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1 **SEC. 31503. DEFINITIONS.**

2 In this division:

3 (1) **AFFIRMATIVE EXPRESS CONSENT.**—

4 (A) **IN GENERAL.**—The term “affirmative  
5 express consent” means an affirmative act by  
6 an individual that clearly communicates the in-  
7 dividual’s authorization for an act or practice,  
8 in response to a specific request that meets the  
9 requirements of subparagraph (B).

10 (B) **REQUEST REQUIREMENTS.**—The re-  
11 quirements of this subparagraph with respect to  
12 a request from a covered entity to an individual  
13 are the following:

14 (i) The request is provided to the indi-  
15 vidual in a standalone disclosure.

1 (ii) The request includes a description  
2 of each act or practice for which the indi-  
3 vidual’s consent is sought and—

4 (I) clearly distinguishes between  
5 an act or practice which is necessary  
6 to fulfill a request of the individual  
7 and an act or practice which is for an-  
8 other purpose; and

9 (II) is written in easy-to-under-  
10 stand language and includes a promi-  
11 nent heading that would enable a rea-  
12 sonable individual to identify and un-  
13 derstand the act or practice.

14 (iii) The request clearly explains the  
15 individual’s applicable rights related to  
16 consent.

17 (C) EXPRESS CONSENT REQUIRED.—An  
18 entity shall not infer that an individual has pro-  
19 vided affirmative express consent to an act or  
20 practice from the inaction of the individual or  
21 the individual’s continued use of a service or  
22 product provided by the entity.

23 (2) ALGORITHMIC DECISION-MAKING.—The  
24 term “algorithmic decision-making” means a com-  
25 putational process, including one derived from ma-

1       chine learning, statistics, or other data processing or  
2       artificial intelligence techniques that makes a deci-  
3       sion or facilitates human decision-making with re-  
4       spect to covered data.

5           (3) BIOMETRIC INFORMATION.—

6           (A) IN GENERAL.—The term “biometric  
7       information” means any covered data generated  
8       from the measurement or specific technological  
9       processing of an individual’s biological, physical,  
10      or physiological characteristics, including—

- 11                   (i) fingerprints;  
12                   (ii) voice prints;  
13                   (iii) iris or retina scans;  
14                   (iv) facial scans or templates;  
15                   (v) deoxyribonucleic acid (DNA) infor-  
16      mation; and  
17                   (vi) gait.

18           (B) EXCLUSIONS.—Such term does not in-  
19      clude writing samples, written signatures, pho-  
20      tographs, voice recordings, demographic data,  
21      or physical characteristics such as height,  
22      weight, hair color, or eye color, provided that  
23      such data is not used for the purpose of identi-  
24      fying an individual’s unique biological, physical,  
25      or physiological characteristics.

1           (4) COLLECT; COLLECTION.—The terms “col-  
2           lect” and “collection” mean buying, renting, gath-  
3           ering, obtaining, receiving, accessing, or otherwise  
4           acquiring covered data by any means, including by  
5           passively or actively observing the individual’s behav-  
6           ior.

7           (5) COMMON BRANDING.—The term “common  
8           branding” means a shared name, servicemark, or  
9           trademark.

10          (6) CONTROL.—The term “control” means,  
11          with respect to an entity—

12                (A) ownership of, or the power to vote,  
13                more than 50 percent of the outstanding shares  
14                of any class of voting security of the entity;

15                (B) control in any manner over the election  
16                of a majority of the directors of the entity (or  
17                of individuals exercising similar functions); or

18                (C) the power to exercise a controlling in-  
19                fluence over the management of the entity.

20          (7) COMMISSION.—The term “Commission”  
21          means the Federal Trade Commission.

22          (8) COVERED DATA.—

23                (A) IN GENERAL.—The term “covered  
24                data” means information that identifies, or is

1 linked or reasonably linkable to an individual or  
2 a consumer device, including derived data.

3 (B) EXCLUSIONS.—Such term does not in-  
4 clude—

5 (i) de-identified data;

6 (ii) employee data; and

7 (iii) public records.

8 (9) COVERED ENTITY.—

9 (A) IN GENERAL.—The term “covered en-  
10 tity” means any entity or person that—

11 (i) is subject to the Federal Trade  
12 Commission Act (15 U.S.C. 41 et seq.);

13 and

14 (ii) processes or transfers covered  
15 data.

16 (B) INCLUSION OF COMMONLY CON-  
17 TROLLED AND COMMONLY BRANDED ENTI-  
18 TIES.—Such term includes any entity or person  
19 that controls, is controlled by, is under common  
20 control with, or shares common branding with  
21 a covered entity.

22 (C) EXCLUSION OF SMALL BUSINESS.—  
23 Such term does not include a small business.

24 (10) DE-IDENTIFIED DATA.—Term “de-identi-  
25 fied data” means information that cannot reasonably

1 be used to infer information about, or otherwise be  
2 linked to, an individual, a household, or a device  
3 used by an individual or household, provided that  
4 the entity—

5 (A) takes reasonable measures to ensure  
6 that the information cannot be reidentified, or  
7 associated with, an individual, a household, or  
8 a device used by an individual or household;

9 (B) publicly commits in a conspicuous  
10 manner—

11 (i) to process and transfer the infor-  
12 mation in a de-identified form; and

13 (ii) not to attempt to reidentify or as-  
14 sociate the information with any individual,  
15 household, or device used by an individual  
16 or household; and

17 (C) contractually obligates any person or  
18 entity that receives the information from the  
19 covered entity to comply with all of the provi-  
20 sions of this paragraph.

21 (11) DERIVED DATA.—The term “derived data”  
22 means covered data that is created by the derivation  
23 of information, data, assumptions, or conclusions  
24 from facts, evidence, or another source of informa-

1       tion or data about an individual, household, or de-  
2       vice used by an individual or household.

3           (12) EMPLOYEE DATA.—The term “employee  
4       data” means—

5           (A) covered data that is collected by a cov-  
6       ered entity or the covered entity’s service pro-  
7       vider about an individual in the course of the  
8       individual’s employment or application for em-  
9       ployment (including on a contract or temporary  
10      basis) provided that such data is retained or  
11      processed by the covered entity or the covered  
12      entity’s service provider solely for purposes nec-  
13      essary for the individual’s employment or appli-  
14      cation for employment;

15          (B) covered data that is collected by a cov-  
16      ered entity or the covered entity’s service pro-  
17      vider that is emergency contact information for  
18      an individual who is an employee, contractor, or  
19      job applicant of the covered entity provided that  
20      such data is retained or processed by the cov-  
21      ered entity or the covered entity’s service pro-  
22      vider solely for the purpose of having an emer-  
23      gency contact for such individual on file; and

24          (C) covered data that is collected by a cov-  
25      ered entity or the covered entity’s service pro-



1           vider about an individual (or a relative of an in-  
2           dividual) who is an employee or former em-  
3           ployee of the covered entity for the purpose of  
4           administering benefits to which such individual  
5           or relative is entitled on the basis of the individ-  
6           ual’s employment with the covered entity, pro-  
7           vided that such data is retained or processed by  
8           the covered entity or the covered entity’s service  
9           provider solely for the purpose of administering  
10          such benefits.

11           (13) EXECUTIVE AGENCY.—The term “Execu-  
12          tive agency” has the meaning given such term in  
13          section 105 of title 5, United States Code.

14           (14) INDIVIDUAL.—The term “individual”  
15          means a natural person residing in the United  
16          States, however identified, including by any unique  
17          identifier.

18           (15) LARGE DATA HOLDER.—The term “large  
19          data holder” means a covered entity that, in the  
20          most recent calendar year—

21                   (A) processed or transferred the covered  
22                   data of more than 5,000,000 individuals, de-  
23                   vices used by individuals or households, or  
24                   households; or

1 (B) processed or transferred the sensitive  
2 covered data of more than 100,000 individuals,  
3 devices used by individuals or households, or  
4 households.

5 (16) PROCESS.—The term “process” means  
6 any operation or set of operations performed on cov-  
7 ered data including collection, analysis, organization,  
8 structuring, retaining, using, or otherwise handling  
9 covered data.

10 (17) PROCESSING PURPOSE.—The term “proc-  
11 essing purpose” means an adequately specific and  
12 granular reason for which a covered entity processes  
13 covered data that clearly describes the processing ac-  
14 tivity.

15 (18) PUBLICLY AVAILABLE INFORMATION.—

16 (A) IN GENERAL.—The term “publicly  
17 available information” means—

18 (i) information that a covered entity  
19 has a reasonable basis to believe is lawfully  
20 made available to the general public from  
21 widely distributed media; and

22 (ii) information that is directly and  
23 voluntarily disclosed to the general public  
24 by the individual to whom the information  
25 relates.

1 (B) LIMITATION.—Such term does not in-  
2 clude—

3 (i) information derived from publicly  
4 available information;

5 (ii) biometric information; or

6 (iii) nonpublicly available information  
7 that has been combined with publicly avail-  
8 able information.

9 (19) PUBLIC RECORDS.—The term “public  
10 records” means information that is lawfully made  
11 available from Federal, State, or local government  
12 records provided that the covered entity processes  
13 and transfers such information in accordance with  
14 any restrictions or terms of use placed on the infor-  
15 mation by the relevant government entity.

16 (20) SENSITIVE COVERED DATA.—The term  
17 “sensitive covered data” means the following forms  
18 of covered data:

19 (A) A government-issued identifier, such as  
20 a Social Security number, passport number, or  
21 driver’s license number.

22 (B) Any information that describes or re-  
23 veals the past, present, or future physical  
24 health, mental health, disability, or diagnosis of  
25 an individual.

1 (C) A financial account number, debit card  
2 number, credit card number, or any required  
3 security or access code, password, or credentials  
4 allowing access to any such account.

5 (D) Biometric information.

6 (E) Precise geolocation information that  
7 reveals the past or present actual physical loca-  
8 tion of an individual or device.

9 (F) The content or metadata of an individ-  
10 ual's private communications or the identity of  
11 the parties to such communications unless the  
12 covered entity is an intended recipient of the  
13 communication.

14 (G) An email address, telephone number,  
15 or account log-in credentials.

16 (H) Information revealing an individual's  
17 race, ethnicity, national origin, religion, or  
18 union membership in a manner inconsistent  
19 with the individual's reasonable expectation re-  
20 garding disclosure of such information.

21 (I) Information revealing the sexual ori-  
22 entation or sexual behavior of an individual in  
23 a manner inconsistent with the individual's rea-  
24 sonable expectation regarding disclosure of such  
25 information.

1           (J) Information revealing online activities  
2 over time and across third party websites or on-  
3 line services.

4           (K) Calendar information, address book in-  
5 formation, phone or text logs, photos, or videos  
6 maintained on an individual's device.

7           (L) A photograph, film, video recording, or  
8 other similar medium that shows the naked or  
9 undergarment-clad private area of an indi-  
10 vidual.

11           (M) Any other covered data processed or  
12 transferred for the purpose of identifying the  
13 above data types.

14           (N) Any other covered data that the Com-  
15 mission determines to be sensitive covered data  
16 through a rulemaking pursuant to section 553  
17 of title 5, United States Code.

18           (21) SERVICE PROVIDER.—

19           (A) IN GENERAL.—The term “service pro-  
20 vider” means a covered entity that processes or  
21 transfers covered data in the course of per-  
22 forming a service or function on behalf of, and  
23 at the direction of, another covered entity, but  
24 only to the extent that such processing or  
25 transferral—

1 (i) relates to the performance of such  
2 service or function; or

3 (ii) is necessary to comply with a legal  
4 obligation or to establish, exercise, or de-  
5 fend legal claims.

6 (B) EXCLUSION.—Such term does not in-  
7 clude a covered entity that processes or trans-  
8 fers the covered data outside of the direct rela-  
9 tionship between the service provider and the  
10 covered entity.

11 (22) SERVICE PROVIDER DATA.—The term  
12 “service provider data” means covered data that is  
13 collected by or has been transferred to a service pro-  
14 vider by a covered entity for the purpose of allowing  
15 the service provider to perform a service or function  
16 on behalf of, and at the direction of, such covered  
17 entity.

18 (23) SMALL BUSINESS.—

19 (A) IN GENERAL.—The term “small busi-  
20 ness” means an entity that can establish that,  
21 with respect to the 3 preceding calendar years  
22 (or for the period during which the entity has  
23 been in existence if, as of such date, such pe-  
24 riod is less than 3 years) the entity does not—

1 (i) maintain annual average gross revenue in excess of \$25,000,000;

2  
3 (ii) annually process the covered data of an average of 100,000 or more individuals, households, or devices used by individuals or households; and

4  
5  
6  
7 (iii) derive 50 percent or more of its annual revenue from transferring individuals' covered data.

8  
9  
10 (B) COMMON CONTROL; COMMON BRANDING.—For purposes of subparagraph (A), the annual average gross revenue, data processing volume, and percentage of annual revenue of an entity shall include the revenue and processing activities of any person that controls, is controlled by, is under common control with, or shares common branding with such entity.

11  
12  
13  
14  
15  
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17  
18 (24) THIRD PARTY.—The term “third party”—

19 (A) means any person or entity that—

20 (i) processes or transfers third party data; and

21  
22 (ii) is not a service provider with respect to such data; and

23  
24 (B) does not include a person or entity that collects covered data from another entity if

1           the two entities are related by common owner-  
2           ship or corporate control and share common  
3           branding.

4           (25) THIRD PARTY DATA.—The term “third  
5           party data” means covered data that is transferred  
6           to a third party by a covered entity.

7           (26) TRANSFER.—The term “transfer” means  
8           to disclose, release, share, disseminate, make avail-  
9           able, sell, license, or otherwise communicate covered  
10          data by any means to a service provider or third  
11          party—

12                   (A) in exchange for consideration; or

13                   (B) for a commercial purpose.

14          (27) UNIQUE IDENTIFIER.—The term “unique  
15          identifier” means an identifier that is reasonably  
16          linkable to an individual, household, or device used  
17          by an individual or household, including a device  
18          identifier, an Internet Protocol address, cookies, bea-  
19          cons, pixel tags, mobile ad identifiers, or similar  
20          technology, customer number, unique pseudonym, or  
21          user alias, telephone numbers, or other forms of per-  
22          sistent or probabilistic identifiers that can be used to  
23          identify a particular individual, a household, or a de-  
24          vice.



1           (28) WIDELY DISTRIBUTED MEDIA.—The term  
2           “widely distributed media” means information that  
3           is available to the general public, including informa-  
4           tion from a telephone book or online directory, a tel-  
5           evision, internet, or radio program, the news media,  
6           or an internet site that is available to the general  
7           public on an unrestricted basis, but does not include  
8           an obscene visual depiction as defined in section  
9           1460 of title 18, United States Code.

10 **SEC. 31504. EFFECTIVE DATE.**

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

13 **SEC. 31505. BUREAU OF PRIVACY.**

14           (a) ESTABLISHMENT.—The Chairman of the Com-  
15 mission shall establish a new administrative unit in the  
16 Commission to be known as the Bureau of Privacy, which  
17 shall—

18           (1) administer and enforce this part and other  
19 consumer privacy or data security laws or regula-  
20 tions within the Commission’s jurisdiction;

21           (2) educate consumers regarding their rights  
22 under this part;

23           (3) provide guidance to covered entities regard-  
24 ing their obligations under this part; and

1 (4) provide support and assistance to small  
2 businesses seeking to comply with this part.

3 (b) APPOINTMENTS.—

4 (1) DIRECTOR.—The Chairman of the Commis-  
5 sion shall appoint a Director of the Bureau of Pri-  
6 vacy.

7 (2) PERSONNEL.—

8 (A) IN GENERAL.—The Director of the  
9 Bureau of Privacy may, without regard to the  
10 civil service laws (including regulations), ap-  
11 point not less than 250 certified professionals  
12 for the purposes of implementing subsection  
13 (a).

14 (B) APPOINTMENT OF TECHNOLOGISTS.—  
15 In appointing certified professionals under sub-  
16 paragraph (A), the Director of the Bureau of  
17 Privacy shall appoint at least 25 certified tech-  
18 nologists.

19 (C) TECHNOLOGISTS DEFINED.—The term  
20 “technologists” means individuals, other than  
21 attorneys, with training and expertise regarding  
22 the state of the art in information technology,  
23 information security, network security, software  
24 development, computer science, and other re-  
25 lated fields and applications.

1 (c) OFFICE OF BUSINESS MENTORSHIP.—

2 (1) IN GENERAL.—

3 (A) The Director of the Bureau of Privacy  
4 shall establish within the Bureau an Office of  
5 Business Mentorship to provide guidance and  
6 consultation to covered entities regarding com-  
7 pliance with this part.

8 (B) Covered entities may petition the Com-  
9 mission through this office for tailored guidance  
10 as to how to comply with the requirements of  
11 this part.

12 (2) PERSONNEL.—The Director of the Bureau  
13 of Privacy shall assign not less than 25 employees  
14 of the Bureau of Privacy to staff the Office of Busi-  
15 ness Mentorship, of which 15 must be certified pro-  
16 fessionals.

17 (3) SMALL BUSINESS SUPPORT.—The Director  
18 of the Bureau of Privacy shall assign not less than  
19 5 employees of Office of Business Education to pro-  
20 vide additional support to covered entities with fewer  
21 than 50 employees.

22 (d) RULE OF CONSTRUCTION.—No provision of this  
23 section shall be construed to limit the authority of the  
24 Commission under any other provision of law.

# 1 **TITLE I—DATA PRIVACY RIGHTS**

## 2 **SEC. 101. DUTY OF LOYALTY.**

3 (a) IN GENERAL.—A covered entity shall not—

4 (1) engage in a deceptive data practice or a  
5 harmful data practice; or

6 (2) process or transfer covered data in a man-  
7 ner that violates any provision of this division.

8 (b) DEFINITIONS.—

9 (1) DECEPTIVE DATA PRACTICE.—The term  
10 “deceptive data practice” means an act or practice  
11 involving the processing or transfer of covered data  
12 in a manner that constitutes a deceptive act or prac-  
13 tice in violation of section 5(a)(1) of the Federal  
14 Trade Commission Act (15 U.S.C. 45(a)(1)).

15 (2) HARMFUL DATA PRACTICE.—The term  
16 “harmful data practice” means the processing or  
17 transfer of covered data in a manner that causes or  
18 is likely to cause any of the following:

19 (A) Financial, physical, or reputational in-  
20 jury to an individual.

21 (B) Physical or other offensive intrusion  
22 upon the solitude or seclusion of an individual  
23 or the individual’s private affairs or concerns,  
24 where such intrusion would be offensive to a  
25 reasonable person.

1 (C) Other substantial injury to an indi-  
2 vidual.

3 **SEC. 102. RIGHT TO ACCESS AND TRANSPARENCY.**

4 (a) **RIGHT TO ACCESS.**—A covered entity, upon the  
5 verified request of an individual, shall provide the indi-  
6 vidual, in a human-readable format that a reasonable indi-  
7 vidual can understand, with—

8 (1) a copy or accurate representation of the  
9 covered data of the individual processed or trans-  
10 ferred by the covered entity; and

11 (2) the name of any third party to whom cov-  
12 ered data of the individual has been transferred by  
13 the covered entity and a description of the purpose  
14 for which the entity transferred such data to such  
15 third party.

16 (b) **RIGHT TO TRANSPARENCY.**—A covered entity  
17 shall make publicly and persistently available, in a con-  
18 spicuous and readily accessible manner, a privacy policy  
19 that provides a detailed and accurate representation of the  
20 entity's data processing and data transfer activities. Such  
21 privacy policy shall include, at a minimum—

22 (1) the identity and the contact information of  
23 the covered entity, including the contact information  
24 for the covered entity's representative for privacy  
25 and data security inquiries;

1           (2) each category of data the covered entity col-  
2           lects and the processing purposes for which such  
3           data is collected;

4           (3) whether the covered entity transfers covered  
5           data and, if so—

6                 (A) each category of service provider and  
7                 third party to which the covered entity transfers  
8                 covered data and the purposes for which such  
9                 data is transferred to such categories; and

10                (B) the identity of each third party to  
11                which the covered entity transfers covered data  
12                and the purposes for which such data is trans-  
13                ferred to such third party, except for transfers  
14                to governmental entities pursuant to a court  
15                order or law that prohibits the covered entity  
16                from disclosing such transfer;

17           (4) how long covered data processed by the cov-  
18           ered entity will be retained by the covered entity and  
19           a description of the covered entity's data minimiza-  
20           tion policies;

21           (5) how individuals can exercise the individual  
22           rights described in this title;

23           (6) a description of the covered entity's data se-  
24           curity policies; and

25           (7) the effective date of the privacy policy.

1 (c) LANGUAGES.—A covered entity shall make the  
2 privacy policy required under this section available to the  
3 public in all of the languages in which the covered entity  
4 provides a product or service or carries out any other ac-  
5 tivities to which the privacy policy relates.

6 (d) RIGHT TO CONSENT TO MATERIAL CHANGES.—  
7 A covered entity shall not make a material change to its  
8 privacy policy or practices with respect to previously col-  
9 lected covered data that would weaken the privacy protec-  
10 tions applicable to such data without first obtaining prior  
11 affirmative express consent from the individuals affected.  
12 The covered entity shall provide direct notification, where  
13 possible, regarding material changes to affected individ-  
14 uals, taking into account available technology and the na-  
15 ture of the relationship.

16 **SEC. 103. RIGHT TO DELETE.**

17 A covered entity, upon the verified request of an indi-  
18 vidual, shall—

19 (1) delete, or allow the individual to delete, any  
20 information in the covered data of the individual  
21 that is processed by the covered entity; and

22 (2) inform any service provider or third party  
23 to which the covered entity transferred such data of  
24 the individual's deletion request.

1 **SEC. 104. RIGHT TO CORRECT INACCURACIES.**

2 A covered entity, upon the verified request of an indi-  
3 vidual, shall—

4 (1) correct, or allow the individual to correct,  
5 inaccurate or incomplete information in the covered  
6 data of the individual that is processed by the cov-  
7 ered entity; and

8 (2) inform any service provider or third party  
9 to which the covered entity transferred such data of  
10 the corrected information.

11 **SEC. 105. RIGHT TO CONTROLS.**

12 (a) **RIGHT TO DATA PORTABILITY.**—A covered enti-  
13 ty, upon the verified request of an individual, shall export  
14 the individual’s covered data, except for derived data,  
15 without licensing restrictions—

16 (1) in a human-readable format that allows the  
17 individual to understand such covered data of the in-  
18 dividual; and

19 (2) in a structured, interoperable, and machine-  
20 readable format that includes all covered data or  
21 other information that the covered entity collected to  
22 the extent feasible.

23 (b) **RIGHT TO OPT OUT OF TRANSFERS.**—

24 (1) **IN GENERAL.**—A covered entity—



1 (A) shall not transfer an individual's cov-  
2 ered data to a third party if the individual ob-  
3 jects to the transfer; and

4 (B) shall allow an individual to object to  
5 the covered entity transferring covered data of  
6 the individual to a third party through a proc-  
7 ess established under the rule issued by the  
8 Commission pursuant to paragraph (2).

9 (2) RULEMAKING.—

10 (A) IN GENERAL.—Not later than 18  
11 months after the date of enactment of this Act,  
12 the Commission shall issue a rule under section  
13 553 of title 5, United States Code, establishing  
14 one or more acceptable processes for covered  
15 entities to follow in allowing individuals to opt  
16 out of transfers of covered data.

17 (B) REQUIREMENTS.—The processes es-  
18 tablished by the Commission pursuant to this  
19 subparagraph shall—

20 (i) be centralized, to the extent fea-  
21 sible, to minimize the number of opt-out  
22 designations of a similar type that a con-  
23 sumer must make;

24 (ii) include clear and conspicuous opt-  
25 out notices and consumer friendly mecha-

1 nisms to allow an individual to opt out of  
2 transfers of covered data;

3 (iii) allow an individual that objects to  
4 a transfer of covered data to view the sta-  
5 tus of such objection;

6 (iv) allow an individual that objects to  
7 a transfer of covered data to change the  
8 status of such objection;

9 (v) be privacy protective; and

10 (vi) be informed by the Commission's  
11 experience developing and implementing  
12 the National Do Not Call Registry.

13 (c) SENSITIVE DATA.—A covered entity—

14 (1) shall not process the sensitive covered data  
15 of an individual without the individual's prior, af-  
16 firmative express consent;

17 (2) shall not transfer the sensitive covered data  
18 of an individual without the individual's prior, af-  
19 firmative express consent;

20 (3) shall provide an individual with a consumer-  
21 friendly means to withdraw affirmative express con-  
22 sent to process the sensitive covered data of the indi-  
23 vidual; and

1           (4) is not required to obtain prior, affirmative  
2           express consent to process or transfer publicly avail-  
3           able information.

4 **SEC. 106. RIGHT TO DATA MINIMIZATION.**

5           A covered entity shall not process or transfer covered  
6 data beyond what is reasonably necessary, proportionate,  
7 and limited—

8           (1) to carry out the specific processing purposes  
9           and transfers described in the privacy policy made  
10          available by the covered entity as required under sec-  
11          tion 102;

12          (2) to carry out a specific processing purpose or  
13          transfer for which the covered entity has obtained  
14          affirmative express consent; or

15          (3) for a purpose specifically permitted under  
16          subsection (d) of section 110.

17 Covered data processing and transfers consistent with this  
18 section shall not supersede any other provision of this divi-  
19 sion.

20 **SEC. 107. RIGHT TO DATA SECURITY.**

21          (a) IN GENERAL.—A covered entity shall establish,  
22 implement, and maintain reasonable data security prac-  
23 tices to protect the confidentiality, integrity, and accessi-  
24 bility of covered data. Such data security practices shall

1 be appropriate to the volume and nature of the covered  
2 data at issue.

3 (b) SPECIFIC REQUIREMENTS.—Data security prac-  
4 tices required under subsection (a) shall include, at a min-  
5 imum, the following:

6 (1) ASSESS VULNERABILITIES.—Identifying  
7 and assessing any reasonably foreseeable risks to,  
8 and vulnerabilities in, each system maintained by  
9 the covered entity that processes or transfers cov-  
10 ered data, including unauthorized access to or risks  
11 to covered data, human vulnerabilities, access rights,  
12 and use of service providers. Such activities shall in-  
13 clude a plan to receive and respond to unsolicited re-  
14 ports of vulnerabilities by entities and individuals.

15 (2) PREVENTIVE AND CORRECTION ACTION.—  
16 Taking preventive and corrective action to mitigate  
17 any risks or vulnerabilities to covered data identified  
18 by the covered entity, which may include imple-  
19 menting administrative, technical, or physical safe-  
20 guards or changes to data security practices or the  
21 architecture, installation, or implementation of net-  
22 work or operating software.

23 (3) INFORMATION RETENTION AND DIS-  
24 POSAL.—Disposing covered data that is required to  
25 be deleted or is no longer necessary for the purpose

1 for which the data was collected unless an individual  
2 has provided affirmative express consent to such re-  
3 tention. Such process shall include destroying, per-  
4 manently erasing, or otherwise modifying the cov-  
5 ered data to make such data permanently  
6 unreadable or indecipherable and unrecoverable and  
7 data hygiene practices to ensure ongoing compliance  
8 with this subsection.

9 (4) TRAINING.—Training all employees with ac-  
10 cess to covered data on how to safeguard covered  
11 data and protect individual privacy and updating  
12 that training as necessary.

13 (c) TRAINING GUIDELINES.—Not later than 1 year  
14 after the date of enactment of this Act, the Commission,  
15 in conjunction with the National Institute of Standards  
16 and Technology, shall publish guidance for covered entities  
17 on how to provide effective data security and privacy train-  
18 ing as described in subsection (b)(4).

19 **SEC. 108. CIVIL RIGHTS.**

20 (a) PROTECTIONS.—

21 (1) IN GENERAL.—A covered entity shall not  
22 process or transfer covered data on the basis of an  
23 individual's or class of individuals' actual or per-  
24 ceived race, color, ethnicity, religion, national origin,  
25 sex, gender, gender identity, sexual orientation, fa-

1       mial status, biometric information, lawful source of  
2       income, or disability—

3               (A) for the purpose of advertising, mar-  
4       keting, soliciting, offering, selling, leasing, li-  
5       censing, renting, or otherwise commercially con-  
6       tracting for a housing, employment, credit, or  
7       education opportunity, in a manner that unlaw-  
8       fully discriminates against or otherwise makes  
9       the opportunity unavailable to the individual or  
10      class of individuals; or

11              (B) in a manner that unlawfully seg-  
12      regates, discriminates against, or otherwise  
13      makes unavailable to the individual or class of  
14      individuals the goods, services, facilities, privi-  
15      leges, advantages, or accommodations of any  
16      place of public accommodation.

17              (2) EXCEPTION.—Nothing in this section shall  
18      limit a covered entity from processing covered data  
19      for legitimate internal testing for the purpose of pre-  
20      venting unlawful discrimination or otherwise deter-  
21      mining the extent or effectiveness of the covered en-  
22      tity’s compliance with this division.

23              (3) FTC ADVISORY OPINIONS.—A covered enti-  
24      ty may request advice from the Commission con-  
25      cerning the covered entity’s potential compliance

1 with this subsection, in accordance with the Com-  
2 mission's rules of practice on advisory opinions.

3 (b) ALGORITHMIC DECISION-MAKING IMPACT AS-  
4 SESSMENT.—

5 (1) IMPACT ASSESSMENT.—Notwithstanding  
6 any other provision of law, a covered entity engaged  
7 in algorithmic decision-making, or in assisting others  
8 in algorithmic decision-making for the purpose of  
9 processing or transferring covered data, solely or in  
10 part to make or facilitate advertising for housing,  
11 education, employment or credit opportunities, or an  
12 eligibility determination for housing, education, em-  
13 ployment or credit opportunities or determining ac-  
14 cess to, or restrictions on the use of, any place of  
15 public accommodation, must annually conduct an  
16 impact assessment of such algorithmic decision-mak-  
17 ing that—

18 (A) describes and evaluates the develop-  
19 ment of the covered entity's algorithmic deci-  
20 sion-making processes including the design and  
21 training data used to develop the algorithmic  
22 decision-making process, how the algorithmic  
23 decision-making process was tested for accu-  
24 racy, fairness, bias and discrimination; and

1 (B) assesses whether the algorithmic deci-  
2 sion-making system produces discriminatory re-  
3 sults on the basis of an individual's or class of  
4 individuals' actual or perceived race, color, eth-  
5 nicity, religion, national origin, sex, gender,  
6 gender identity, sexual orientation, familial sta-  
7 tus, biometric information, lawful source of in-  
8 come, or disability.

9 (2) EXTERNAL, INDEPENDENT AUDITOR OR RE-  
10 SEARCHER.—A covered entity may utilize an exter-  
11 nal, independent auditor or researcher to conduct  
12 such assessments.

13 (3) AVAILABILITY.—The covered entity—

14 (A) shall make the impact assessment  
15 available to the Commission upon request; and

16 (B) may make the impact assessment pub-  
17 lic.

18 A covered entity may redact and segregate trade se-  
19 crets as defined by section 1839 of title 18, United  
20 States Code, from public disclosure under this sub-  
21 section.

22 (4) STUDY.—Not later than 3 years after the  
23 date of enactment of this Act, the Commission shall  
24 publish a report containing the results of a study,  
25 using the Commission's authority under section 6(b)



1 of the Federal Trade Commission Act (15 U.S.C.  
2 46(b)), examining the use of algorithms for the pur-  
3 poses described in this subsection. Not later than 3  
4 years after the publication of the initial report, and  
5 as necessary thereafter, the Commission shall pub-  
6 lish a new and updated version of such report.

7 **SEC. 109. PROHIBITION ON WAIVER OF RIGHTS.**

8 A covered entity shall not condition the provision of  
9 a service or product to an individual on the individual's  
10 agreement to waive privacy rights guaranteed by—

11 (1) sections 101, 105(a), and 106 through 109  
12 of this division; and

13 (2) sections 102 through 104, and 105(b) and  
14 (c) of this division, except in the case where—

15 (A) there exists a direct relationship be-  
16 tween the individual and the covered entity ini-  
17 tiated by the individual;

18 (B) the provision of the service or product  
19 requested by the individual requires the proc-  
20 essing or transferring of the specific covered  
21 data of the individual and the covered data is  
22 strictly necessary to provide the service or prod-  
23 uct; and

24 (C) an individual provides affirmative ex-  
25 press consent to such specific limitations.

1 **SEC. 110. LIMITATIONS AND APPLICABILITY.**

2 (a) VERIFICATION OF REQUESTS.—

3 (1) IN GENERAL.—A covered entity shall not  
4 permit an individual to exercise a right described in  
5 sections 102 through 105(a) if—

6 (A) the covered entity cannot reasonably  
7 verify that the individual making the request to  
8 exercise the right is the individual whose cov-  
9 ered data is the subject of the request or an in-  
10 dividual authorized to make such a request on  
11 the individual's behalf; or

12 (B) the covered entity reasonably believes  
13 that the request is made to interfere with a  
14 contract between the covered entity and another  
15 individual.

16 (2) ADDITIONAL INFORMATION.—If a covered  
17 entity cannot reasonably verify that a request to ex-  
18 ercise a right described in sections 102 through  
19 105(a) is made by the individual whose covered data  
20 is the subject of the request (or an individual au-  
21 thorized to make such a request on the individual's  
22 behalf), the covered entity shall request the provision  
23 of additional information necessary for the sole pur-  
24 pose of verifying the identity of the individual and  
25 shall not process or transfer such additional infor-  
26 mation for any other purpose.

1           (3) BURDEN MINIMIZATION.—A covered entity  
2           shall minimize the inconvenience to consumers relat-  
3           ing to the verification or authentication of requests.

4           (b) COST OF ACCESS.—A covered entity shall carry  
5           out the rights described in sections 102 through 105(a)  
6           free of charge.

7           (c) EXCEPTIONS TO SECTIONS 102 THROUGH  
8           105(b).—A covered entity may decline to comply with an  
9           individual’s request to exercise a right described in sec-  
10          tions 102 through 105(b) if—

11           (1) complying with the request would be demon-  
12           strably impossible (for purposes of this paragraph,  
13           the receipt of a large number of verified requests, on  
14           its own, shall not be considered to render compliance  
15           with a request demonstrably impossible);

16           (2) complying with the request would prevent  
17           the covered entity from carrying out internal audits,  
18           performing accounting functions, processing refunds,  
19           or fulfilling warranty claims, provided that the cov-  
20           ered data that is the subject of the request is not  
21           processed or transferred for any purpose other than  
22           such specific activities;

23           (3) the request is made to correct or delete pub-  
24           licly available information, and then only to the ex-  
25           tent the data is publicly available information;

1           (4) complying with the request would impair  
2 the publication of newsworthy information of legiti-  
3 mate public concern to the public by a covered enti-  
4 ty, or the processing or transfer of information by  
5 a covered entity for such purpose;

6           (5) complying with the request would impair  
7 the privacy of another individual or the rights of an-  
8 other to exercise free speech; or

9           (6) the covered entity processes or will process  
10 the data subject to the request for a specific purpose  
11 described in subsection (d) of this section, and com-  
12 plying with the request would prevent the covered  
13 entity from using such data for such specific pur-  
14 pose.

15       (d) EXCEPTIONS TO AFFIRMATIVE EXPRESS CON-  
16 SENT.—

17           (1) IN GENERAL.—A covered entity may proc-  
18 ess or transfer covered data without the individual’s  
19 affirmative express consent for any of the following  
20 purposes, provided that the processing or transfer is  
21 reasonably necessary, proportionate, and limited to  
22 such purpose:

23                   (A) To complete a transaction or fulfill an  
24 order or service specifically requested by an in-

1 individual, such as billing, shipping, or account-  
2 ing.

3 (B) To perform system maintenance,  
4 debug systems, or repair errors to ensure the  
5 functionality of a product or service provided by  
6 the covered entity.

7 (C) To detect or respond to a security inci-  
8 dent, provide a secure environment, or maintain  
9 the safety of a product or service.

10 (D) To protect against malicious, decep-  
11 tive, fraudulent, or illegal activity.

12 (E) To comply with a legal obligation or  
13 the establishment, exercise, or defense of legal  
14 claims.

15 (F) To prevent an individual from suf-  
16 fering harm where the covered entity believes in  
17 good faith that the individual is in danger of  
18 suffering death or serious physical injury.

19 (G) To effectuate a product recall pursu-  
20 ant to Federal or State law.

21 (H) To conduct scientific, historical, or  
22 statistical research in the public interest that  
23 adheres to all other applicable ethics and pri-  
24 vacy laws and is approved, monitored, and gov-  
25 erned by an institutional review board or a

1 similar oversight entity that meets standards  
2 promulgated by the Commission pursuant to  
3 section 553 of title 5, United States Code.

4 (2) BIOMETRIC INFORMATION.—Not later than  
5 1 year after the date of enactment of this Act, the  
6 Commission shall promulgate regulations pursuant  
7 to section 553 of title 5, United States Code, identi-  
8 fying privacy protective requirements for the proc-  
9 essing of biometric information for a purpose de-  
10 scribed in subparagraph (C) or (D) of paragraph  
11 (1). Such regulations shall include—

12 (A) strict data processing limitations, in-  
13 cluding a prohibition on the processing of bio-  
14 metric information unless the covered entity has  
15 a reasonable suspicion, after a specific criminal  
16 incident involving the covered entity, that the  
17 individual may engage in criminal activity;

18 (B) strict data transfer limitations, includ-  
19 ing a prohibition on the transfer of biometric  
20 information to a third party other than to com-  
21 ply with a legal obligation or to establish, exer-  
22 cise, or defend a legal claim; and

23 (C) strict transparency obligations, includ-  
24 ing requiring disclosures in a conspicuous and

1           readily accessible manner regarding specific  
2           data processing and transfer activities.

3           (e) JOURNALISM EXCEPTION.—Nothing in this title  
4 shall apply to the publication of newsworthy information  
5 of legitimate public concern to the public by a covered en-  
6 tity, or to the processing or transfer of information by a  
7 covered entity for that purpose.

8           (f) APPLICABILITY OF OTHER DATA PRIVACY RE-  
9 QUIREMENTS.—A covered entity that is required to com-  
10 ply with title V of the Gramm-Leach-Bliley Act (15 U.S.C.  
11 6801 et seq.), the Health Information Technology for Eco-  
12 nomic and Clinical Health Act (42 U.S.C. 17931 et seq.),  
13 part C of title XI of the Social Security Act (42 U.S.C.  
14 1320d et seq.), the Fair Credit Reporting Act (15 U.S.C.  
15 1681 et seq.), the Family Educational Rights and Privacy  
16 Act (20 U.S.C. 1232g; part 99 of title 34, Code of Federal  
17 Regulations), or the regulations promulgated pursuant to  
18 section 264(c) of the Health Insurance Portability and Ac-  
19 countability Act of 1996 (42 U.S.C. 1320d–2 note), and  
20 is in compliance with the data privacy requirements of  
21 such regulations, part, title, or Act (as applicable), shall  
22 be deemed to be in compliance with the related require-  
23 ments of this title, except for section 107, with respect  
24 to data subject to the requirements of such regulations,  
25 part, title, or Act. Not later than 1 year after the date

1 of enactment of this Act, the Commission shall issue guid-  
2 ance describing the implementation of this subsection.

3 (g) APPLICABILITY OF OTHER DATA SECURITY RE-  
4 QUIREMENTS.—A covered entity that is required to com-  
5 ply with title V of the Gramm-Leach-Bliley Act (15 U.S.C.  
6 6801 et seq.), the Health Information Technology for Eco-  
7 nomic and Clinical Health Act (42 U.S.C. 17931 et seq.),  
8 part C of title XI of the Social Security Act (42 U.S.C.  
9 1320d et seq.), or the regulations promulgated pursuant  
10 to section 264(c) of the Health Insurance Portability and  
11 Accountability Act of 1996 (42 U.S.C. 1320d–2 note), and  
12 is in compliance with the information security require-  
13 ments of such regulations, part, title, or Act (as applica-  
14 ble), shall be deemed to be in compliance with the require-  
15 ments of section 107 with respect to data subject to the  
16 requirements of such regulations, part, title, or Act. Not  
17 later than 1 year after the date of enactment of this Act,  
18 the Commission shall issue guidance describing the imple-  
19 mentation of this subsection.

20 (h) IN GENERAL.—The Commission shall have au-  
21 thority under section 553 of title 5, United States Code,  
22 to promulgate regulations necessary to carry out the provi-  
23 sions of this title.



1           **TITLE II—OVERSIGHT AND**  
2                           **RESPONSIBILITY**

3 **SEC. 201. EXECUTIVE RESPONSIBILITY.**

4           (a) **IN GENERAL.**—Beginning 1 year after the date  
5 of enactment of this Act, the chief executive officer of a  
6 covered entity that is a large data holder (or, if the entity  
7 does not have a chief executive officer, the highest ranking  
8 officer of the entity) and each privacy officer and data se-  
9 curity officer of such entity shall annually certify to the  
10 Commission, in a manner specified by the Commission,  
11 that the entity maintains—

12                   (1) adequate internal controls to comply with  
13 this division; and

14                   (2) reporting structures to ensure that such  
15 certifying officers are involved in, and are respon-  
16 sible for, decisions that impact the entity's compli-  
17 ance with this division.

18           (b) **REQUIREMENTS.**—A certification submitted  
19 under subsection (a) shall be based on a review of the ef-  
20 fectiveness of a covered entity's internal controls and re-  
21 porting structures that is conducted by the certifying offi-  
22 cers no more than 90 days before the submission of the  
23 certification.

1 **SEC. 202. PRIVACY AND DATA SECURITY OFFICERS; COM-**  
2 **PREHENSIVE PRIVACY AND DATA SECURITY**  
3 **PROGRAMS; RISK ASSESSMENTS AND COM-**  
4 **PLIANCE.**

5 (a) PRIVACY AND DATA SECURITY OFFICER.—A cov-  
6 ered entity shall designate—

7 (1) 1 or more qualified employees as privacy of-  
8 ficers; and

9 (2) 1 or more qualified employees (in addition  
10 to any employee designated under paragraph (1)) as  
11 data security officers.

12 (b) COMPREHENSIVE PRIVACY AND DATA SECURITY  
13 PROGRAMS, RISK ASSESSMENTS, AND COMPLIANCE.—An  
14 employee who is designated by a covered entity as a pri-  
15 vacy officer or a data security officer shall be responsible  
16 for, at a minimum—

17 (1) implementing a comprehensive written data  
18 privacy program and data security program to safe-  
19 guard the privacy and security of covered data  
20 throughout the life cycle of development and oper-  
21 ational practices of the covered entity's products or  
22 services;

23 (2) annually conducting privacy and data secu-  
24 rity risk assessments, data hygiene, and other qual-  
25 ity control practices; and

1           (3) facilitating the covered entity's ongoing  
2           compliance with this division.

3 **SEC. 203. SERVICE PROVIDERS AND THIRD PARTIES.**

4           (a) SERVICE PROVIDERS.—A service provider—

5           (1) shall not process service provider data for  
6           any processing purpose other than one performed on  
7           behalf of, and at the direction of, the covered entity  
8           that transferred such data to the service provider,  
9           except that a service provider may process data to  
10          comply with a legal obligation or the establishment,  
11          exercise, or defense of legal claims;

12          (2) shall not transfer service provider data to a  
13          third party without the affirmative express consent,  
14          obtained by, or on behalf of, the covered entity, of  
15          the individual to whom the service provider data is  
16          linked or reasonably linkable;

17          (3) shall delete or de-identify service provider  
18          data after the agreed upon end of the provision of  
19          services;

20          (4) is exempt from the requirements of sections  
21          102(a), 103, 104, and 105(a) with respect to service  
22          provider data, but shall, to the extent practicable—

23                  (A) assist the covered entity from which it  
24                  received the service provider data in fulfilling

1 requests made by individuals under such sec-  
2 tions; and

3 (B) shall delete, de-identify, or correct (as  
4 applicable), any service provider data that is  
5 subject to a verified request from an individual  
6 described in section 103 or 104; and

7 (5) is exempt from the requirements of section  
8 106 with respect to service provider data, but shall  
9 have the same responsibilities and obligations as a  
10 covered entity with respect to such data under all  
11 other provisions of this division.

12 (b) THIRD PARTIES.—A third party—

13 (1) shall not process third party data for a pur-  
14 pose that is inconsistent with the expectations of a  
15 reasonable individual;

16 (2) may reasonably rely on representations  
17 made by the covered entity that transferred third  
18 party data regarding the expectation of a reasonable  
19 individual, provided the third party conducts reason-  
20 able due diligence on the representations of the cov-  
21 ered entity and finds those representations to be  
22 credible; and

23 (3) upon receipt of any third party data, is ex-  
24 empt from the requirements of section 105(c) with  
25 respect to such data, but shall have the same re-

1        responsibilities and obligations as a covered entity with  
2        respect to such data under all other provisions of  
3        this division.

4        (c) ADDITIONAL OBLIGATIONS ON COVERED ENTI-  
5        TIES.—

6            (1) IN GENERAL.—A covered entity shall—

7                    (A) exercise reasonable due diligence in se-  
8                    lecting a service provider and conduct reason-  
9                    able oversight of its service providers to ensure  
10                   compliance with the applicable requirements of  
11                   this section; and

12                   (B) exercise reasonable due diligence in de-  
13                   ciding to transfer covered data to a third party,  
14                   and conduct oversight of third parties to which  
15                   it transfers data to ensure compliance with the  
16                   applicable requirements of this subsection.

17            (2) GUIDANCE.—Not later than 1 year after  
18        the date of enactment of this Act, the Commission  
19        shall issue guidance for covered entities regarding  
20        compliance with this subsection.

21        (d) IN GENERAL.—The Commission shall have au-  
22        thority under section 553 of title 5, United States Code,  
23        to promulgate regulations necessary to carry out the provi-  
24        sions of this section.

1 **SEC. 204. WHISTLEBLOWER PROTECTIONS.**

2 (a) IN GENERAL.—A covered entity shall not, directly  
3 or indirectly, discharge, demote, suspend, threaten, har-  
4 ass, or in any other manner discriminate against a covered  
5 individual of the covered entity because—

6 (1) the covered individual, or anyone perceived  
7 as assisting the covered individual, takes (or the cov-  
8 ered entity suspects that the covered individual has  
9 taken or will take) a lawful action in providing to  
10 the Federal Government or the attorney general of  
11 a State information relating to any act or omission  
12 that the covered individual reasonably believes to be  
13 a violation of this division or any regulation promul-  
14 gated under this division;

15 (2) the covered individual provides information  
16 that the covered individual reasonably believes evi-  
17 dences such a violation to—

18 (A) a person with supervisory authority  
19 over the covered individual at the covered enti-  
20 ty; or

21 (B) another individual working for the cov-  
22 ered entity who the covered individual reason-  
23 ably believes has the authority to investigate,  
24 discover, or terminate the violation or to take  
25 any other action to address the violation;

1           (3) the covered individual testifies (or the cov-  
2           ered entity expects that the covered individual will  
3           testify) in an investigation or judicial or administra-  
4           tive proceeding concerning such a violation; or

5           (4) the covered individual assists or participates  
6           (or the covered entity expects that the covered indi-  
7           vidual will assist or participate) in such an investiga-  
8           tion or judicial or administrative proceeding, or the  
9           covered individual takes any other action to assist in  
10          carrying out the purposes of this division.

11          (b) ENFORCEMENT.—An individual who alleges dis-  
12          charge or other discrimination in violation of subsection  
13          (a) may bring an action governed by the rules, procedures,  
14          statute of limitations, and legal burdens of proof in section  
15          42121(b) of title 49, United States Code. If the individual  
16          has not received a decision within 180 days and there is  
17          no showing that such delay is due to the bad faith of the  
18          claimant, the individual may bring an action for a jury  
19          trial, governed by the burden of proof in section 42121(b)  
20          of title 49, United States Code, in the appropriate district  
21          court of the United States for the following relief:

22                  (1) Temporary relief while the case is pending.

23                  (2) Reinstatement with the same seniority sta-  
24          tus that the individual would have had, but for the  
25          discharge or discrimination.

1           (3) Three times the amount of back pay other-  
2           wise owed to the individual, with interest.

3           (4) Consequential and compensatory damages,  
4           and compensation for litigation costs, expert witness  
5           fees, and reasonable attorneys' fees.

6           (c) **WAIVER OF RIGHTS AND REMEDIES.**—The rights  
7           and remedies provided for in this section shall not be  
8           waived by any policy form or condition of employment, in-  
9           cluding by a predispute arbitration agreement.

10          (d) **PREDISPUTE ARBITRATION AGREEMENTS.**—No  
11          predispute arbitration agreement shall be valid or enforce-  
12          able if the agreement requires arbitration of a dispute  
13          arising under this section.

14          (e) **COVERED INDIVIDUAL DEFINED.**—In this sec-  
15          tion, the term “covered individual” means an applicant,  
16          current or former employee, contractor, subcontractor,  
17          grantee, or agent of an employer.

18          **SEC. 205. DIGITAL CONTENT FORGERIES.**

19          (a) **REPORTS.**—Not later than 1 year after the date  
20          of enactment of this Act, and annually thereafter, the Di-  
21          rector of the National Institute of Standards and Tech-  
22          nology shall publish a report regarding digital content for-  
23          geries.

24          (b) **REQUIREMENTS.**—Each report under subsection  
25          (a) shall include the following:



1           (1) A definition of digital content forgeries  
2           along with accompanying explanatory materials. The  
3           definition developed pursuant to this section shall  
4           not supersede any other provision of law or be con-  
5           strued to limit the authority of any executive agency  
6           related to digital content forgeries.

7           (2) A description of the common sources in the  
8           United States of digital content forgeries and com-  
9           mercial sources of digital content forgery tech-  
10          nologies.

11          (3) An assessment of the uses, applications, and  
12          harms of digital content forgeries.

13          (4) An analysis of the methods and standards  
14          available to identify digital content forgeries as well  
15          as a description of the commercial technological  
16          counter-measures that are, or could be, used to ad-  
17          dress concerns with digital content forgeries, which  
18          may include the provision of warnings to viewers of  
19          suspect content.

20          (5) A description of the types of digital content  
21          forgeries, including those used to commit fraud,  
22          cause harm or violate any provision of law.

23          (6) Any other information determined appro-  
24          priate by the Director.

1           **TITLE III—MISCELLANEOUS**

2   **SEC. 301. ENFORCEMENT, CIVIL PENALTIES, AND APPLICA-**  
3                   **BILITY.**

4           (a) ENFORCEMENT BY THE FEDERAL TRADE COM-  
5 MISSION.—

6           (1) NEW BUREAU.—

7                   (A) IN GENERAL.—The Commission shall  
8 establish a new Bureau within the Commission  
9 comparable in structure, size, organization, and  
10 authority to the existing Bureaus with the Com-  
11 mission related to consumer protection and  
12 competition.

13                   (B) MISSION.—The mission of the Bureau  
14 established under this paragraph shall be to as-  
15 sist the Commission in exercising the Commis-  
16 sion's authority under this division and under  
17 other Federal laws addressing privacy, data se-  
18 curity, and related issues.

19                   (C) TIMELINE.—Such Bureau shall be es-  
20 tablished, staffed, and fully operational within 2  
21 years of enactment of this Act.

22           (2) TREATMENT AS VIOLATION OF RULE.—A  
23 violation of this division or a regulation promulgated  
24 under this division shall be treated as a violation of  
25 a rule defining an unfair or deceptive act or practice

1 prescribed under section 18(a)(1)(B) of the Federal  
2 Trade Commission Act (15 U.S.C. 57a(a)(1)(B)).

3 (3) POWERS OF COMMISSION.—

4 (A) IN GENERAL.—Except as provided in  
5 subparagraph (C), the Commission shall enforce  
6 this division and the regulations promulgated  
7 under this division in the same manner, by the  
8 same means, and with the same jurisdiction,  
9 powers, and duties as though all applicable  
10 terms and provisions of the Federal Trade  
11 Commission Act (15 U.S.C. 41 et seq.) were in-  
12 corporated into and made a part of this divi-  
13 sion.

14 (B) PRIVILEGES AND IMMUNITIES.—Any  
15 person who violates this division or a regulation  
16 promulgated under this division shall be subject  
17 to the penalties and entitled to the privileges  
18 and immunities provided in the Federal Trade  
19 Commission Act (15 U.S.C. 41 et seq.).

20 (C) INDEPENDENT LITIGATION AUTHOR-  
21 ITY.—The Commission may commence, defend,  
22 or intervene in, and supervise the litigation of  
23 any civil action under this subsection (including  
24 an action to collect a civil penalty) and any ap-  
25 peal of such action in its own name by any of

1 its attorneys designated by it for such purpose.  
2 The Commission shall notify the Attorney Gen-  
3 eral of any such action and may consult with  
4 the Attorney General with respect to any such  
5 action or request the Attorney General on be-  
6 half of the Commission to commence, defend, or  
7 intervene in any such action.

8 (4) DATA PRIVACY AND SECURITY RELIEF  
9 FUND.—

10 (A) ESTABLISHMENT OF RELIEF FUND.—

11 There is established in the Treasury of the  
12 United States a separate fund to be known as  
13 the “Data Privacy and Security Relief Fund”  
14 (referred to in this paragraph as the “Relief  
15 Fund”).

16 (B) DEPOSITS.—

17 (i) DEPOSITS FROM THE COMMIS-  
18 SION.—The Commission shall deposit into  
19 the Relief Fund the amount of any civil  
20 penalty obtained against any covered entity  
21 in any judicial or administrative action the  
22 Commission commences to enforce this di-  
23 vision or a regulation promulgated under  
24 this division.

1 (ii) DEPOSITS FROM THE ATTORNEY  
2 GENERAL.—The Attorney General of the  
3 United States shall deposit into the Relief  
4 Fund the amount of any civil penalty ob-  
5 tained against any covered entity in any  
6 judicial or administrative action the Attor-  
7 ney General commences on behalf of the  
8 Commission to enforce this division or a  
9 regulation promulgated under this division.

10 (C) USE OF FUND AMOUNTS.—Notwith-  
11 standing section 3302 of title 31, United States  
12 Code, amounts in the Relief Fund shall be  
13 available to the Commission, without fiscal year  
14 limitation, to provide redress, payments or com-  
15 pensation, or other monetary relief to individ-  
16 uals affected by an act or practice for which  
17 civil penalties have been obtained under this di-  
18 vision. To the extent that individuals cannot be  
19 located or such redress, payments or compensa-  
20 tion, or other monetary relief are otherwise not  
21 practicable, the Commission may use such  
22 funds for the purpose of consumer or business  
23 education relating to data privacy and security  
24 or for the purpose of engaging in technological

1 research that the Commission considers nec-  
2 essary to enforce this division.

3 (D) AMOUNTS NOT SUBJECT TO APPOR-  
4 TIONMENT.—Notwithstanding any other provi-  
5 sion of law, amounts in the Relief Fund shall  
6 not be subject to apportionment for purposes of  
7 chapter 15 of title 31, United States Code, or  
8 under any other authority.

9 (b) ENFORCEMENT BY STATE ATTORNEYS GEN-  
10 ERAL.—

11 (1) CIVIL ACTION.—In any case in which the  
12 attorney general of a State or a consumer protection  
13 officer of a State has reason to believe that an inter-  
14 est of the residents of that State has been or is ad-  
15 versely affected by the engagement of any covered  
16 entity in an act or practice that violates this division  
17 or a regulation promulgated under this division, the  
18 attorney general of the State, or a consumer protec-  
19 tion officer of the State acting on behalf of the  
20 State, as *parens patriae*, may bring a civil action on  
21 behalf of the residents of the State in an appropriate  
22 district court of the United States to—

23 (A) enjoin that act or practice;

24 (B) enforce compliance with this division  
25 or the regulation;

1 (C) obtain damages, civil penalties, restitu-  
2 tion, or other compensation on behalf of the  
3 residents of the State; or

4 (D) obtain such other relief as the court  
5 may consider to be appropriate.

6 (2) NOTICE TO THE COMMISSION AND RIGHTS  
7 OF THE COMMISSION.—Except where not feasible,  
8 the State shall notify the Commission in writing  
9 prior to initiating a civil action under paragraph (1).  
10 Such notice shall include a copy of the complaint to  
11 be filed to initiate such action. If prior notice is not  
12 practicable, the State shall provide a copy of the  
13 complaint to the Commission immediately upon in-  
14 stituting the action. Upon receiving such notice, the  
15 Commission may intervene in such action and, upon  
16 intervening—

17 (A) be heard on all matters arising in such  
18 action; and

19 (B) file petitions for appeal of a decision in  
20 such action.

21 (3) PRESERVATION OF STATE POWERS.—No  
22 provision of this section shall be construed as alter-  
23 ing, limiting, or affecting the authority of a State at-  
24 torney general or a consumer protection officer of a  
25 State to—

1 (A) bring an action or other regulatory  
2 proceeding arising solely under the law in effect  
3 in that State; or

4 (B) exercise the powers conferred on the  
5 attorney general or on a consumer protection  
6 officer of a State by the laws of the State, in-  
7 cluding the ability to conduct investigations, to  
8 administer oaths or affirmations, or to compel  
9 the attendance of witnesses or the production of  
10 documentary or other evidence.

11 (4) VENUE; SERVICE OF PROCESS.—

12 (A) VENUE.—Any action brought under  
13 paragraph (1) may be brought in the district  
14 court of the United States that meets applicable  
15 requirements relating to venue under section  
16 1391 of title 28, United States Code.

17 (B) SERVICE OF PROCESS.—In an action  
18 brought under paragraph (1), process may be  
19 served in any district in which the defendant—

20 (i) is an inhabitant; or

21 (ii) may be found.

22 (c) ENFORCEMENT BY INDIVIDUALS.—

23 (1) IN GENERAL.—Any individual alleging a  
24 violation of this division or a regulation promulgated



1 under this division may bring a civil action in any  
2 court of competent jurisdiction, State or Federal.

3 (2) RELIEF.—In a civil action brought under  
4 paragraph (1) in which the plaintiff prevails, the  
5 court may award—

6 (A) an amount not less than \$100 and not  
7 greater than \$1,000 per violation per day or ac-  
8 tual damages, whichever is greater;

9 (B) punitive damages;

10 (C) reasonable attorney's fees and litiga-  
11 tion costs; and

12 (D) any other relief, including equitable or  
13 declaratory relief, that the court determines ap-  
14 propriate.

15 (3) INJURY IN FACT.—A violation of this divi-  
16 sion or a regulation promulgated under this division  
17 with respect to the covered data of an individual  
18 constitutes a concrete and particularized injury in  
19 fact to that individual.

20 (d) INVALIDITY OF PRE-DISPUTE ARBITRATION  
21 AGREEMENTS AND PRE-DISPUTE JOINT ACTION WAIV-  
22 ERS.—

23 (1) IN GENERAL.—Notwithstanding any other  
24 provision of law, no pre-dispute arbitration agree-  
25 ment or pre-dispute joint action waiver shall be valid

1 or enforceable with respect to a privacy or data secu-  
2 rity dispute arising under this division.

3 (2) APPLICABILITY.—Any determination as to  
4 whether or how this subsection applies to any pri-  
5 vacy or data security dispute shall be made by a  
6 court, rather than an arbitrator, without regard to  
7 whether such agreement purports to delegate such  
8 determination to an arbitrator.

9 (3) DEFINITIONS.—For purposes of this sub-  
10 section:

11 (A) The term “pre-dispute arbitration  
12 agreement” means any agreement to arbitrate a  
13 dispute that has not arisen at the time of the  
14 making of the agreement.

15 (B) The term “pre-dispute joint-action  
16 waiver” means an agreement, whether or not  
17 part of a pre-dispute arbitration agreement,  
18 that would prohibit, or waive the right of, one  
19 of the parties to the agreement to participate in  
20 a joint, class, or collective action in a judicial,  
21 arbitral, administrative, or other forum, con-  
22 cerning a dispute that has not yet arisen at the  
23 time of the making of the agreement.

24 (C) The term “privacy or data security dis-  
25 pute” means any claim relating to an alleged

1 violation of this division, or a regulation pro-  
2 mulgated under this division, and between an  
3 individual and a covered entity.

4 **SEC. 302. RELATIONSHIP TO FEDERAL AND STATE LAWS.**

5 (a) FEDERAL LAW PRESERVATION.—Nothing in this  
6 division or a regulation promulgated under this division  
7 shall be construed to limit—

8 (1) the authority of the Commission, or any  
9 other Executive agency, under any other provision of  
10 law; or

11 (2) any other provision of Federal law unless as  
12 specifically authorized by this division.

13 (b) STATE LAW PRESERVATION.—Nothing in this di-  
14 vision shall be construed to preempt, displace, or supplant  
15 the following State laws, rules, regulations, or require-  
16 ments:

17 (1) Consumer protection laws of general appli-  
18 cability such as laws regulating deceptive, unfair, or  
19 unconscionable practices.

20 (2) Civil rights laws.

21 (3) Laws that govern the privacy rights or  
22 other protections of employees, employee informa-  
23 tion, or students or student information.

24 (4) Laws that address notification requirements  
25 in the event of a data breach.

1           (5) Contract or tort law.

2           (6) Criminal laws governing fraud, theft, unau-  
3           thorized access to information or unauthorized use  
4           of information, malicious behavior, and similar pro-  
5           visions, and laws of criminal procedure.

6           (7) Laws specifying remedies or a cause of ac-  
7           tion to individuals.

8           (8) Public safety or sector specific laws unre-  
9           lated to privacy or security.

10          (c) PREEMPTION OF DIRECTLY CONFLICTING STATE  
11          LAWS.—Except as provided in subsections (b) and (d),  
12          this division shall supersede any State law to the extent  
13          such law directly conflicts with the provisions of this divi-  
14          sion, or a standard, rule, or regulation promulgated under  
15          this division, and then only to the extent of such direct  
16          conflict. Any State law, rule, or regulation shall not be  
17          considered in direct conflict if it affords a greater level  
18          of protection to individuals protected under this division.

19          (d) PRESERVATION OF COMMON LAW OR STATUTORY  
20          CAUSES OF ACTION FOR CIVIL RELIEF.—Nothing in this  
21          division, nor any amendment, standard, rule, requirement,  
22          assessment, law or regulation promulgated under this divi-  
23          sion, shall be construed to preempt, displace, or supplant  
24          any Federal or State common law rights or remedies, or  
25          any statute creating a remedy for civil relief, including any

1 cause of action for personal injury, wrongful death, prop-  
2 erty damage, or other financial, physical, reputational, or  
3 psychological injury based in negligence, strict liability,  
4 products liability, failure to warn, an objectively offensive  
5 intrusion into the private affairs or concerns of the indi-  
6 vidual, or any other legal theory of liability under any Fed-  
7 eral or State common law, or any State statutory law.

8 **SEC. 303. SEVERABILITY.**

9 If any provision of this division, or the application  
10 thereof to any person or circumstance, is held invalid, the  
11 remainder of this division and the application of such pro-  
12 vision to other persons not similarly situated or to other  
13 circumstances shall not be affected by the invalidation.

14 **SEC. 304. AUTHORIZATION OF APPROPRIATIONS.**

15 There are authorized to be appropriated to the Com-  
16 mission such sums as may be necessary to carry out this  
17 division.

