

Internet Application Integrity and Disclosure Act (or App ID Act)

Sens. Cortez Masto, Grassley, & Lujan

Summary of the Issue:

The *Internet Application I.D. Act* is an important step in the effort to protect American data from malicious foreign entities. Internet applications have always collected data regarding the content that users consume—it is the main way they refine their algorithms. With the rise of applications such as TikTok, though, consumers and politicians alike have begun to question what is being done with their data, where it is being stored, and—most importantly—who is accessing it. This legislation would prevent foreign adversary countries and their state-owned entities, from storing, exposing, and transferring the personal data of American citizens without greater transparency. Failure to properly disclose or presenting false information would result in civil fines from the Federal Trade Commission (FTC). Foreign adversary countries are defined in 10 U.S. Code § 4872 to include:

- the People’s Republic of China,
- the Islamic Republic of Iran,
- the Russian Federation,
- and the Democratic People’s Republic of North Korea.

A US-Australian cybersecurity firm published a report last summer detailing TikTok’s intrusive data practices, which the firm claimed allows the application to access device location, calendar, contacts, and other running applications.¹ Due to these privacy concerns, the U.K. parliament shut down its TikTok, and India banned the app altogether. TikTok is far from the only culprit of potential PRC data mining. According to Reuters, even the 2022 China Olympic Games health monitoring app contained severe security flaws, including a lack of disclosure regarding which organizations were allowed to access application data.²

The FBI shares these data privacy concerns. In November of 2022, FBI Director Christopher Wray attended a House Homeland Security Committee Hearing regarding worldwide threats. He cautioned that PRC law requires companies to “do whatever the government wants them to in terms of sharing information or serving as a tool of the Chinese government.”³

This legislation is the companion to two bipartisan House bills that have been marked up by the House Energy and Commerce Committee:

- H.R. 784, the “Internet Application Integrity and Disclosure Act” or the “Internet Application I.D. Act” (Reps. Fulcher (R-ID) and Pappas (D-NH) introduced on 02.02.2023).
- H.R. 742, the “Telling Everyone the Location of Data Leaving the U.S. Act” or the “TELL Act” (Reps. Duncan (R-SC), Kaptur (D-OH), and Perry (R-PA) introduced on 02.02.2023).

Bill summary:

1. Requires any person or entity that maintains a website or application that is owned wholly or partially by a foreign adversary country’s state-owned-entity, or by a non-state-owned entity located in a foreign adversary country, to disclose that fact to any individual who downloads or uses the website or application.
2. Requires any website or application that stores data in a foreign adversary country, to disclose that fact to any individual who downloads or uses the website or application.
3. Any violation of the Act would be treated as a violation of a rule defining an unfair or deceptive act or practice by Federal Trade Commission Act, and subject to FTC enforcement measures.

¹ TikTok’s ties to China: why concerns over your data are here to stay, <https://www.theguardian.com/technology/2022/nov/07/tiktoks-china-bytedance-data-concerns>

² China’s Games app has security flaws, researchers say, <https://www.reuters.com/lifestyle/sports/chinas-mandatory-games-app-has-security-flaws-researchers-say-2022-01-18/>

³ The FBI alleges TikTok poses national security concerns, <https://www.npr.org/2022/11/17/1137155540/fbi-tiktok-national-security-concerns-china>