Congressional Budget Office
Cost Estimate

March 19, 2024

H.R. 7520, Protecting Americans' Data from Foreign Adversaries Act of 2024

As reported by the House Committee on Energy and Commerce on March 11, 2024

By Fiscal Year, Millions of Dollars	2024	2024-2029	2024-2034
Direct Spending (Outlays)	0	0	0
Revenues	0	*	*
Increase or Decrease (-) in the Deficit	0	*	*
Spending Subject to Appropriation (Outlays)	*	4	not estimated

Increases *net direct spending* in any of the four consecutive 10-year periods beginning in 2035?	No	Statutory pay-as-you-go procedures apply?	Yes
		Mandate Effects	
Increases *on-budget deficits* in any of the four consecutive 10-year periods beginning in 2035?	No	Contains intergovernmental mandate?	No
		Contains private-sector mandate?	Yes, Over Threshold

* = between -$500,000 and $500,000.

H.R. 7520 would prohibit data brokers from selling, licensing, transferring, releasing, or disclosing personally identifiable information (PII) to foreign adversaries or any entity that is controlled by a foreign adversary. As defined in the bill, PII includes government-issued identifiers (such as a social security number), financial account numbers, genetic information, precise geolocation information, or private communications (such as emails). The Federal Trade Commission (FTC) would be responsible for enforcing the bill.

Based on the costs of similar activities, CBO estimates that implementing H.R. 7520 would cost $4 million over the 2024-2029 period; any spending would be subject to the availability of appropriated funds. CBO expects that the FTC would need one employee in 2024, at an average annual cost of $225,000, to issue guidance and regulations. Beginning in 2025, CBO estimates that the FTC would need three employees to enforce potential violations.

In addition, H.R. 7520 would authorize the FTC to collect civil monetary penalties for violations of the bill's requirements. Civil monetary penalties are generally remitted to the Treasury and recorded in the budget as revenues. However, the extent to which businesses would violate the bill's requirements after they go into effect is uncertain. Furthermore, if a business does violate those requirements and the FTC chooses to proceed with an enforcement action, the extent to which the agency would pursue civil penalties rather than other remedies is also uncertain, as is the amount of time it would take to resolve each case. As a result, CBO estimates that any additional revenues collected under the bill would be insignificant over the 2024-2034 period.

H.R. 7520 would impose a private-sector mandate on data brokers by prohibiting them from selling, licensing, transferring, releasing, or disclosing PII to any entity that is controlled by a foreign adversary. The cost of the mandate would be the loss of income from those data sales. Because information on the buyers and size of such sales is proprietary, there is considerable uncertainty about the value of the data sales that would be prohibited under the bill. Given that the data market affected by the bill is valued in the hundreds of billions of dollars, CBO estimates that the aggregate cost of the mandate would exceed the threshold established in the Unfunded Mandates Reform Act (UMRA) for the private sector ($200 million in 2024).

The bill contains no intergovernmental mandates as defined in UMRA.

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

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