



FAST FIVE

Public Policy Insights

North America

March 12, 2021

Featured

1. **Relief Bill Bolsters Priorities.** This week, President Biden signed a ~\$1.9 trillion economic stimulus bill. Given the scope of the legislation, its implementation has a variety of impacts on our business. The bill provides disbursements of \$1,400 for individuals who make up to \$75,000 annually or married couples making \$150,000. In addition, there is a new per child allowance of up to \$3,600 for one year, made in monthly recurring payments. These tax credits are typically made available through IRS tax filings. The package also provides \$30.5 billion in direct funding for public transit agencies to cover operating expenses and make infrastructure improvements like modernizing payment systems. Finally, the bill provides \$650 million to CISA and \$30 billion in direct aid to restaurants.
2. **California Aims to Establish Public-run Debit Network.** A new bill, AB 1177, is designed to run a debit network over California's existing public bank. AB 1177, sponsored by SEIU, will create a new state-run payment network. It will require all California employers with five or more employees to offer a direct deposit into a fee-free debit card that will be maintained by the state. In addition, the card will be used by the state to issue all forms of payments, including those from EDD, FTB, and Social Services. Members of the Assembly have already submitted a budget request for \$15 million to support local governments in their quest to create a public bank. In the past, however, the sponsors of AB 1177 had promised no state dollars would be used to help local governments create this bank.

Future Five

1. **Push to Expedite Legislation on Stimulus Payments.** Congressman Bill Foster (D-IL) has sent out a "Dear Colleague" letter on his bill, H.R.1497, that would expedite the delivery of stimulus checks. The letter was partly in response to the recent failure of the Federal Reserve's payment system and the delay in check clearing. Foster's bill would require funds deposited by check from the federal government to be made available to consumers immediately. This is an idea largely popularized by Brookings scholar Aaron Klein. The letter notes, "For example, a family of four who received a \$5,600 stimulus check on a Friday and deposited it to the bank the same day, would not be able to use that money until the following Tuesday at the earliest." To be clear, this law would only apply to checks from the federal government, under the assumption they'll never bounce, unlike other checks.

2. **Coalition Requests Moratorium on Facial Recognition Technology.** A coalition of more than a dozen groups, including ACLU, Amnesty International, and The Leadership Conference on Civil and Human Rights, wrote to President Biden requesting a moratorium on all federal government use of facial recognition technology (FRT) and other forms of biometric technology. This moratorium would persist so long as bias pervades these systems and Congress has not acted to authorize the use of the technology in specific circumstances. The letter also requests the Administration prevent state and local governments from using federal funds to purchase FRT or access FRT. Finally, the coalition supports the Facial Recognition and Biometric Technology Moratorium Act, which would make a federal moratorium law and would place additional limitations on federal funding of these technologies.
3. **Administration Non-committal on Phase 2 China Deal.** According to incoming USTR Ambassador Katherine Tai, the U.S. won't yet comment on the probability of a Phase 2 deal with China. She expressed these views in formal comments for the record after her confirmation hearing. She said only the Biden-Harris Administration is still reviewing China-related policies and that if confirmed, she will "explore every possible option" to address longstanding U.S. complaints. On the question of whether to maintain Section 301 tariffs, she said she would seek to balance the need to penalize China for unfair trade practices while also accounting for the negative impact tariffs have had on U.S. business.
4. **Biden Expected to Increase Cyber Response.** The Biden Administration is forming a multi-agency task force between the National Security Council, the Federal Bureau of Investigation, and the Cybersecurity and Infrastructure Security Agency (CISA) to respond to a China-linked hack of Microsoft's email service that is estimated to have affected at least 30,000 U.S. customers. In addition, during the next few weeks, the Administration is also expected to strike back at Russia for its participation in a months-long cyberattack on the U.S. by launching a series of actions across the country's networks that will be evident to Russian President Vladimir Putin and his intelligence services.
5. **Joint Industry Letter Advances on India ICT Tariffs.** Via ITI and other tech trades, we'll soon send a letter to USTR on India's recent ICT tariffs, which industry believes are in violation of WTO rules. The draft letter notes, "We urge the administration to make enforcement of these trade commitments a priority in future bilateral engagements and to continue to provide support for the ongoing dispute settlement cases brought by Japan, the EU, and Taiwan at the WTO, including through a renewed assessment of whether the U.S. government should initiate proceedings of its own." Specifically, industry has concerns with import duties on certain ICT products. These punitive actions, industry argues, are designed to pressure U.S. companies to localize more of the ICT supply chain within India.