



CONTENT & TECHNOLOGY POLICY REPORT APRIL 19, 2024

I. Congressional Updates:

- Last week on Thursday, April 11th, the House Judiciary Subcommittee on the Constitution and Limited Government held a hearing titled "Fighting for a Free Press: Protecting Journalists and their Sources," to address the federal government's infringement on the First Amendment freedom of the press and proposed laws to address the issue. Witness included Ms. Catherine Herridge (Investigative journalist), Ms. Mary Cavallaro (Chief Broadcast Officer, SAG-AFTRA News & Broadcast Department), Ms. Sharyl Attkisson (Investigative journalist; managing editor, "Full Measure with Sharyl Attkisson"), and Ms. Nadine Farid Johnson (Policy Director, Knight First Amendment Institute at Columbia University). A full summary from ACG can be provided upon request.
- On Tuesday, April 16, the House Committee on Ways and Means held a hearing titled "Hearing on the Biden Administration's 2024 Trade Agenda with U.S. Trade Representative Katherine Tai." Lasting nearly 5 hours, the hearing discussed concerns about the Biden administration's trade policies, with Chair Jason Smith criticizing the administration for not securing critical supply chains and not being aggressive enough in protecting American farmers. Ranking Member Richard Neal praised Ambassador Katherine Tai for her negotiation skills and her role in the USMCA trade agreement. In her testimony Ambassador Tai emphasized the need for economic policies that strengthen the middle class and ensure broad-based access to economic opportunity. She also discussed efforts to incorporate more voices into trade policymaking and the importance of resilient supply chains.

Headlines and Highlights:

- House and Senate Hold Hearings on Biden's Trade Agenda
- Senate Judiciary Holds Oversight of AI Election Deepfakes Hearing
- House Judiciary Marks Up Pro Codes Act
- Senators Young, Cantwell, Blackburn, and Hickenlooper Introduce Bill To Ensure U.S. Leads Global AI Innovation
- DOJ Supports Copyright Hacking Exemption for AI Risk Research
- FTC Announces Special Open Commission Meeting on Rule to Ban Non-Competes
- SAG-AFTRA and Major Labels Reach Sound Recording Agreement with AI Protections

In the Blogs:

- Hugh Stephens Blog: Public
 Lending Right (PLR) Registration in
 Canada is Still Open: Enroll if you
 are Eligible
- Wall Street Journal: <u>The Lawsuits</u> <u>That Could Shape the Future of AI</u> and Copyright Law
- WIRED: How One Author Pushed the Limits of AI Copyright

The hearing included discussions on the Generalized System of Preferences program, labor standards in U.S. trade agreements, and the administration's current trade agenda. Other topics of interest that were discussed include combatting piracy, digital services taxes, digital trade, protecting intellectual property and Special 301 tariffs. A full summary from ACG can be provided upon request. A link to the full hearing can be found here.

- On Tuesday, April 16, Senators Mitt Romney (R-UT), Jack Reed (D-RI), Jerry Moran (R-KS), and Angus King (I-ME) unveiled the first congressional framework to deal exclusively with the extreme risks posed by future developments in advanced AI models. Announced in a letter to the Senate artificial intelligence (AI) working group leaders, the framework would establish federal oversight of frontier model hardware, development, and deployment to mitigate AI-enabled extreme risks from biological, chemical, cyber, and nuclear threats. "AI has the potential to dramatically improve and transform our way of life, but it also comes with enormous risks to national security and our humanity at large," Senator Romney said. "My colleagues and I have spent the last several months developing a framework which would create safeguards and provide oversight of frontier AI models aimed at preventing foreign adversaries and bad actors from misusing advanced AI to cause widespread harm. It is my hope that our proposal will serve as a starting point for discussion on what actions Congress should take on AI—without hampering American innovation." Responses from stakeholders and the public should be submitted by May 17 to framework responses@romney.senate.gov. A summary of the framework—including the applicable frontier models and oversight authorities—can be found here. The press release can be found <u>here</u>. The letter sent to the Senate AI working group can be found <u>here</u>.
- On Tuesday, April 16th, the Senate Committee on the Judiciary's Subcommittee on Privacy, Technology, and the Law held a hearing titled "Oversight of AI: Election Deepfakes." The hearing focused on the urgent need for federal regulations to address the proliferation of deepfake technology and its potential to disrupt democratic processes, particularly elections. During the testimonies, witnesses proposed various recommendations, including the establishment of a public database for AI-generated content, collaboration between public and private sectors, and the implementation of AI watermarking technology to verify the authenticity of election-related audio content. They also called for clear consequences and penalties against bad actors. In the subsequent Q&A session, senators explored avenues for regulating deepfakes, educating citizens on the dangers of AI, and holding platforms accountable for their role in disseminating disinformation. There were discussions about the potential effectiveness of foreign regulations in the US context and the need to address gaps in criminal law to combat AI-related fraud. Overall, the hearing underscored the pressing need for legislative action to safeguard democratic processes against the threats posed by AIgenerated deepfakes, while emphasizing the importance of bipartisan cooperation and public education in addressing these challenges. A full summary from ACG can be provided upon request.
- On Wednesday April 17, the Senate Committee on Finance held a hearing titled "*The President's 2024 Trade Policy Agenda*." The hearing discussed the President's 2024 Trade Agenda, with Chair Ron Wyden emphasizing the need for trade enforcement and removal of trade barriers to support American workers and businesses. He highlighted unfair practices by foreign countries and stressed the importance of the U.S. playing an active role in setting rules for digital trade. Ranking Member Mike Crapo criticized the current administration's trade policy, stating it lacks enforcement and has not initiated any action against China.

Ambassador Katherine Tai discussed the president's trade policy agenda, emphasizing the need for economic policies that strengthen the middle class and ensure broad-based access to economic opportunity. She also discussed efforts to ensure all Americans enjoy the benefits of trade. Overall, the hearing was largely bipartisan with members on both sides of the aisle focusing on digital trade, lack of transparency, enforcement, China Section 301, the development of new free trade agreements, and need for market access. A link to the hearing video can be found here. A full summary from ACG can be provided upon request.

- On Wednesday, April 17, the House Committee on Energy and Commerce Subcommittee on Innovation, Data, and Commerce held a hearing titled "Legislative Solutions to Protect Kids Online and Ensure Americans' Data Privacy Rights." The hearing focused on solutions to protect children online and safeguard Americans' data privacy rights. The American Privacy Rights Act, a comprehensive privacy and data security standard, was discussed extensively. The Act aims to give Americans control over their personal information and requires age verification for certain websites and social media companies. The hearing also criticized big tech companies for failing to prioritize the health and safety of children online. Witnesses testified on the importance of privacy rights, the negative impact of social media on mental health, and the need for a uniform federal standard for data privacy. A full summary from ACG can be provided upon request.
- On Tuesday April 16, and Wednesday April 17, the House Committee on the Judiciary held a markup of H.R. 1631, the "Protecting and Enhancing Public Access to Codes Act" or "Pro Codes Act." The Pro Codes Act, sponsored by IP Subcommittee Chairman Darrell Issa (R-CA-48), addresses copyright protections for privately developed technical standards that are incorporated into a law or regulation. The bill passed with a vote of 19 4 during the second markup session on April 17th. The "no's" included, Matt Gaetz (R-FL-01), Zoe Lofgren (D-CA-19), Thomas Massie (R-KY-04), and Andy Biggs (R-AZ-05). The markup featured prominent opposition from Rep. Zoe Lofgren (D-CA-19), who initially submitted 50 amendments, but only advanced 14 during the actual session (one of which combined 12 of her amendments). Yet, despite protests, the bill was advanced with bipartisan support. 5 amendments were adopted—including 3 from Rep. Lofgren, 1 from Chair Issa, and 1 from Rep. Deborah Ross (D-NC-02). A full summary from ACG can be provided upon request.
- On Wednesday, April 17, *The Hill* reported that the House Administration Committee approved the use of ChatGPT for some of its staff. The committee approved the use of ChatGPT Plus, a paid subscription plan for the chatbot, for "a cross-section of ... committee staff" and held an initial training on the tool, according to the report on AI strategy and implementation in the House. The report is part of an effort by the House Administration Committee to "provide a transparent update to the public on the use of AI technology by House offices and legislative branch agencies," it said. Read more here.
- On Thursday, April 18, Senators Todd Young (R-IN), Maria Cantwell (D-WA), Marsha Blackburn (R-TN), and John Hickenlooper (D-CO), introduced the bipartisan *Future of AI Innovation Act*, which lays the foundation to maintain U.S. leadership in the global race to develop AI and other emerging technologies. According to the press release, the legislation promotes strong partnerships between government, business, civil society and academia to advance AI research. It authorizes the U.S. AI Safety Institute at the National Institute of Standards and Technology (NIST) to promote the development of voluntary standards and

creates testbeds with national labs to accelerate groundbreaking AI innovation for the benefit of future economic growth and national security. This legislation builds upon Senators Young and Cantwell's original <u>FUTURE of AI Act</u>, which created the <u>National AI Advisory Committee</u> (NAIAC), a committee of outside experts who make recommendations to the government on AI. Provisions in the *Future of AI Innovation Act* were drafted based on recommendations from NAIAC reports. Full text of the legislation can be found <u>here</u>. A section-by-section of the bill can be found <u>here</u>. The press release can be found <u>here</u>.

II. Administration Updates

- On Tuesday, April 16, *Axios* reported that the Commerce Department recently authorized new hires at the AI Safety Institute. Paul Christiano will be head of AI safety, designing and conducting tests of the most cutting-edge models that pose national security concerns. He previously ran a team at OpenAI. Mara Quintero Campbell will be chief of staff and acting chief operating officer. She previously ran major projects under Commerce's Economic Development Administration, including the CHIPS and Science Act and COVID response. Adam Russell, from the University of Southern California, as chief vision officer. Rob Reich will be on public service leave from Stanford University to serve as senior advisor. Mark Latonero, who was most recently at the White House Office of Science and Technology Policy, will be head of international engagement. Read more here.
- On Tuesday, April 16, *Bloomberg Law* reported that the Department of Justice criminal section responsible for intellectual property supports a proposed U.S. Copyright Office exemption that would allow hackers to circumvent digital security measures to probe AI models for bias and discrimination. Independent research into outputs that perpetuate bias or encourage unlawful conduct and system vulnerabilities "will likely be essential to ensuring the integrity and safety of AI systems," John T. Lynch, chief of the DOJ's Computer Crime and Intellectual Property Section, wrote in a letter sent Monday to Copyright Office General Counsel Suzy Wilson. Public hearings on all proposed DMCA exemptions are scheduled for April 15–19. The full letter can be found here. Read more here.
- On Tuesday, April 16, Federal Trade Commission (FTC) Chair Lina Khan announced that a special Open Commission Meeting will be held virtually on Tuesday, April 23 at 2pm ET. According to the press release, the Commission will vote on whether to issue a proposed final rule that would prevent most employers from enforcing non-competes against workers. The proposed final rule the Commission will consider stems from the notice of proposed rulemaking (NPRM) the FTC issued in January 2023, which was subject to a 90-day public comment period. Given the extremely high volume of public input already received and given that the public comment period on the proposed rule closed in April 2023, the Commission will not be taking further comments from the public during the April 23 Open Commission Meeting. Read more here.
- On Wednesday, April 17, the United States Trade Representative (USTR) announced that after review of a petition by five national labor unions, USTR is initiating an investigation of acts, policies, and practices of the People's Republic of China (PRC) targeting the maritime, logistics, and shipbuilding sectors for dominance. "The petition presents serious and

concerning allegations of the PRC's longstanding efforts to dominate the maritime, logistics, and shipbuilding sectors, cataloguing the PRC's use of unfair, non-market policies and practices to achieve those goals. The allegations reflect what we have already seen across other sectors, where the PRC utilizes a wide range of non-market policies and practices to undermine fair competition and dominate the market, both in China and globally," said Ambassador Katherine Tai. "I pledge to undertake a full and thorough investigation into the unions' concerns." As explained in a <u>formal notice</u>, USTR is seeking public comments and will hold a public hearing in connection with this investigation.

III. USCO Updates:

• In January, the US Copyright Office issued a notification of inquiry seeking public comments regarding its periodic review of the designations of the mechanical licensing collective and digital licensee coordinator. Initial submissions from the existing designees must be received on April 1, 2024. Initial public comments must be received on May 29, 2024. Reply public comments must be received on June 28, 2024. Reply submissions from the existing designees must be received on July 29, 2024. More details are available on the rulemaking's webpage here.

IV. Industry Updates:

- Last Friday, April 12, SAG-AFTRA and major labels reached a new sound recording agreement with AI protections. Covering the period starting Jan. 1, 2021, and ending Dec. 31, 2026, the agreement includes Warner Music Group, Sony Music Entertainment, Universal Music Group and Disney Music Group. The agreement, which has been unanimously approved by the SAG-AFTRA Executive Committee, includes innovative provisions that establish ethical guidelines for the use of artificial intelligence in music, focusing on the protection and fair compensation of artists. Key terms of the agreement demand explicit consent and specified compensations before the use of an artist's digitally replicated voice, ensuring that artists are adequately represented and respected in the evolving music landscape. Additional benefits outlined in the new contract include increased minimum wages, better health and retirement plans, and a larger share of streaming revenues. SAG-AFTRA National Executive Director & Chief Negotiator Duncan Crabtree-Ireland said, "SAG-AFTRA and the music industry's largest record labels have reached a groundbreaking agreement establishing, for the first time, collective bargaining guardrails assuring singers and recording artists ethical and responsible treatment in the use of artificial intelligence in the music industry. It is a testament to our mutual unwavering commitment to work together to safeguard the rights, dignity and creative freedom of our members. Read more here.
- On Monday, April 15, *Axios* reported that Adobe plans to allow customers to bring third-party AI models into their professional image and video programs. The move comes amidst ongoing debates over the legality and ethics of generative AI and their "commercially safe" pledge that its AI has been trained using only images the company has rights to. The move

- will include support for OpenAI's Sora and other startups, aiming to offer customers more versatility in their creative processes. Read more here.
- On Monday, April 15, The Verge reported that officials at the UK's Department of Science, Innovation, and Technology have started drafting legislation to regulate AI models.
 Bloomberg reports, other government officials have raised the possibility of amending the UK's copyright rules to strengthen the opt-out option for training datasets. However, any potential bill is still a ways off. Read more here.
- On Tuesday, April 23, the Copyright Alliance and 18 Community Partner organizations will host a panel via Zoom in honor of World IP Day, Copyright Alliance and 18 Community Partner organizations will host a panel via Zoom in honor of World IP Day, titled Sustaining and Empowering the Creative Community Through Copyright. Our panel is in keeping with the World Intellectual Property Organization's (WIPO) 2024 theme, IP and the SDGs: Building Our Common Future with Innovation and Creativity. During the event, which will be held via Zoom on April 23 at 2 p.m. ET / 11 a.m. PT, panelists will discuss how creators can meet their goals today while helping to ensure that tomorrow's creative community is sustained through job growth, a strong creative economy, and continued growth of the arts, all of which are perpetuated through copyright protections. Copyright Alliance CEO Keith Kupferschmid will introduce the event; U.S. Copyright Office Associate Register of Copyrights and Director of Public Information and Education Miriam Lord will provide opening remarks; and Maribel Quezada Smith, Founder of BIPOC Podcast Creators and video/podcast producer, will moderate. Panelists include Eric Schwartz, Partner, Mitchell Silberberg & Knupp LLP (MSK) and Founding Director and Vice Chair, National Film Preservation Foundation; Mary Rasenberger, CEO, Authors Guild; Taura Stinson, Academy Award nominated songwriter, composer, producer and author; and Bijou Mgbojikwe, Senior Policy Counsel, Entertainment Software Association (ESA). To register to attend, please click here., Senior Policy Counsel, Entertainment Software Association (ESA). To register to attend, please click here.