



FAST FIVE

Public Policy Insights

North America

February 26, 2021

Featured

1. **Mastercard and Industry Strongly Back Equality Act.** Working through several of our trades, third-party partners, and directly with policymakers, we've once again endorsed the Equality Act. The law would amend the Civil Rights Act and other key federal nondiscrimination laws to provide employment non-discrimination protections based on sexual orientation and gender identity. Based on the latest research, there are approximately 8.1 million LGBTQ+ U.S. workers, roughly half of whom live in states without statutes prohibiting workplace discrimination. The bill came up for a vote in the House this week and received bipartisan support. It will then head to the Senate for a more uncertain fate.
2. **House Judiciary Sets Stage for Antitrust Reform.** The House Antitrust Subcommittee had another hearing on "platform gatekeepers" and their market power. Chair of the Subcommittee, David Cicilline, (D-RI), specifically cited Apple, Facebook, Google, Amazon, and the aggressive acquisition strategy of large companies. He argued current tech dominance threatens the ability of American democracy to function and promised change—and legislation—is coming from this Congress. Even Ranking Member Ken Buck (R-CO) labeled these companies as monopolies but offered a "scalpel" approach that buttresses antitrust enforcement and consumer privacy protections. Witnesses included think tank experts and small businesses. They largely supported legislative action to combat tech platforms and procedural changes at the Department of Justice and Federal Trade Commission. The American Economic Liberties Project witness suggested structural separation of large platforms (*i.e.* "breakups").
3. **Fed Chair Powell Testifies on Recovery, FedNow.** In a pair of hearings before the House Financial Services and Senate Banking Committees, Federal Reserve Chair Powell highlighted the state of the economy and the Fed's efforts to support the recovery, while staying away from endorsing fiscal policy proposals from Congress. Senator Chris Van Hollen (D-MD) criticized, "America's outdated payment system." He praised FedNow and pressed Chair Powell to deploy it before 2023. Finally, there was considerable discussion around virtual currencies and Central Bank Digital Currencies (CBDC). Powell noted the Fed is looking closely at CBDC and wants to consult transparently with the public and interested constituencies on the project.
4. **Canadian Finance Committee Report Poses Challenges.** The House of Commons Finance Committee (FINA) issued its report on pre-budget recommendations. Of relevance to Mastercard are recommendations the government eliminate targeted corporate welfare programs. On the latter recommendation, the Committee specifically called out Mastercard as an example and the Strategic

Innovation Fund's investment in the Vancouver Cyber and Intelligence Centre. Opposition parties had the option of publishing "dissenting reports" advancing their own recommendations, and the Conservative Party's report included restatements of the above recommendations. The Department of Finance is currently wrapping up its own consultations and drafting the Budget. FINA's report is a key external influence on the Budget's development and can influence which policies and programs are included.

Future

1. **Mastercard and Allies Shape USTR Confirmation Hearing.** We have been working closely with our trades to follow the confirmation the hearing of Katherine Tai, President Biden's nominee for USTR (U.S. Trade Representative). Industry has provided a range of questions to Senate Finance staff, including 1) steps the U.S. can take to reassert democratic trade leadership in the Indo-Pacific, 2) the consideration of new bilateral digital trade agreements, modeled on the U.S.-Japan Agreement, 3) how she would negotiate China's administrative restrictions, protectionist standards and selectively enforced security laws that disadvantage U.S. companies, and 4) steps she would take to ensure that European markets remain fully open and that U.S. companies are not handicapped by unfair digital services taxes or restrictions on digital trade.
2. **House Republicans Debut Antitrust Reform Push.** Republicans on the Energy and Commerce Committee have released their antitrust blueprint, with a specific focus on Section 230 liability reform and "BigTech." The reform proposal also addresses the perception of bias against conservatives by providing an avenue to challenge "deplatforming." It also targets app stores, the accumulation of data in the hands of a few companies, and eCommerce market power over consumer choice. Paired with this House effort, Senator Mike Lee (R-UT), who leads Republican antitrust policy in the Senate, said he plans to reintroduce the "One Agency Act," which seeks to combine the Federal Trade Commission's efforts into the Justice Department to create a single enforcement agency.
3. **Banking Committee Examines Path to Recovery.** The Senate Banking Committee heard from small businesses and think tanks this week on the steps Congress can take to help small businesses. The hearing focused on the Paycheck Protection Program and State Small Business Credit Initiative. In addition, some witnesses cautioned against raising the minimum wage and lobbied against broad-based lockdowns that shutter "non-essential" small businesses. Although the pending \$1.9 trillion relief bill will focus on small businesses, we expect Congress to add additional small business support during the second budget reconciliation package later this year.
4. **Congress Examines Steps to Combat Terrorist Financing.** This week, the House Financial Services Committee heard testimony on domestic terrorism and its illicit funding. The hearing had a specific focus on the insurrection of January 6 and how radical groups are able to raise money, including through crowdfunding, cryptocurrencies, and charities. PayPal was cited as a positive example when it ended its relationship with "<http://givegosend.com/>," which raised money for January 6. Witnesses from the Leadership Conference on Civil and Human Rights and the Southern Poverty Law Center also praised PayPal for its action to ban the Proud Boys and other radical groups, while pressing Treasury to use its existing tools to investigate and prosecute domestic terrorists. The Committee considered four bills during the hearing, all of which have a chance to move this Congress.