The American Privacy Rights Act proposes a restriction on behavioral advertising

Article

The news: The latest draft of the **American Privacy Rights Act** includes **bans on behavioral advertising,** sparking backlash from ad industry groups.

The bill's new draft came as a surprise to some: Previous revisions had addressed industry criticism about vague language and harsh restrictions, only for the latest revision to introduce even more unfavorable terms.

The long road to consensus: Industry groups like the **Association of National Advertisers** (ANA) and **Privacy for America** have long called for a federal privacy rights bill to override the many state-level bills complicating the ad sector's practices.

▪ Their requests appeared to be addressed when a bipartisan coalition of senators introduced the measure in April, but the back-and-forth on its provisions are a sign that the industry will continue to pressure lawmakers to introduce favorable measures.

▪ Privacy for America harshly criticized the current draft in a letter to the House Energy and Commerce committee, claiming the bill would restrict valuable services for consumers and hamper the American economy. "The latest version would also severely damage small, midsize, and start-up businesses that rely on data-driven advertising," the group wrote.

▪ Privacy for America also criticized the bill's proposed restrictions on targeting ads to individuals under the age of 17, saying it would reduce opportunities for young people and leave advertisers like trade schools or the military "simply unable to find" younger consumers.

Our take: The American Privacy Rights Act has made slow progress, but its bipartisan support means it could pass during a lame duck session of Congress or a possible second Trump administration.

The back-and-forth on its revisions shows that lawmakers are willing to consider industry input, even though some provisions like restrictions on advertising to minors might be here to stay.

Type of Regulatory Approach US Marketing and Advertising Professionals Would Like to See Around Data Privacy, Nov 2023

% of respondents

Federal-level regulation	59.3%
The industry should regulate itself	33.8%
State-by-state regulation	6.9%

Note: n=204
Source: Basis Technologies, "Identity vs. Privacy: Digital Advertising in a Cookieless World," Jan 24, 2024

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