



FAST FIVE

Public Policy Insights

North America

May 7, 2021

Featured

1. **Mastercard Leads Industry on FSSCC-FBIIC Joint Meeting.** Leading a FSSCC-FBIIC joint meeting this week, we welcomed Treasury Secretary Janet Yellen and several key policymakers across a two-day meeting. The sessions highlighted the importance of public-private partnerships and addressed shared vulnerabilities, like the Solar Winds supply chain attack. The general goals of collaboration centered on making it easier to share information, establishing alternative approaches to providing access to documents containing confidential or sensitive information, and creating global principles to guide this type of engagement for cross-jurisdictional regulators. The sessions also discussed how we can improve our capacity to not only defend against and respond to cyber-attacks but also to advance the overall cyber ecosystem through standards and the G-7 Cyber Experts group.
2. **Financial Services Scrutinizes AI Impact on Equity.** Today, the House Financial Services Committee held a hearing exploring “How Human-Centered AI Can Address Systemic Racism and Racial Justice in Housing and Financial Services.” The Committee heard from several witnesses, including representatives from the National Fair Housing Alliance and FairPlay AI. Members have concerns AI can imbed historical bias, producing unintended consequences and exacerbating systemic racism. Broadly, the hearing focused on regulatory solutions and best practices for AI lending models that protect against bias while fostering responsible innovation. Some have recommended regulators set standards for how AI programs are developed, tested, and monitored.
3. **Small Business Previews Infrastructure Push.** The House Small Business Committee heard from local governments, small businesses, and unions this week on the American Jobs Plan, a key plank of President Biden’s Build Back Better agenda. The Committee discussed how small firms and the federal government can leverage workforce development programs to train and upskill the next generation of infrastructure workers. The American Jobs Plan invests \$100 billion in workforce development programs, specifically those targeted at underserved groups, including a \$40 billion investment in a new dislocated workers program and sector-based training, and a \$48 billion investment in workforce development infrastructure and worker protection.
4. **Senator Moran Introduces Privacy Marker for Republicans.** Senator Jerry Moran (R-KS) has introduced privacy legislation, “The Consumer Data Privacy and Security Act,” designed to strengthen the laws that govern consumers’ personal data and create clear standards and regulations for American businesses that collect, process and use consumers’ personally identifiable data. Broadly, the legislation would: 1) Establish a clear federal standard for data privacy protection, giving businesses a uniform standard, 2) Provide consumers with control over their own data to

access, correct and erase their personal data, and 3) Equip the Federal Trade Commission (FTC) and state attorneys general with authority to uniformly enforce federal consumer privacy protections.

Future

1. **Mastercard Leads on Cybersecurity in Canada.** Today, Dr. Jay, Mastercard's Deputy Chief Security Officer, participated on a panel, "What Are the Foundations of a Secure Digital Economy?" as part of the CD Howe Institute's Digital Economy Task Force. The Task Force has been established to provide practical recommendations to inform government strategy on the digitization of Canada's economy. Dr. Jay presented alongside representatives from the Government of Canada's Centre for Cyber Security and Accenture. She highlighted Mastercard's cyber leadership – including our \$510 million investment to build a Cyber Centre of Excellence in Vancouver – and outlined policy recommendations on how to improve Canada's cyber posture, including support for SMEs, talent development, and the imperative to reject data localization policies.
2. **Industry Engagement with G7 on Digital Policy.** Working through our trades, the G7 has issued new guidance on developing digital ecosystems that enhance prosperity and reinforce democratic values. From a U.S. perspective, this also reinforces President Biden's "Build Back Better" agenda. The G7 has announced it is focused on digital supply chains, technical standards, cooperation on data flows, and a framework for collaboration on electronic transferrable records. The G7 digital track has published annexes on four of those areas, including digital technical standards, cooperation on data flows, internet safety principles, and electronic transferable records. Finally, the G7 plans to collect evidence on the impact of data localization measures in economic and social terms from governments, academics, business groups and multilateral fora such as the G20 and OECD.
3. **House Financial Services to Move Several Bills.** The House is slated to pass a trio of bills that would add requirements on corporations. The first, "Greater Accountability in Pay Act," would require public companies to disclose the pay raise percentage of its executives and the pay raise percentage of its median employee over the past year and compare each to the rate of inflation, and would require public companies to disclose the ratio between the two pay raise percentages. Second, the Committee will consider the "Climate Risk Disclosure Act," which would require public companies to disclose in their annual reports information relating to the financial and business risks associated with climate change. Third, the "Disclosure of Tax Havens and Offshoring Act" would require public companies to disclose their total pre-tax profits, and total amounts paid in state, federal, and foreign taxes.
4. **Senate Postpones Markup of China Competition Bill.** The Senate is postponing the "Endless Frontiers Act," the main legislative vehicle to address China. Given that it has bipartisan support, including from Senate Majority Leader Chuck Schumer (D-NY), Mastercard and industry are following its progress closely. The bill would allocate \$100 billion over five years to bolster U.S. research and development to counter China. It would also provide \$10 billion to establish regional innovation hubs. There is also incredible interest on the Hill, as more than 200 amendments have been filed to date, complicating passage through the Senate Commerce Committee. ITI, along with more than 70 other trade associations, recently sent a letter supporting the Endless Frontiers Act.