



FAST FIVE

Public Policy Insights

North America

February 19, 2021

Featured

1. **Banking Committee Looks at Policies to Promote Equitable Recovery.** This week the Senate Banking Committee heard from local officials, unions, small businesses, and think tank witnesses on policies to promote the economic recovery. The Mayor of Youngstown, Ohio testified that, “a federal rescue plan must include assistance to help build back better legacy cities like Youngstown.” Witnesses pushed for assistance distributing vaccines, rental assistance for families, and transit assistance for local agencies. A local transit union representative urged Congress to appropriate another \$39 billion in emergency funding to help public transit agencies provide safe and reliable service.
2. **Industry Responds to EU on Digital Levies.** Our chief tech trade, ITI, recently responded to the European Commission’s Impact Assessment for a “Digital Levy.” Although industry and ITI support the OECD’s multilateral approach to digital taxes, we’re concerned the EU’s recent move is at odds with current OECD negotiations. ITI argued the advancement of a unilateral EU measure would be imposed in addition to Member States’ pursuit and implementation of a multilateral solution poses a direct challenge to that cooperation. It’s no surprise that ITI then urged the EU to abandon digital tax talks and defer to the current OECD Inclusive Framework project. The letter also argued the countries and companies should be focused on responding to COVID-19 and not policies that undermine tax certainty and could harm the digital environment.
3. **GameStop Hearing Draws Plenty of Coverage, Few Reform Ideas.** In what was arguably the most anticipated hearing of the year, the House Financial Services Committee heard from the CEOs of Robinhood, Reddit, and a slate of other witnesses on the GameStop controversy. Robinhood’s CEO stressed it did not act to help hedge funds or special interests. He also noted the company has devoted significant revenue toward financial literacy, through their Robinhood Learn website. Reddit’s CEO highlighted its “Anti-Evil” team designed to stay ahead of bad actors by monitoring data flows to detect and remove threats like spammers, bots, and others. During heightened GameStop trading, Reddit’s WallStreetBets community unsurprisingly faced a surge in traffic and new users. The company maintains no bots, foreign agents, nor other bad actors played a significant role in traffic or influence during trading.

Future Five

1. **Administration Pledges Strong Response over SolarWinds.** The White House is digging into policy gaps exposed by the SolarWinds hack, including shortcomings in cyber info-sharing, and weighing actions the United States will take against a highly sophisticated threat actor in response to the infiltration of government and private sector computer systems. The Administration has identified about eight executive actions to address these gaps in info-sharing and coordination. The SolarWinds cyberattack hasn't been formally attributed, although the intelligence community believes it is likely the work of the Russian government.
2. **Bipartisan IoT Legislation Introduced in House.** Recently, Representatives Suzan DelBene (D-WA) and John Katko (R-NY) introduced legislation that aims to prepare the U.S. for the continued growth of internet-connected devices and the expansion of spectrum to meet increased demand. The "Internet of Things (IoT) Readiness Act" would require the Federal Communications Commission (FCC) to collect data on the growth of internet-connected devices that depend on 5G networks to quantify the amount of spectrum needed to support the devices.
3. **Energy and Commerce Questions Apple over Privacy.** Congressman Frank Pallone (D-NJ), Chair of the House Energy and Commerce Committee, along with Congresswoman Jan Schakowsky (D-IL), recently wrote to Apple CEO Tim Cook urging review and improvement of Apple's new app privacy labels. Their joint letter to Cook requested more information on the process by which Apple audits the privacy information provided by app developers. It also questioned whether Apple requires more in-depth privacy disclosures and whether the company conducts more stringent oversight of apps targeted to children under the age of 13.
4. **Democrats Plan to Bring Back Congressional Earmarks.** In a move that could significantly change legislating and deal-making in the halls of Congress, there are indications "earmarks" (congressionally directed spending for specific locations and projects) could return for this Congress. Representative Rosa DeLauro (D-CT) and Senator Patrick Leahy (D-VT), the new chairs of the House and Senate Appropriations Committees, will soon announce that Democrats will reinstate earmarks in next fiscal year's spending bills. Earmarks will be limited to state and local governments and nonprofits that carry out quasi-government functions. There will also be limits on how much of each spending bill can be allocated toward earmarks.
5. **White House and Senators Huddle on Infrastructure Priorities.** The Biden Administration has started huddling with a bipartisan group of Senators in a bid to advance a \$2 trillion infrastructure package that aims to grow the economy and shrink greenhouse gas emissions. Although there is strong Democratic support for an infrastructure bill, it would still have to garner roughly ten Republican votes under "regular order." Key Republicans who might be inclined to support a deal include Shelley Moore Capito (R-WV) and James Inhofe (R-OK).