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1ST SESSION

# S. 1989

To enhance transparency and accountability for online political advertisements by requiring those who purchase and publish such ads to disclose information about the advertisements to the public, and for other purposes.

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## IN THE SENATE OF THE UNITED STATES

OCTOBER 19, 2017

Ms. KLOBUCHAR (for herself, Mr. WARNER, and Mr. MCCAIN) introduced the following bill; which was read twice and referred to the Committee on Rules and Administration

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## A BILL

To enhance transparency and accountability for online political advertisements by requiring those who purchase and publish such ads to disclose information about the advertisements to the public, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Honest Ads Act”.

5 **SEC. 2. PURPOSE.**

6 The purpose of this Act is to enhance the integrity  
7 of American democracy and national security by improving  
8 disclosure requirements for online political advertisements

1 in order to uphold the United States Supreme Court’s  
2 well-established standard that the electorate bears the  
3 right to be fully informed.

4 **SEC. 3. FINDINGS.**

5 Congress makes the following findings:

6 (1) On January 6, 2017, the Office of the Di-  
7 rector of National Intelligence published a report ti-  
8 tled “Assessing Russian Activities and Intentions in  
9 Recent U.S. Elections”, noting that “Russian Presi-  
10 dent Vladimir Putin ordered an influence campaign  
11 in 2016 aimed at the U.S. Presidential election  
12 . . .”. Moscow’s influence campaign followed a Rus-  
13 sian messaging strategy that blends covert intel-  
14 ligence operation—such as cyber activity—with overt  
15 efforts by Russian Government agencies, State-fund-  
16 ed media, third-party intermediaries, and paid social  
17 media users or “trolls.”

18 (2) On November 24, 2016, the Washington  
19 Post reported findings from 2 teams of independent  
20 researchers that concluded Russians “exploited  
21 American-made technology platforms to attack U.S.  
22 democracy at a particularly vulnerable moment . . .  
23 as part of a broadly effective strategy of sowing dis-  
24 trust in U.S. democracy and its leaders.”

1           (3) Findings from a 2017 study on the manipu-  
2           lation of public opinion through social media con-  
3           ducted by the Computational Propaganda Research  
4           Project at the Oxford Internet Institute found that  
5           the Kremlin is using pro-Russian bots to manipulate  
6           public discourse to a highly targeted audience. With  
7           a sample of nearly 1,300,000 tweets, researchers  
8           found that in the 2016 election’s 3 decisive States,  
9           propaganda constituted 40 percent of the sampled  
10          election-related tweets that went to Pennsylvanians,  
11          34 percent to Michigan voters, and 30 percent to  
12          those in Wisconsin. In other swing States, the figure  
13          reached 42 percent in Missouri, 41 percent in Flor-  
14          ida, 40 percent in North Carolina, 38 percent in  
15          Colorado, and 35 percent in Ohio.

16          (4) On September 6, 2017, the Nation’s largest  
17          social media platform disclosed that between June  
18          2015 and May 2017, Russian entities purchased  
19          \$100,000 in political advertisements, publishing  
20          roughly 3,000 ads linked to fake accounts associated  
21          with the Internet Research Agency, a pro-Kremlin  
22          organization. According to the company, the ads  
23          purchased focused “on amplifying divisive social and  
24          political messages . . .”.

1           (5) In 2002, the Bipartisan Campaign Reform  
2 Act became law, establishing disclosure requirements  
3 for political advertisements distributed from a tele-  
4 vision or radio broadcast station or provider of cable  
5 or satellite television. In 2003, the Supreme Court  
6 upheld regulations on electioneering communications  
7 established under the Act, noting that such require-  
8 ments “provide the electorate with information and  
9 insure that the voters are fully informed about the  
10 person or group who is speaking.”

11           (6) According to a study from Borrell Associ-  
12 ates, in 2016, \$1,415,000,000 was spent on online  
13 advertising, more than quadruple the amount in  
14 2012.

15           (7) The reach of a few large internet plat-  
16 forms—larger than any broadcast, satellite, or cable  
17 provider—has greatly facilitated the scope and effec-  
18 tiveness of disinformation campaigns. For instance,  
19 the largest platform has over 210,000,000 American  
20 users—over 160,000,000 of them on a daily basis.  
21 By contrast, the largest cable television provider has  
22 22,430,000 subscribers, while the largest satellite  
23 television provider has 21,000,000 subscribers. And  
24 the most-watched television broadcast in U.S. his-  
25 tory had 118,000,000 viewers.

1           (8) The public nature of broadcast television,  
2 radio, and satellite ensures a level of publicity for  
3 any political advertisement. These communications  
4 are accessible to the press, fact-checkers, and polit-  
5 ical opponents; this creates strong disincentives for  
6 a candidate to disseminate materially false, inflam-  
7 matory, or contradictory messages to the public. So-  
8 cial media platforms, in contrast, can target portions  
9 of the electorate with direct, ephemeral advertise-  
10 ments often on the basis of private information the  
11 platform has on individuals, enabling political adver-  
12 tisements that are contradictory, racially or socially  
13 inflammatory, or materially false.

14           (9) According to comScore, 2 companies own 8  
15 of the 10 most popular smartphone applications as  
16 of June 2017, including the most popular social  
17 media and email services—which deliver information  
18 and news to users without requiring proactivity by  
19 the user. Those same 2 companies accounted for 99  
20 percent of revenue growth from digital advertising in  
21 2016, including 77 percent of gross spending. 79  
22 percent of online Americans—representing 68 per-  
23 cent of all Americans—use the single largest social  
24 network, while 66 percent of these users are most  
25 likely to get their news from that site.

1           (10) In its 2006 rulemaking, the Federal Elec-  
2           tion Commission noted that only 18 percent of all  
3           Americans cited the internet as their leading source  
4           of news about the 2004 Presidential election; by con-  
5           trast, the Pew Research Center found that 65 per-  
6           cent of Americans identified an internet-based  
7           source as their leading source of information for the  
8           2016 election.

9           (11) The Federal Election Commission, the  
10          independent Federal agency charged with protecting  
11          the integrity of the Federal campaign finance proc-  
12          ess by providing transparency and administering  
13          campaign finance laws, has failed to take action to  
14          address online political advertisements.

15          (12) In testimony before the Senate Select  
16          Committee on Intelligence titled, “Disinformation: A  
17          Primer in Russian Active Measures and Influence  
18          Campaigns,” multiple expert witnesses testified that  
19          while the disinformation tactics of foreign adver-  
20          saries have not necessarily changed, social media  
21          services now provide “platform[s] practically pur-  
22          pose-built for active measures[.]” Similarly, as Gen.  
23          (RET) Keith B. Alexander, the former Director of  
24          the National Security Agency, testified, during the  
25          Cold War “if the Soviet Union sought to manipulate

1 information flow, it would have to do so principally  
2 through its own propaganda outlets or through ac-  
3 tive measures that would generate specific news:  
4 planting of leaflets, inciting of violence, creation of  
5 other false materials and narratives. But the news  
6 itself was hard to manipulate because it would have  
7 required actual control of the organs of media, which  
8 took long-term efforts to penetrate. Today, however,  
9 because the clear majority of the information on so-  
10 cial media sites is uncurated and there is a rapid  
11 proliferation of information sources and other sites  
12 that can reinforce information, there is an increasing  
13 likelihood that the information available to average  
14 consumers may be inaccurate (whether intentionally  
15 or otherwise) and may be more easily manipulable  
16 than in prior eras.”.

17 (13) Current regulations on political advertise-  
18 ments do not provide sufficient transparency to up-  
19 hold the public’s right to be fully informed about po-  
20 litical advertisements made online.

21 **SEC. 4. SENSE OF CONGRESS.**

22 It is the sense of Congress that—

23 (1) the dramatic increase in digital political ad-  
24 vertisements, and the growing centrality of online  
25 platforms in the lives of Americans, requires the

1 Congress and the Federal Election Commission to  
2 take meaningful action to ensure that laws and reg-  
3 ulations provide the accountability and transparency  
4 that is fundamental to our democracy;

5 (2) free and fair elections require both trans-  
6 parency and accountability which give the public a  
7 right to know the true sources of funding for polit-  
8 ical advertisements in order to make informed polit-  
9 ical choices and hold elected officials accountable;  
10 and

11 (3) transparency of funding for political adver-  
12 tisements is essential to enforce other campaign fi-  
13 nance laws, including the prohibition on campaign  
14 spending by foreign nationals.

15 **SEC. 5. EXPANSION OF DEFINITION OF PUBLIC COMMU-**  
16 **NICATION.**

17 (a) IN GENERAL.—Paragraph (22) of section 301 of  
18 the Federal Election Campaign Act of 1971 (52 U.S.C.  
19 30101(22)) is amended by striking “or satellite commu-  
20 nication” and inserting “satellite, paid internet, or paid  
21 digital communication”.

22 (b) TREATMENT OF CONTRIBUTIONS AND EXPENDI-  
23 TURES.—Section 301 of such Act (52 U.S.C. 30101) is  
24 amended—

25 (1) in paragraph (8)(B)—



1 (A) by striking “on broadcasting stations,  
2 or in newspapers, magazines, or similar types of  
3 general public political advertising” in clause  
4 (v) and inserting “in any public communica-  
5 tion”;

6 (B) by striking “broadcasting, newspaper,  
7 magazine, billboard, direct mail, or similar type  
8 of general public communication or political ad-  
9 vertising” in clause (ix)(1) and inserting “pub-  
10 lic communication”; and

11 (C) by striking “but not including the use  
12 of broadcasting, newspapers, magazines, bill-  
13 boards, direct mail, or similar types of general  
14 public communication or political advertising”  
15 in clause (x) and inserting “but not including  
16 use in any public communication”; and

17 (2) in paragraph (9)(B)—

18 (A) by striking clause (i) and inserting the  
19 following:

20 “(i) any news story, commentary, or  
21 editorial distributed through the facilities  
22 of any broadcasting station or any print,  
23 online, or digital newspaper, magazine,  
24 blog, publication, or periodical, unless such  
25 broadcasting, print, online, or digital facili-

1           ties are owned or controlled by any polit-  
2           ical party, political committee, or can-  
3           didate;” and

4           (B) by striking “on broadcasting stations,  
5           or in newspapers, magazines, or similar types of  
6           general public political advertising” in clause  
7           (iv) and inserting “in any public communica-  
8           tion”.

9           (c) DISCLOSURE AND DISCLAIMER STATEMENTS.—  
10          Subsection (a) of section 318 of such Act (52 U.S.C.  
11          30120) is amended—

12           (1) by striking “financing any communication  
13           through any broadcasting station, newspaper, maga-  
14           zine, outdoor advertising facility, mailing, or any  
15           other type of general public political advertising”  
16           and inserting “financing any public communication”;  
17           and

18           (2) by striking “solicits any contribution  
19           through any broadcasting station, newspaper, maga-  
20           zine, outdoor advertising facility, mailing, or any  
21           other type of general public political advertising”  
22           and inserting “solicits any contribution through any  
23           public communication”.

1 **SEC. 6. EXPANSION OF DEFINITION OF ELECTIONEERING**  
2 **COMMUNICATION.**

3 (a) **EXPANSION TO ONLINE COMMUNICATIONS.—**

4 (1) **APPLICATION TO QUALIFIED INTERNET AND**  
5 **DIGITAL COMMUNICATIONS.—**

6 (A) **IN GENERAL.—**Subparagraph (A) of  
7 section 304(f)(3) of the Federal Election Cam-  
8 paign Act of 1971 (52 U.S.C. 30104(f)(3)(A))  
9 is amended by striking “or satellite communica-  
10 tion” each place it appears in clauses (i) and  
11 (ii) and inserting “satellite, or qualified internet  
12 or digital communication”.

13 (B) **QUALIFIED INTERNET OR DIGITAL**  
14 **COMMUNICATION.—**Paragraph (3) of section  
15 304(f) of such Act (52 U.S.C. 30104(f)) is  
16 amended by adding at the end the following  
17 new subparagraph:

18 “(D) **QUALIFIED INTERNET OR DIGITAL**  
19 **COMMUNICATION.—**The term ‘qualified internet  
20 or digital communication’ means any commu-  
21 nication which is placed or promoted for a fee  
22 on an online platform (as defined in subsection  
23 (j)(3)).”.

24 (2) **NONAPPLICATION OF RELEVANT ELEC-**  
25 **TORATE TO ONLINE COMMUNICATIONS.—**Section  
26 304(f)(3)(A)(i)(III) of such Act (52 U.S.C.

1 30104(f)(3)(A)(i)(III)) is amended by inserting “any  
2 broadcast, cable, or satellite” before “communica-  
3 tion”.

4 (3) NEWS EXEMPTION.—Section  
5 304(f)(3)(B)(i) of such Act (52 U.S.C.  
6 30104(f)(3)(B)(i)) is amended to read as follows:

7 “(i) a communication appearing in a  
8 news story, commentary, or editorial dis-  
9 tributed through the facilities of any  
10 broadcasting station or any online or dig-  
11 ital newspaper, magazine, blog, publica-  
12 tion, or periodical, unless such broad-  
13 casting, online, or digital facilities are  
14 owned or controlled by any political party,  
15 political committee, or candidate;”.

16 (b) EFFECTIVE DATE.—The amendments made by  
17 this section shall apply with respect to communications  
18 made on or after January 1, 2018.

19 **SEC. 7. APPLICATION OF DISCLAIMER STATEMENTS TO ON-**  
20 **LINE COMMUNICATIONS.**

21 (a) CLEAR AND CONSPICUOUS MANNER REQUIRE-  
22 MENT.—Subsection (a) of section 318 of the Federal Elec-  
23 tion Campaign Act of 1971 (52 U.S.C. 30120(a)) is  
24 amended—

1           (1) by striking “shall clearly state” each place  
2 it appears in paragraphs (1), (2), and (3) and in-  
3 serting “shall state in a clear and conspicuous man-  
4 ner”; and

5           (2) by adding at the end the following flush  
6 sentence: “For purposes of this subsection, a com-  
7 munication does not make a statement in a clear  
8 and conspicuous manner if it is difficult to read or  
9 hear or if the placement is easily overlooked.”.

10       (b) SPECIAL RULES FOR QUALIFIED INTERNET OR  
11 DIGITAL COMMUNICATIONS.—

12           (1) IN GENERAL.—Section 318 of such Act (52  
13 U.S.C. 30120) is amended by adding at the end the  
14 following new subsection:

15       “(e) SPECIAL RULES QUALIFIED INTERNET OR DIG-  
16 ITAL COMMUNICATIONS.—

17           “(1) SPECIAL RULES WITH RESPECT TO STATE-  
18 MENTS.—In the case of any qualified internet or  
19 digital communication (as defined in section  
20 304(f)(3)(D)) which is disseminated through a me-  
21 dium in which the provision of all of the information  
22 specified in this section is not possible, the commu-  
23 nication shall, in a clear and conspicuous manner—

24           “(A) state the name of the person who  
25           paid for the communication; and

1           “(B) provide a means for the recipient of  
2           the communication to obtain the remainder of  
3           the information required under this section with  
4           minimal effort and without receiving or viewing  
5           any additional material other than such re-  
6           quired information.

7           “(2) SAFE HARBOR FOR DETERMINING CLEAR  
8           AND CONSPICUOUS MANNER.—A statement in quali-  
9           fied internet or digital communication (as defined in  
10          section 304(f)(3)(D)) shall be considered to be made  
11          in a clear and conspicuous manner as provided in  
12          subsection (a) if the communication meets the fol-  
13          lowing requirements:

14               “(A) TEXT OR GRAPHIC COMMUNICA-  
15               TIONS.—In the case of a text or graphic com-  
16               munication, the statement—

17                       “(i) appears in letters at least as large  
18                       as the majority of the text in the commu-  
19                       nication; and

20                       “(ii) meets the requirements of para-  
21                       graphs (2) and (3) of subsection (c).

22               “(B) AUDIO COMMUNICATIONS.—In the  
23               case of an audio communication, the statement  
24               is spoken in a clearly audible and intelligible

1 manner at the beginning or end of the commu-  
2 nication and lasts at least 3 seconds.

3 “(C) VIDEO COMMUNICATIONS.—In the  
4 case of a video communication which also in-  
5 cludes audio, the statement—

6 “(i) is included at either the beginning  
7 or the end of the communication; and

8 “(ii) is made both in—

9 “(I) a written format that meets  
10 the requirements of subparagraph (A)  
11 and appears for at least 4 seconds;  
12 and

13 “(II) an audible format that  
14 meets the requirements of subpara-  
15 graph (B).

16 “(D) OTHER COMMUNICATIONS.—In the  
17 case of any other type of communication, the  
18 statement is at least as clear and conspicuous  
19 as the statement specified in subparagraphs  
20 (A), (B), or (C).”.

21 (2) NONAPPLICATION OF CERTAIN EXCEP-  
22 TIONS.—The exceptions provided in section  
23 110.11(f)(1)(i) and (ii) of title 11, Code of Federal  
24 Regulations, or any successor to such rules, shall  
25 have no application to qualified internet or digital

1       communications (as defined in section 304(f)(3)(D)  
2       of the Federal Election Campaign Act of 1971).

3       (c) MODIFICATION OF ADDITIONAL REQUIREMENTS  
4 FOR CERTAIN COMMUNICATIONS.—Section 318(d) of such  
5 Act (52 U.S.C. 30120(d)) is amended—

6           (1) in paragraph (1)(A)—

7               (A) by striking “which is transmitted  
8               through radio” and inserting “which is in an  
9               audio format”; and

10              (B) by striking “BY RADIO” in the heading  
11              and inserting “AUDIO FORMAT”;

12           (2) in paragraph (1)(B)—

13               (A) by striking “which is transmitted  
14               through television” and inserting “which is in  
15               video format”; and

16              (B) by striking “BY TELEVISION” in the  
17              heading and inserting “VIDEO FORMAT”; and

18           (3) in paragraph (2)—

19               (A) by striking “transmitted through radio  
20               or television” and inserting “made in audio or  
21               video format”; and

22              (B) by striking “through television” in the  
23              second sentence and inserting “in video for-  
24              mat”.



1 **SEC. 8. POLITICAL RECORD REQUIREMENTS FOR ONLINE**  
2 **PLATFORMS.**

3 (a) IN GENERAL.—Section 304 of the Federal Elec-  
4 tion Campaign Act of 1971 (52 U.S.C. 30104) is amended  
5 by adding at the end the following new subsection:

6 “(j) DISCLOSURE OF CERTAIN ONLINE ADVERTISE-  
7 MENTS.—

8 “(1) IN GENERAL.—

9 “(A) REQUIREMENTS FOR ONLINE PLAT-  
10 FORMS.—An online platform shall maintain,  
11 and make available for online public inspection  
12 in machine readable format, a complete record  
13 of any request to purchase on such online plat-  
14 form a qualified political advertisement which is  
15 made by a person whose aggregate requests to  
16 purchase qualified political advertisements on  
17 such online platform during the calendar year  
18 exceeds \$500.

19 “(B) REQUIREMENTS FOR ADVER-  
20 TISERS.—Any person who requests to purchase  
21 a qualified political advertisement on an online  
22 platform shall provide the online platform with  
23 such information as is necessary for the online  
24 platform to comply with the requirements of  
25 subparagraph (A).

1           “(2) CONTENTS OF RECORD.—A record main-  
2           tained under paragraph (1)(A) shall contain—

3                   “(A) a digital copy of the qualified political  
4                   advertisement;

5                   “(B) a description of the audience targeted  
6                   by the advertisement, the number of views gen-  
7                   erated from the advertisement, and the date  
8                   and time that the advertisement is first dis-  
9                   played and last displayed; and

10                  “(C) information regarding—

11                          “(i) the average rate charged for the  
12                          advertisement;

13                          “(ii) the name of the candidate to  
14                          which the advertisement refers and the of-  
15                          fice to which the candidate is seeking elec-  
16                          tion, the election to which the advertise-  
17                          ment refers, or the national legislative  
18                          issue to which the advertisement refers (as  
19                          applicable);

20                          “(iii) in the case of a request made  
21                          by, or on behalf of, a candidate, the name  
22                          of the candidate, the authorized committee  
23                          of the candidate, and the treasurer of such  
24                          committee; and

1           “(iv) in the case of any request not  
2           described in clause (iii), the name of the  
3           person purchasing the advertisement, the  
4           name, address, and phone number of a  
5           contact person for such person, and a list  
6           of the chief executive officers or members  
7           of the executive committee or of the board  
8           of directors of such person.

9           “(3) ONLINE PLATFORM.—For purposes of this  
10          subsection, the term ‘online platform’ means any  
11          public-facing website, web application, or digital ap-  
12          plication (including a social network, ad network, or  
13          search engine) which—

14               “(A) sells qualified political advertise-  
15               ments; and

16               “(B) has 50,000,000 or more unique  
17               monthly United States visitors or users for a  
18               majority of months during the preceding 12  
19               months.

20          “(4) QUALIFIED POLITICAL ADVERTISEMENT.—

21               “(A) IN GENERAL.—For purposes of this  
22               subsection, the term ‘qualified political adver-  
23               tisement’ means any advertisement (including  
24               search engine marketing, display advertise-

1           ments, video advertisements, native advertise-  
2           ments, and sponsorships) that—

3                   “(i) is made by or on behalf of a can-  
4           didate; or

5                   “(ii) communicates a message relating  
6           to any political matter of national impor-  
7           tance, including—

8                           “(I) a candidate;

9                           “(II) any election to Federal of-  
10          fice; or

11                          “(III) a national legislative issue  
12          of public importance.

13           “(5) TIME TO MAINTAIN FILE.—The informa-  
14          tion required under this subsection shall be made  
15          available as soon as possible and shall be retained by  
16          the online platform for a period of not less than 4  
17          years.

18           “(6) PENALTIES.—For penalties for failure by  
19          online platforms, and persons requesting to purchase  
20          a qualified political advertisement on online plat-  
21          forms, to comply with the requirements of this sub-  
22          section, see section 309.”.

23          (b) RULEMAKING.—Not later than 90 days after the  
24          date of the enactment of this Act, the Federal Election  
25          Commission shall establish rules—

1           (1) requiring common data formats for the  
2 record required to be maintained under section  
3 304(j) of the Federal Election Campaign Act of  
4 1971 (as added by subsection (a)) so that all online  
5 platforms submit and maintain data online in a com-  
6 mon, machine-readable and publicly accessible for-  
7 mat; and

8           (2) establishing search interface requirements  
9 relating to such record, including searches by can-  
10 didate name, issue, purchaser, and date.

11       (c) REPORTING.—Not later than 2 years after the  
12 date of the enactment of this Act, and biannually there-  
13 after, the Chairman of the Federal Election Commission  
14 shall submit a report to Congress on—

15           (1) matters relating to compliance with and the  
16 enforcement of the requirements of section 304(j) of  
17 the Federal Election Campaign Act of 1971, as  
18 added by subsection (a);

19           (2) recommendations for any modifications to  
20 such section to assist in carrying out its purposes;  
21 and

22           (3) identifying ways to bring transparency and  
23 accountability to political advertisements distributed  
24 online for free.

1 **SEC. 9. PREVENTING CONTRIBUTIONS, EXPENDITURES,**  
2 **INDEPENDENT EXPENDITURES, AND DIS-**  
3 **BURSEMENTS FOR ELECTIONEERING COM-**  
4 **MUNICATIONS BY FOREIGN NATIONALS IN**  
5 **THE FORM OF ONLINE ADVERTISING.**

6 Section 319 of the Federal Election Campaign Act  
7 of 1971 (52 U.S.C. 30121) is amended by adding at the  
8 end the following new subsection:

9 “(c) Each television or radio broadcast station, pro-  
10 vider of cable or satellite television, or online platform (as  
11 defined in section 304(j)(3)) shall make reasonable efforts  
12 to ensure that communications described in section 318(a)  
13 and made available by such station, provider, or platform  
14 are not purchased by a foreign national, directly or indi-  
15 rectly.”.

○