

CONTENT & TECHNOLOGY POLICY REPORT MAY 17, 2024



I. Congressional Updates:

- On Sunday, May 12, the House Energy and Commerce committee published a press release stating that Committee Chair Cathy McMorris Rodgers (R-WA) and Ranking Member Frank Pallone, Jr. (D-NJ) have unveiled [bipartisan draft legislation](#) to sunset Section 230 of the Communications Decency Act. Both members co-authored an opinion piece in the *Wall Street Journal* which stated that the legislation seeks to encourage Congress and stakeholders to work together over the next 18 months to evaluate and enact a new legal framework. “Our measure aims to restore the internet’s intended purpose—to be a force for free expression, prosperity and innovation. It would require Big Tech and others to work with Congress over 18 months to evaluate and enact a new legal framework that will allow for free speech and innovation while also encouraging these companies to be good stewards of their platforms. Our bill gives Big Tech a choice: Work with Congress to ensure the internet is a safe, healthy place for good, or lose Section 230 protections entirely.” [CLICK HERE](#) to read the full op-ed. [CLICK HERE](#) to read the bipartisan discussion draft legislation.
- On Wednesday, May 15, Senator Schumer, along with Senators Rounds, Heinrich, and Young, released the long-awaited AI roadmap proposing \$32 billion in annual funding by 2026 for AI research and development. Titled “Driving U.S. Innovation in Artificial Intelligence,” the plan focuses on boosting American leadership in AI technology but offers minimal regulatory details. According to Sen. Todd Young, “This roadmap represents the most comprehensive and impactful bipartisan recommendations on artificial intelligence ever issued by the legislative branch.” While not

Headlines and Highlights:

- House E+C Unveils Legislation to Sunset Section 230
- Schumer Releases AI Roadmap
- FY25 Appropriations Markup Schedule & Allocations Released
- White House & USTR to Take Further Action on China Tariffs
- OpenAI Launches GPT-4o
- Spotify Sued by Music Publishers (NMPA) and the Mechanical Licensing Collective (MLC)

In the Blogs:

- **Hugh Stephens Blog:** [Canada is not the United States when it comes to Copyright: The Cases Anne of Green Gables and Steamboat Willie \(or Down the Copyright Rabbit-Hole, Twice\)](#)
- **POLITICO:** [In DC, a new wave of AI lobbyists gains the upper hand](#)
- **Forbes:** [The Promise Of AI: 5 Ways Musicians Are Making The Most Of AI Tools](#)
- **IPWatchdog:** [Potential Shifts in Section 337 Precedent: What The Data Tells Us](#)
- **White & Case:** [AI Watch: Global regulatory tracker](#)

legislation, the initiative is intended to provide direction to Senate committees currently crafting bills. The report includes sections on “*Supporting US Innovation In AI;*” “*AI and the Workforce;*” “*High Impact Uses of AI;*” “*Elections and Democracy;*” “*Privacy and Liability;*” “*Transparency, Explainability, Intellectual Property, and Copyright;*” “*Safeguarding Against AI Risks;*” and “*National Security.*” Specifically addressing the Transparency, Intellectual Property, and Copyright section, the report urges relevant committees to develop legislation addressing public-facing transparency requirements for AI systems and consider the need for best practices regarding automation levels in tasks. It also recommends reviewing federal agency transparency, data set usage, content provenance, and legislation protecting individuals’ rights and intellectual property in the context of AI. Additionally, the report suggests establishing public awareness campaigns on AI and considering international partnerships for AI research while mitigating risks to research security and intellectual property. A one-pager detailing the roadmap can be found [here](#). The AI policy roadmap for the 118th Congress can be found [here](#).

- On Wednesday, May 15, the Senate Committee on Appropriations, Legislative Branch Subcommittee held a hearing to examine proposed budget estimates and justification for fiscal year 2025 for the Library of Congress and the Architect of the Capitol. Witnesses included The Honorable Dr. Carla Hayden, Librarian of Congress and Mr. Joseph DiPietro, Acting Architect of the Capitol. A full summary from ACG can be provided upon request.
- On Wednesday, May 15th, the Senate Committee on Rules and Administration held a Markup of *S.2770, Protect Elections from Deceptive AI Act;* of *S.3875, AI Transparency in Elections Act of 2024;* and *S.3897, Preparing Election Administrators for AI Act.* All three bills were passed and sent out of committee to the floor. There was partisan opposition concerning the first two bills, with Democrats emphasizing the need for immediate legislation on AI and elections, while Republicans accused the bills of federalizing elections and overpowering state law. As for the third bill, an agreement was reached regarding the *Preparing Election Administrators for AI Act.* A full summary from ACG can be provided upon request.
- On Thursday, May 16, the FY25 Appropriations markup schedule and FY25 subcommittee allocations were 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: (1) Thursday May 23: Legislative Branch Subcommittee Markup, (2) Wednesday June 12: CJS Subcommittee Markup, (3) Thursday June 13: Full Committee Markup Legislative Branch, and (4) Tuesday July 9: Full Committee Markup CJS.
- On Thursday May 16, *NBC News* reported that the *Transparency in Charges for Key Events Ticketing (TICKET) Act* passed the House. The act would require sellers to list the total cost of a ticket to buyers, including fees as well as require them to disclose whether the ticket they are selling are speculative — meaning not currently in their possession. The *TICKET Act* was first introduced by Rep. Gus Bilirakis (R-FL) in June 2023. Bilirakis, Ranking Member of the subcommittee Jan Schakowsky (D-IL), House Energy and Commerce Committee Chair Cathy McMorris Rodgers (R-WA) and Ranking Member of the full committee Frank Pallone Jr. (D-NJ) released a joint statement on the passage of the *TICKET Act* on Wednesday. “This

consensus legislation will end deceptive ticketing practices that frustrate consumers who simply want to enjoy a concert, show, or sporting event by restoring fairness and transparency to the ticket marketplace. After years of bipartisan work, we will now be able to enhance the customer experience of buying event tickets online. We look forward to continuing to work together to urge quick Senate passage so that we can send it to the President's desk to be signed into law." Read more [here](#).

- On Friday May 24 from 9-11am the newly formed House AI Task Force is expected to host a staff briefing focused on AI and IP alongside the House Judiciary IP Subcommittee. More information is expected to be available soon.
- House Judiciary IP Subcommittee Chairman Rep. Darrell Issa is planning an AI-focused Congressional Delegation (CODEL) trip to the UK and Brussels during the week of June 17th. Additional details are unknown at the time of this writing, but we expect more information to be available in the coming weeks.

II. Administration Updates

- On Tuesday, May 14, President Biden announced an increase in tariffs on \$18 billion worth of Chinese imports. President Biden has both maintained Trump-era tariffs on over \$300 billion worth of Chinese goods, including finished textiles and apparel, and raised tariffs on strategic Chinese imports such as electric vehicles, semiconductors, steel and aluminum, batteries, solar cells, ship-to-shore cranes, and medical products. This decision follows a statutory four-year review of Section 301 China tariffs, which concluded that China engages in unfair trade practices, including subsidies, intellectual property theft, and forced technology transfer. In response to this decision, U.S. Trade Representative (USTR) Katherine Tai stated, "After thorough review of the statutory report on Section 301 tariffs, and having considered my advice, President Biden is directing me to take further action to encourage the elimination of the People's Republic of China's unfair technology transfer-related policies and practices that continue to burden U.S. commerce and harm American workers and businesses. In light of President Biden's direction, I will be proposing modifications to the China tariffs under Section 301 to confront the PRC's unfair policies and practices." Next week, USTR will issue a Federal Register notice announcing procedures for interested persons to comment on the proposed modifications and information concerning an exclusion process for machinery used in domestic manufacturing. The White House fact sheet can be found [here](#) and, the USTR's fact sheet can be found [here](#).
- On Wednesday May 15, the Senate Committee on Appropriations Subcommittee on Commerce, Justice, Science, and Related Agencies held a budget hearing to discuss the Department of Commerce's proposed budget for FY 2025, totaling \$11.4 billion in discretionary funding and \$4 billion in mandatory funding. This request represents a 6% increase over the previous year. The budget allocates resources to various initiatives, including trade enforcement, manufacturing technology innovation, and economic development. Secretary Gina Raimondo and committee members engaged in detailed discussions on various aspects of the Department's budget proposal and its implications for American competitiveness and security. The discussion covered a wide range of topics, including national security, high-speed internet access, disaster aid for fisheries, and research and development. Of note, Senator

Chris Coons' comments focused on the potential impact of the European Commission's standard essential patent (SEP) regulation on American competitiveness and intellectual property rights. Sens. Jeanne Shaheen, Jerry Moran, Debra Fischer, and John Kennedy explicitly discussed the BEAD program. Additionally, Secretary Raimondo stated that the Department of Commerce will release a proposed rule on Chinese connected vehicles sometime this fall. A full summary from ACG can be provided upon request.

III. USCO Updates:

- On April 30, all 13 members of the Copyright Public Modernization Committee (CPMC) sent a [letter](#) to Register Perlmuter of the U.S. Copyright Office (USCO) “to get an update on the status of the reauthorization of the CPMC and to request a meeting.” The letter voiced concerns over the delay of the publication of the notice to reauthorize the CPMC and the Office’s announcement that “there will not be a meeting for [at least] one whole year.” The letter also stated that CPMC members think it would be best to “hold meetings...once each quarter.” On May 7, Register Perlmuter responded in a [letter](#), stating that the CPMC will be renewed after new members of the committee have been selected later this year; and the committee will then hold a meeting to discuss a “number of issues, including the coverage and frequency of CPMC meetings.” Three days later, the Library of Congress issued a [notice](#) reauthorizing the CPMC for an additional term. To apply to become a CPMC member, please email cPMC@loc.gov, and include a CV and statement of interest. Applications must be submitted by June 18.
- On Thursday May 30, the U.S. Copyright Office (USCO) will hold its next 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 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 week, *POLITICO* reported that their UK Morning Technology colleagues reported that a member of the UK’s House of Lords, Chris Holmes, introduced an Artificial Intelligence (Regulation) Bill that would create an “AI Authority” with the power to coordinate the U.K.’s regulatory efforts, and impose disclosure and compliance regulations on developers. The U.K.’s House of Commons isn’t required to take up bills introduced by the peerage, but MT

UK reports that Holmes is hoping the bill's overwhelming support in the House of Lords will convince them to do so. Read more [here](#).

- On Monday, May 13, OpenAI launched GPT-4o, its newest AI model showcasing multiple improvements. OpenAI CEO Sam Altman posted on X that the model is “natively multimodal,” which means that the model can generate content and understand commands through voice, text or images. In a separate blog post, he said the new voice and video mode “is the best computer interface” he has ever used. “It feels like AI from the movies; and it’s still a bit surprising to me that it’s real. Getting to human-level response times and expressiveness turns out to be a big change,” he wrote in Monday’s post. Read more from *The Hill* [here](#).
- On Tuesday, May 14, the Copyright Alliance sent a letter to members of Congress, stating their concerns about (1) The status of efforts to modernize the U.S. Copyright Office’s (USCO) Registration System, (2) The Transition to Electronic Deposits and Access to those Deposits, and (3) requesting a hearing on the ongoing efforts to modernize the USCO. A copy of the letter can be provided upon request.
- On Wednesday, May 15, *Variety* reported that the National Music Publishers Association (NMPA) sent a cease-and-desist letter to Spotify over its use of lyrics in its recently launched video function and podcasts, and its remix feature that enables users to speed up or otherwise edit songs to create derivative works claiming that such uses are copyright violations and must be paid for. “It has come to our attention that Spotify displays lyrics and reproduces and distributes music videos and podcasts using musical works without the consent of or compensation to the respective publishers and/or administrators (our members) who control the copyrights in the musical compositions,” reads the letter, from NMPA’s general counsel. “As such, these uses of musical works on the Spotify platform are not licensed or will soon become unlicensed. Regardless of the mechanical and public performance licenses Spotify may have, however, the use of lyrics and music in videos and podcasts on its platform requires rights that must be negotiated directly with rightsholders in a free market. Spotify thus appears to be engaged in direct infringement by hosting unlicensed musical works in its lyrics, videos, and podcasts, and by distributing unauthorized reproductions, synchronizations, displays, and derivative uses of these musical works to its users. Making matters worse, Spotify profits from such infringement.” Read more [here](#).
- On Thursday, May 16, the Mechanical Licensing Collective (MLC) published a press release announcing that they filed a legal action against Spotify seeking to recover unpaid royalties due under the compulsory mechanical blanket license. The MLC asserts that beginning in March 2024, Spotify announced that its Premium Individual, Duo and Family subscription streaming plans were now Bundled Subscription Offerings because those plans included access to audiobooks. Applying the rate formula applicable to Bundled Subscription Offerings results in a reduction of the Service Provider Revenue that Spotify reports, which results in an underpayment of royalties. The MLC’s CEO Kris Ahrend stated, “The MLC takes seriously its legal responsibility to take action on behalf of our Members when we believe usage reporting and royalty payments are materially incorrect.” The MLC is therefore seeking corrected usage reporting and associated unpaid royalties dating back to March 2024. A copy of the complaint can be found [here](#). Read the full press release [here](#).