

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

Innovation, Data, and Commerce Subcommittee Hearing on “Promoting U.S. Innovation and Individual Liberty Through a National Standard for Data Privacy.”

March 1, 2023

Last Congress, when I Chaired this Committee, I was proud to work with then-Ranking Member Rodgers and this Subcommittee’s leaders on the American Data Privacy and Protection Act (ADPPA) - the first bipartisan and bicameral comprehensive data privacy legislation in decades. This was a historic achievement, with a 53-2 vote out of Committee. In this Subcommittee’s first hearing of this Congress, I was pleased, but not surprised, to hear Chair Rodgers reaffirm her commitment to advancing that bill.

Simply put, as we will hear from today’s witnesses, we need comprehensive, federal data privacy legislation. And we need it urgently.

Today, many of our essential consumer products—especially those offered by the largest technology companies—require consumers, including children and teens, to trade their personal data for services. This is not a real choice. People cannot thrive in our digital economy without access to websites, mobile applications, email services, and other forms of online communication.

Members of both parties talk a lot about holding big tech accountable. I firmly believe that the way to do that is by adopting a strong national privacy standard that limits the excesses of Big Tech and makes the digital world safer.

The testimony we will hear today will illustrate the fact that the lack of a national privacy standard doesn’t just hurt consumers. It also hurts small and emerging businesses by favoring big providers at the expense of new competitors. Providing certainty to all consumers, businesses, and markets about fair and appropriate data collection and use is crucial for continued American innovation.

We simply cannot go another Congress without passing comprehensive privacy legislation. Our legislation last Congress includes input from many of you on this Subcommittee and countless other stakeholders. It directly confronts—and reaches important compromises—on the sticking points which derailed earlier Congressional efforts.

The American Data Privacy and Protection Act will put people back in control of their personal data, stop data collection abuses by Big Tech, provide important protections for kids, rein in the shadowy world of data brokers, and establish strong federal data security standards.

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The legislation achieves all this by starting with a fundamental shift in how data is collected, used, and transferred. It rejects the coercive “notice and consent” system that has failed to protect Americans’ data privacy and security.

Instead, the ADPPA adopts a data minimization obligation. It requires companies to limit the personal information they collect. They will only be able to collect what is reasonably necessary and proportionate to providing the services consumers are requesting. At this Subcommittee’s first hearing this year, we heard testimony that data minimization protects consumer privacy and is critical for cybersecurity and national security, and that’s exactly what our bill did.

The American Data Privacy and Protection Act also protects kids from Big Tech. It bans targeted advertising to children under 17. And covered entities will not be able to transfer covered data belonging to children without consent. To help enforce these protections for kids, the bill establishes a Youth Privacy and Marketing Division at the Federal Trade Commission (FTC).

Our legislation also shines a light on the shadow world of data brokers that profit from buying and selling our personal data. These companies don’t interact with consumers directly, but they do collect and sell massive amounts of consumer data, including sensitive personal data like health information and precise geolocation data that identifies a consumer’s location within 18 feet.

We must stop these data brokers from collecting, using, and selling consumers’ data without their knowledge or permission. The American Data Privacy and Protection Act will require data brokers to register with the FTC and will provide consumers with a single mechanism to opt out of data collection by all registered brokers.

While Congress has stalled on privacy for years, the rest of the world has not, ceding American leadership on technological regulation. The European Union has passed comprehensive privacy laws. This bill would immediately reset the global landscape.

I want to thank the witnesses for being here today to shed even more light on the need for a national privacy standard. I thank Chair Rodgers, Ranking Member Schakowsky, Chair Bilirakis and the members of this Subcommittee for their tireless efforts and their unwavering commitment to move comprehensive data privacy legislation across the finish line this Congress.

Thank you and I yield back.