

VFI Executive Briefing

A weekly roundup of technology news

June 5 – June 9, 2017

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HILL UPDATE

SC Magazine [Congressman proposes bill to strengthen U.S. and NATO cyber abilities against Russia](#)

The "Enhanced Partner Cyber Capabilities Act" would direct the President to specifically develop offensive cyber capability strategies and information and method sharing with our NATO allies. The act calls for the Department of Defense to update its cyberstrategy, draft strategy for offensive cyber capabilities, and authorize international cooperation by helping NATO partners improve their cyber capabilities. The bill states the Russian President Vladimir Putin's regime is actively working to erode democratic systems of NATO member states including the U.S.

ARTICLE SUMMARY

The Economist [Tech giants are under fire for facilitating terrorism](#)

The Economist published an article examining the debate over efforts to coerce tech companies to do more to combat terrorism after the London terror attacks. The article, which details the efforts of Microsoft and other tech companies to moderate content online, highlights that companies can do more to monitor and remove extremist content from their sites. The Economist also calls out the role new international agreements can play, citing both the bilateral U.S.-U.K. agreement and Brad Smith's recent Senate Subcommittee testimony calling for a new legal framework as evidence of progress towards greater collaboration between governments and companies.

The Verge [Tim Cook, Jeff Bezos will visit the White House for tech council meeting](#)

Apple CEO Tim Cook, Amazon CEO Jeff Bezos, and Microsoft CEO Satya Nadella plan to visit the White House this month, Bloomberg reports, for the first meeting of a Jared Kushner-led council that aims to "transform and modernize" government digital services. Alphabet Executive Chairman Eric Schmidt will also attend the meeting of the American Technology Council on June 19th, according to Bloomberg, along with executives from IBM and Oracle. President Donald Trump formed the American Technology Council by executive order on May 1st, tapping Kushner — his son-in-law and senior advisor — to lead it. Facebook has received an invitation to this month's event, Bloomberg reports, though the company has not yet responded to it.

The Guardian [EU could give police direct access to cloud data in wake of terror attacks](#)

The Guardian, reported that the European Commission will present plans to EU justice ministers this week to make it easier for law enforcement to obtain data directly from tech companies. Speaking to Reuters, EU Justice Commissioner Vera Jourova indicated the commission is considering several proposals, including requirements for cross-border data disclosure and an option for law enforcement to copy data directly from the cloud. It noted Microsoft's victory in the warrant case as examples of the challenges posed by direct requests for data.

CNET [US patent office chief Michelle Lee steps down](#)

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Director of the US Patent and Trademark Office Michelle Lee resigned today, without explanation. Lee, who has been director of the office since 2014, was a favored candidate by the tech sector, who thought she brought a balanced approach to patents. She is a former Google lawyer and was one of the first corporate lawyers to speak out about the problem of so-called "patent trolls." Lee took office at a time when the tech sector was at odds with the pharmaceutical lobby and trial lawyers over a proposed patent-reform law, which did not end up passing. Leadership at the USPTO has been unclear since the Trump administration transitioned into power in January. Early news reports said that Lee, an Obama appointee, would remain. But that was followed by a period of a few months in which the USPTO wouldn't even confirm who was director.

Recode [President Trump may have found his new nominees for the Federal Communications Commission](#)

President Donald Trump could soon fill the two open slots at the Federal Communications Commission, by tapping Brendan Carr, an aide to the FCC's current Republican chairman, and Jessica Rosenworcel, a Democrat who previously served at the agency. At the moment, those two seasoned telecom policy experts are seen as the front-runners to fill the remaining seats at the five-member FCC, according to multiple sources familiar with the matter, though Trump has not yet formally nominated anyone — and the White House did not respond to multiple emails this week seeking comment.

New York Times [Automakers Race to Get Ahead of Silicon Valley on Car-Sharing](#)

SEATTLE — On a recent overcast afternoon in this city's Belltown neighborhood, a driver pulled up in a gleaming new BMW X1 sport utility vehicle just a few minutes after a few swipes of a smartphone app had summoned it. This was not a car dispatched by Uber or Lyft, the two tech companies that are the Coke and Pepsi of ride-sharing services. Instead, the vehicle belonged to the company that made it, BMW Group, through a service it owns called ReachNow. The ride-sharing service represents the latest effort by a car manufacturer to get a grip on the technological trends that could disrupt their businesses by making vehicle ownership — and eventually even drivers — unnecessary. BMW and Daimler, maker of Mercedes-Benz, are two of the most aggressive carmakers building their own "mobility services" to prevent Silicon Valley's upstarts from keeping all the spoils themselves.

Harvard Business Review [The U.S. Supreme Court Is Reining in Patent Trolls, Which Is a Win for Innovation](#)

In the last week, the U.S. Supreme Court issued two important rulings limiting patent rights. The decisions, which were both unanimous, significantly scaled back the ability of patent holders to slow innovation by competitors, tipping scales that many legal scholars believe have become badly imbalanced. Taken together, the two cases will improve the innovation environment for companies in fast-changing industries. Consumers will get easier access to new products and fewer limits on those they already own. Why? In the last few decades, courts have both broadened the kinds of inventions for which patents can be granted and relaxed their oversight of what constitutes genuinely novel innovation. As a result, companies of all sizes are increasingly hindered in efforts to bring new products and services to market by patent holders claiming infringement of even trivial features.

Engadget [California and China partner on clean energy tech](#)

The Trump administration's decision to leave the Paris Accord has already prompted some states to forge their own pro-environment pacts, but the latest such alliance is... unusual. California and China are forming a partnership that will see the two work together on clean energy technology, including carbon capture and IT that can keep greenhouse gases in check. They'll also unite on emissions trading and additional "climate-positive" initiatives. It sounds like a contradiction to work with China when it's notorious for its pollution, but it makes more sense in light of the country's recent efforts to turn itself around.

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Recode [Trump's plan to privatize air traffic control could expedite drone delivery in the U.S.](#)

This morning, President Donald Trump announced plans to privatize the U.S. air traffic control system, a move that would take the responsibility away from the Federal Aviation Administration, the agency that currently manages U.S. air traffic control. Trump's plan is the first in a week-long series of announcements expected from the White House this week concerning modernizing and investing in the nation's roads, bridges, ports and other public infrastructure. The Trump administration is calling it "infrastructure week," drawing on the president's campaign promise to invest \$1 trillion in renewing national infrastructure.

Washington Post [Amazon, Kickstarter, Reddit and Mozilla are staging a net neutrality online protest](#)

Some of the Internet's biggest names are banding together for a "day of action" to oppose the Federal Communications Commission, which is working to undo regulations for Internet providers that it passed during the Obama administration. Among the participants are Etsy, Kickstarter and Mozilla, the maker of the popular Firefox Web browser. Also joining the day of protest will be Reddit, the start-up incubator Y Combinator, and Amazon (whose chief executive, Jeffrey P. Bezos, also owns The Washington Post.) On July 12, the companies and organizations are expected to change their websites to raise awareness of the FCC effort, which is aimed at deregulating the telecom and cable industries. Mozilla, for example, will change what users see on their screens when they open a new browser window.

New York Times [The Silicon Valley Billionaires Remaking America's Schools](#)

In San Francisco's public schools, Marc Benioff, the chief executive of Salesforce, is giving middle school principals \$100,000 "innovation grants" and encouraging them to behave more like start-up founders and less like bureaucrats. In Maryland, Texas, Virginia and other states, Netflix's chief, Reed Hastings, is championing a popular math-teaching program where Netflix-like algorithms determine which lessons students see. And in more than 100 schools nationwide, Mark Zuckerberg, Facebook's chief, is testing one of his latest big ideas: software that puts children in charge of their own learning, recasting their teachers as facilitators and mentors.

Wired [Digital Privacy Is Making Antitrust Exciting Again](#)

A COUPLE WEEKS ago, during an unassuming antitrust conference at Oxford University, a German bureaucrat uttered a few words that should send a chill through Silicon Valley. In front of a crowd of nearly 200 competition law experts—including enforcement agents, scholars, and economic policy-makers from the United States and Europe—Andreas Mundt, president of Germany's antitrust agency, Bundeskartellamt, said he was "deeply convinced privacy is a competition issue." It's a conviction major tech platforms are listening to closely, especially since Mundt's agency is in the midst of a high-profile investigation into whether Facebook abused its dominance as a social network by forcing customers to agree to unfair terms about the way the company uses their data.

The Hill [FCC to consider allowing law enforcement to see blocked caller IDs](#)

The Federal Communications Commission will consider a proposal to allow law enforcement to unmask hidden caller IDs when threatening calls are made. FCC Chairman Ajit Pai said in a blog post on Thursday that the proposal comes in response to a wave of threats called into Jewish community centers earlier this year. "The FCC's current rules require voice providers not to reveal blocked Caller ID information or to use that information to allow the person getting a call to contact the caller," Pai wrote. "These rules have an important purpose, but they can raise a particular public safety concern."

Ars Technica [Trump administration rolls out social media vetting of visa applicants](#)

Visa applicants who the US State Department suspects may pose a danger if allowed into the country will be required to provide their social media handles on a new application (PDF) the government just unveiled. The new vetting, the State Department said, would likely ensnare about 0.5 percent of visa

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applicants annually—the equivalent of roughly 65,000 people. The screening would apply to visa applicants "who have been determined to warrant additional scrutiny in connection with terrorism or other national security-related visa ineligibilities," according to a notice in the Federal Register by the State Department.

CNBC [UK faces balancing act of civil liberties and security after terror violence](#)

Several media outlets, including CNBC, reported on a call by UK Prime Minister Theresa May, and echoed by Home Secretary Amber Rudd, for international agreements to regulate the internet and encrypted communications. Outlets emphasized the challenges of fighting and countering terrorists online, highlighting comments from several British critics referring to pushes to regulate the internet and tech companies as "intellectually lazy" and "political grandstanding."

The New York Observer [How an Armed Robber's Supreme Court Defense Could Protect Everyone's Email](#)

The New York Observer reported on the [Supreme Court's decision](#) to hear *Carpenter v. United States*, a case that could potentially alter the scope of the third-party doctrine. The Observer highlighted Microsoft's secrecy order case as an example of how the doctrine impacts lawful requests for data in the cloud.

NOTABLE QUOTES

- *"In testimony before the Senate Judiciary Committee in Washington in May, Brad Smith, the president of Microsoft, argued for a change in the legal framework, which he said "impedes America's allies' legitimate law-enforcement investigations" and exposes American tech firms to potential conflicts of jurisdiction. Greater legal certainty, less confrontation and more co-operation between governments and firms will not drive jihadist propaganda off the internet altogether. But they should clear the worst material from big sites, help stop some terrorists—and absolve tech firms from the charge of complicity with evil."*
-[The Economist](#)
- *"Microsoft recently won a high-profile battle against the US Department of Justice's request that it turn over emails stored on a server in Ireland in which the EC backed [Microsoft](#) saying that EU-held data should not be directly accessed by foreign authorities."*
-[Samuel Gibbs, reporter, The Guardian](#)
- *"We need to work with allied democratic governments to reach international agreements to regulate cyberspace to prevent the spread of extremist and terrorism planning."*
- [UK Prime Minister Theresa May](#)
- *"Part of the importance of the case is that it's not just about cell-site records... it's really about where to draw lines in terms of what network surveillance triggers the Fourth Amendment and how the Fourth Amendment applies."*
- [Orin Kerr, law professor, George Washington University](#)
- *"May would have Silicon Valley prioritize internet security over privacy, essentially regulating the internet. That might deter online terrorist networks, but it also would destroy the privacy that Americans have come to expect in using iPhones and computers for everything from banking to chatting with their doctors."*
- [The Sacramento Bee Editorial Board](#)
- *"It is worth considering what these demands tell us about the amount and quality of information already available to the surveillance state: phone numbers and email addresses are useless*

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without the ability to access records of their use, which the US authorities clearly hope or expect to obtain if they wish. And each person identified in this way as a contact of the visa applicant can become the focus of a newly expanded enquiry into their connections, and so on until a whole social network has been mapped. The ambition is frightening even if the execution is unlikely to be nearly as effective as it might be.”

- [The Guardian Editorial Board](#)

- *“We have been cooperating with the U.K. government not only in law enforcement kind of matters but on some of the attacks...I cannot speak on detail on that. But in cases when we have information and they have gone through the lawful process we don't just give it but we do it very promptly.”*
- [Tim Cook, CEO, Apple Inc.](#)
- *“The law — including the interpretation of what constitutes an “unreasonable search and seizure” — should reflect such realities. The Carpenter case gives the court a chance to bring the 4th Amendment into the 21st century.”*
- [The Los Angeles Times' editorial board](#)
- *“While I am certain more work to address this issue must be done, technology companies are being responsive and helping lead the effort to combat online sources that threaten our mutual goals for peace and prosperity,”*
- [U.S. Representative Ro Khanna](#)
- *“We would hope that American companies would willingly try to help in such a situation... It shouldn't be the compulsion of the law. What worries us is this growing atmosphere of tech companies saying, ‘No, we're not going to help the government.’”*
- [John Yoo, former deputy assistant U.S. attorney general in the Office of Legal Counsel](#)

SOCIAL HIGHLIGHTS

- **@Reuters:** [Trump administration approves tougher visa vetting, including social media checks](#)
- **@techreview:** [China's aggressive cybersecurity and data protection law goes into effect today and will have global ripple effects.](#)
- **@zackwhittaker:** [Just in: US visa applicants must now provide social media handles for additional screening.](#)
- **@WiredUK:** [Theresa May's comments on regulating 'cyberspace' are 'intellectually lazy', claim critics](#)
- **@ACLU:** [This case could settle the broader question of how the Fourth Amendment protects all sorts of digital records.](#)
- **@BusinessInsider:** [How an armed robber's Supreme Court defense could protect everyone's email — via @Observer](#)
- **@BradyDale:** [Here's my explainer connecting today's #SCOTUS news to @Microsoft's bid to give email more #privacy protection:](#)
- **@CBSNews:** [Are tech companies providing "material support" to terrorists?](#)
- **@DanielMorain:** [Theresa May's bashing of Silicon Valley won't stop terrorists](#)
- **@EFF:** [The Supreme Court announced it will hear an important case about cell phone tracking and the Fourth Amendment](#)
- **@observer:** [Your privacy rights will be affected. \(via @innovation\)](#)
- **@OrinKerr:** [Big big news for Fourth Amendment and surveillance nerds. For the details, click below.](#)

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- **@PaulBernalUK:** [Again, let's not pretend that more surveillance and more attacks on encryption would have helped here.....](#)
- **@verge:** [Apple's Tim Cook says the company helped UK government following terror attacks](#)
- **@RoKhanna:** [@Theresa_May should learn about the facts of what technology companies are doing and can do. In America, we have a First Amendment.](#)
- **@IQ2US:** [Encryption is necessary @MichChertoff argues it's the value of the constitution and our national security](#)
- **@IQ2US:** [What worries us is this growing threat of tech companies to refuse to help law enforcement, argues John Yoo](#)
- **@josephmenn:** [Stewart Baker, John Yoo, Michael Chertoff, Catherine Crump debate mandated back doors and tech industry help.](#)
- **@kateconger:** [Crypto debate! John Yoo and @stewartbaker vs. @CatherineNCrump and Michael Chertoff.](#)
- **@TheEconomist:** [Terror and the Internet](#)
- **@VeraJourova:** [The current investigation tools are not fit for the way the digital world works -](#)