



CONTENT & TECHNOLOGY POLICY REPORT JUNE 21, 2024

I. Congressional Updates:

- Last week House Judiciary Subcommittee on Courts, Intellectual Property, and the Internet Chairman Darrell Issa (R-CA) reintroduced the *Stopping Harmful Offers on Platforms by Screening Against Fakes in E-commerce Act of 2024 (SHOP SAFE) Act* with cosponsors Jerry Nadler (D-NY), Hank Johnson (D-GA), and Ben Cline (R-VA). The bipartisan legislation aims to protect American consumers from the growing online counterfeit market by holding electronic commerce platforms who fail to comply with anti-counterfeiting measures contributorily liable in civil claims. The bill was introduced in previous sessions of Congress by Rep. Nadler. Read the text here.
- Last week, the House Committee on Appropriations held a Markup of the Defense Appropriations Bill for FY 2025, the Financial Services and General Government Appropriations Bill for FY 2025, and the Legislative Branch Appropriations Bill for FY 2025. The Legislative Branch Appropriations Bill was approved by the Committee with a vote of 33 to 24. The Markup can be watched <u>here</u>. Overall, the Legislative Branch bill provides \$883.4 million for the Library of Congress, which is \$31.3 million above the FY24 enacted level. \$617 million for salaries and expenses, which is \$24.6 million above the FY24 enacted level. m\$59.7 million for the Copyright Office, which is \$2.2 million above the FY24 enacted level. \$65.2 million for the National Library Service for the Blind and Print Disabled, which is \$925,000 below the FY24 enacted level. \$141.5 million for the Congressional Research Service, which is \$5.4 million above the FY24 enacted level. The committee did not mention anything in particular regarding the Library of Congress, the Copyright

Headlines and Highlights:

- SHOP SAFE Act Reintroduced in the House
- Markup of FY25 Legislative Branch Appropriations Bill
- Byrne(ing) Down the Senate
- Updated American Privacy Rights Act
- Olympians on the Hill
- AMFA Hearing Announced
- G7 Talks China and E-Commerce in Italy
- US Government Sues Adobe Over Subscription Plan Disclosures

In the Blogs:

- Hugh Stephens Blog: The CRTC and Online Streaming: Money Now; Details Later
- Variety: Spotify, Songwriters Want You to Succeed. Why Do You Keep Hurting Them?

Office or the Copyright Royalty Board funding. A more detailed summary from ACG can be provided upon request.

- On Tuesday, June 18, Talking Heads frontman David Byrne visited multiple members of the Senate to talk about the importance of the *American Music Fairness Act* the bipartisan bill that requires AM/FM radio to pay performers royalties when their songs are played on the air. The House Judiciary is holding a hearing on the bill next Tuesday, where country music start Randy Travis will be testifying.
- On Thursday, June 20, the House Energy and Commerce Committee revealed an updated version of the *American Privacy Rights Act* and announced that the discussion draft will be officially introduced early next week by Chair Rodgers and Ranking Member Pallone in advance of a full committee markup next Thursday June 27. The updated text can be found here, a new section-by-section here, and a one-pager here.
- Next Tuesday, June 25, the House Energy and Commerce Committee will hold a hearing titled "Examining Anti-Doping Measures in Advance of the 2024 Olympics." Confirmed witnesses include Mr. Michael Phelps, Former Olympic Athlete; Ms. Allison Schmitt, Former Olympic Athlete; and Mr. Travis Tygart, Chief Executive Officer, U.S. Anti-Doping Agency (USADA). More information can be found here.
- Next Wednesday, June 26, the House Energy & Commerce Committee will hold a hearing titled "The Fiscal Year 2025 Department of Commerce Budget." Commerce Secretary Gina Raimondo will be the sole witness. More information can be found here.
- Next week, the Committee on House Administration will hold a full committee hearing on June 26, on US Copyright Office Modernization with Register Shira Perlmutter testifying. The committee is interested in learning more about (1) The efficiency and effectiveness of the U.S. Copyright Office's registration processes, particularly for the average small business owner who may be utilizing the process, (2) The responsiveness of the Office to creators' needs and inquiries, (3) Any challenges or obstacles organizations have encountered when interacting with the Office, and (4) Suggestions for improvements to enhance the Office's operations and support for creators.
- Next week on Wednesday, June 26, the House Judiciary Committee Subcommittee on Courts, Intellectual Property, and the Internet will be holding a hearing titled, "Radio, Music, and Copyrights: 100 Years of Inequity for Recording Artists." The hearing will examine why creators have traditionally not received royalty payments for the public performance of their creative works by non-subscription terrestrial radio stations, as well as efforts to modernize copyright law. The hearing will explore competing legislative proposals, including the *American Music Fairness Act of 2023 (AMFA)*, which would require a license for broadcasting creative works over the radio, and the *Supporting the Local Radio Freedom Act (LRFA)*, which aims to prevent Congress from imposing fees, licenses, or other charges related to the public performance of sound recordings. Witnesses include country music legend Randy Travis; Michael Huppe, President and CEO, SoundExchange; and Curtis LeGeyt, President and CEO, National Association of Broadcasters (NAB). More information can be found here.

II. Administration Updates

- Last week, President Joe Biden issued an executive order formalizing the cabinet-level structure of the 7-month-old White House Council on Supply Chain Resilience and directing it to carry out the review as part of a new quadrennial process. This comes as part of a new administration-wide review of supply chains, of which a report is expected by the end of the year. Read more here.
- During the May 30 <u>Promoting Competition in AI</u> workshop that was hosted at Stanford University in Stanford, CA, the Department of Justice (DOJ) invited comments from the public on the topics covered. A recording of the workshop is available on the University's <u>event webpage</u>. Those interested in sharing comments may email them to <u>ATR.2024AIworkshop@usdoj.gov</u> by July 15.

III. USCO Updates:

- On July 25, the U.S. Copyright Office will hold a webinar to keep the public updated on the Office's optimized <u>Recordation System</u>. Separate from the Office's <u>registration application</u>, the new recordation module allows users to electronically transfer their copyrights to someone else. The webinars will "cover announcements about the module, important reminders, frequently asked questions, and a live Q&A session." Anyone interested in attending may join the session. For additional information and to register, please click <u>here</u>.
- In January, the U.S. Copyright Office (USCO) published a <u>notification of inquiry</u> required by the Music Modernization Act regarding whether the existing designations of the Mechanical Licensing Collective (MLC) and Digital Licensee Coordinator (DLC) should be continued. This is the first of the review processes that the Copyright Office is statutorily required to conduct every five years. Written initial public comments were due by May 29. If you wish to submit reply comments they must be submitted by June 28. Reply comments by the currently designated MLC and DLC must be submitted by July 29. Additional information is available here.

IV. Industry Updates:

• Last week, the G7 countries met and released a statement pledging to confront China over its excess capacity in sectors such as electric vehicles, but also called on Beijing not to restrict exports of critical minerals so they can build those products themselves. "We are not decoupling or turning inwards," the G7 leaders insisted in a joint statement Friday after their meeting in Apulia, Italy. "We are de-risking and diversifying supply chains where necessary and appropriate, and fostering resilience to economic coercion. We further call on China to refrain from adopting export control measures, particularly on critical minerals, that could lead to significant global supply chain disruptions." A senior Biden administration official told reporters the joint statement reflects "an acceptance of the competition that we're in," including

the expectation that China's economic model is becoming more and more "state-led and centralized." Of note, the joint statement also mentioned the e-commerce moratorium that is set to expire in 2026. According to *POLITICO*, G7 leaders called on World Trade Organization members to make the moratorium "permanent," even though WTO Director General Ngozi Okonjo-Iweala has expressed doubt members will renew it again at the group's next ministerial conference in two years. The G7 leaders said they were "committed to working towards a prompt conclusion of negotiations of the Joint Statement Initiative on E-Commerce." That refers to plurilateral talks which could permanently extend the moratorium among the 90 participating WTO members, even if efforts to extend it among all 166 WTO members fail.

On Monday, June 17, Reuters reported that the US government is suing Adobe, accusing them
of harming customers by enrolling them in its most lucrative subscription plans without clearly
disclosing important terms. In a complaint filed in the San Jose, California, federal court, the
government said Adobe failed to adequately disclose hefty early termination fees, sometimes
reaching hundreds of dollars, when customers sign up for "annual, paid monthly" subscription
plans. Read more here.