not related to the hack.

OECD Global Digital Tax Talks – After the U.S. [dropped its demand](#) for a "safe harbor" provision in Organization for Economic Cooperation and Development-led digital tax talks, Pascal Saint-Amans, who has been corralling those negotiations, said there'd been progress on reaching a global deal by summer (potentially late June or early July). He added that the issue will be discussed next at a G-20 meeting of finance ministers and central bankers on April 7, but there still isn't consensus over which companies should be included (digital vs. non-digital), as well as what revenue thresholds should be used.

Federal Tax Increase – According to [Bloomberg](#), President Biden is planning the first major federal tax hike since 1993 in order to pay for the next economic-relief package, which is expected to be bigger than the \$1.9 trillion Covid stimulus act signed last week. Treasury Secretary Janet Yellen has said at least part of the next bill will have to be paid for and pointed to higher rates. Key advisers are now preparing for a package of measures that could include an increase in both the corporate tax rate and the individual rate for high earners. The White House is expected to propose a suite of tax increases, mostly mirroring Biden's 2020 campaign proposals, which could include:

- Raising the corporate tax rate to 28% from 21%

- Paring back tax preferences for so-called pass-through businesses, such as limited-liability companies or partnerships
- Raising the income tax rate on individuals earning more than \$400,000.
- Expanding the estate tax's reach
- A higher capital-gains tax rate for individuals earning at least \$1 million annually

i2Coalition's Perspective - The i2Coalition continues to work for balanced trade agreements that foster digital trade, and generally supports efforts to put trade with China on a more level footing. We support the global digital trade principles articulated in the global industry letter to the G20 and will continue our engagement with USTR in support of those principles and against non-tariff trade barriers. The I2Coalition will work with our EU-based members on the DSA and DMA toward balanced and transparent regulations, including providing input on major relevant U.S. policy discussions having impact on evolving global intermediary liability principles (e.g., the Section 230 debate in the U.S. Congress). The i2Coalition will continue to underscore and educate USTR officials in the Special 301 proceedings about the key point that USTR should not confuse “notorious markets” with neutral intermediaries such as Internet infrastructure providers.

Supply Chain/China

Commerce Subpoenas – The Commerce Department issued subpoenas to [multiple Chinese companies](#) in an effort to learn more about any possible national security risks they may pose. The Commerce Department didn't say which companies were subpoenaed but noted that the companies provide information and communications technology and services (ICTS) in the United States.

FCC: China Companies Public Notice – On March 12 the FCC put out a [public notice](#) deeming telecommunications and video surveillance equipment made by five Chinese companies including Huawei as “an unacceptable risk to the national security” that shouldn’t be used. The notice was made in compliance with the Secure and Trusted Networks Communications Act of 2019.

China: Tesla Data Security Concerns - The Chinese government decided to restrict use of Tesla cars by military personnel or employees of state-owned companies out of concern that sensitive data such as images taken by the cars’ cameras could be sent to the U.S. In a speech to the China Development Forum Tesla’s top executive Elon Musk [said](#) that Tesla would never provide the U.S. government with data collected by its vehicles in China or other countries.

U.S.-China Meeting in Alaska – In mid-March U.S. officials [met](#) with Chinese diplomats in Alaska. White House National Security Adviser Jake Sullivan and Secretary of State Antony Blinken attended with a plan to “communicate that the United States is going to take steps, in terms of what we do on technology, to ensure that our technology is not being used in ways that are inimical to our values or adverse to our security.” These talks are at the very beginning stages and much work will need to be done before they can get to the granular details. Sullivan also announced that the U.S. plans to band together with Japan, India, and Australia to establish working groups on emerging technologies and cybersecurity to evaluate ways to protect themselves from those dangers and make the best use of artificial intelligence, 5G networks, and other innovations.

IT Supply Chain – The Biden administration plans to [move forward](#) with a proposed rule from the end of the Trump administration that aims to secure the IT supply chain. The interim rule which will allow the Department of Commerce to monitor and prohibit transactions involving “foreign adversaries” was first

proposed by the previous administration in January and follows an executive order former President Donald Trump signed in 2019. The department said it will accept public comments on the plan through March 22, the same day it becomes effective. A final rule that would implement the measure may be issued at some future date.

Biden Executive Order – President Biden [issued](#) an executive order to conduct a review to determine which products used by Americans in their everyday lives and those products necessary to national security could be vulnerable to supply chain disruptions. He asked the administration to identify and fix potential cracks in supply chains that could cause shortages of critical items like chips inside cars, minerals in flat-screen televisions, batteries in electric vehicles, and ingredients in life-saving medicines. The EO also focuses on identifying how much of that supply is dependent on China and other adversaries.

i2Coalition's Perspective - The i2Coalition monitors but has not actively engaged on this issue.

Cybersecurity

House: Bipartisan E&C Leadership Letters to Federal Agencies About SolarWinds Attack. On March 17, House Energy and Commerce Committee Chairman Frank Pallone, Jr. (D-NJ), Committee Ranking Member Cathy McMorris Rodgers (R-WA), and the Chairs and Ranking Members of the E&C Subcommittees [sent letters requesting](#) additional information from federal agencies regarding the recent SolarWinds cyber attack. The letters state that because the SolarWinds attack has potentially affected a wide array of federal agencies and programs, the Committee is seeking to gain a fuller understanding of the scope of the attack and actions being taken to mitigate its effects. The letters impose a March 29 response deadline for a series of questions.

Senate: Senator Tillis Named Cybersecurity Caucus Co-Chair – Senator Mark Warner (D-VA) [announced](#) on March 11 that Senator Thom Tillis (R-NC) will co-chair the bipartisan Senate Cybersecurity Caucus with him in the 117th Congress. The Caucus was [launched](#) in 2016 by Warner and then-Senator Cory Gardner (R-CO) to keep senators and staff informed on major policy issues and developments in cybersecurity. Tillis stated that the “threat of cyberattacks by foreign adversaries such as China and Russia targeting American businesses, research institutions, hospitals, and federal agencies is one of the most pressing issues for Congress to address.”

i2Coalition's Perspective - The i2Coalition monitors but has not actively engaged on this issue.

Immigration/Workforce

House: Immigration Reform – The House [passed](#) two immigration measures with some bipartisan support- H.R. 6, the American Dream and Promise Act, which provides a path to citizenship for Dreamers, and H.R. 1603, the Farm Workforce Modernization Act of 2021, which would provide a path to legal status for farmworkers. The House is moving on to consider the larger immigration reform package. Moderates in Congress are working to amend the legislation before it goes to the House floor, where it is expected to need nearly every single Democratic vote. There is a growing crisis at the southern border, where detention facilities for migrants are under intense scrutiny from both the left and the right. Minority Leader McCarthy visited El Paso, TX with a group of members to criticize President Biden for the conditions at the border. Progressive House members issued a [letter](#) on March 15 to the Biden Administration requesting that it bar ICE from contracting with all state, county, and local prisons and jails for detention facilities.

House: H-1B Visas – The Department of Labor submitted a proposed rule plan to overhaul how specialty occupation workers on H-1B visas are paid. Though full details are not available yet, the proposal would establish a new methodology for setting prevailing wage levels for H-1B visas, H-1B1 visas for guest workers in specialty occupations from Chile and Singapore, and E-3 specialty occupation workers from Australia.

Venezuelan Protected Status – The Biden administration [will grant temporary protected status to thousands of Venezuelans](#) who fled their country for the United States. The protected status will be issued through executive order rather than going through Congress and could benefit about 300,000 people.

i2Coalition's Perspective - The i2Coalition monitors but has not actively engaged on this issue.

COVID-19 Relief/Economic Recovery Update

COVID Updates:

Vaccinations – [According to the CDC](#), as of March 22, more than 13% of the total U.S. population has been fully vaccinated.

CDC School Guidelines – The Centers for Disease Control and Prevention [relaxed its physical distancing guidelines](#) for students in school from 6 feet to 3 feet. The revised guidance is designed to allow more students to be inside the classroom and comes amid a push to reopen schools across the country.

AstraZeneca – AstraZeneca [announced](#) that its vaccine protects fully against hospitalization and death with no serious side effects and is 79% effective against symptomatic COVID-19. The vaccine has not yet been approved for emergency use in the United States, and if it is, doses are not likely to be available until May when the three other companies have already provided enough for all adult Americans.

Biden Infrastructure Budget Strategy – President Biden [met](#) with a bipartisan group of lawmakers from the House Transportation and Infrastructure Committee and Transportation Secretary Pete Buttigieg to discuss plans for a future infrastructure package. Both sides described the meeting as productive, though it remains to be seen whether Biden can bring the two sides together to pass a big package without the need for another reconciliation process. Republicans have already said they do not want the bill to be a climate bill with a few transportation projects and have expressed concerns about cost.

Appropriations: Earmarks – House Appropriations Chair Rosa DeLauro (D-CT) [announced](#) on Friday her panel's plan to solicit members' requests for earmarks during this year's appropriations process. Earmarks have been banned for a decade so this is a significant development – and a tool to be used to gain more bipartisan support, collaboration, and easier movement of appropriations bills. Under the new rules, for-profit companies will be excluded and the money available will only be a small slice of appropriations. House Republicans lifted their conference's [ban](#) on earmarks in a 102-84 secret ballot vote, according to sources. The move puts them in line with House Democrats, who are advancing lawmaker-directed spending for community projects in the FY 2022 appropriations bills and in the Surface Transportation/Highway authorization bill. Democrats and Republicans in the Senate are working separately on an agreement to bring the practice back to their side of the Capitol.

i2Coalition's Perspective - The i2Coalition monitors but has not actively engaged on this issue.

RELEVANT HEARINGS AND EVENTS TRACKED BY i2COALITION IN MARCH

March 1:

- **Senate Judiciary**, [Organizational Meeting and Confirmation Vote of Merrick Garland to be Attorney General.](#)

March 2:

- **House Energy and Commerce**, Health Subcommittee, ["The Future of Telehealth: How COVID-19 is Changing the Delivery of Virtual Care."](#)

March 9:

- **Senate HELP**, ["Examining Our COVID-19 Response: An Update from the Frontlines."](#)

March 10:

- **House Foreign Affairs**, International Development Subcommittee, ["A Year into the Pandemic: The State of International Development."](#)
- **House Appropriations**, Homeland Subcommittee, ["Modernizing the Federal Civilian Approach to Cybersecurity."](#)

March 11:

- **Senate Judiciary**, Antitrust Subcommittee, ["Competition Policy for the Twenty-First Century: The Case for Antitrust Reform."](#)
- **House Energy and Commerce**, Consumer Protection Subcommittee, ["Kids Online During COVID: Child Safety in an Increasingly Digital Age."](#)

March 12:

- **House Armed Services**, Subcommittee on Cyber, Innovative Technologies, and Information Systems, & **House Oversight & Reform**, Subcommittee on National Security Joint Hearing: ["Final Recommendations of the National Security Commission on Artificial Intelligence."](#)
- **House Judiciary**, Antitrust Subcommittee, ["Reviving Competition, Part 2: Saving the Free and Diverse Press."](#)

March 16:

- **Senate Energy**, ["Transportation Technologies."](#)
- **Senate Finance**, ["Made in America: Effect of the U.S. Tax Code on Domestic Manufacturing."](#)

March 17:

- **House Energy and Commerce**, O&I Subcommittee, ["Leading the Way Forward: Biden Administration Actions to Increase COVID-19 Vaccinations."](#)
- **Senate Commerce**, ["Recent Federal Actions to Expand Broadband: Are We Making Progress?"](#)
- **FCC Open Meeting**, [Agenda.](#)
- **Senate Small Business**, ["The Paycheck Protection Program: Performance, Impact, and Next Steps."](#)

March 18:

- **Senate HELP**, ["Examining Our COVID-19 Response: An Update from Federal Officials."](#)
- **Senate Homeland**, ["Understanding and Responding to the SolarWinds Supply Chain Attack: The Federal Perspective."](#)
- **House Energy and Commerce**, Environment Subcommittee, ["The CLEAN Future Act: Industrial Climate Policies to Create Jobs and Support Working Communities."](#)
- **House Foreign Affairs**, ["A Year Out: Addressing International Impacts of the COVID-19 Pandemic."](#)
- **House Judiciary**, Antitrust Subcommittee, ["Reviving Competition, Part 3: Strengthening the Laws to Address Monopoly Power."](#)

March 22:

- **House Energy and Commerce**, ["LIFT America: Revitalizing our National Infrastructure and Economy."](#)

March 24:

- **Senate Small Business**, [“Oversight of SBA’s COVID-19 Relief Programs.”](#)

March 25:

- **House Energy & Commerce**, Subcommittee on Communication & Technology and Subcommittee on Consumer Protection, Joint Hearing, [“Disinformation Nation: Social Media’s Role in Promoting Extremism and Misinformation.”](#)
- **Senate Budget**, [“Ending a Rigged Tax Code: The Need to Make the Wealthiest People and Largest Corporations Pay their Fair Share of Taxes.”](#)

