Congressional Budget Office
Cost Estimate

March 25, 2024

H.R. 784, Internet Application I.D. Act

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

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, Under Threshold

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

H.R. 784 would require entities that own, provide, or control websites or mobile applications that are owned by the Chinese Communist Party or located in China to disclose that information to U.S. users. The bill would direct the Federal Trade Commission (FTC) to enforce that requirement.

Using information from the FTC, CBO estimates that implementing H.R. 784 would cost $4 million over the 2024-2029 period; any spending would be subject to the availability of appropriated funds. CBO expects that one employee, at an average annual cost of $225,000, would be needed in 2024 to issue guidance to clarify both the content of the disclosures and which entities would need to make the disclosures. CBO estimates that the FTC would need three employees after 2024 to enforce potential violations.

H.R. 784 also would authorize the FTC to collect civil monetary penalties from businesses found in violation of the bill, along with pursuing other remedies. Civil monetary penalties are generally remitted to the Treasury and recorded in the budget as revenues. However, the extent to which those businesses would violate the new rules after they go into effect 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 would pursue civil penalties rather than other remedies is also uncertain, as is the amount of time it would take

See also
CBO's Cost Estimates Explained, *CBO Describes Its Cost-Estimating Process*, *Glossary*

to resolve a case. As a result, CBO estimates that any additional revenues collected under the bill would be insignificant over the 2024-2034 period.

The bill would impose a private-sector mandate as defined by the Unfunded Mandates Reform Act (UMRA) by requiring entities that own, provide, or control websites or mobile applications owned wholly or partially by a Chinese entity to disclose that fact to consumers.

Because those mobile applications and website owners could use an established disclosure procedure to comply with the bill's requirements, CBO estimates that the cost of the mandate would be small and would not exceed the threshold established in UMRA ($200 million in 2024, adjusted annually for inflation).

The bill 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.

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