

**H.R. 750, CAUTION Act of 2023**

As ordered reported by the House Committee on Energy and Commerce on March 9, 2023

| By Fiscal Year, Millions of Dollars  | 2023 | 2023-2028                                 | 2023-2033            |
|--|------|---|----------------------|
| Direct Spending (Outlays)  | 0    | 0   | 0                    |
| Revenues   | 0    | *   | *                    |
| Increase or Decrease (-) in the Deficit  | 0    | *   | *                    |
| Spending Subject to Appropriation (Outlays)  | *    | 3   | not estimated        |
| Increases <i>net direct spending</i> in any of the four consecutive 10-year periods beginning in 2034? | No   | Statutory pay-as-you-go procedures apply? | Yes                  |
| Increases <i>on-budget deficits</i> in any of the four consecutive 10-year periods beginning in 2034?  | No   | <b>Mandate Effects</b>                    |                      |
|  |      | Contains intergovernmental mandate?       | No                   |
|  |      | Contains private-sector mandate?          | Yes, Under Threshold |
| * = between -\$500,000 and \$500,000.  |      |   |                      |

H.R. 750 would require entities that sell or distribute the application TikTok, or any successor application or service distributed by ByteDance Limited, to disclose to consumers that current law prohibits its use on government-owned devices. The bill would direct the Federal Trade Commission (FTC) to enforce that requirement.

Based on information from the FTC, CBO expects the commission would need one employee in 2023 and 2024, at an average annual cost of \$225,000, to issue guidance to clarify the content of the disclosures and which entities would need to make the disclosures. In each year after 2024, CBO estimates that the agency would need three employees to enforce potential violations. On that basis and accounting for anticipated inflation, CBO estimates that implementing H.R. 750 would cost \$3 million over the 2023-2028 period; any spending would be subject to the availability of appropriated funds.

The bill would authorize the FTC to collect civil monetary penalties, which are recorded as revenues, from businesses found in violation of the act, along with pursuing other remedies. The extent to which businesses would violate the new rules is uncertain. Furthermore, if a business does violate the new rules and the FTC chooses to proceed with an enforcement action, the extent to which the agency pursues civil penalties instead of other remedies is also uncertain, as is the length of time it would take to resolve a case. On that basis, CBO

See also

[CBO's Cost Estimates Explained](#), [CBO Describes Its Cost-Estimating Process](#), [Glossary](#)



estimates that any additional revenues collected over the next decade would not be significant.

By requiring entities that sell or distribute TikTok, or any successor application or service developed by ByteDance Limited, to disclose to consumers that such applications are prohibited on government-owned devices, the bill would impose a private-sector mandate as defined by the Unfunded Mandates Reform Act (UMRA). Because the mandated entities could use an established disclosure process to comply with the bill's requirements, the cost of the mandate would be small and would not exceed the threshold established in UMRA (\$198 million in 2023, adjusted annually for inflation).

H.R. 750 contains no intergovernmental mandates as defined in UMRA.

The CBO staff contacts for this estimate are David Hughes (for federal costs) and Rachel Austin (for mandates). The estimate was reviewed by H. Samuel Papenfuss, Deputy Director of Budget Analysis.

A handwritten signature in black ink, appearing to read "Phillip L. Swagel".

Phillip L. Swagel  
Director, Congressional Budget Office