I. Congressional Updates:

- Last week, Rep. Nancy Mace (R-SC) Chair of the House Committee on Oversight and Accountability Subcommittee on Cybersecurity, Information Technology, and Government Innovation, sent a letter to actress Scarlett Johansson inviting her to testify at an upcoming hearing on July 9 concerning the uses and abuses of deepfake technology. In the letter Rep. Mace states, “You recently expressed concerns via social media about the resemblance between your voice and that of the “Sky” chatbot, recently released as part of OpenAI's GPT-4o update. This hearing would provide a platform for you to share those concerns with House Members, and to inform the broader public debate concerning deepfakes.” Read more from Axios [here](#).

- The FY25 Appropriations markup schedule and FY25 subcommittee allocations have been released. Non-defense programs will be cut effectively by 6%, and those cuts are not evenly distributed. Some subcommittees, such as Labor-Health and Human Services-Education, Financial Services-General Government, and State-Foreign Operations, will receive significant cuts of 10-11%. Other subcommittees will have smaller non-defense cuts, reflecting Republican priorities across the bills. Important dates to watch: Tuesday July 9: Full Committee Markup CJS.

- Thom Tillis (R-NC), Senators Gary Peters (D-MI) and Thom Tillis (R-NC), introduced bipartisan legislation titled, *Promoting Responsible Evaluation and Procurement to Advance Readiness for Enterprise-wide Deployment (PREPARED) for AI Act*. The bill would establish guardrails to ensure the federal government can harness the potential of artificial intelligence (AI) systems, while safeguarding

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**Headlines and Highlights:**

- Senators Introduce Bill to Ensure the Federal Government Safely and Responsibly Purchases and Uses AI

- Rep. Lieu Leads Letter to USCO Expressing Concerns Over Spotify Slashing Royalties

- House Admin Announces USCO Modernization Hearing

- Scalise Reportedly Tells House AI Task Force – No New AI Regulations

- Music Publishers File Legal Complaint Against Spotify With FTC

**In the Blogs:**

- Hugh Stephens Blog: [It Took Glue on Pizza to Spotlight Google’s AI Problem](#)

- Hugh Stephens Blog: [The CRTC and Online Streaming: Money Now; Details Later](#)

- Fast Company: [Apple’s commitment to data privacy could pay off big with its AI](#)

against potential risks and harms. According to the press release, the legislation requires agencies to assess and address the risks of their AI uses prior to buying and deploying the technology. Additionally, the bill ensures the federal government reaps the benefits of this technology through the creation of pilot programs to test more flexible, competitive purchasing practices. The bill builds on requirements in the Advancing American AI Act, led by Peters, which became law in 2022. Read more here.

- On Wednesday June 12, Congressman Ted W. Lieu (D-CA), Congressman Adam Schiff (D-CA), and Senator Marsha Blackburn (R-TN) sent a letter to the U.S. Copyright Office expressing concerns over Spotify’s new bundle plans and whether they are in accordance with the Music Modernization Act. In the letter, the Members address Spotify’s recent actions to re-designate its streaming music service as a “bundle,” leading to a sharp cut in royalty payments made to publishers and songwriters. The Members are urging the U.S. Copyright Office to investigate whether these actions are in step with the Music Modernization Act, and whether there are protections in place to ensure that companies cannot abuse the law’s royalty rate process to the detriment of copyright owners. Read the full press release and letter here.

- The Library of Congress announced the reauthorization of the Copyright Public Modernization Committee (CPMC) in a Federal Register notice. The notice also explains how interested parties can apply to become a member of the CPMC. The deadline for submitting applications is June 18.

- This week, the Committee on House Administration announced that they will hold a full committee hearing on June 26, 2024, on US Copyright Office Modernization with Register Shira Perlmutter testifying. The committee is interested in learning more about (1) The efficiency and effectiveness of the U.S. Copyright Office's registration processes, particularly for the average small business owner who may be utilizing the process, (2) The responsiveness of the Office to creators' needs and inquiries, (3) Any challenges or obstacles organizations have encountered when interacting with the Office, and (4) Suggestions for improvements to enhance the Office's operations and support for creators.

- On Thursday, June 13, the House Committee on Financial Services held a hearing titled “The Semi-Annual Report of the Bureau of Consumer Financial Protection.” The hearing revealed a significant divide between Republicans and Democrats on the appropriate role and impact of the Consumer Financial Protection Bureau (CFPB) within the consumer financial protection realm and presented opposing opinions on the recent Supreme Court decision to uphold the current structure of CFPB. Chairman Patrick McHenry (R-NC-10) began the hearing by suggesting that while Democrats might champion this decision, it might have underlying consequences. Key topics discussed included the exclusion of medical debt from credit reports, junk fees, protection of personal data, and the impact of new regulations on large and small financial institutions. The Q&A portion of the hearing delved deeper into more niche segments of these broader key points, including the mistreatment of veterans and active service members, regulations of the “buy now, pay later” service, the exemption of certain regulations for small businesses, and other various legislative efforts. A summary from ACG can be provided upon request.

- On Thursday, June 14th, the House Committee on Appropriations held a Markup of the Defense Appropriations Bill for FY 2025, the Financial Services and General Government
Appropriations Bill for FY 2025, and the Legislative Branch Appropriations Bill for FY 2025. The Legislative Branch Appropriations Bill was approved by the Committee with a vote of 33 to 24. There was one amendment adopted by voice vote: Rep. Valadao (Manager’s Amendment) made technical changes to the bill and report despite partisan opposition. The Markup can be watched here and a summary from ACG can be provided upon request.

- On Thursday, Punchbowl News reported that House Majority Leader Steve Scalise, in a meeting with the House AI Task Force, stated that House Republicans oppose any new AI-related regulations, marking a clear party stance on this key tech policy issue. Scalise emphasized avoiding government interference in tech innovation, expressing opposition to new agencies, licensing requirements, and government-funded research. He argued that the private sector is already handling AI development effectively and that heavy regulations are unnecessary. Scalise believes the AI sector thrives because the government hasn't hindered its progress. According to Jake Sherman, new AI regulations are unlikely under the current House Republican majority.

II. Administration Updates

- During the May 30 Promoting Competition in AI workshop that was hosted at Stanford University in Stanford, CA, the Department of Justice (DOJ) invited comments from the public on the topics covered. A recording of the workshop is available on the University’s event webpage. Those interested in sharing comments may email them to ATR.2024AIworkshop@usdoj.gov by July 15.

III. USCO Updates:

- On July 25, the U.S. Copyright Office will hold a webinar to keep the public updated on the Office’s optimized Recordation System. Separate from the Office’s registration application, the new recordation module allows users to electronically transfer their copyrights to someone else. The webinars will “cover announcements about the module, important reminders, frequently asked questions, and a live Q&A session.” Anyone interested in attending may join the session. For additional information and to register, please click here.

- In January, the U.S. Copyright Office (USCO) published a notification of inquiry required by the Music Modernization Act regarding whether the existing designations of the Mechanical Licensing Collective (MLC) and Digital Licensee Coordinator (DLC) should be continued. This is the first of the review processes that the Copyright Office is statutorily required to conduct every five years. Written initial public comments were due by May 29. If you wish to submit reply comments they must be submitted by June 28. Reply comments by the currently designated MLC and DLC must be submitted by July 29. Additional information is available here.

IV. Industry Updates:

- Last week, IPWatchdog reported that chipmaker Nvidia surpassed Apple to become the second most valuable company in the world, reaching $3 trillion in market cap. Nvidia’s success is
largely due to the importance of GPU chips in the AI industry. Nvidia’s AI accelerators make up between 70% and 95% of the market share for AI chips, according to CNBC. The company now plans to launch a new AI chip on a yearly basis, starting with the Blackwell B200 GPU that’s expected later this year. Read more from The Verge here.

• On Thursday, June 6, IPWatchdog reported that a California district court dismissed a proposed class action that accused Google of misusing copyrighted data to train its generative AI chatbot Bard. The district judge cited concerns raised in a similar complaint filed against Microsoft and OpenAI and overlap in plaintiffs between the case against Microsoft and Google as justification for the dismissal. In this case, Google was accused of using data from social media and Google platforms to train its AI. Read more from IPWatchdog here.

• On Tuesday, June 11, Billboard reported that Canada’s Musical Reproduction Rights Agency (CMRRA) announced 2023 royalty income of $78 million which is an 8.9% increase from 2022. CMRRA president Paul Shaver said he is “thrilled” by the increased revenue result. “We are witnessing a significant uptick in music consumption,” Shaver stated, adding that he sees a trend that “highlights the vibrancy and vitality of the industry, and which also emphasizes the growing demand for music across global audiences.” Read more here.

• On Wednesday, June 12, Variety reported that the National Music Publishers Association (NMPA) filed a legal complaint with the Federal Trade Commission (FTC) against Spotify, opposing its recent plan to bundle music and audiobooks leading to lower mechanical royalty rates for songwriters and artists. Variety states that the estimated loss could be as large as $150 million annually. In the letter to the FTC NMPA states, “Spotify has deceived consumers by converting millions of its subscribers without their consent from music-only subscriptions into ‘bundled; audiobook-and-music subscriptions, publicly announcing increased prices for those subscriptions, failing to offer an option for subscribers to revert to a music-only subscription, and thwarting attempts to cancel through dark patterns and confusing website interfaces. This bait-and-switch subscription scheme is ‘saddling shoppers with recurring payments for products and services they did not intend to purchase or did not want to continue to purchase.’ Indeed, it has all the red flags of problematic negative-option practices that the FTC has consistently warned companies about: (1) Spotify has failed to give consumers all material information about its subscription plans up front; (2) Spotify has billed consumers without their informed consent; and (3) Spotify has made it hard for consumers to cancel.” Read more here.