

117TH CONGRESS  
1ST SESSION

# H. R. 4258

To establish a governmentwide approach to improving digital identity, and  
for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

JUNE 30, 2021

Mr. FOSTER (for himself, Mr. KATKO, Mr. LANGEVIN, and Mr. LOUDERMILK)  
introduced the following bill; which was referred to the Committee on  
Oversight and Reform, and in addition to the Committee on Science,  
Space, and Technology, for a period to be subsequently determined by the  
Speaker, in each case for consideration of such provisions as fall within  
the jurisdiction of the committee concerned

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## A BILL

To establish a governmentwide approach to improving digital  
identity, 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 “Improving Digital  
5 Identity Act of 2021”.

6 **SEC. 2. FINDINGS.**

7 Congress finds the following:

1           (1) The lack of an easy, affordable, and reliable  
2 way for organizations, businesses, and government  
3 agencies to identify whether an individual is who  
4 they claim to be online creates an attack vector that  
5 is widely exploited by adversaries in cyberspace, and  
6 precludes many high-value transactions from being  
7 available online.

8           (2) Incidents of identity theft and identity  
9 fraud continue to rise in the United States, where  
10 more than 164,000,000 consumer records containing  
11 personally identifiable information were breached in  
12 2019, increasing the total number of data breaches  
13 by 17 percent from the previous year.

14           (3) In 2019, losses resulting from identity  
15 fraud amounted to \$16,900,000,000.

16           (4) In 2019, the Director of the Treasury De-  
17 partment Financial Crimes Enforcement Network  
18 stated, “The abuse of personally identifiable infor-  
19 mation, and other building blocks of identity, is a  
20 key enabler behind much of the fraud and  
21 cybercrime affecting our nation today.”.

22           (5) Trustworthy digital identity solutions can  
23 help under-banked and unbanked individuals better  
24 access to digital financial services through innovative  
25 delivery channels that promote financial inclusion.

1           (6) The inadequacy of current digital identity  
2 solutions degrades security and privacy for all Amer-  
3 icans, and next generation solutions are needed that  
4 improve both security and privacy.

5           (7) Government entities, as authoritative  
6 issuers of identity in the United States, are uniquely  
7 positioned to deliver critical components that ad-  
8 dress deficiencies in our digital identity infrastruc-  
9 ture and augment private sector digital identity and  
10 authentication solutions.

11          (8) State governments are particularly well  
12 suited to play a role in enhancing digital identity so-  
13 lutions used by both the public and private sectors,  
14 given the role of State governments as the issuers of  
15 driver’s licenses and other identity documents com-  
16 monly used today.

17          (9) The private sector drives much of the inno-  
18 vation around digital identity in the United States  
19 and has an important role to play in delivering dig-  
20 ital identity solutions.

21          (10) The 2016 bipartisan Commission on En-  
22 hancing National Cybersecurity called for the Fed-  
23 eral Government to “create an interagency task  
24 force directed to find secure, user-friendly, privacy-  
25 centric ways in which agencies can serve as one au-

1       thoritative source to validate identity attributes in  
2       the broader identity market. This action would en-  
3       able government agencies and the private sector to  
4       drive significant risk out of new account openings  
5       and other high-risk, high-value online services, and  
6       it would help all citizens more easily and securely  
7       engage in transactions online”.

8               (11) The public and private sectors should col-  
9       laborate to deliver solutions that promote confidence,  
10      privacy, choice, and innovation.

11              (12) It should be the policy of the Government  
12      to use the authorities and capabilities of the Govern-  
13      ment to enhance the security, reliability, privacy,  
14      and convenience of digital identity solutions that  
15      support and protect transactions between individ-  
16      uals, government entities, and businesses, and that  
17      enable Americans to prove who they are online.

18      **SEC. 3. IMPROVING DIGITAL IDENTITY TASK FORCE.**

19              (a) ESTABLISHMENT.—There is established in the  
20      Executive Office of the President a task force to be known  
21      as the “Improving Digital Identity Task Force” (in this  
22      section referred to as the “Task Force”).

23              (b) PURPOSE.—The purpose of the Task Force is to  
24      establish a governmentwide effort to develop secure meth-  
25      ods for Federal, State, and local agencies to validate iden-

1 tity attributes to protect the privacy and security of indi-  
2 viduals and support reliable, interoperable digital identity  
3 verification in the public and private sectors.

4 (c) DIRECTOR.—The Task Force shall have a Direc-  
5 tor who shall be appointed by the President.

6 (d) MEMBERSHIP.—The Task Force shall include the  
7 following individuals or the designees of such individuals:

8 (1) FEDERAL GOVERNMENT MEMBERSHIP.—

9 (A) The Secretary of the Treasury.

10 (B) The Secretary of Homeland Security.

11 (C) The Secretary of State.

12 (D) The Secretary of Education.

13 (E) The Director of the Office of Manage-  
14 ment and Budget.

15 (F) The Commissioner of the Social Secu-  
16 rity Administration.

17 (G) The Director of the National Institute  
18 of Standards and Technology.

19 (H) The Administrator of General Serv-  
20 ices.

21 (I) The heads of other Federal agencies  
22 and offices who the President may designate or  
23 invite.

24 (2) STATE GOVERNMENT MEMBERSHIP.—The  
25 Task Force shall include 5 State government offi-

1 cials who represent State agencies that issue identity  
2 credentials and who have knowledge of the systems  
3 used to provide such credentials. Such officials shall  
4 include the following:

5 (A) A member appointed by the Speaker of  
6 the House of Representatives, in consultation  
7 with the Chairman of the Committee on Over-  
8 sight and Reform and the Chairman of the  
9 Committee on Homeland Security of the House  
10 of Representatives.

11 (B) A member appointed by the minority  
12 leader of the House of Representatives, in con-  
13 sultation with the Ranking Member of the Com-  
14 mittee on Oversight and Reform and the Rank-  
15 ing Member of the Committee on Homeland Se-  
16 curity of the House of Representatives.

17 (C) A member appointed by the majority  
18 leader of the Senate, in consultation with the  
19 Chairman of the Committee on Homeland Secu-  
20 rity and Governmental Affairs of the Senate.

21 (D) A member appointed by the minority  
22 leader of the Senate, in consultation with the  
23 Ranking Member of the Committee on Home-  
24 land Security and Governmental Affairs of the  
25 Senate.

1 (E) A member appointed by the President.

2 (3) LOCAL GOVERNMENT MEMBERSHIP.—The  
3 Task Force shall include 5 local government officials  
4 who represent local agencies that issue identity cre-  
5 dentials and who have knowledge of the systems  
6 used to provide such credentials. Such officials shall  
7 include the following:

8 (A) A member appointed by the Speaker of  
9 the House of Representatives, in consultation  
10 with the Chairman of the Committee on Over-  
11 sight and Reform and Chairman of the Com-  
12 mittee on Homeland Security of the House of  
13 Representatives.

14 (B) A member appointed by the minority  
15 leader of the House of Representatives, in con-  
16 sultation with the Chairman of the Committee  
17 on Oversight and Reform and the Chairman of  
18 the Committee on Homeland Security of the  
19 House of Representatives.

20 (C) A member appointed by the majority  
21 leader of the Senate, in consultation with the  
22 Chairman of the Committee on Homeland Secu-  
23 rity and Governmental Affairs of the Senate.

24 (D) A member appointed by the minority  
25 leader of the Senate, in consultation with the

1            Ranking Member of the Committee on Home-  
2            land Security and Governmental Affairs of the  
3            Senate.

4            (E) A member appointed by the President.

5            (e) MEETINGS.—The Task Force shall convene at the  
6 call of the Director.

7            (f) DUTIES.—The Task Force shall—

8            (1) identify Federal, State, and local agencies  
9            that issue identity information or hold information  
10           related to identifying an individual;

11           (2) assess restrictions with respect to the abili-  
12           ties of such agencies to verify identity information  
13           for other agencies and for nongovernmental organi-  
14           zations;

15           (3) assess any necessary changes in statute,  
16           regulation, or policy to address any restrictions de-  
17           termined under paragraph (2);

18           (4) recommend a standards-based architecture  
19           to enable agencies to provide services related to dig-  
20           ital identity verification in a way that is secure, pro-  
21           tects privacy, and is rooted in consumer consent;

22           (5) identify funding or resources needed to sup-  
23           port such agencies that provide digital identity  
24           verification, including a recommendation with re-



1       spect to additional funding required for the grant  
2       program under section 5;

3           (6) determine whether it would be practicable  
4       for such agencies to use a fee-based model to provide  
5       digital identity verification to private sector entities;

6           (7) determine if any additional steps are nec-  
7       essary with respect to Federal, State, and local  
8       agencies to improve digital identity verification and  
9       management processes for the purpose of enhancing  
10      the security, reliability, privacy, and convenience of  
11      digital identity solutions that support and protect  
12      transactions between individuals, government enti-  
13      ties, and businesses;

14          (8) assess risks related to potential criminal ex-  
15      ploitation of digital identity verification services;

16          (9) evaluate the security, effectiveness, and ben-  
17      efits of a digital identity as compared to legacy  
18      physical identity verification; and

19          (10) to the extent practicable, seek input from  
20      and collaborate with interested parties in the private  
21      sector to carry out the purpose under subsection (b).

22      (g) RECOMMENDATIONS.—Not later than 180 days  
23      after the date of the enactment of this Act, the Task Force  
24      shall publish a report on the activities of the Task force,  
25      including recommendations on—

1 (1) priorities for research and development in  
2 the systems that enable digital identity verification,  
3 including how such priorities can be executed; and

4 (2) the standards-based architecture developed  
5 pursuant to subsection (f)(4).

6 **SEC. 4. DIGITAL IDENTITY FRAMEWORK.**

7 (a) ESTABLISHMENT OF A FRAMEWORK.—Not later  
8 than 1 year after the date of the enactment of this Act,  
9 the Director of the National Institute of Standards and  
10 Technology (in this section referred to as the “Director”)  
11 shall develop and periodically update a framework of  
12 standards, methodologies, procedures, and processes (in  
13 this section referred to as the “Framework”) as a guide  
14 for Federal, State, and local governments to follow when  
15 providing services to support digital identity verification.

16 (b) CONSIDERATION.—In developing the Framework,  
17 the Director shall consider—

18 (1) methods to protect the privacy of individ-  
19 uals;

20 (2) security needs; and

21 (3) the needs of potential end-users and individ-  
22 uals that will use services related to digital identity  
23 verification.

24 (c) CONSULTATION.—In carrying out subsection (a)  
25 the Director shall consult with—

1           (1) the Improving Digital Identity Task Force  
2           established under section 3;

3           (2) potential end-users and individuals that will  
4           use services related to digital identity verification;  
5           and

6           (3) experts with relevant experience in the sys-  
7           tems that enable digital identity verification, as de-  
8           termined by the Director.

9           (d) INTERIM PUBLICATION.—Not later than 240  
10          days after the date of the enactment of this Act, the Direc-  
11          tor shall publish an interim version of the Framework.

12          (e) FINAL PUBLICATION.—Not later than 1 year  
13          after the date of enactment of this Act, the Director shall  
14          publish a final version of the Framework.

15          (f) UPDATES TO THE FRAMEWORK.—The Director  
16          shall, from time to time, update the Framework, with con-  
17          sideration given to—

18                 (1) feedback from Federal, State, and local  
19                 agencies that provide services related to digital iden-  
20                 tity verification; and

21                 (2) any technological changes to the systems  
22                 that enable digital identity verification.

23          (g) AUTHORIZATION OF APPROPRIATIONS.—There is  
24          authorized to be appropriated to the Secretary of Com-

1 merce \$10,000,000 for each of fiscal years 2022 through  
2 2026 to carry out this Act.

3 **SEC. 5. DIGITAL IDENTITY INNOVATION GRANTS.**

4 (a) ESTABLISHMENT.—Not later than 18 months  
5 after the date of the enactment of this Act, the Secretary  
6 of Homeland Security (in this section referred to as the  
7 “Secretary”) shall award grants to States to upgrade sys-  
8 tems that provide drivers’ licenses or other types of iden-  
9 tity credentials to support the development of highly se-  
10 cure, interoperable State systems that enable digital iden-  
11 tity verification.

12 (b) USE OF FUNDS.—A State that receives a grant  
13 under this section shall use—

14 (1) grant funds for services related to digital  
15 identity verification using the Framework developed  
16 pursuant to section 4; and

17 (2) not less than 10 percent of grant funds to  
18 provide services that assist individuals with obtain-  
19 ing identity credentials or identity verification serv-  
20 ices needed to obtain a digital driver’s license or dig-  
21 ital State identity card.

22 (c) AUTHORIZATION OF APPROPRIATIONS.—There is  
23 authorized to be appropriated to the Secretary such sums  
24 as may be necessary to carry out this section.

1 **SEC. 6. REPORT AND RECOMMENDATION ON THE USE OF**  
2 **SOCIAL SECURITY NUMBERS BY NON-**  
3 **GOVERNMENTAL ORGANIZATIONS.**

4 Not later than 1 year after the date of the enactment  
5 of this Act, the Comptroller General of the United States  
6 shall submit to the Committees on Ways and Means and  
7 Financial Services of the House of Representatives and  
8 the Committee on Finance of the Senate a report that in-  
9 cludes the following:

10 (1) An analysis of legal and regulatory require-  
11 ments with respect to the collection and retention of  
12 Social Security numbers by nongovernmental organi-  
13 zations.

14 (2) A recommendation on the necessity and ef-  
15 fectiveness of any legal and regulatory requirement  
16 analyzed pursuant to paragraph (1) and the use of  
17 a form of identification other than a Social Security  
18 number.

19 **SEC. 7. SECURITY ENHANCEMENTS TO FEDERAL SYSTEMS.**

20 (a) **DIRECTIVES FOR FEDERAL AGENCIES.**—Not  
21 later than 6 months after the date of the enactment of  
22 this Act, the Secretary of Homeland Security shall issue  
23 binding operational directives to Federal agencies for pur-  
24 pose of implementing—

25 (1) the guidelines published by the National In-  
26 stitute of Standards and Technology in “Special

1 Publication 800–63” (commonly referred to as the  
2 “Digital Identity Guidelines”); and

3 (2) the memorandum of the Office of Manage-  
4 ment and Budget issued on May 21, 2019, which in-  
5 cludes the subject “Enabling Mission Delivery  
6 through Improved Identity, Credential, and Access  
7 Management”.

8 (b) REPORTS.—

9 (1) FEDERAL AGENCY REPORTS.—Not later  
10 than 1 year after the date of the enactment of this  
11 Act, the head of each Federal agency shall submit  
12 to the Secretary of Homeland Security a report on  
13 the efforts of each such Federal agency to imple-  
14 ment the directives issued pursuant to subsection  
15 (a).

16 (2) REPORT TO CONGRESS.— Not later than 2  
17 years after the date of the enactment of this Act, the  
18 Secretary of Homeland Security shall submit a re-  
19 port summarizing the efforts from the reports sub-  
20 mitted pursuant to paragraph (1) to the following:

21 (A) The Committee on Homeland Security  
22 of the House of Representatives.

23 (B) The Committee on Oversight and Re-  
24 form of the House of Representatives.

1 (C) The Committee on Homeland Security  
2 and Governmental Affairs of the Senate.

3 **SEC. 8. DEFINITIONS.**

4 For purposes of this Act:

5 (1) **DIGITAL IDENTITY VERIFICATION.**—The  
6 term “digital identity verification” means a process  
7 to verify the identity of an individual accessing a  
8 service online or through another electronic means.

9 (2) **IDENTITY CREDENTIAL.**—The term “iden-  
10 tity credential” means a document or other evidence  
11 of the identity of an individual issued by a govern-  
12 ment agency that conveys the identity of the indi-  
13 vidual, including a driver’s license or passport.

○