

## **INTRODUCTION AND OVERVIEW**

This document is a hypothetical legislative Senate bill. The purpose for creating this bill is to suggest possible principles and ideas for repairing the erosion of individual privacy occurring from the ruthless exploitation of individual data as an asset (IDAA) made possible by internet technologies, imposing fiscal and tax controls over the hidden economics of information markets, and restoring a more equal parity of rights between citizen, business, and government. This document is meant to stimulate discussion and encourage national policy dialogue.

**Calendar No. #**

# CONGRESS

# SESSION

**S. #**

**To protect the information asset rights of U.S. citizens by establishing  
economic and security controls on the use of individual information assets  
aggregated by others.**

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**IN THE HOUSE OF REPRESENTATIVES**

[date]

[elected representative] (for Mr. R. Lewis of North Carolina) introduced the  
following bill.

# **A BILL**

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TO PROTECT THE INFORMATION ASSET RIGHTS OF U.S. CITIZENS BY  
ESTABLISHING ECONOMIC AND SECURITY CONTROLS ON THE USE  
OF INDIVIDUAL INFORMATION ASSETS AGGREGATED BY OTHERS

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

3 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

4            (a) *SHORT TITLE.* – *This act may be cited as the “Information Assets*  
 5 *Protection Act”.*

6            (b) *TABLE OF CONTENTS.* –

*Sec. 1. Short title, table of contents.*

*Sec. 2. General definitions.*

*Sec. 3. Supersession.*

*Sec. 4. Overview.*

*Sec. 5. Effective date.*

TITLE I – INFORMATION ASSET RIGHTS AND POSSESSION RULES

*Sec. 101. Individual rights.*

*Sec. 102. Organization rights and responsibilities.*

*Sec. 103. Government rights and responsibilities.*

*Sec. 104. Information banking industry rights and responsibilities.*

*Sec. 105 Exceptions.*

TITLE II – RESPONSIBILITIES

*Sec. 201. National Institute of Standards and Technology.*

*Sec. 202. General Accounting Office.*

*Sec. 203. Internal Revenue Service.*

TITLE III – ENFORCEMENT AND FISCAL PROVISIONS

*Sec. 301. Enforcement.*

*Sec. 302. Independent Accrediting Agency.*

*Sec. 303. Overview.*

7 **SEC. 2. GENERAL DEFINITIONS.**

8            (1.) The term “information” shall be used interchangeably with, and have  
 9 the same meaning, as the terms; datum, data, metadata, information, knowledge,  
 10 and wisdom, and other related terms, and apply only to information stored on, or  
 11 encoded on or within electronic, magnetic, optronic, photronic, bioengineered,  
 12 chemical, molecular, or sub-atomic media.

13            (2.) The terms “individual” or “person” or “owner” shall mean a citizen of  
 14 the United States of America, alive in any identifiable form or condition, from the  
 15 moment of conception or naturalization until death, and while physically within

1 the boundaries of the United States of America and its territories, possessions, and  
2 locations with either partial or full sovereign rights, whether stationary or mobile.

3 (3.) The term “organization” shall mean a business of any type, religious  
4 group, club, or an organized activity that spans one year or more and has the  
5 active participation of two-hundred individuals or more. Government entities are  
6 excluded from the term “organization”.

7 (4.) The term “government” shall mean Federal government entities,  
8 except when specified as a Territorial, State, County, or Municipal.

9 (5.) The term “license” shall mean explicit permission, compensated or  
10 uncompensated, for which the licensee has physical or electronic proof of license.

11 (6.) The term “Information Exchange Bank (IXB)” shall mean an  
12 organization engaged in third party information acquisition, licensing, processing,  
13 and distribution, normally for compensation.

14 ***SEC. 3. SUPERSESION.***

15 (1.) All laws in conflict with this legislation are hereby declared null and  
16 void.

17 ***SEC. 4. OVERVIEW.***

18 (1.) The United States of America was founded with an emphasis and  
19 intent on preserving the preeminence, rights and protection of the individual. An  
20 important result of this is that protection of the individual provides the individual  
21 with closer legal and negotiating parity when interacting with large entities such  
22 as government and corporate organizations. Parity increases the probability that  
23 any interactions will reliably result in equitable outcomes for all parties in an  
24 interaction. The expectation and actuality of reliably equitable outcomes provides  
25 American society with certain advantages. Foremost, parity encourages a safe,  
26 stable economic environment that attracts maximum participation. The result is  
27 growth of economic opportunities, job creation, wealth creation, and National  
28 economic prosperity and strength. Secondly, parity provides a measure of  
29 satisfaction and happiness to a proportion of individual citizens who are then  
30 predisposed toward political and societal stability.

1 (2.) Societal change, particularly change induced by a technology, can have  
2 the effect of eroding individual protections, thereby degrading National economic  
3 and political performance. Preserving an optimum balance of individual  
4 protections therefor requires periodic change to public policy, in the form of  
5 legislation; now,

6 (3.) The purpose of this bill is to evolve public policy on information that  
7 when processed with information technology can erode individual privacy  
8 necessary for parity, and to manage related economic and security implications. To  
9 achieve this purpose this bill provides measures to better manage three main  
10 societal impacts that are:

11 (a.) Firstly, to explicitly codify sufficient information rights to restore  
12 the intent of constitutional protections eroded by many forms of information  
13 technology especially the situation that large entities (data brokers) have  
14 collected information from individuals often without regard to individual  
15 privacy, consent, or awareness, without adequate protection of the information  
16 assets collected, and without penalty or compensation in those cases where the  
17 entity to which information pertains is or may be economically disadvantaged  
18 as a consequence.

19 (b.) Secondly, to employ the National wealth created by information  
20 assets. Information technology has transformed information into an economic  
21 asset for business. Unlike other economic assets, the value and taxable basis  
22 of information assets has been heretofore overlooked.

23 (c.) Thirdly, to protect and defend U.S. citizen and public organization  
24 information against denial-of-use and damage caused by criminal, terrorist,  
25 and foreign nation sources. Information technology provides relatively  
26 affordable capabilities to attempt harm ranging in scale from decentralized  
27 international networks to individuals.

28 ***SEC. 5. EFFECTIVE DATE.***

29 (1.) The provisions in this bill shall become effective twelve months from  
30 approval; except for,

1 (2.) Tax code changes and IRS responsibilities shall become effective  
2 eighteen months from approval.

## 3 TITLE I – INFORMATION ASSET RIGHTS AND 4 POSSESSION RULES

### 5 *SEC. 101. INDIVIDUAL RIGHTS*

6 (1.) Information in electronic form and about a living U.S. citizen shall be  
7 considered a tangible asset with rights of ownership, title, and legal protection,  
8 that belong solely to the U.S. citizen and these rights can not be waived, assigned,  
9 foregone, shared, divided, proxied, delegated, lessened or removed.

10 (2.) An information item may have multiple co-existent owners and legal  
11 situations because information is infinitely reproducible. From a legal perspective,  
12 identical information shall be considered to exist in the same number of  
13 instantiations as the number of owners, even when information is at rest as a  
14 single copy. However, the legal situation for each owner and their instantiation of  
15 an information item shall be wholly independent of any other owner and thus  
16 without rights to pursue legal redress collectively as a class for violations of  
17 information rights.

18 (3.) An individual may explicitly license, with or without compensation,  
19 their information to an organization or government entity to possess and use, or  
20 implicitly give license only in specific circumstances, specifically:

21 (a.) Candidates for employment, and current and former employees  
22 automatically confer implicit license to their information by participation in  
23 job search and employment processes.

24 (b.) Customers or members of an organization automatically confer  
25 implicit license to their basic information needed to establish identity, billing,  
26 and interact with the organization to receive the good, services, or benefits  
27 offered by the organization.

28 (c.) Individuals who publish or provide their contact or social  
29 information automatically confer implicit license to other individuals to use.

1 (4.) An explicit license from an individual to use their information shall  
2 expire at midnight on the 730th day following the day upon which the license is  
3 granted, upon renunciation of U.S. citizenship, or upon death, if not otherwise  
4 specified.

5 (5.) Individuals shall not be taxed based on any valuation of their personal  
6 information.

7 (6.) Individuals have an obligation to provide certain limited basic identity  
8 information needed by Federal, State, County, Parish, or Municipal Government  
9 entities in order to provide basic services and functions of government.  
10 Individuals automatically confer implicit license when providing the needed  
11 information. Government entities at all levels may withhold services directly  
12 related to withheld information.

13 ***SEC. 102. ORGANIZATION RIGHTS AND RESPONSIBILITIES.***

14 (1.) An organization is permitted to possess information about an  
15 individual or individuals only with explicit license from each individual after  
16 providing full disclosure of what information is or will be possessed and all uses  
17 of the information. If an organization creates or acquires new information about  
18 an individual, from a source other than the individual, the individual must be  
19 notified and the full content disclosed no later than annually. Organizations must  
20 provide procedures for individuals to review content in human readable form  
21 upon demand, and procedures for making valid corrections directed by individuals  
22 to a standard of 99.5% within 60 days. Organizations must protect all individual  
23 information they possess to the standards established by the National Institute for  
24 Standards and Technology (NIST).

25 (2.) Organizations shall not use government issued identification numbers  
26 for identification of customers or members, and shall not withhold services or  
27 discriminate against an individual who withholds this type of information.

28 (3.) Aggregated information about multiple U.S. Citizens, possessed by an  
29 organization, is a taxable business inventory asset.

30 ***SEC. 103. GOVERNMENT RIGHTS AND RESPONSIBILITIES.***



1 (1.) Government entities at all levels, Federal, State, County, Parish, or  
2 Municipality, may possess information about individuals only if the entity is  
3 subject to independent oversight and periodic audits from an independent entity,  
4 and if procedures exist for individuals to review and correct information, and  
5 99.5% of valid corrections are made within 60 days, and if the information is  
6 protected according to the standards established by the National Institute for  
7 Standards and Technology (NIST).

8 (2.) Individual knowledge or consent of information collection is not  
9 required for law enforcement or government authorized investigative use as part  
10 of a specific investigation based on probable cause of illegal actions, or to  
11 document illegal actions as they occur, or for humanitarian and social welfare  
12 purposes authorized by County, State or Federal Courts.

13 ***SEC. 104. INFORMATION BANKING INDUSTRY RIGHTS AND RESPONSIBILITIES.***

14 (1.) Individuals may deposit their information, and their conditions for  
15 granting pre-approved licenses, with any organization designated an IXB by the  
16 Internal Revenue Service (IRS).

17 (a.) Prior proof of a successful audit and test of physical and data  
18 security measures is required before IXB designation is granted, and biennial  
19 recertification is required thereafter.

20 (2.) An IXB may provide information and related services to other  
21 organizations whereby the other organizations are not required to possess  
22 individual licenses, and have no tax liability for IXB provided information.

23 (3.) IXB information asset taxes shall be 50% of the established tax rate.

24 ***SEC. 105. EXCEPTIONS.***

25 (1.) Individual information acquired by educators or students and used  
26 within academic location(s) and for non-commercial purposes are exempt from  
27 the provisions of the Information Assets Protection Act.

28 (2.) Individual information acquired by Journalists or News Reporters for  
29 public news media publication are exempt from the provisions of the Information  
30 Assets Protection Act. Internet publication such as journaling, "blogs", and social

1 media does not necessarily qualify for this exemption.

2 (3.) Medical care providers and researchers are exempt from the provisions  
3 of the Information Assets Protection Act if they are compliant with information  
4 controls in legislation pertaining to their industry, or if physical, access, and data  
5 security measures, are compliant with NIST standards published pertaining to the  
6 Information Assets Protection Act.

7 (4.) Information used for statistical research purposes and where the final  
8 product(s) are non-attributable to specific individuals, are exempt from the  
9 provisions of the Information Assets Protection Act.

10 **TITLE II – RESPONSIBILITIES**

11 *SEC. 201. NATIONAL INSTITUTE FOR STANDARDS AND TECHNOLOGY.*

12 (1.) The National Institute for Standards and Technology (NIST), shall  
13 establish and publish annually updated Data Security standards for information  
14 defined herein.

15 (2.) The standards shall be graduated so that security is greater as the  
16 amount and sensitivity of information is greater, such that cost and operational  
17 impediments are minimal for a small business, and most stringent for an IXB.

18 (3.) NIST shall perform all IXB audits and tests, and for fee such that the  
19 budget for this mission shall fully funded by audit and test fees.

20 *SEC. 202. GENERAL ACCOUNTING OFFICE.*

21 (1.) The government General Accounting Office (GAO), shall define and  
22 establish the unit of measure of information as an asset, and shall define,  
23 establish, and publish annually updated rates for valuation of information as a  
24 taxable asset. The rate shall be based upon an average total-cost-of-storage,  
25 excluding security costs except for physical access control.

26 *SEC. 203. INTERNAL REVENUE SERVICE.*

27 (1.) The government Internal Revenue Service (IRS), shall implement a  
28 tax on the information assets held by businesses and organizations, for  
29 information defined herein. The tax shall be the GAO established rate multiplied  
30 by the amount of eligible information possessed. The tax shall be adjusted for

