

Committee on Energy and Commerce
Opening Statement as Prepared for Delivery
of
Full Committee Ranking Member Frank Pallone, Jr.

Markup of 2 Bills, Full Committee

March 7, 2024

We are here now to mark up two bills that we considered during our Executive Session earlier today. We have just heard from the intelligence community and national security experts about the threats caused by foreign adversary control of communications applications and their ability to easily purchase Americans' data from data brokers. We also heard about the constitutional issues implicated when legislation identifies a particular company or application for further scrutiny, particularly when it involves speech and association.

Now as I mentioned, I do not believe it is necessary to rush this process. I hope members feel they gained important information in the Executive Session as we prepare to move forward on these bills on this tight timeline. First, we will consider H.R. 7521, the Protecting Americans from Foreign Adversary Controlled Applications Act, bipartisan legislation introduced by Representatives Krishnamoorthi and Gallagher. This bill would address the national security risk posed by certain applications operated by companies controlled by foreign adversaries.

Specifically, under the bill's framework, if an application is deemed to be operated by a company controlled by a foreign adversary, the application must be divested from foreign adversary control within 180 days. If the application is not divested, entities in the United States would be prohibited from distributing, maintaining, or updating the application through an online marketplace and providing internet hosting services. The bill also requires foreign controlled adversary applications to provide users with all available data from their account, including photos, videos, and posts if they request it. This will allow users to move their data to another application of their choice.

We will also consider H.R. 7520, Protecting Americans' Data from Foreign Adversaries Act of 2024, bipartisan legislation that I introduced with Chair Rodgers. This bill protects Americans' sensitive personal data by prohibiting data brokers from selling, transferring, or giving access to such data to foreign adversaries or entities controlled by foreign adversaries. It also gives enforcement authority to the Federal Trade Commission and provides them with the authority to seek civil penalties of more than \$50,000 for each violation of this prohibition.

I will be supporting both of these bills. My hope is that, if enacted, H.R. 7521 will force divestment of TikTok and Americans will be able to continue to use this and other similarly situated platforms without the risk that they are being operated and controlled by our adversaries. As I said this morning, many of these platforms are modern-day media companies, and we have a long history of restricting our airwaves from ownership by foreign governments and

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individuals, due to the national security concerns such arrangements pose. It is no different here, and I take the concerns raised by the intelligence community very seriously. They have asked Congress to give them more authority to act in these narrowly defined situations, and I believe that this bill will do that.

And again, I appreciate Chair Rodgers working with me on the Protecting Americans' Data from Foreign Adversaries Act. This is a very important and necessary bill given that even if TikTok and other foreign adversary-controlled applications ceased to operate in the United States, foreign adversary governments would still be able to purchase vast amounts of data about Americans through other means. We must put an end to this, and that's exactly what our bipartisan bill does. I also continue to firmly believe that we must pass comprehensive national data privacy protections along the lines of the bill we overwhelmingly passed here in Committee last Congress.

I appreciate the work of my colleagues on both sides of the aisle on these important bills, and I yield back the balance of my time.