

INTERNET APPLICATION INTEGRITY AND  
DISCLOSURE ACT

JUNE 4, 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

together with

MINORITY VIEWS

[To accompany H.R. 784]

[Including cost estimate of the Congressional Budget Office]

The Committee on Energy and Commerce, to whom was referred the bill (H.R. 784) to require any person that maintains an internet website or that sells or distributes a mobile application that is owned, wholly or partially, by the Chinese Communist Party or by a non-state-owned entity located in the People’s Republic of China, to disclose that fact to any individual who downloads or otherwise uses such website or application, having considered the same, reports favorably thereon with amendments and recommends that the bill as amended do pass.

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The amendments are as follows:  
Strike all after the enacting clause and insert the following:

**SECTION 1. SHORT TITLE.**

This Act may be cited as the “Internet Application Integrity and Disclosure Act” or the “Internet Application I.D. Act”.

**SEC. 2. CHINESE OWNERSHIP DISCLOSURE REQUIREMENTS.**

(a) **DISCLOSURE.**—Any person that owns, provides, or controls an internet website or that sells or distributes a mobile application that is owned, wholly or partially, by the Chinese Communist Party or by a non-state-owned entity domiciled in the People’s Republic of China shall clearly and conspicuously disclose to any individual who downloads or otherwise uses such website or application in the United States that such website or application is owned, wholly or partially, by the Chinese Communist Party or by a non-state-owned entity domiciled in the People’s Republic of China.

(b) **FALSE INFORMATION.**—It shall be unlawful for any person to knowingly disclose false information under this section.

**SEC. 3. ENFORCEMENT BY FEDERAL TRADE COMMISSION.**

(a) **UNFAIR OR DECEPTIVE ACTS OR PRACTICES.**—A violation of this Act shall be treated as a violation of a rule defining an unfair or deceptive act or practice prescribed under section 18(a)(1)(B) of the Federal Trade Commission Act (15 U.S.C. 57a(a)(1)(B)).

(b) **POWERS OF COMMISSION.**—

(1) **IN GENERAL.**—The Federal Trade Commission shall enforce this Act in the same manner, by the same means, and with the same jurisdiction, powers, and duties as though all applicable terms and provisions of the Federal Trade Commission Act (15 U.S.C. 41 et seq.) were incorporated into and made a part of this Act.

(2) **PRIVILEGES AND IMMUNITIES.**—Any person who violates this Act shall be subject to the penalties, and entitled to the privileges and immunities, provided in the Federal Trade Commission Act (15 U.S.C. 41 et seq.).

(3) **AUTHORITY PRESERVED.**—Nothing in this Act may be construed to limit the authority of the Federal Trade Commission under any other provision of law.

**SEC. 4. INDIVIDUAL DEFINED.**

In this Act, the term “individual” means a natural person residing in the United States.

**SEC. 5. EFFECTIVE DATE.**

This Act shall take effect on the date that is 180 days after the date of the enactment of this Act.

Amend the title so as to read:

A bill to require any person that owns, provides, or controls an internet website or that sells or distributes a mobile application that is owned, wholly or partially, by the Chinese Communist Party or by a non-state-owned entity domiciled in the People’s Republic of China to disclose that fact to any individual who downloads or otherwise uses such website or application in the United States.

PURPOSE AND SUMMARY

H.R. 784, the “Internet Application Integrity and Disclosure Act” or the “Internet Application I.D. Act” was introduced by Representatives Fulcher and Pappas on February 2, 2023, and referred to the Committee on Energy and Commerce. H.R. 784 requires any person or entity that owns, provides, or controls an internet website or sells or distributes a mobile application that is wholly or par-

tially owned by the Chinese Communist Party (CCP) or a non-state-owned entity domiciled in the People’s Republic of China to disclose, in a clear and conspicuous manner, that fact to any individual who downloads or uses such website or application. The legislation would make it unlawful for any person knowingly to provide false information required under the disclosure and would provide enforcement authority for the Federal Trade Commission (FTC).

H.R. 784 will increase transparency and provide consumers with information about the ownership of the websites and mobile applications they use. The disclosure requirement is intended to inform users about the potential risks associated with using websites or applications owned by the CCP or non-state-owned entities domiciled in the People’s Republic of China.

#### BACKGROUND AND NEED FOR LEGISLATION

The CCP and the Chinese government have a track record of using websites and applications to collect data on U.S. businesses, governments, and individual Americans. American’s unwittingly download applications onto their work and personal devices—not knowing the ties those websites and applications have with the CCP and the ability for the CCP to collect and retain information as a result of such relationship. H.R. 784 provides Americans with greater transparency to help them to understand which websites and applications they use are tied to the CCP and to make better decisions about their use of such websites and applications.

#### COMMITTEE ACTION

On February 1, 2023, the Subcommittee on Innovation, Data, and Commerce held a hearing on the fight for global leadership in the age of emerging technology. The title of the hearing was “Economic Danger Zone: How America Competes to Win the Future Versus China.” The Subcommittee received testimony from the following witnesses:

- Brandon Pugh, Policy Director and Resident Senior Fellow, R Street Institute;
- Jeff Farrah, Executive Director, Autonomous Vehicle Industry Association (AVIA); and
- Samm Sacks, Cyber Policy Fellow, International Security Program, New America.

On March 1, 2023, the Subcommittee on Innovation, Data, and Commerce held a hearing on the current digital ecosystem and the importance of enacting a comprehensive preemptive federal data privacy and security law. The title of the hearing was “Promoting U.S. Innovation and Individual Liberty through a National Standard for Data Privacy.” The Subcommittee received testimony from the following witnesses:

- Alexandra Reeve Givens, President and CEO, Center for Democracy & Technology;
- Graham Mudd, Founder and Chief Product Officer, Anonym; and
- Jessica Rich, Of Counsel and Senior Policy Advisor for Consumer Protection, Kelley Drye & Warren, LLP.

On February 7, 2023, the Subcommittee on Innovation, Data, and Commerce met in open markup session and forwarded H.R. 784, without amendment, to the full Committee by a voice vote.

On March 9, 2023, the full Committee on Energy and Commerce met in open markup session and ordered H.R. 784, as amended, favorably reported to the House by a record vote of 28 yeas and 22 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. 784, the “Internet Application Integrity and Disclosure Act” or the “Internet Application I.D. Act”

**AMENDMENT:** A motion by Mrs. Rodgers to order H.R. 784 favorably reported to the House, as amended (Final Passage).

**DISPOSITION: AGREED TO**, by a roll call vote of 28 yeas and 22 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. Johnson	X			Rep. Sarbanes		X	
Rep. Bucshon	X			Rep. Tonko		X	
Rep. Hudson	X			Rep. Clarke		X	
Rep. Walberg	X			Rep. Cárdenas		X	
Rep. Carter	X			Rep. Ruiz		X	
Rep. Duncan	X			Rep. Peters		X	
Rep. Palmer	X			Rep. Dingell		X	
Rep. Dunn				Rep. Veasey		X	
Rep. Curtis	X			Rep. Kuster		X	
Rep. Lesko	X			Rep. Kelly		X	
Rep. Pence	X			Rep. Barragán		X	
Rep. Crenshaw	X			Rep. Blunt Rochester		X	
Rep. Joyce	X			Rep. Soto		X	
Rep. Armstrong	X			Rep. Craig	X		
Rep. Weber	X			Rep. Schrier			
Rep. Allen	X			Rep. Trahan		X	
Rep. Balderson	X			Rep. Fletcher		X	
Rep. Fulcher	X						
Rep. Pfluger	X						
Rep. Harshbarger	X						
Rep. Miller-Meecks	X						
Rep. Cammack	X						
Rep. Obermolte		X					

03/09/2023

## 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. 784 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, the following is the cost estimate provided by the Congressional Budget Office pursuant to section 402 of the Congressional Budget Act of 1974:

<b>H.R. 784, Internet Application I.D. Act</b>			
As ordered reported by the House Committee on Energy and Commerce on March 9, 2023			
By Fiscal Year, Millions of Dollars	2024	2024-2029	2024-2034
Direct Spending (Outlays)	0	0	0
Revenues	0	*	*
Increase or Decrease (-) in the Deficit	0	*	*
Spending Subject to Appropriation (Outlays)	*	4	not estimated
Increases <i>net direct spending</i> in any of the four consecutive 10-year periods beginning in 2035?	No	Statutory pay-as-you-go procedures apply?	Yes
		<b>Mandate Effects</b>	
Increases <i>on-budget deficits</i> in any of the four consecutive 10-year periods beginning in 2035?	No	Contains intergovernmental mandate?	No
		Contains private-sector mandate?	Yes, Under Threshold
* = between -\$500,000 and \$500,000.			

H.R. 784 would require entities that own, provide, or control websites or mobile applications that are owned by the Chinese Communist Party or located in China to disclose that information to U.S. users. The bill would direct the Federal Trade Commission (FTC) to enforce that requirement.

Using information from the FTC, CBO estimates that implementing H.R. 784 would cost \$4 million over the 2024–2029 period; any spending would be subject to the availability of appropriated funds. CBO expects that one employee, at an average annual cost of \$225,000, would be needed in 2024 to issue guidance to clarify both the content of the disclosures and which entities would need to make the disclosures. CBO estimates that the FTC would need three employees after 2024 to enforce potential violations.

H.R. 784 also would authorize the FTC to collect civil monetary penalties from businesses found in violation of the bill, along with pursuing other remedies. Civil monetary penalties are generally remitted to the Treasury and recorded in the budget as revenues. However, the extent to which those businesses would violate the new rules after they go into effect is uncertain. Furthermore, if a

business does violate the new rules and the FTC chooses to proceed with an enforcement action, the extent to which the agency would pursue civil penalties rather than other remedies is also uncertain, as is the amount of time it would take to resolve a case. As a result, CBO estimates that any additional revenues collected under the bill would be insignificant over the 2024–2034 period.

The bill would impose a private-sector mandate as defined by the Unfunded Mandates Reform Act (UMRA) by requiring entities that own, provide, or control websites or mobile applications owned wholly or partially by a Chinese entity to disclose that fact to consumers.

Because those mobile applications and website owners could use an established disclosure procedure to comply with the bill’s requirements, CBO estimates that the cost of the mandate would be small and would not exceed the threshold established in UMRA (\$200 million in 2024, adjusted annually for inflation).

The bill contains no intergovernmental mandates as defined in UMRA.

The CBO staff contacts for this estimate are David Hughes (for federal costs) and Rachel Austin (for mandates). The estimate was reviewed by H. Samuel Papenfuss, Deputy Director of Budget Analysis.

PHILLIP L. SWAGEL,  
*Director, Congressional Budget Office.*

#### 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 require any person or entity who owns, provides, or controls an internet website or sells or distributes a mobile application that is wholly or partially owned by the Chinese Communist Party or a non-state-owned entity domiciled in the People’s Republic of China to disclose, in a clear and conspicuous manner, that fact to any individual who downloads or uses such application.

#### DUPLICATION OF FEDERAL PROGRAMS

Pursuant to clause 3(c)(5) of rule XIII, no provision of H.R. 784 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 related hearings were used to develop or consider H.R. 784:

- On February 1, 2023, the Subcommittee on Innovation, Data, and Commerce held a hearing on the fight for global leadership in the age of emerging technology. The title of the hearing was “Economic Danger Zone: How America Competes

to Win the Future Versus China.” The Subcommittee received testimony from the following witnesses:

- Brandon Pugh, Policy Director and Resident Senior Fellow, R Street Institute;
- Jeff Farrah, Executive Director, Autonomous Vehicle Industry Association (AVIA); and
- Samm Sacks, Cyber Policy Fellow, International Security Program, New America.
- On March 1, 2023, the Subcommittee on Innovation, Data, and Commerce held a hearing on the current digital ecosystem and the importance of enacting a comprehensive preemptive federal data privacy and security law. The title of the hearing was “Promoting U.S. Innovation and Individual Liberty through a National Standard for Data Privacy.” The Subcommittee received testimony from the following witnesses:
  - Alexandra Reeve Givens, President and CEO, Center for Democracy & Technology;
  - Graham Mudd, Founder and Chief Product Officer, Anonym; and
  - Jessica Rich, Of Counsel and Senior Policy Advisor for Consumer Protection, Kelley Drye & Warren, LLP.

#### 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.

#### 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. 784 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*

Section 1 provides that the Act may be cited as the “Internet Application Integrity and Disclosure Act” or the “Internet Application I.D. Act”.

##### *Section 2. Chinese ownership disclosure requirements*

Section 2 requires any person who owns, provides, or controls an internet website or sells or distributes a mobile application that is owned, wholly, or partially by the CCP or by a non-state-owned entity domiciled in China, to disclose such fact to anyone who would



download or use such website or mobile application. This section also makes it unlawful to disclose knowingly false information under this section.

*Section. 3. Enforcement by Federal Trade Commission*

Section 3 provides that a violation of the Act shall be treated as a violation of the Federal Trade Commission's rule defining an unfair or deceptive act or practice and will be subject to any associated penalties.

*Section. 4. Individual defined*

This section defines the term "individual" as "a natural person residing in the United States."

*Section. 5. Effective date*

This section provides that the legislation becomes effective 180 days after the date of enactment of the Act.

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

This legislation does not amend any existing Federal statute.

## MINORITY VIEWS

H.R. 784, the “Internet Application Integrity and Disclosure Act,” as amended would require that any person that owns, provides, or controls an internet website or that sells or distributes a mobile application that is owned, wholly or partially, by the Chinese Communist Party (CCP) or by a non-state-owned entity domiciled in the People’s Republic of China to clearly and conspicuously disclose that such website or application is owned by the CCP or a non-state-owned entity domiciled in the People’s Republic of China.

The breadth of the language and scope of those required to make and receive disclosures could lead to a deluge of notifications that are ignored by most recipients and confusing and useless to those who do try to understand them. An extensive body of privacy policy research has found that consumers typically don’t read online notices, do not understand the content of these notices, and may misunderstand the purpose of such notices.<sup>1</sup> The notice required by this legislation are particularly problematic because they will not provide consumers any information about the significance of a company being owned by the CCP or a non-state-owned entity domiciled in the People’s Republic of China. The legislation also includes vague terms that could complicate compliance and make it more difficult for the Federal Trade Commission to enforce.

FRANK PALLONE, JR.  
*Ranking Member.*

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<sup>1</sup>World Economic Forum, *Redesigning Data Privacy: Reimagining Notice & Consent for Human-Technology Interaction* (July 2020) ([https://www3.weforum.org/docs/WEF\\_Redesigning\\_Data\\_Privacy\\_Report\\_2020.pdf](https://www3.weforum.org/docs/WEF_Redesigning_Data_Privacy_Report_2020.pdf)).