

PROTECTING AMERICANS' DATA FROM FOREIGN  
 ADVERSARIES ACT OF 2024

MARCH 11, 2024.—Committed to the Committee of the Whole House on the State  
 of the Union and ordered to be printed

Mrs. RODGERS of Washington, from the Committee on Energy and  
 Commerce, submitted the following

R E P O R T

[To accompany H.R. 7520]

The Committee on Energy and Commerce, to whom was referred  
 the bill (H.R. 7520) to prohibit data brokers from transferring sensi-  
 tive data of United States individuals to foreign adversaries, and  
 for other purposes, having considered the same, reports favorably  
 thereon without amendment and recommends that the bill do pass.

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PURPOSE AND SUMMARY

The purpose of the bill is to prohibit data brokers from transfer-  
 ring sensitive data of United States individuals to foreign adver-  
 saries, and for other purposes.

## BACKGROUND AND NEED FOR LEGISLATION

Data brokers are businesses that make money by aggregating and selling vast amounts of Americans' sensitive information for profit.<sup>1</sup> These businesses have collected and stored billions of data elements on nearly every consumer in the United States, including information about children and active members of the military.<sup>2</sup> These data elements capture sensitive information, such as data about an individual's religious affiliation, purchasing history, online search habits, height and weight, ethnicity, and travel patterns.<sup>3</sup>

Currently, there is no comprehensive federal law that regulates, broadly, the collection, processing, and transfer of Americans personal information. Several states have enacted laws that establish varying privacy protections for their residents, some of which include limitations on data broker activity. For Americans, who are not protected by a comprehensive data privacy and security law, however, data brokers may be permitted to sell their sensitive information to any entity of the data broker's choosing, including foreign adversaries. Researchers from Duke University were successfully able to purchase sensitive information about active-duty members of the military, their families, and veterans from data brokers.<sup>4</sup> The study concluded that foreign and malicious actors could use data from data brokers to undermine America's national security.<sup>5</sup> According to reports, China and Russia have used information from data brokers to conduct espionage, blackmail, and cyberattacks.<sup>6</sup>

Americans are relatively powerless to stop this data harvesting without a comprehensive data privacy and security law. Data brokers rarely have a direct relationship with the individual to which the data pertains.<sup>7</sup> Instead, data brokers frequently collect American's sensitive information from a variety of sources, including mobile applications, online services, and other data brokers.<sup>8</sup>

<sup>1</sup> Federal Trade Commission, *Data Brokers* (May 2014) (<https://www.ftc.gov/system/files/documents/reports/data-brokers-call-transparency-accountability-report-federal-trade-commission-may-2014/140527databrokerreport.pdf>).

<sup>2</sup> *Id.*; Justin Sherman et al., *Data Brokers and the Sale of Data on the U.S. Military Personnel* (Nov. 2023) (<https://techpolicy.sanford.duke.edu/data-brokers-and-the-sale-of-data-on-us-military-personnel/>); The Markup, *The Popular Family Safety App Life360 Is Selling Precise Location Data on Its Tens of Millions of Users* (Dec. 6, 2021) (<https://themarkup.org/privacy/2021/12/06/the-popular-family-safety-app-life360-is-selling-precise-location-data-on-its-tens-of-millions-of-user/>).

<sup>3</sup> *See* note 1; Justin Sherman, *Data Brokers and Sensitive Data on U.S. Individuals* (2021) (<https://techpolicy.sanford.duke.edu/wp-content/uploads/sites/4/2021/08/Data-Brokers-and-Sensitive-Data-on-US-Individuals-Sherman-2021.pdf>).

<sup>4</sup> Justin Sherman et al., *Data Brokers and the Sale of Data on the U.S. Military Personnel* (Nov. 2023) (<https://techpolicy.sanford.duke.edu/data-brokers-and-the-sale-of-data-on-us-military-personnel/>).

<sup>5</sup> *Id.*

<sup>6</sup> The Wall Street Journal, *U.S. Limits Sales of Americans' Personal Data to China, Other Adversaries* (Feb. 28, 2024) (<https://www.wsj.com/politics/national-security/u-s-to-limit-sales-of-americans-personal-data-to-china-other-adversaries-e82a3ca5>); Office of the Director of National Intelligence, *Panel on Commercially Available Information* (Jan. 27, 2022) (<https://www.dni.gov/files/ODNI/documents/assessments/ODNI-Declassified-Report-on-CAI-January2022.pdf>); The Economic Times, *Joe Biden to Crack Down on US Data Flows to China, Russia* (Feb. 28, 2024) (<https://economictimes.indiatimes.com/tech/technology/joe-biden-to-crack-down-on-us-data-flows-to-china-russia/articleshow/108074871.cms>).

<sup>7</sup> *See* note 1.

<sup>8</sup> *See* note 1; The Brennan Center for Justice, *Closing the Data Broker Loophole* (<https://www.brennancenter.org/our-work/research-reports/closing-data-broker-loophole>) (Mar. 7, 2014).

The Protecting Americans' Data from Foreign Adversaries Act will help curb the amount of sensitive information foreign adversaries can purchase from data brokers.

#### COMMITTEE ACTION

On April 19, 2023, the Subcommittee on Oversight and Investigation held a hearing titled "Who is Selling Your Data: A Critical Examination of the Role of Data Brokers in the Digital Economy." The Subcommittee received testimony from:

- Justin Sherman, Senior Fellow and Research Lead Data Brokerage Project, Duke University Sanford School of Public Policy;
- Marshall Erwin, VP and Chief Security Officer, Mozilla Corporation; and
- Professor Laura Moy, Associate Professor of Law; Faculty Director, Center on Privacy and Technology Georgetown Law Center.

On March 7, 2024, the Committee on Energy and Commerce held a full committee hearing to review H.R. 7520. The title of the hearing was "Legislation to Protect Americans from the National Security Threats Posed by Foreign Adversary Controlled Applications." The Committee met in executive session pursuant to a motion by Chair Rodgers, which was adopted by a record vote of 43 yeas and 0 nays.

On March 7, 2024, the full Committee on Energy and Commerce met in open markup session and ordered H.R. 7520, without amendment, favorably reported to the House by a record vote of 50 yeas and 0 nays.

#### COMMITTEE VOTES

Clause 3(b) of rule XIII requires the Committee to list the record votes on the motion to report legislation and amendments thereto. The following reflects the record votes taken during the Committee consideration:

**COMMITTEE ON ENERGY AND COMMERCE  
118TH CONGRESS  
ROLL CALL VOTE # 2**

**BILL:** H.R. 7520, Protecting Americans' Data from Foreign Adversaries Act of 2024

**AMENDMENT:** A motion by Chair Rodgers to order H.R. 7520, Protecting Americans' Data from Foreign Adversaries Act of 2024, favorably reported to the House, without amendment. (Final Passage)

**DISPOSITION:** AGREED TO, by a roll call vote of 50 yeas to 0 nays.

REPRESENTATIVE	YEAS	NAYS	PRESENT	REPRESENTATIVE	YEAS	NAYS	PRESENT
Rep. Rodgers	X			Rep. Pallone	X		
Rep. Burgess	X			Rep. Eshoo	X		
Rep. Latta	X			Rep. DeGette	X		
Rep. Guthrie	X			Rep. Schakowsky	X		
Rep. Griffith	X			Rep. Matsui	X		
Rep. Bilirakis	X			Rep. Castor	X		
Rep. Bucshon	X			Rep. Sarbanes	X		
Rep. Hudson	X			Rep. Tonko	X		
Rep. Walberg	X			Rep. Clarke	X		
Rep. Carter	X			Rep. Cárdenas	X		
Rep. Duncan	X			Rep. Ruiz	X		
Rep. Palmer	X			Rep. Peters	X		
Rep. Dunn	X			Rep. Dingell	X		
Rep. Curtis	X			Rep. Veasey	X		
Rep. Lesko	X			Rep. Kuster	X		
Rep. Pence	X			Rep. Kelly	X		
Rep. Crenshaw	X			Rep. Barragán	X		
Rep. Joyce	X			Rep. Blunt Rochester			
Rep. Armstrong	X			Rep. Soto	X		
Rep. Weber	X			Rep. Craig	X		
Rep. Allen	X			Rep. Schrier	X		
Rep. Balderson	X			Rep. Trahan	X		
Rep. Fulcher	X			Rep. Fletcher	X		
Rep. Pfluger	X						
Rep. Harshbarger	X						
Rep. Miller-Meeks	X						
Rep. Cammack	X						
Rep. Obemoite	X						
Vacancy							

03/07/2024

## OVERSIGHT FINDINGS AND RECOMMENDATIONS

Pursuant to clause 2(b)(1) of rule X and clause 3(c)(1) of rule XIII, the Committee held hearings and made findings that are reflected in this report.

## NEW BUDGET AUTHORITY, ENTITLEMENT AUTHORITY, AND TAX EXPENDITURES

Pursuant to clause 3(c)(2) of rule XIII, the Committee finds that H.R. 7520 would result in no new or increased budget authority, entitlement authority, or tax expenditures or revenues.

## CONGRESSIONAL BUDGET OFFICE ESTIMATE

Pursuant to clause 3(c)(3) of rule XIII, at the time this report was filed, the cost estimate prepared by the Director of the Congressional Budget Office pursuant to section 402 of the Congressional Budget Act of 1974 was not available.

## FEDERAL MANDATES STATEMENT

The Committee adopts as its own the estimate of Federal mandates prepared by the Director of the Congressional Budget Office pursuant to section 423 of the Unfunded Mandates Reform Act.

## STATEMENT OF GENERAL PERFORMANCE GOALS AND OBJECTIVES

Pursuant to clause 3(c)(4) of rule XIII, the general performance goal or objective of this legislation is to prohibit data brokers from transferring sensitive data of United States individuals to foreign adversaries.

## DUPLICATION OF FEDERAL PROGRAMS

Pursuant to clause 3(c)(5) of rule XIII, no provision of H.R. 7520 is known to be duplicative of another Federal program, including any program that was included in a report to Congress pursuant to section 21 of Public Law 111–139 or the most recent Catalog of Federal Domestic Assistance.

## RELATED COMMITTEE AND SUBCOMMITTEE HEARINGS

Pursuant to clause 3(c)(6) of rule XIII, the following hearings were used to develop or consider H.R. 7520:

- On April 19, 2023, the Subcommittee on Oversight and Investigation held a hearing titled “Who is Selling Your Data: A Critical Examination of the Role of Data Brokers in the Digital Economy.” The Subcommittee received testimony from:
  - Justin Sherman, Senior Fellow and Research Lead Data Brokerage Project, Duke University Sanford School of Public Policy;
  - Marshall Erwin, VP and Chief Security Officer, Mozilla Corporation; and
  - Professor Laura Moy, Associate Professor of Law; Faculty Director, Center on Privacy and Technology Georgetown Law Center.
- On March 7, 2024, the Committee on Energy and Commerce held a full committee hearing to review H.R. 7520. The title of the hearing was “Legislation to Protect Americans from

the National Security Threats Posed by Foreign Adversary Controlled Applications.” The Committee met in executive session pursuant to a motion by Chair Rodgers, which was adopted by a record vote of 43 yeas and 0 nays.

#### COMMITTEE COST ESTIMATE

Pursuant to clause 3(d)(1) of rule XIII, the Committee adopts as its own the cost estimate prepared by the Director of the Congressional Budget Office pursuant to section 402 of the Congressional Budget Act of 1974. At the time this report was filed, the estimate was not available.

#### earmark, limited tax benefits, and limited tariff benefits

Pursuant to clause 9(e), 9(f), and 9(g) of rule XXI, the Committee finds that H.R. 7520 contains no earmarks, limited tax benefits, or limited tariff benefits.

#### ADVISORY COMMITTEE STATEMENT

No advisory committees within the meaning of section 5(b) of the Federal Advisory Committee Act were created by this legislation.

#### APPLICABILITY TO LEGISLATIVE BRANCH

The Committee finds that the legislation does not relate to the terms and conditions of employment or access to public services or accommodations within the meaning of section 102(b)(3) of the Congressional Accountability Act.

#### SECTION-BY-SECTION ANALYSIS OF THE LEGISLATION

##### *Section 1. Short title*

This section provides that the Act may be cited as the “Protecting Americans’ Data from Foreign Adversaries Act of 2024.”

##### *Section 2. Prohibition on transfer of sensitive data of United States individuals to foreign adversaries*

Subsection (a) prohibits data brokers from selling, licensing, renting, trading, transferring, releasing, disclosing, providing access to, or otherwise making available the sensitive data of United States individuals to any foreign adversary country or any entity that is controlled by a foreign adversary country.

Subsection (b) establishes that a violation of this section is a violation of a rule defining an unfair or a deceptive act or practice under section 18(a)(1)(B) of the Federal Trade Commission Act (15 U.S.C. 57a(a)(1)(B)).

Subsection (c) defines key terms.

Subsection (d) states that this section shall take effect 60 days after the date of enactment.

#### CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

This legislation does not amend any existing Federal statute.