



Intelligence

Technology has been an area of focus during the congressional recess period (steering committee and extraordinary sessions), with two main events bringing particular importance to the theme: 1) the entry into force of the USMCA at the beginning of the month; and 2) the ongoing COVID-19 pandemic. The various political parties tended to be focused mostly on the same topics, but with differing opinions on the solutions offered.

New copyright protections and penalties for USMCA compliance

In order to prepare for compliance with the coming into force of the USMCA, the first agreement of its kind to include a specific chapter on the digital economy, **President López Obrador** and Congress, led by his ruling party **Morena**, passed and jointly announced a new, stronger digital copyright protection law along with reforms to the penal code. This legislative action sparked swift backlash from opposition lawmakers and civil society groups, who warned that the new regulations posed a significant threat to freedom of expression on the internet, having been written in such a way that individuals who committed minor violations of the copyright protection regulations could be sent to prison.

On July 8, one week after the July 1 announcement regarding copyright enforcement, two Deputies from the **PRI**, an opposition party, **Mariana Rodríguez** and **Rene Juárez**, formally introduced reform proposals to the new measures, particularly the penal code. They argued that while digital copyright and personal data protections are important, violations should not serve as pretext for prison time or labeling regular internet users as criminals. In an additional presentation on July 8, PRI **Dep. Dulce María Sauri** emphasized the need to mitigate the new law's threat of regular citizens being criminally prosecuted simply for uploading video content or making repairs to software products such as apps or hardware items such as laptops, cell phones, and tablets. On the same date on the senate side, **Morena Sen. Antares Vázquez** acknowledged the presence of "deficiencies" in the original legislation (put together by his own party) that threatened freedom of expression, introducing a more precise definition of "fair, legitimate, or reasonable use" of intellectual property that would not be subject to criminalization.

These disagreements and alarmed reactions to the initial law highlight the need to involve outside input from experts, civil society organizations and other informed stakeholders, in order to avoid adverse, unintended consequences such as a law meant to improve internet security and compliance with a free trade agreement leading to fears of censorship and attacks on freedom of expression. This issue will continue to gain importance as Mexico seeks to unify its standards and protections of both copyrights and freedom of expression on the internet with its trading partners.

Cybersecurity

Members of congress from various parties devoted significant attention to cybersecurity issues this month, as cyberattacks have become a growing concern during the COVID-19 pandemic. On July 9, **Morena Dep. María Marivel Solís Barrera**, who serves as President of the Science, Technology and Innovation Committee in the Chamber of Deputies, hosted a forum on **“Cybersecurity: current and future challenges in Mexico.”** The forum featured commentary from **Dep. Solís Barrera** and several of her Morena colleagues, including **Dep. Juanita Guerra Mena**, President of the Public Security Committee, and **Dep. María Eugenia Hernández Pérez**, with participants advocating for reforms to the National Security Law that would legally define cyberattacks as national security priorities in order to facilitate more intragovernmental, transnational, and multi stakeholder cooperation to confront threats.

Forum participants cited data from the Mexican Internet Association showing a 40 percent increase in internet use in the months following the start of the pandemic, with an expansion in cyberattacks accompanying this trend. In this context, **Solís Barrera** argued that the government should expect cyber threats to continue posing a major challenge, particularly given that the entry into force of the USMCA promises to encourage further use of digital commerce moving forward, making the trade agreement both a “great challenge and great opportunity” for the ICT sector in Mexico. The forum and its topics can be interpreted as a signal that cybersecurity will be a priority issue moving forward for Mexico’s congress, particularly with Morena holding the majority.

Security has also been recognized as a major issue with regard to growing trends in e-commerce use. Concerns persist over the security of credit card transactions, which comprise 75 percent of online purchases in Mexico, according to an independent study cited in a July 24 statement by **PRI Dep. Anilú Ingram Vallines**. **Vallines** emphasized the danger and prevalence of fraud in these transactions, an especially sinister problem during the COVID-19 pandemic as consumers increasingly shop online for essential items such as food and medical supplies.

New fund to support innovation

On July 5th, **Morena Dep. María Marivel Solís Barrera** presented a bill to create a new model of fiscal coordination in Mexico. The law would establish a new model of fiscal coordination, intended to create a novel Fund of Contributions to Strengthen Science, Technology and Innovation in the states. The R&D fund would be administered and managed by the Secretary of the Interior and Public Credit (SHCP) and National Council of Science and Technology. The initiative serves as additional evidence that the majority party in Congress is seeking to prioritize investment in modern sectors that it views as strategic.

Net neutrality in Congress

On July 20, **Sen. Geovanna del Carmen Bañuelos de la Torre** of the **Morena-allied Workers Party (PT)**, presented a proposal to the Permanent Committee that would modify article 145 of the Federal Telecommunications Law in order to provide further details on net neutrality, consumer protections and disclosure requirements related to internet users and their personal data.

Teleworking

As in many other countries in the last few months, remote work has become much more prevalent in Mexico in light of the COVID-19 pandemic. On July 20, senators from opposing political parties both submitted proposals to the Permanent Committee with the intention of further addressing labor rights for teleworkers. Prominent **PRD Sen. Miguel Ángel Mancera** proposed an amendment to Article 123 of the constitution that would reaffirm labor protections, including hourly work limits, for remote workers. Additionally, a group of 10 PRI senators signed onto an initiative proposed by **Sen. Eruviel Ávila Villegas** to reform the Federal Labor Law amendment proposed by **PT Sen. Geovanna del Carmen Bañuelos de la Torre**. The proposal would mandate the same rights and obligations for teleworkers as regular workers, and would allow employers to declare indefinite, mandatory telework policies, with appropriate notice, in certain emergency situations, including pandemics.

Promoting tech training

On July 20, **Morena Dep. Reyna Celeste Ascensio Ortega** proposed adding a paragraph to the Science and Technology Law that would mandate the creation of a formal scientific vocational program in Mexico's public education system.

Digital infrastructure project funding

At the same July 20 Permanent Commission session, **PAN Dep. José Martín López Cisneros** urged the **Ministry of Communications and Transportation** and the **Ministry of Finance** to reconsider the recent elimination of the **eMexico program's** public funding tied to digital infrastructure projects. The Sense of Congress statement argues that the decision by the Executive Branch has placed rural internet and cellular data access in danger. The issue of infrastructure escrow funds is a notable point of contention to watch between the majority **Morena** party and the opposition as it resists the austerity measures advocated by the ruling party.

As an additional wrinkle, on July 28 before the Permanent Committee, **Morena Dep. Daniel Gutiérrez** presented a proposed constitutional amendment that would mandate access to the internet as a universal human right. It is difficult to reconcile how the government could guarantee universal access to internet services while simultaneously promoting Morena's public austerity agenda under **President López Obrador**, given that just one week before the proposed amendment, **AMLO's** government eliminated funding for rural data access projects.

While the main congressional chamber spent the month of July in recess, the **Permanent Committee** and extraordinary sessions were filled with proposals and debates on various aspects of the digital economy. Based on the topics raised in the past month, businesses should expect digital copyright protection issues, net neutrality, e-commerce cybersecurity, and the digital access gap to be major points of emphasis when the full Congress goes back into session in September.

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This report was prepared by



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All information presented is based on official sources and reliable media. It is a compilation of the most relevant events of the month. **AGIL(E)** uses the information gathered to provide a conceptual analysis.

The information presented covers July 1st - August 1st