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6 MARKUP OF

7 H.R. 750 (CAMMACK), THE CAUTION ACT OF 2023;

8 H.R. 784 (FULCHER), THE INTERNET APPLICATION I.D. ACT;

9 H.R. 742 (DUNCAN), THE TELL ACT;

10 H.R. 813 (PENCE), THE GLOBAL INVESTMENT IN AMERICAN JOBS ACT

11 OF 2023; AND

12 H.R. 752 (ESHOO), THE SECURING SEMICONDUCTOR SUPPLY CHAINS

13 ACT OF 2023

14 TUESDAY, FEBRUARY 7, 2023

15 House of Representatives,

16 Subcommittee on Innovation, Data, and Commerce,

17 Committee on Energy and Commerce,

18 Washington, D.C.

19

20

21 The committee met, pursuant to call, at 3:36 p.m. in

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22 Room 2322, Rayburn House Office Building, Hon. Gus Bilirakis
23 [chairman of the committee] presiding.

24

25

26 Present: Representatives Bilirakis, Bucshon, Walberg,
27 Duncan, Dunn, Lesko, Pence, Armstrong, Allen, Fulcher,
28 Harshbarger, Cammack, Rodgers (ex officio); Schakowsky,
29 Castor, Clarke, Dingell, Kelly, Blunt Rochester, Soto, and
30 Pallone (ex officio).

31

32 Staff Present: Jessica Herron, Clerk, CPAC; Tara
33 Hupman, Chief Counsel; Noah Jackson, Clerk, C&T; Peter
34 Kielty, General Counsel; Tim Kurth, Chief Counsel, CPAC;
35 Giulia Leganski, Professional Staff Member, C&T; Lauren
36 Eriksen; Lacey Strahm, Fellow, CPAC; Teddy Tanzer, Senior
37 Counsel, CPAC; Hannah Anton, Minority Staff Assistant; Ian
38 Barlow, Minority FTC Detailee; Waverly Gordon, Minority
39 Deputy Staff Director and General Counsel; Daniel Greene,
40 Minority Professional Staff Member; Tiffany Guarascio,
41 Minority Staff Director; Perry Hamilton, Minority Member
42 Services and Outreach Manager; Lisa Hone, Minority Chief

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43 Counsel, Innovation, Data, and Commerce; Joe Orlando,
44 Minority Senior Policy Analyst; Greg Pugh, Minority Staff
45 Assistant; Tuley Wright, Minority Staff Director, Energy,
46 Climate, and Grid Security; and C.J. Young, Minority Deputy
47 Communications Director
48

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49 *Mr. Bilirakis. The subcommittee will come to order.
50 The chair recognizes himself for an opening statement.
51 Thanks for -- all of you -- for your patience.

52 Good afternoon, everyone, and welcome to the first
53 Innovation, Data, and Commerce Subcommittee markup of the
54 118th Congress. It is fitting to follow up from last week's
55 subcommittee hearing on competitiveness versus China by
56 bringing real solutions.

57 As I said last week, the American people are the most
58 innovative in the world. But American innovation to build
59 the future of tomorrow's means -- it means nothing if our
60 government creates barriers and red tape that stand in the
61 way.

62 The Chinese Communist Party continues to prop up its
63 private sector by throwing money at it. America must not
64 give in to the temptation to follow suit, but instead look at
65 the reasons why our companies leave our shores. Authorizing
66 billions of dollars in government spending is not a silver
67 bullet for the challenges our country faces, especially when
68 we don't even know what the real problems are.

69 So today we will mark up H.R. 813, the Global Investment

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70 in American Jobs Act of 2023, a historically bipartisan bill
71 that will help us understand what barriers stand in the way
72 of increasing foreign direct investment from our friendly
73 nations. I say "friendly" because, importantly, Mr. Pence
74 included language to ensure China cannot meddle with
75 America's innovative private sector.

76 I appreciate that, Mr. Pence.

77 Research has shown there is a close relationship between
78 the higher inbound FDI and fostering more startup companies.
79 Higher inbound FDI to the United States also encourages
80 companies that are feeling the pressure for a return on
81 investment to remain here at home, which is essential to
82 secure -- in securing America's supply chains.

83 I want to thank Mr. Pence for his continued leadership
84 on this legislation, and for being a true ally for American
85 innovation. Thank you, sir.

86 We will also advance legislation to provide greater
87 transparency to the American people about how China may be
88 tracking them. We learned last week that China will stop at
89 nothing to undermine our country, unfortunately, and it
90 begins with collecting information and the -- about the --

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91 and the American people. So collecting information about the
92 American people and our constituents.

93 We saw live coverage as the CCP deployed a spy balloon
94 that traveled across the country, and was not shot down until
95 it had traveled our coasts from Pacific to the Atlantic.
96 What they had collected and transferred back to their country
97 is still a mystery, and our constituents' anxiety is
98 certainly understandable.

99 But let's also remember that the threat we face today
100 are not -- the threats we face today are not only at 60,000
101 feet, but are also in the palms of our hands. While TikTok
102 remains -- the app -- in the app stores for the average
103 American to download, we have been prohibited from
104 downloading it onto our work devices.

105 I want to thank my colleagues from Florida,
106 Representative Cammack and Representative Soto, for
107 introducing the CAUTION Act, which requires anyone who sells
108 or distributes a mobile application that is banned on Federal
109 government devices to notify any individual prior to
110 downloading or uploading the application of such ban.

111 If you come to my home state, the great state of

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112 Florida, you may come across signage warning you of
113 alligators in the area. What you do with that knowledge is
114 certainly up to you. But the advisory is warranted, given
115 the risk -- especially in the swamp, right, Kat? The CAUTION
116 Act takes a similar approach through an advisory label to
117 users about the risks of downloading a government-banned app.

118 And while TikTok deserves our scrutiny, there are many
119 applications or websites that may have associations with or
120 located in China, which is why this subcommittee will also be
121 moving forward H.R. -- we are going to move forward H.R. 784,
122 the Internet Application ID Act, from Representatives Fulcher
123 and Representative Pappas; and H.R. 742, the TELL Act, from
124 Representative Duncan and Representatives Cantor -- excuse
125 me, Marcy Kaptur, Marcy Kaptur.

126 While many of these apps or websites may not pose any
127 danger, Americans deserve to know if they have connections to
128 the CCP, or if they make their information available to the
129 CCP.

130 These are bills which have been championed by lawmakers
131 for several years now. And in the light of our committee's
132 emphasis on the dangers coming from China, I am glad we will

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133 further examine them today.

134 I am also glad to see these proposals supplement the
135 already strong provisions in our data privacy legislation,
136 which we must pass.

137 The clock continues to tick in the race to win the
138 future against the CCP's oppressive regime. I want to thank
139 the members for their hard work on these bills. So let's
140 work to move these bills forward. They are great proposals.

141 And I will yield back, and I will recognize the ranking
142 member, the gentlelady from Illinois, Ms. Schakowsky, for
143 five minutes for her opening statement.

144 *Ms. Schakowsky. Thank you so much, Mr. Chairman. You
145 know, this subcommittee has a proud history of working
146 collaboratively and across the aisle.

147 Last Congress, Chairman Bilirakis and I -- I was the
148 chairman at the time, and I am proud that we are now just
149 switching positions here, because I think we can work
150 together -- we worked closely to pass more than 10 really
151 significant bills that became law. I sincerely hope that we
152 can continue in this vein.

153 I am a bit concerned, though, that this hearing is not

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154 consistent with our usual procedures. Two of the bills that
155 we are considering today have never been talked about at all,
156 have had a legislative hearing at all. And as a result,
157 stakeholders have not been able to weigh in, and subcommittee
158 members have not been able to ask the questions that need to
159 be asked.

160 That said, the issues that these bills address are very
161 important. It is important that our economic policies
162 support American values and American competition.

163 Congress absolutely has to do more to protect our
164 constituents, their privacy. We have a lot to -- work to do
165 to protect their privacy and information from China and from
166 the Chinese Communist Party, as well, and as well as
167 promoting American businesses and our supply chain.

168 So, unfortunately, though, I think the five bills that
169 we are discussing today need more proper scrutiny and
170 vetting. We need stakeholders to weigh in to identify
171 unintended consequences and how we can make sure that we
172 address that.

173 For example, one potential consequence is that hotel
174 chains with locations in China may have -- may be required to

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175 make very confusing disclosures to consumers. We want to
176 make sure that they aren't involved in the requirements of
177 the bill. I will offer an amendment to one of the bills
178 based on stakeholder feedback that we received last year.

179 But for -- let me look at the time, let's see -- but for
180 the other four bills, I would ask for a commitment from you,
181 Mr. Chairman -- and I am hoping that we can do this -- to
182 work together to get the stakeholders' feedback and to amend
183 bills, as appropriate.

184 So I look forward to working closely with you, Chairman
185 Bilirakis, as we have done so well in the past, and my
186 colleagues across the aisle to address these issues that I
187 absolutely agree are very, very important. But we want to
188 make sure that they really are ready for prime time.

189 And with that, I yield back.

190 *Mr. Bilirakis. I want to thank the ranking member.
191 And now it is my pleasure to recognize the chair of the full
192 committee, Mrs. Rodgers, for her five minutes.

193 Thank you.

194 *The Chair. Thank you, Mr. Chairman, and welcome to
195 everyone to the first Innovation, Data, and Commerce

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196 Subcommittee markup of the year.

197 The bills we are considering today encompass this
198 subcommittee's mission: promoting and protecting American
199 leadership and beating China.

200 It is no secret that the Chinese Communist Party wants
201 to replace the U.S. as the global economic and technological
202 power. Their surveillance balloon looming above our heads
203 last week was a clear reminder that the Chinese Communist
204 Party does not seek to build trust with us. This is a regime
205 that suppresses free speech, surveils its own citizens to
206 control them, and commits countless human rights abuses. We
207 must ensure that technologies of tomorrow are developed in an
208 ecosystem that promotes American values and protects American
209 data from the CCP's malicious behaviors.

210 This committee plays a vital role in advancing American
211 competitiveness and global technological leadership.
212 Together we can lead on this subcommittee to ensure that
213 America, not China, is determining our economic future.

214 I appreciate Mr. Pence for picking up the torch on the
215 foreign direct investment legislation that I had sponsored in
216 the 116th Congress. If this country is going to lead, we

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217 need it to be the best place for businesses to set up shop.
218 That means removing obstacles, whether they are regulations,
219 taxes, work force, or all of the above.

220 FDI is crucial for the United States. It creates more
221 jobs here, strengthens our supply chains, and improves our
222 international stature. There is a reason that companies
223 can't succeed here in America. Throwing money into
224 government programs without identifying the root cause of
225 failure is no path to economic prosperity. I appreciate Mr.
226 Pence has clarified the legislation, and ensured that China
227 won't be the source of that FDI.

228 Several of our bills today would strengthen data
229 protections, an issue that united us last year because it is
230 a top priority for the American people. I want to say up
231 front that the bills from Representatives Duncan, Cammack,
232 and Fulcher in no way serve as a substitute for our next
233 steps to enact comprehensive privacy and data security
234 protections. These bills are complementary to the strong
235 protections against China that were included in ADPPA.

236 Mr. Duncan has rightfully identified that, no matter how
237 much we do to secure our networks, our data still travels

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238 around the world. The American people deserve to know when
239 that occurs, especially given the control countries like
240 China have over companies in their country and the data that
241 they collect.

242 Legislation from Ms. Cammack with Mr. Soto proposes a
243 straightforward step to address TikTok. Their proposal would
244 require a warning for users before downloading the app, which
245 will make it clear to everyone that the Federal Government
246 has already deemed it not fit for government mobile devices.

247 Mr. Fulcher and Mr. Pappas have a bill that will shine a
248 light on other apps aside from TikTok that originate in
249 China.

250 This is just the start of solutions we consider on this
251 subcommittee in the next two years that address both domestic
252 and foreign companies with ties to adversaries like China.
253 Republicans spent considerable time at the beginning of our -
254 - of the last Congress to develop legislation that protects
255 and -- and will protect and promote our supply chains.
256 Unfortunately, the former speaker's office intervened, and it
257 devolved into partisan language that didn't survive USICA.

258 Securing American technological and economic leadership

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259 is a bipartisan goal. As we move these bills through regular
260 order, I am committed to making sure that these bills are
261 ready for prime time. I definitely want to get the feedback
262 from the members from both sides of the aisle. We are united
263 in our goal and our efforts to protect Americans' data,
264 secure our supply chains, and ensure American innovation and
265 entrepreneurship is leading to anchor the technologies of
266 tomorrow here in the United States.

267 I yield back.

268 *Mr. Bilirakis. And I am confident that we will get it
269 done under your leadership, Madam Chair. Thank you for
270 giving me the opportunity to chair this subcommittee. Thanks
271 for your confidence in me.

272 I now will recognize the gentleman from New Jersey, the
273 ranking member of the full committee, Mr. Pallone, for five
274 minutes for his opening statement.

275 *Mr. Pallone. Thank you, Chairman Bilirakis.

276 Today the subcommittee is holding a markup on five
277 bills, two of which have never had a legislative hearing.
278 And this is unfortunate, because I believe these five bills
279 are areas where Democrats and Republicans share similar goals

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280 for securing our nation's supply chains and ensuring everyone
281 in the U.S. is informed about who is storing their sensitive
282 data, and where it is stored.

283 While this committee has the opportunity to enact real
284 positive change in the lives of everyday Americans, it is
285 unfortunate that the Republican majority is not taking these
286 bills through regular order so that we can hear feedback on
287 the bills from interested stakeholders to ensure there is no
288 unintended consequences. So I hope this is not the way the
289 chair has planned to run this subcommittee and committee over
290 the next two years.

291 Now let me get to the legislation before us today. Two
292 of the bills, H.R. 813, the Global Investment in American
293 Jobs Act, and H.R. 752, the Securing Semiconductor Supply
294 Chain Act, focus on America's supply chain resilience. The
295 COVID-19 pandemic exposed the vulnerabilities in the U.S.
296 supply chain, which had devastating effects for first
297 responders, patients, and everyday Americans.

298 I am glad to see the Republican majority has made it a
299 priority this Congress to address and strengthen U.S. supply
300 chain. It is critical that we work together to ensure that

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301 the disruptions we saw over the past three years never happen
302 again. And that is why I am discouraged by the Republicans'
303 refusal to include in this markup the substantive and
304 comprehensive supply chain bills that Representatives Blunt
305 Rochester, Dingell, Kelly, and Wild worked so hard on in the
306 previous Congress and reintroduced last week.

307 If Republicans are serious about securing our nation's
308 supply chains, I hope they will seriously consider working
309 with Democrats to move these substantive bills. And I look
310 forward to addressing any concerns they may have.

311 Now, two of the other bills on today's markup, H.R. 742
312 and H.R. 784, focus on disclosures to consumers. H.R. 742
313 requires disclosure of the fact that a mobile application is
314 owned by the Chinese Communist Party or a non-state entity
315 located in the People's Republic of China. H.R. 784 requires
316 disclosure that a mobile application or website maintains and
317 stores information in China.

318 These bills address problems worthy of our attention,
319 but they are way too broad and need more work. Versions of
320 these two bills introduced in the last Congress were part of
321 a legislative hearing on December 2021, but there was very

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322 little discussion on either of them, and the witnesses did
323 not address how the bills would affect consumers and American
324 businesses.

325 So I support giving consumers access to information
326 about where their data is maintained and who has control over
327 it, but I don't think rushing through two pieces of
328 legislation like this without proper feedback is in the best
329 interests of anyone.

330 And I have similar concerns about the last bill on
331 today's markup, H.R. 750. This bill was only introduced a
332 few days ago, and there has not been adequate time to vet
333 this legislation with stakeholders to fully explore its
334 implications.

335 So again, I hope we can work in a bipartisan manner to
336 continue the work Democrats championed in the last Congress
337 to protect consumers and our national security. I also hope
338 my Republican colleagues will commit to working with
339 Democrats between now and any full committee markup so that
340 we can come to a bipartisan agreement on these bills.

341 And with that, Chairman Bilirakis, I thank you and our
342 ranking member, and I yield back the balance of my time.

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343 *Mr. Bilirakis. Thank you. Thank you, I appreciate it.

344 The chair reminds members that, pursuant to the
345 committee rules, all members' opening statements will be made
346 part of the record.

347 Are there any further opening statements?

348 Okay. We will go -- anyone over here?

349 Okay, Representative Dingell, you are recognized for
350 three minutes.

351 *Mrs. Dingell. Thank you, Mr. Chairman.

352 I have long fought for policies to support domestic
353 manufacturing capacity, strengthening supply chains, and
354 growing American jobs. I am grateful that this committee is
355 taking a hard look at these issues, and that there is
356 bipartisan interest in taking every effort to strengthen
357 America's competitiveness.

358 Last week my colleagues, Representatives Blunt
359 Rochester, Kelly, Wild, and I introduced comprehensive
360 legislation aimed at strengthening our supply chains and
361 preempting future shocks to our domestic capacity like we all
362 experienced and continue to experience as a result of the
363 COVID-19 pandemic.

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364 The Supply Chains Act has garnered the support of over
365 100 stakeholder groups spanning across labor, industry,
366 consumer groups, and others, including the Semiconductor
367 Industry Association, the National Association of
368 Manufacturers, the Motor Equipment Manufacturers Association.
369 This coalition has included the support and input of both
370 Democrats and Republicans, and I look forward to continuing
371 that bipartisan effort in the new Congress.

372 I am hopeful that our legislation can be considered
373 before the committee, given its relevance to American
374 competitiveness. I am eager to work with my colleagues on
375 both sides of the aisle to refine and strengthen our bill and
376 move it forward.

377 If we seriously want to consider steps to strengthen our
378 competitiveness with China, we must adopt a comprehensive
379 strategy to shore up our supply chain. These efforts have
380 significant ramifications on our economy and our national
381 security, and many of the members on this committee have
382 underscored these priorities. The legislation under
383 consideration at today's markup, while important in terms of
384 the intent, does not go far enough to address the significant

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385 gaps in our supply chain and its resulting impact on American
386 competitiveness.

387 The members of this body know that I am someone who
388 encourages bipartisanship, and I want to work with my
389 colleagues on the other side of the aisle to enact strong,
390 substantive legislation that secures our supply chains,
391 strengthens our national security, and supports our
392 manufacturing capacity. I am looking forward to today's
393 discussion of these bills, and to working with the members of
394 this committee to achieve those goals.

395 *Mr. Bilirakis. The gentlelady yields back? Yes?
396 Okay. Anyone on the Republican side?

397 Anyone on the Democrat -- additional?

398 Okay, Ms. Blunt Rochester, please. You are recognized
399 for five minutes -- three minutes. Excuse me, three minutes.

400 *Ms. Blunt Rochester. Thank you, Mr. Chairman. Last
401 week I called the U.S. economic competition the issue of the
402 moment. And we need to meet this moment head on, and will --
403 or will lag behind our allies and our adversaries. Our
404 success depends on strengthening our infrastructure, our
405 workforce, and our supply chains.

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406 Last week we took critical steps -- or last Congress we
407 took critical steps, and made the largest investment in
408 infrastructure in our nation's history. We expanded access
409 to broadband, and also focused on our roads and our bridges
410 and our water systems. And we also created new workforce
411 programs.

412 But we need to fully address our supply chains. We made
413 gains last Congress with semiconductors. And as the founder
414 of the Bipartisan Future of Work Caucus, I was proud to
415 support the CHIPS and Science Act. But the shortages go
416 beyond chips. That is why I introduced the Supply Chains Act
417 with my friends, Representatives Dingell, Kelly, and Wild.
418 We need a comprehensive and resolute strategy to shore up our
419 supply chains, and this bill will do just that.

420 I want to thank Chairman Bilirakis for the focus on
421 these issues. I am hopeful that this committee will act on
422 the progress that has been made, and will also act on my
423 Supply Chains Act bill.

424 And I have also shared with the chairman personally that
425 I am committed to working with my Republican colleagues on
426 Energy and Commerce to get what we need done done together.

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427 This isn't a Democratic issue. It is not a Republican issue.
428 It is an American issue. And it is about our wealth, it is
429 about our health, and our national security.

430 My Supply Chains Act is supported by over 150
431 organizations, from businesses to labor unions to trade
432 associations. And Americans want solutions to the ongoing
433 supply chain issues to help lower cost and shorten time, even
434 to receive goods.

435 Ultimately, the reality is that there is more at stake
436 here. The war in Ukraine and the substantial aid that we
437 provided has also exposed the weaknesses in our military
438 supply chains, as well. Civilian and military supply chains
439 overlapped often, which pits national security interests
440 against civilian consumer interests. Supplies of critical
441 minerals like titanium and products like composites are
442 crucial to the military and to commerce. Yet the scarcity of
443 these materials creates several disruptions.

444 The threats from China, Russia, and their allies mean
445 that we must take action now, and that the solutions will
446 affect our national security. And it will take time to
447 implement, so we have got to act now. We have an opportunity

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448 to deliver big for America, and I am hopeful that my
449 colleagues will work in unity on transformational and
450 comprehensive policy to bring jobs back home, to lower costs,
451 and to keep us safe. Let's seize the moment.

452 I yield back.

453 *Mr. Bilirakis. I thank the gentlelady, and I look
454 forward to working with her on these issues.

455 Next I am going to recognize the gentlelady from
456 Florida, Ms. Kat Cammack, for three minutes, please.

457 *Mrs. Cammack. Thank you, Mr. Chairman, and thank you
458 to all my colleagues for your commentary today.

459 You know, we, I think, all agree that supply chain
460 mapping and resiliency are important. And I agree that
461 Secretary Raimondo can play a leadership role, certainly.
462 However, just like in broadband, we must map where there is a
463 problem before throwing money at it. And we know that has
464 been a challenge in broadband deployment.

465 The last Congress enacted significant programs at the
466 Department of Commerce that will cost tens of billions of
467 dollars. We owe it to the taxpayers and, quite frankly, our
468 children, who will be paying for this, to make sure that

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469 Commerce gets the chips and broadband programs right before
470 we open up the checkbook for more initiatives there. This is
471 why Mr. Pence's legislation is so important, and I might add
472 that -- and, I might add, has pre-dated the supply chain
473 proposals. We need to review why companies aren't investing
474 here, and identify barriers, as money is not the only barrier
475 to entry.

476 For my friends across the aisle, let me remind them
477 about last Congress. Republicans worked on supply chain
478 language in a bipartisan way in this committee for the first
479 half of 2021, at Republicans' request, only to see our work
480 product subverted by the previous speaker's office, parceled
481 out, and bypass the committee process to become part of the
482 failed USICA experiment. Speaker Pelosi certainly was no
483 friend to this committee last Congress when it came to
484 supporting bipartisan legislation.

485 So if my colleagues are inclined, we can certainly set
486 the clock back to the beginning of the previous session and
487 work on common-sense, bipartisan legislation and solutions
488 that have the taxpayers in mind. For today, however, I think
489 we should focus on the good, bipartisan legislation that we

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490 are considering, and move forward.

491 Mr. Chairman, I yield.

492 *Mr. Bilirakis. Representative, thank you for yielding
493 back. I appreciate it. I recognize Ms. Kelly for three
494 minutes.

495 Oh, okay. I am sorry, Cathy. All right, let's
496 recognize Ms. Castor first. I am sorry.

497 *Ms. Castor. Thank you, Mr. Chairman.

498 *Mr. Bilirakis. Thank you. For three minutes.

499 *Ms. Castor. Colleagues, last Wednesday this
500 subcommittee held its first hearing on America's
501 competitiveness with China. And the witnesses at that
502 hearing told us that the competitiveness issue is critically
503 important. It is complex, and it will take a thoughtful
504 approach by Congress to ensure America out-competes China,
505 and that we adopt effective tools that protect us from
506 surveillance.

507 And House leaders on both sides of the aisle recognize
508 the importance of America maintaining its competitive edge
509 over China, as evidenced by the creation of the bipartisan
510 Select Committee on the Strategic Competition between the

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511 U.S. and the CCP. I was appointed by Leader Jeffries to
512 serve on that committee and look forward to our work and
513 thoughtful bipartisan policies to improve U.S.
514 competitiveness, strengthen our national security, and
515 advance clean energy goals.

516 But this committee and the American public would benefit
517 from a thoughtful approach, as well, because the bills before
518 us are flawed and weak, especially the three bills focused on
519 disclosure alone that are being rushed.

520 Some of the underlying aims of these bills are good.
521 But if we are truly worried about Chinese apps, just
522 requiring disclosure is woefully inadequate, especially for
523 apps like TikTok, that are targeted at our kids. Data
524 access, surveillance, and tracking by domestic interests and
525 foreign adversaries extend beyond TikTok, and encompass some
526 of the largest social media platforms, search engines, and
527 others.

528 In fact, just over the past week documents have come to
529 light in a lawsuit that tens of thousands of software
530 developers in China, Russia, and other high-risk countries
531 may have had access to detailed Facebook user data for years.

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532 This is alarming.

533 So we need to act now to protect our privacy online. We
534 need to block our personal data from being transferred to
535 China, Russia, and other actors. We need to end the
536 incessant surveillance, the gathering of data that is used to
537 target Americans, manipulate our kids, and engage in
538 propaganda campaigns.

539 I am heartened that I am hearing from more and more
540 colleagues that we need to protect kids online. I agree. In
541 fact, in early 2019 I was one of the first Members of
542 Congress to highlight the -- raise concerns about ByteDance,
543 the owner of TikTok.

544 But we need to do more than disclosure to protect our
545 kids and empower parents. We need to ban targeted
546 advertisements. We need a prohibition on harmful,
547 manipulative user interface design, restrictions on algorithm
548 -- excuse me -- I am fired up about this. I am so concerned,
549 I can't take it.

550 [Laughter.]

551 *Ms. Castor. We need restrictions on age. We need an
552 age-appropriate design code.

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553 The problem is bigger than just Chinese apps, although
554 the Chinese apps are some of the most harmful.

555 I hear what Chair McMorris Rodgers is saying. I know
556 she is committed to doing this, but these bills are
557 inadequate solutions. We need to do so much more, and we
558 need to act urgently to do it. So I will look forward to
559 working together on this.

560 I yield back my time.

561 *Mr. Bilirakis. Thank you, and I will remind the
562 gentlelady, my good friend from Florida, the Tampa Bay area,
563 we just got started. Help is on the way, I promise you that.
564 Good legislation is on the way. I appreciate it very much.

565 Okay. Now, I don't think we have anybody on the
566 Republican side, is that correct?

567 All right. I will recognize Representative Kelly for
568 three minutes.

569 *Ms. Kelly. Thank you, Mr. Chair. America cannot
570 continue being prosperous without the capacity to produce.
571 And the recent COVID-19 pandemic taught us all that we cannot
572 have security without supply chain resilience. We cannot
573 have another American century with a manufacturing base in

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574 decline.

575 As I mentioned at last week's subcommittee hearing, we
576 need a whole-of-government approach to monitoring and
577 supporting critical manufacturing supply chains instrumental
578 to our economic welfare and national security. And I am
579 hopeful that we get meaningful supply chain legislation to
580 President Biden's desk. This is why I am so glad to see my
581 colleagues on the other side of the aisle acknowledge and
582 consider legislation that will begin to address our nation's
583 supply chain problems that have only been exacerbated by the
584 pandemic.

585 Legislation aimed at strengthening our nation's supply
586 chain -- excuse my voice -- resilience continues to be
587 necessary to protect our economy and American manufacturing.
588 That is why I was also so proud to join Congresswomen Lisa
589 Blunt Rochester, Debbie Dingell, and Susan Wild introducing a
590 comprehensive set of bills to strengthen U.S. supply chains
591 and spur domestic manufacturing of critical goods to grow the
592 U.S. economy and enhance America's national security.

593 My specific bill, the Supply Chain Mapping and
594 Monitoring Act, would create an office of supply chain

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595 resiliency and crisis response at the Department of Commerce
596 to help us identify supply chain issues early on, and
597 mitigate impacts for manufacturers and consumers. As this
598 committee continues to work on legislation to strengthen
599 America's competitiveness, I ask that we take up such
600 legislation.

601 In closing, the COVID-19 pandemic has made it perfectly
602 clear that disruptions to our supply chain have major
603 detrimental impacts on our economy, on our manufacturers'
604 ability to get their products to market, and on consumers'
605 ability to find the products they want or need to purchase.
606 This requires an immediate solution. So I invite my
607 colleagues on both sides of the aisle to prioritize
608 bolstering our nation's supply chain resilience, and consider
609 each approach equally.

610 Thank you, and I yield back.

611 *Mr. Bilirakis. Thank you. The gentlelady yields back.

612 I don't see anyone else. Of course, you can submit your
613 opening statement for the record. We will get started.

614 The chair calls up H.R. 750 and asks the clerk to
615 report.

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

616 *The Clerk. H.R. 750, to require any person that sells
617 or distributes a mobile application that the Federal
618 Government has prohibited for a government-owned device --

619 *Mr. Bilirakis. Without objection, the first reading of
620 the bill is dispensed with, and the bill will be open for
621 amendment at any point.

622 So ordered.

623

624 [The bill follows:]

625

626 *****COMMITTEE INSERT*****

627

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628 *Mr. Bilirakis. The chair recognizes Representative
629 Cammack for the purpose of offering an amendment in the
630 nature of a substitute.

631 *Mrs. Cammack. Thank you, Chairman Bilirakis. I have
632 an amendment at the desk.

633 *The Clerk. Amendment in the nature of a substitute to
634 H.R. 750, offered by Mrs. Cammack.

635 *Mr. Bilirakis. Without objection, the reading of the
636 amendment is dispensed with.

637 [The amendment of Mrs. Cammack follows:]

638

639 *****COMMITTEE INSERT*****

640

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641 *Mr. Bilirakis. Representative Cammack is recognized
642 for five minutes to speak on the amendment.

643 *Mrs. Cammack. Thank you, Chairman Bilirakis and all of
644 my colleagues here today. I am so glad that we are
645 considering the CAUTION Act, of which I am proud to lead with
646 my friend and colleague from the Great Sunshine State of
647 Florida on this subcommittee, Mr. Darren Soto.

648 Every Member in Congress understands the national
649 security risks posed by the Chinese Communist Party. The CCP
650 has very publicly stated their goal to undermine U.S.
651 leadership in the world, and part of that mission involves
652 international espionage efforts against the United States
653 Government, our citizens, and our allies.

654 A critical part of this operation is a massive data
655 collection on American citizens across the country through a
656 variety of methods, which includes TikTok. What many
657 Americans across the country view as an innocuous social
658 media app filled with fun dances, filters, and trends is, in
659 fact, a method by which the CCP is collecting information on
660 all users. TikTok, which is owned by ByteDance, a privately
661 held company that is headquartered in Beijing, is actually

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662 not a private company. People must be reminded that the so-
663 called private companies in China are actually required by
664 law to turn their user data over to the CCP.

665 In short, the government owns them and, by extension,
666 everything that they collect data on and their users.

667 In December of 2022, FBI Director Chris Wray noted that
668 the Chinese Government can control TikTok -- can control
669 TikTok's recommendation algorithm that allows their
670 government to manipulate content that could be used for
671 influence operations, in addition to the data collection
672 risks for other espionage operations.

673 On December 29th, 2022, recognizing the security risks
674 of TikTok, the President signed into law No TikTok on
675 Government Devices Act, which prohibits TikTok from being
676 downloaded or used on any device issued by the United States
677 Government or government corporation.

678 The CAUTION Act of 2023, which I introduced with
679 Representative Soto, would build off of the prohibition of
680 TikTok on Federal devices to inform consumers of the security
681 risks posed by using the app. Specifically, the bill would
682 require any person selling or distributing a mobile app that

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683 is banned on Federal Government devices to disclose the fact
684 in a clear and conspicuous manner to any individual who
685 downloads, updates, or otherwise uses the application. This
686 required disclosure would be enforced by the Federal Trade
687 Commission.

688 Every person using TikTok in the United States, at
689 minimum, deserves to know that the Federal Government has
690 banned the use of the app on Federal devices due to the
691 severe security risks. This bill would properly inform
692 individuals of the risks prior to downloading or updating the
693 app.

694 Again, I would like to thank Mr. Soto for helping lead
695 this effort with me, and would like to thank Chairman
696 Bilirakis for considering this bill in today's markup. I
697 encourage all members of the subcommittee to support it, and
698 with that I yield back.

699 *Mr. Bilirakis. Thank you. The gentlelady yields back.
700 Representative Soto, you are recognized for five
701 minutes.

702 *Mr. Soto. Thank you, Mr. Chairman. I move to strike
703 the last word, and I thank my colleague from Florida,

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

704 Representative Cammack, for this great bipartisan bill.

705 The CAUTION Act really builds upon a bipartisan TikTok
706 ban that was passed in the omnibus for Federal devices. It
707 passed in December 2022, was signed into law by President
708 Biden, and expresses concerns, bipartisan mounting concerns
709 of security with TikTok owner ByteDance and their data-
710 sharing policies, potentially, with the Chinese Government.
711 And so certainly, we want to make sure that the public,
712 including Federal employees, get knowledge, receive knowledge
713 and notice that the app was banned from Federal devices.

714 I do share the ranking member's concern that we want to
715 hear more from the public, and I know that we are all -- our
716 doors are open to hear folks' suggestions on this bill.

717 And I do want to see, as we go forward, defining "sells
718 or distributes a mobile application," and that is something
719 I look forward to working with my colleague on. But overall,
720 a great bipartisan bill.

721 On another subject I know we talked about already, this
722 committee is going to have a key role to play as we have the
723 State of the Union tonight, hearing about key laws that were
724 passed last term like the Inflation Reduction Act, the

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725 bipartisan CHIPS Act. Twenty-four House Republicans,
726 fourteen Senators on the Republican side, the infrastructure
727 law, where we saw thirteen Republicans join us in the House
728 and nineteen in the Senate. This committee is going to play
729 a key role in implementing these priorities for Florida and
730 the nation to boost jobs, infrastructure, to lower inflation,
731 to help with manufacturing, and increase our microchip
732 capacity, rural broadband that my colleagues have talked
733 about, protecting our environment.

734 So I hope, in the spirit of bipartisanship, we will
735 continue to work together, because Congress does have an
736 oversight role that is going to be critical to help implement
737 these key pieces of legislation to help all central
738 Floridians and all Americans.

739 And with that I yield back.

740 *Mr. Bilirakis. I thank the gentleman. I will
741 recognize Representative Lesko for five minutes, please.

742 *Mrs. Lesko. Thank you, Mr. Chair. I move to strike
743 the last word.

744 *Mr. Bilirakis. You are recognized.

745 *Mrs. Lesko. As was already stated, TikTok is owned and

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746 operated by the Chinese company ByteDance.

747 In June of 2022, FCC Commissioner described ByteDance as
748 beholden to the Chinese Government and required by law to
749 comply with Chinese Government surveillance demands.

750 In December, as was noted, the Senate passed, by
751 unanimous consent, the No TikTok on Government Devices Act to
752 prohibit the use of TikTok on government-owned devices.

753 More than half of the states have partially or fully
754 banned TikTok from government devices. This legislation will
755 make it clear to potential TikTok users that the app is
756 banned on certain government devices, giving a stark warning
757 of the dangers of the app to anyone about to download it.

758 I want to thank my colleagues for introducing this bill,
759 and I give it my full support, and I yield back.

760 *Mr. Bilirakis. Thank you. I appreciate it. And now I
761 will recognize the -- Ranking Member Schakowsky.

762 And for what purpose?

763 *Ms. Schakowsky. To strike the last word.

764 *Mr. Bilirakis. You are recognized, ma'am.

765 *Ms. Schakowsky. Thank you. I just want to point out
766 that Democrats may want to make some further changes to the

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767 legislation before we get it out of the -- you know, before
768 we vote it out, but -- onto the full committee.

769 But I did want to say that last November Chairman
770 Bilirakis and I wrote to Apple and to Google about the threat
771 of TikTok surveillance of Americans. Google actually
772 answered our letter, but Apple did not. And it is certainly
773 very, very important for us to make sure that we are
774 protecting our constituents, and protecting the -- their
775 information from China, as was pointed out before, especially
776 looking at the risk to children.

777 We also -- I think you, as well as I, Mr. Chairman,
778 actually met with the CEO of -- or you are going to -- of
779 TikTok, and we are going to have a hearing with the CEO of
780 TikTok in March. So, you know, we are definitely also
781 concerned about the threats that may be posed, and to get all
782 the information that we need in front of this -- in front of
783 our subcommittee.

784 And with that I yield back.

785 *The Chair. Would the lady yield?

786 *Mr. Bilirakis. Would the gentlelady --

787 *The Chair. Would you yield?

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788 *Ms. Schakowsky. Yes, of course.

789 *The Chair. Yes, I appreciate you yielding. I find it
790 noteworthy, if you go to the App Store right now, the top app
791 right now -- and it has been as long as I have been tracking
792 this -- is a "must have on Apple App store -- TikTok.'" Yes,
793 to your point.

794 I yield back.

795 *Mr. Bilirakis. Thank you.

796 Would -- do you yield back?

797 *Ms. Schakowsky. Yes.

798 *Mr. Bilirakis. Okay, all right. Very good. All
799 right. If there is no further discussion -- any further
800 discussion?

801 Okay. The vote occurs on the amendment in the nature of
802 a substitute.

803 All those in favor, signify by saying aye.

804 All opposed, say no.

805 Okay, the ayes have it, and the amendment in the nature
806 of a substitute is agreed to.

807 The question now occurs on forwarding H.R. 750, as
808 amended, to the full committee.

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809 All those in favor, say aye.

810 Those opposed?

811 Okay, the ayes have it, and the bill is agreed to.

812 Very good. Good job.

813 [Applause.]

814 *Mr. Bilirakis. Moving along, the chair calls up H.R.

815 784, and asks the clerk to report.

816 *The Clerk. H.R. 784, to require any person that

817 maintains an Internet website or that sells or distributes a

818 mobile application that is owned wholly or --

819 *Mr. Bilirakis. Without objection, the first reading of

820 the bill is dispensed with, and the bill will be open for

821 amendment at any point.

822 So ordered.

823 [The bill follows:]

824

825 *****COMMITTEE INSERT*****

826

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827 *Mr. Bilirakis. Are there any bipartisan amendments?

828 Are there any other amendments?

829 It doesn't appear to be. The question now occurs,
830 unless we have somebody that wants to discuss the bill --
831 anybody here?

832 Yes? Anyone want to discuss on the Republican side?

833 No? Okay.

834 Anyone on the Democrat side?

835 *Mr. Fulcher. Mr. Chairman?

836 *Mr. Bilirakis. Yes. Oh, okay.

837 *Mr. Fulcher. Mr. Chairman, thank you. I move to
838 strike the last word.

839 *Mr. Bilirakis. Okay. You are recognized, sir.

840 *Mr. Fulcher. Thank you, Mr. Chairman. H.R. 784 is the
841 Internet Application Integrity and Disclosure Act, and thank
842 you for putting that on today's markup.

843 Special thanks also to my friend, Congressman Chris
844 Pappas of New Hampshire, for co-leading on this bill.

845 This bill requires that websites, online sellers,
846 distributors of web-based and mobile applications disclose if
847 they are located in China or owned in whole or part by the

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848 Chinese Communist Party. It is a warning label to individual
849 users, business users, Internet users, and mobile service
850 providers the origin of applications prior to downloading
851 them, particularly if the origin is within China.

852 China has earned our distrust. So the idea here is to
853 protect the individuals and businesses who might download
854 such an application, ensuring transparency and disclosure of
855 its origin.

856 Mr. Chairman, members of the subcommittee, it is
857 important because the Chinese Government, largely through the
858 CCP, has infiltrated the private market, seeking to
859 disseminate misinformation, as well as to collect information
860 on user behavior. While some applications may be nominally
861 controlled by private entities, they are often de facto arms
862 of the CCP, aided by a complex wave of -- web of laws and
863 policies that compel organizations to carry out the wishes of
864 the Chinese Communist Party.

865 Digital products controlled by the party give them
866 access to sensitive information regarding application service
867 providers and end users, including precise geolocation,
868 online user patterns, and the content of private user

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869 conversations. Chinese officials have historically used such
870 information for nefarious purposes, including to pursue
871 Chinese Americans and others who protest or legally defy
872 Chinese Government policies, or to monitor sensitive business
873 transactions. China is utilizing its 2021 personal
874 information protection and data security laws to control how
875 companies operating in China treat user information, both
876 domestically and abroad.

877 In the past few years Congress and this committee have
878 found bipartisan ways to address similar concerns with bills
879 such as the American Data Privacy and Protection Act, the
880 Secure and Trusted Communications Network Act of 2019, and
881 amendments to the recent National Defense Authorization Act.

882 H.R. 784 adds statutory leverage to guard against
883 concerns addressed by those pieces of legislation by ensuring
884 people know the potential risks to their data and online
885 behavior when tracked by a Chinese entity.

886 Currently, lack of transparency and disclosure is a
887 threat to anyone who downloads an app off the web to their
888 computer or phone, and ultimately it is a threat to the U.S.
889 economy and security.

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890 Mr. Chairman, with that I urge passage of H.R. 784, and
891 I yield back.

892 *Mr. Bilirakis. The gentleman yields back.

893 For what purpose does the gentlelady seek recognition?

894 *Ms. Schakowsky. Are you speaking to me?

895 *Mr. Bilirakis. Yes, to you.

896 *Ms. Schakowsky. Oh, okay. Thank you, Mr. Chairman.

897 You know, this --

898 *Mr. Bilirakis. You move to strike the last word?

899 *Ms. Schakowsky. Oh, I ask to strike the last word.

900 *Mr. Bilirakis. Very good, thank you.

901 *Ms. Schakowsky. So this bill is very broad and vague.

902 And I want to say that there was not any testimony about it
903 in any hearing.

904 And, Mr. Bilirakis, I would hope that you will commit to
905 work with us to fix the problems before we -- before the
906 committee markup.

907 *Mr. Bilirakis. I want to -- I commit to you that we
908 will have a conversation with regard to this particular bill.

909 *Ms. Schakowsky. Thank you. I yield back.

910 *Mr. Bilirakis. Thank you.

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911 Anyone else?

912 All right. Then let's get on with it. The question now
913 occurs on forwarding H.R. 784 to the full committee.

914 All those in favor, say aye.

915 All those opposed?

916 Okay, the ayes have it, and the bill is agreed to.

917 The chair calls up H.R. 742 and asks the clerk to
918 report.

919 *The Clerk. H.R. 742, to require that any person that
920 maintains an internet website or that sells or distributes --

921 *Mr. Bilirakis. Without objection, the first reading of
922 the bill is dispensed with, and the bill will be open for
923 amendment at any point.

924 So ordered.

925

926

927 [The bill follows:]

928

929 *****COMMITTEE INSERT*****

930

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931 *Mr. Bilirakis. Are there any bipartisan amendments to
932 the bill?

933 Are there any other amendments to the bill?

934 Seeing none, we will recognize Mr. Duncan.

935 For what purpose, sir?

936 *Mr. Duncan. Mr. Chairman, I move to strike the last
937 word.

938 *Mr. Bilirakis. You are recognized, sir.

939 *Mr. Duncan. Thank you. Mr. Chairman, for the last
940 week the nation has been vigilantly watching as a spy balloon
941 from China made its way across the entirety of our country,
942 taking pictures as it went, along with whatever else we find
943 out it was collecting. We may never know the extent of the
944 damage done to our national security by this week-long
945 cross-country escapade.

946 While I am especially glad that the balloon was popped
947 in South Carolina's airspace, the reality is that the data
948 that the Chinese Government got from the balloon is a drop in
949 the bucket, compared to what they get from the apps on the
950 average American's cell phone. So I rise today to speak on
951 behalf of my bill, H.R. 742, The Telling Everyone the

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952 Location of Data Leaving the United States Act, or TELL Act.

953 TELL makes a simple requirement of mobile applications
954 or websites: If you store and maintain data in the People's
955 Republic of China, or if user's data is in any way accessible
956 to the Chinese Communist Party or any other Chinese state-
957 owned entity, you must disclose that to the consumer.

958 Now, I am asked by apps all the time whether I give them
959 permission to do this, that, and the other. And I agree or I
960 don't agree. That is what we should have apps telling the
961 American people, that your data is going to be stored in the
962 People's Republic of China. Disclose it to the consumer.
963 The American people deserve to know which apps on their phone
964 or programs on their laptop are collecting personal data to
965 give it to the Chinese in quantities far greater than those
966 from the big, white balloon, and in far greater depth.

967 The bill also provides that failure to disclose is a
968 violation under the unfair or deceptive acts clause, and it
969 gives the FTC enforcement authority to fine companies who
970 either fail to disclose or knowingly disclose false
971 information.

972 The big, white Chinese spy balloon was a wake-up call to

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973 America. This bill should be a wake-up call to Big Tech.
974 Our constituents are sick and tired of their data being
975 exposed to the CCP. If you don't like the disclosure
976 requirements in this bill -- storing data in China or be
977 prepared to tell my constituents that it is stored there.

978 I want to thank my Democrat co-lead on this bill, the
979 gentlelady from Ohio, Marcy Kaptur, especially for her
980 leadership in fighting against Chinese abuses over the
981 entirety of her long and distinguished career.

982 I also want to thank our other original cosponsors on
983 this important bipartisan legislation, my friend Scott Perry
984 of Pennsylvania, chairman of the House Freedom Caucus.

985 This bill is proof that we can work together across
986 ideological spectrum, across party lines to protect Americans
987 from predators of the Chinese Communist Party.

988 I ask for your support of the legislation, and I yield
989 back the balance.

990 *Mr. Bilirakis. For what purpose does the gentlelady
991 seek recognition?

992 *Ms. Schakowsky. To strike the last word.

993 *Mr. Bilirakis. Thank you, you are recognized.

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994 *Ms. Schakowsky. Yes, I am not going to disagree that
995 Big Tech needs to be reined in. But this is a very -- again,
996 a very broad and, in many parts, vague piece of legislation.

997 And once again, this is the second of the bills I wanted
998 to mention that -- where there has been no testimony about --
999 or any hearing.

1000 And I again would like to ask you, Mr. Bilirakis, that
1001 you work with us, that -- before we move this bill along,
1002 that we have a commitment from you that we can discuss its
1003 content.

1004 *Mr. Bilirakis. I will commit --

1005 *Mr. Duncan. Will the gentlelady yield?

1006 *Mr. Bilirakis. Yes, yes, please. Well --

1007 *Mr. Duncan. Would the gentlelady --

1008 *Mr. Bilirakis. The gentlelady has the time.

1009 *Mr. Duncan. Yes. Will she yield to me?

1010 *Ms. Schakowsky. I will yield to you, sure.

1011 *Mr. Duncan. Thank you. This is the second Congress I
1012 filed this piece of legislation in. So it has been out
1013 there.

1014 And Congress put a lot of pressure on Big Tech to make

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1015 sure that apps inform you that tracking data was on, or give
1016 you the permission to opt out. So this is just a
1017 continuation of informing our constituents that that is out
1018 there. It actually has been talked about for a long time, so
1019 this isn't a new issue.

1020 Another legislative hearing talking about this specific
1021 issue, in my opinion, isn't necessary. We all know the
1022 issue. Our constituents talk to us about the issue. And
1023 that is why I think it is so important.

1024 I thank the gentlelady for yielding. I yield back.

1025 *Mr. Bilirakis. Okay. Yes, if the gentlelady would
1026 yield to me briefly?

1027 *Ms. Schakowsky. Yes.

1028 *Mr. Bilirakis. Yes, we did have a --

1029 *Ms. Schakowsky. I yield back at this time, thank you.

1030 *Mr. Bilirakis. -- legislative hearing on this in the
1031 previous Congress. I just wanted to point that out.

1032 But I commit to having a conversation with you,
1033 obviously. We can have a discussion.

1034 *Ms. Schakowsky. Thank you. We have new members, too,
1035 so I would like to -- I appreciate that. Thank you.

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1036 *Mr. Bilirakis. Thank you.

1037 Any further discussion on this particular bill?

1038 Yes, we do. Okay. Representative Lesko, and then we
1039 have Mr. Dunn, as well, after that.

1040 *Mrs. Lesko. Thank you, Mr. Chair.

1041 *Mr. Bilirakis. For what purpose, ma'am?

1042 *Mrs. Lesko. I move to strike the last word.

1043 *Mr. Bilirakis. Thank you. You are recognized.

1044 *Mrs. Lesko. As a cosponsor of this legislation, I am
1045 hopeful that this bill will advance out of the subcommittee
1046 today, and head to the full committee, and then the floor.

1047 This bipartisan legislation is critical to protecting
1048 Americans' data from the Chinese Communist Party. Americans
1049 deserve to know if their data is being stored, transferred,
1050 or exposed to China by companies that are owned by the
1051 Chinese Communist Party. China is a threat to our nation,
1052 and their efforts to exploit Americans and their data cannot
1053 be ignored.

1054 I support this legislation, and I yield back.

1055 *Mr. Bilirakis. Thank you. The gentlelady yields back.

1056 Does anyone on the Democrat side wish to speak?

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1057 All right. I will recognize Representative Dunn for
1058 five minutes.

1059 For what purpose, sir?

1060 *Mr. Dunn. Thank you, Mr. Chair. I move to strike the
1061 last --

1062 *Mr. Bilirakis. Thank you. Thank you. You are
1063 recognized.

1064 *Mr. Dunn. Thank you.

1065 So data privacy and security is vital to consumers and
1066 to industry. It is no secret that the CCP has repeatedly
1067 compromised the private data of millions of Americans.
1068 Banning TikTok on government devices was an important first
1069 step in protecting Americans' data. But taking additional
1070 steps to safeguard data is absolutely necessary.

1071 This legislation would allow the FTC to endorse rules
1072 that empowers Americans to know when their data is being
1073 compromised by China and if it is being stored, transferred,
1074 or exposed to China or to any companies owned by the CCP.

1075 I am thankful that this committee and the China Select
1076 Committee are taking steps to protect Americans, in addition
1077 to taking the threat from China seriously.

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

1078 With that I yield back.

1079 *Mr. Bilirakis. The gentleman yields back. Any further
1080 discussion?

1081 Okay. The question now occurs on forwarding H.R. 742 to
1082 the full committee.

1083 All those in favor, say aye.

1084 All those opposed?

1085 The ayes have it, and the bill is agreed to.

1086 The chair calls up H.R. 813 and asks the clerk to
1087 report.

1088 *The Clerk. H.R. 813, to direct the Secretary of
1089 Commerce, in coordination with the --

1090 *Mr. Bilirakis. Without objection, the first reading of
1091 the bill is dispensed with, and the bill will be open for
1092 amendment at any point.

1093 So ordered.

1094 [The bill follows:]

1095

1096 *****COMMITTEE INSERT*****

1097

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1098 *Mr. Bilirakis. Are there any bipartisan amendments?

1099 Are there any other amendments?

1100 Yes, the gentlelady is recognized for five minutes.

1101 *Ms. Schakowsky. Thank you, Mr. Chairman.

1102 Foreign direct investment risk includes offshoring and
1103 theft of intellectual property.

1104 Or -- oh, let me offer -- okay. I have an amendment at
1105 the desk.

1106 *The Clerk. Amendment to H.R. 813, offered by Ms.
1107 Schakowsky.

1108 [The amendment of Ms. Schakowsky follows:]

1109

1110 *****COMMITTEE INSERT*****

1111

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1112 *Ms. Schakowsky. Okay.

1113 *Mr. Bilirakis. Yes, you are recognized.

1114 *Ms. Schakowsky. Okay. So let me start over.

1115 Foreign direct investment risks include offshoring and
1116 the intellectual property or trade security. Excuse me.

1117 Offshoring has serious consequences and impact on
1118 workers. One third of job loss in the manufacturing sector
1119 can be attributed to offshoring. Offshoring has contributed
1120 to the decline of our industrial base, and weakened our
1121 supply chain.

1122 The United States relies on countries from around the
1123 world on things like consumer electronics, household goods,
1124 food, pharmaceuticals, et cetera. The Department of Defense
1125 warns that this is a national security risk.

1126 My amendment strengthens the underlying -- underlying
1127 the bill. What is missing from this bill is clear in -- oh,
1128 I am sorry. What does that say?

1129 *Mr. Bilirakis. Labor.

1130 *Ms. Schakowsky. Oh, I am sorry. I think most of the
1131 people on this committee know I have a disability when it
1132 comes to reading. I am doing my best.

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1133 What -- so what -- my amendment, I believe, would
1134 strengthen this bill. What is missing from the bill is clear
1135 instructions for the Department of Commerce to study the
1136 impact of foreign direct investment on workers, including the
1137 impact of offshoring and outsourcing on worker wages,
1138 employment, and well-being.

1139 Foreign direct investment should not weaken the economy,
1140 and should strengthen our national security. And we should
1141 make the United States the most attractive and -- is that
1142 right? Okay, attractive country in the world to investment.
1143 But workers and our national security cannot be on the line
1144 here. And so I think this amendment would be helpful to the
1145 legislation that is before us today.

1146 And I yield back.

1147 *Mr. Bilirakis. Will the -- yes, go. You are
1148 recognized, you are recognized.

1149 Oh, I thought you were going to -- well, will the
1150 gentlelady agree to withdraw the amendment if I commit to you
1151 that we will discuss this particular issue before we go to
1152 markup?

1153 *Ms. Schakowsky. Yes, I appreciate your saying that,

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1154 and the answer is yes, I will withdraw it at this time.

1155 *Mr. Bilirakis. Okay, the amendment is withdrawn.

1156 Next we have -- is there further discussion on the
1157 particular bill?

1158 Representative Pence, you are recognized for five
1159 minutes.

1160 *Mr. Pence. Mr. Chairman, I move to strike the last
1161 word.

1162 *Mr. Bilirakis. You are recognized.

1163 *Mr. Pence. Thank you, Mr. Chairman. I urge my
1164 colleagues join me in supporting my legislation, H.R. 813,
1165 the Global Investment in American Jobs Act. This bill seeks
1166 to improve the attractiveness of foreign investment from
1167 allied nations and identify barriers that are holding back
1168 American competitiveness.

1169 Over 200,000 Hoosiers are directly employed by
1170 international companies, 56 percent of which are in the
1171 manufacturing sector, many in my own hometown. Because of
1172 our long, storied history as a leader in the manufacturing
1173 industry, companies across the world have keyed into and on
1174 Indiana. Before companies started outsourcing operations

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1175 from my district to China and other countries, company
1176 talents had lifted small and rural communities across the
1177 Hoosier State.

1178 Take Cummins Engine Company, for example. I have lived
1179 in Columbus my entire life, and nearly every family, my own
1180 included, has some connection to the company that has helped
1181 build and grow Columbus, Indiana. And now, as companies
1182 across the world rethink their partnership with the Chinese
1183 Communist Party, we have an opportunity to bring back stable,
1184 good-paying jobs through investments from allied nations.

1185 Importantly, this legislation would also seek to uncover
1186 actions from the Communist Chinese Party to gain access to
1187 U.S. markets and circumvent national security laws.

1188 For decades, China has built a calculated strategy to
1189 corner global supply chains through IP theft and free market
1190 manipulation. H.R. 813 addresses anti-competitive practices
1191 of the CCP to undermine innovation and gain footholds in
1192 next-generation technologies.

1193 I am encouraged that the Global Investment in American
1194 Jobs Act has long had broad bipartisan support, and I look
1195 forward to working across the aisle to pass this legislation.

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1196 During our subcommittee's hearings last Congress on this
1197 bill, we heard directly from stakeholders regarding the
1198 importance of foreign investment, and the impact this
1199 legislation had on expanding opportunities for communities
1200 across the country.

1201 I urge support for this bill, and I yield back the
1202 balance of my time.

1203 *Mr. Bilirakis. Thank you. The gentleman yields back.
1204 Is there any further discussion on the Democrat side?

1205 Yes, I will recognize Ms. Blunt Rochester for five
1206 minutes, please, on this particular bill. Thank you.

1207 *Ms. Blunt Rochester. Thank you, Mr. Chairman. I
1208 applaud Mr. Pence's efforts to bring American jobs back to
1209 the United States, and I believe we can go further. This can
1210 and should be part of a larger comprehensive strategy to
1211 reshore jobs to the United States.

1212 According to the International Monetary Fund, the United
1213 States is currently the world leader in attracting foreign
1214 direct investment to its shores. In 2022 the IMF reported
1215 that we attracted nearly \$5 trillion in investment. While it
1216 is true that China has been attracting FDI at alarming rates,

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1217 the good news is that America is still ahead, and America
1218 attracted more investment at a greater rate.

1219 We need a periodic and comprehensive strategy akin to
1220 the national defense strategy that determines the strength
1221 and weaknesses of manufacturing and supply chains in America.
1222 My bill, The Supply Chains Act, would do exactly that. It
1223 would create a comprehensive strategy that is developed every
1224 four years, and would identify investments like FDI that can
1225 help spur manufacturing growth in the United States.

1226 Mr. Pence, I would love to work with you. Perhaps
1227 together we can ensure America remains a manufacturing and
1228 economic leader permanently.

1229 I will support Mr. Pence's bill. And thank you, Mr.
1230 Chairman, and I yield back.

1231 *Mr. Bilirakis. Thank you. The gentlelady yields back.
1232 Anything further?

1233 The question now occurs on forwarding H.R. -- oh, there
1234 is one?

1235 Okay, Mr. Soto from the great state of Florida, you are
1236 recognized.

1237 *Mr. Soto. Thank you, my dear friend and chairman from

This is an unedited transcript. The statements within may be inaccurate, incomplete, or misattributed to the speaker.

1238 the great state of Florida.

1239 *Mr. Bilirakis. Thank you.

1240 *Mr. Soto. You know, with the State of the Union
1241 tonight we know there has been a real manufacturing boom over
1242 the last year in the United States: 500,000 new
1243 manufacturing jobs created last year, based upon the great
1244 American worker, and American ingenuity, and driven by key
1245 landmark laws like the CHIPS Act, the Inflation Reduction
1246 Act. And even the infrastructure law is improving supply
1247 chains. Thirteen million workers in America are now working
1248 in manufacturing. In central Florida we are helping
1249 manufacture in aerospace, and space microchips, simulation,
1250 and training. We saw a four percent increase last year.

1251 But there are over 800,000 jobs still not filled. So we
1252 know we have work to do, both in this bill with improving
1253 investment, foreign investment, as well as workforce training
1254 to make sure that Americans who want to work have the job
1255 training skills to get there.

1256 So I look forward to working with Mr. Pence and others
1257 on this bill.

1258 *Mr. Bilirakis. I thank my friend. Does anyone else --

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1259 anything further?

1260 All right. Well, the question now occurs on forwarding
1261 H.R. 813 to the full committee.

1262 All those in favor, say aye.

1263 All those opposed?

1264 The ayes have it, and the bill is agreed to.

1265 Congratulations, Mr. Pence.

1266 All right, the chair calls up H.R. 752, and asks the
1267 clerk to report.

1268 *The Clerk. H.R. 752, to require Select USA to
1269 coordinate --

1270 *Mr. Bilirakis. Without objection, the first reading of
1271 the bill is dispensed with, and the bill will be open for
1272 amendment at any point.

1273 So ordered.

1274 [The bill follows:]

1275

1276 *****COMMITTEE INSERT*****

1277

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1278 *Mr. Pence. Mr. Chairman, I move to strike the last
1279 word.

1280 *Mr. Bilirakis. All right. If that is what you want,
1281 that is what you get.

1282 [Laughter.]

1283 *Mr. Bilirakis. You are recognized.

1284 [Audio malfunction.]

1285 *Mr. Bilirakis. That is even better.

1286 [Audio malfunction.]

1287 *Mr. Pence. I urge my colleagues to join me in
1288 supporting H.R. 752, the Securing Semiconductor Supply Chains
1289 Act, which I co-led with Congresswoman Eshoo. This
1290 bipartisan bill seeks to uncover barriers to expanded foreign
1291 direct investment into domestic manufacturing for
1292 semiconductor chips.

1293 Over the past few years, Hoosiers in southern Indiana
1294 felt the ripples in our economy caused by shortages of
1295 semiconductor chips. Auto manufacturers like Honda in
1296 Greensburg and engine developers like Cummins told me
1297 firsthand the potential impacts on day-to-day operations
1298 because of the chip shortage. We learned the hard way that

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1299 our economy cannot rely solely on adversarial nations to
1300 secure semiconductor chips.

1301 My greatest priority in Congress has been fighting for
1302 policies that have the opportunity to create good-paying jobs
1303 for Hoosiers and all Americans.

1304 I urge support for this bill, and I yield back the
1305 balance of my time.

1306 *Mr. Bilirakis. I thank the gentleman. Are there any
1307 bipartisan agreements? Just to be safe, any bipartisan
1308 amendments?

1309 Any other amendments?

1310 *Ms. Schakowsky. I mean, I already spoke to mine.

1311 *Mr. Bilirakis. Okay, very good. If there aren't any,
1312 then we will -- the question now occurs on forwarding H.R.
1313 752 to the full committee.

1314 All those in favor, say aye.

1315 All those opposed?

1316 The ayes have it, and the bill is agreed to.

1317 The clerk will call the roll on this particular bill.

1318 *The Clerk. Mrs. Rodgers?

1319 *The Chair. Aye.

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1320 *The Clerk. Mrs. Rodgers votes aye.
1321 Mr. Bucshon?
1322 *Mr. Bucshon. Aye.
1323 *The Clerk. Mr. Bucshon votes aye.
1324 Mr. Walberg?
1325 *Mr. Walberg. Aye.
1326 *The Clerk. Mr. Walberg votes aye.
1327 Mr. Duncan?
1328 *Mr. Duncan. Aye.
1329 *The Clerk. Mr. Duncan votes aye.
1330 Mr. Dunn?
1331 *Mr. Dunn. Dunn votes aye.
1332 *The Clerk. Mr. Dunn votes aye.
1333 Mrs. Lesko?
1334 *Mrs. Lesko. Aye.
1335 *The Clerk. Mrs. Lesko votes aye.
1336 Mr. Pence?
1337 *Mr. Pence. Aye.
1338 *The Clerk. Mr. Pence votes aye.
1339 Mr. Armstrong?
1340 *Mr. Armstrong. Yes.

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1341 *The Clerk. Mr. Armstrong votes aye.
1342 Mr. Allen?
1343 *Mr. Allen. Allen votes aye.
1344 *The Clerk. Mr. Allen votes aye.
1345 Mr. Fulcher?
1346 *Mr. Fulcher. Fulcher is aye.
1347 *The Clerk. Mr. Fulcher votes aye.
1348 Mrs. Harshbarger?
1349 *Mrs. Harshbarger. Harshbarger votes aye.
1350 *The Clerk. Mrs. Harshbarger votes aye.
1351 Mrs. Cammack?
1352 *Mrs. Cammack. Aye.
1353 *The Clerk. Mrs. Cammack votes aye.
1354 Ms. Schakowsky?
1355 *Ms. Schakowsky. Aye.
1356 *The Clerk. Ms. Schakowsky votes aye.
1357 Ms. Castor?
1358 [No response.]
1359 *The Clerk. Mrs. Dingell?
1360 [No response.]
1361 *The Clerk. Ms. Kelly?

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1362 *Ms. Kelly. Kelly votes aye.
1363 *The Clerk. Ms. Kelly votes aye.
1364 Ms. Blunt Rochester?
1365 *Ms. Blunt Rochester. Blunt Rochester votes aye.
1366 *The Clerk. Ms. Blunt Rochester votes aye.
1367 Mr. Soto?
1368 *Mr. Soto. Soto votes aye.
1369 *The Clerk. Mr. Soto votes aye.
1370 Ms. Clarke?
1371 *Ms. Clarke. Ms. Clarke votes aye.
1372 *The Clerk. Ms. Clarke votes aye.
1373 Mr. Pallone?
1374 *Mr. Pallone. Votes aye.
1375 *The Clerk. Mr. Pallone votes aye.
1376 Mr. Bilirakis?
1377 *Mr. Bilirakis. Votes aye.
1378 *The Clerk. Mr. Bilirakis votes aye.
1379 *Mr. Bilirakis. All right. It is unanimous, correct?
1380 You can -- yes, will the clerk tell us --
1381 *Ms. Schakowsky. Let her report.
1382 *The Clerk. Mr. Chairman, on that vote there were 19

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1383 ayes and 0 noes.

1384 *Mr. Bilirakis. Very good, excellent. All right.

1385 Without objection, staff is authorized to make technical
1386 and conforming changes to the legislation approved by the
1387 subcommittee today.

1388 So ordered.

1389 Without objection, the subcommittee stands adjourned,
1390 and I thank everyone.

1391 [Whereupon, at 4:48 p.m., the subcommittee was
1392 adjourned.]