118TH CONGRESS 2D SESSION

## H.R.4814

## AN ACT

To direct the Consumer Product Safety Commission to establish a pilot program to explore the use of artificial intelligence in support of the mission of the Commission and to direct the Secretary of Commerce and the Federal Trade Commission to study and report on the use of blockchain technology and tokens, respectively.

Be it enacted by the Senate and House of Representa-1 tives of the United States of America in Congress assembled, SECTION 1. SHORT TITLE; TABLE OF CONTENTS. 4 (a) SHORT TITLE.—This Act may be cited as the "Consumer Safety Technology Act". 5 6 (b) Table of Contents.—The table of contents for this Act is as follows: Sec. 1. Short title; table of contents. Sec. 2. Definitions. TITLE I—ARTIFICIAL INTELLIGENCE AND CONSUMER PRODUCT SAFETY Sec. 101. Short title. Sec. 102. Pilot program for use of artificial intelligence by Consumer Product Safety Commission. TITLE II—BLOCKCHAIN TECHNOLOGY INNOVATION Sec. 201. Short title. Sec. 202. Study on blockchain technology and its use in consumer protection. TITLE III—TOKEN TAXONOMY Sec. 301. Short title. Sec. 302. Findings. Sec. 303. Report on unfair or deceptive acts or practices in transactions relating to tokens. SEC. 2. DEFINITIONS. 9 In this Act— (1) the term "consumer product" has the 10 11 meaning given such term in section 3(a) of the Con-12 sumer Product Safety Act (15 U.S.C. 2052(a)); 13 (2) the term "Secretary" means the Secretary

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of Commerce; and

| 1  | (3) the term "token" means a transferrable                   |  |  |  |  |  |
|----|--|--|--|--|--|--|
| 2  | digital representation of information recorded on a          |  |  |  |  |  |
| 3  | blockchain or other distributed ledger technology.           |  |  |  |  |  |
| 4  | TITLE I—ARTIFICIAL INTEL-                                    |  |  |  |  |  |
| 5  | LIGENCE AND CONSUMER   |  |  |  |  |  |
| 6  | PRODUCT SAFETY   |  |  |  |  |  |
| 7  | SEC. 101. SHORT TITLE.                                       |  |  |  |  |  |
| 8  | This title may be cited as the "AI for Consumer              |  |  |  |  |  |
| 9  | Product Safety Act".   |  |  |  |  |  |
| 10 | SEC. 102. PILOT PROGRAM FOR USE OF ARTIFICIAL INTEL          |  |  |  |  |  |
| 11 | LIGENCE BY CONSUMER PRODUCT SAFETY                           |  |  |  |  |  |
| 12 | COMMISSION.  |  |  |  |  |  |
| 13 | (a) Establishment.—Not later than 1 year after               |  |  |  |  |  |
| 14 | the date of the enactment of this Act, the Consumer Prod-    |  |  |  |  |  |
| 15 | uct Safety Commission shall establish a pilot program to     |  |  |  |  |  |
| 16 | explore the use of artificial intelligence by the Commission |  |  |  |  |  |
| 17 | in support of the consumer product safety mission of the     |  |  |  |  |  |
| 18 | Commission, as described in section 2(b) of the Consumer     |  |  |  |  |  |
| 19 | Product Safety Act (15 U.S.C. 2051(b)).                      |  |  |  |  |  |
| 20 | (b) REQUIREMENTS.—In conducting the pilot pro-               |  |  |  |  |  |
| 21 | gram established under subsection (a), the Commission        |  |  |  |  |  |
| 22 | shall do the following:                                      |  |  |  |  |  |
| 23 | (1) Use artificial intelligence for at least 1 of            |  |  |  |  |  |
| 24 | the following purposes:                                      |  |  |  |  |  |

| 1  | (A) Tracking trends with respect to inju-         |  |  |  |  |  |
|----|---|--|--|--|--|--|
| 2  | ries involving consumer products.                 |  |  |  |  |  |
| 3  | (B) Identifying consumer product hazards.         |  |  |  |  |  |
| 4  | (C) Monitoring the retail marketplace (in-        |  |  |  |  |  |
| 5  | cluding internet websites) for the sale of re-    |  |  |  |  |  |
| 6  | called consumer products (including both new      |  |  |  |  |  |
| 7  | and used products).                               |  |  |  |  |  |
| 8  | (D) Identifying consumer products re-             |  |  |  |  |  |
| 9  | quired by section 17(a) of the Consumer Prod-     |  |  |  |  |  |
| 10 | uct Safety Act (15 U.S.C. 2066(a)) to be re-      |  |  |  |  |  |
| 11 | fused admission into the customs territory o      |  |  |  |  |  |
| 12 | the United States.                                |  |  |  |  |  |
| 13 | (2) Consistent with section 6 of the Consumer     |  |  |  |  |  |
| 14 | Product Safety Act (15 U.S.C. 2055), consult with |  |  |  |  |  |
| 15 | the following:                                    |  |  |  |  |  |
| 16 | (A) Technologists, data scientists, and ex-       |  |  |  |  |  |
| 17 | perts in artificial intelligence and machine      |  |  |  |  |  |
| 18 | learning.   |  |  |  |  |  |
| 19 | (B) Cybersecurity experts.                        |  |  |  |  |  |
| 20 | (C) Members of the retail industry.               |  |  |  |  |  |
| 21 | (D) Consumer product manufacturers.               |  |  |  |  |  |
| 22 | (E) Consumer product safety organiza-             |  |  |  |  |  |
| 23 | tions.  |  |  |  |  |  |
| 24 | (F) Any other person the Commission con-          |  |  |  |  |  |
| 25 | siders appropriate.                               |  |  |  |  |  |

| 1  | (c) Report to Congress.—Not later than 1 year  |  |  |  |  |  |  |
|--|--|--|--|--|--|--|--|
| 2  | after the conclusion of the pilot program established under  |  |  |  |  |  |  |
| 3  | subsection (a), the Consumer Product Safety Commission   |  |  |  |  |  |  |
| 4  | shall submit to the Committee on Energy and Commerce   |  |  |  |  |  |  |
| 5  | of the House of Representatives and the Committee or   |  |  |  |  |  |  |
| 6  | Commerce, Science, and Transportation of the Senate  |  |  |  |  |  |  |
| 7  | and make publicly available on the website of the Commis-  |  |  |  |  |  |  |
| 8  | sion, a report on the findings and data derived from such  |  |  |  |  |  |  |
| 9  | program, including the extent to which the use of artificial   |  |  |  |  |  |  |
| 10   | intelligence improved the ability of the Commission to ad-   |  |  |  |  |  |  |
| 11   | vance the consumer product safety mission of the Commis  |  |  |  |  |  |  |
| 12   | sion.  |  |  |  |  |  |  |
| 13   | TITLE II—BLOCKCHAIN  |  |  |  |  |  |  |
| 13   | IIILE II—DECCRCIIAIIA  |  |  |  |  |  |  |
| 13   | TECHNOLOGY INNOVATION  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
| 14   | TECHNOLOGY INNOVATION  |  |  |  |  |  |  |
| <ul><li>14</li><li>15</li><li>16</li></ul>   | TECHNOLOGY INNOVATION SEC. 201. SHORT TITLE.   |  |  |  |  |  |  |
| <ul><li>14</li><li>15</li><li>16</li></ul>   | TECHNOLOGY INNOVATION  SEC. 201. SHORT TITLE.  This title may be cited as the "Blockchain Innovation"  |  |  |  |  |  |  |
| <ul><li>14</li><li>15</li><li>16</li><li>17</li></ul>                                  | TECHNOLOGY INNOVATION  SEC. 201. SHORT TITLE.  This title may be cited as the "Blockchain Innovation Act".   |  |  |  |  |  |  |
| 14<br>15<br>16<br>17<br>18   | TECHNOLOGY INNOVATION  SEC. 201. SHORT TITLE.  This title may be cited as the "Blockchain Innovation Act".  SEC. 202. STUDY ON BLOCKCHAIN TECHNOLOGY AND ITS   |  |  |  |  |  |  |
| <ul><li>14</li><li>15</li><li>16</li><li>17</li><li>18</li><li>19</li></ul>            | TECHNOLOGY INNOVATION  SEC. 201. SHORT TITLE.  This title may be cited as the "Blockchain Innovation Act".  SEC. 202. STUDY ON BLOCKCHAIN TECHNOLOGY AND ITS USE IN CONSUMER PROTECTION.   |  |  |  |  |  |  |
| <ul><li>14</li><li>15</li><li>16</li><li>17</li><li>18</li><li>19</li><li>20</li></ul> | TECHNOLOGY INNOVATION  SEC. 201. SHORT TITLE.  This title may be cited as the "Blockchain Innovation Act".  SEC. 202. STUDY ON BLOCKCHAIN TECHNOLOGY AND ITS  USE IN CONSUMER PROTECTION.  (a) IN GENERAL.—  |  |  |  |  |  |  |
| 14<br>15<br>16<br>17<br>18<br>19<br>20<br>21   | TECHNOLOGY INNOVATION  SEC. 201. SHORT TITLE.  This title may be cited as the "Blockchain Innovation Act".  SEC. 202. STUDY ON BLOCKCHAIN TECHNOLOGY AND ITS  USE IN CONSUMER PROTECTION.  (a) IN GENERAL.—  (1) STUDY REQUIRED.—Not later than 1 year   |  |  |  |  |  |  |
| 14<br>15<br>16<br>17<br>18<br>19<br>20<br>21<br>22                                     | TECHNOLOGY INNOVATION  SEC. 201. SHORT TITLE.  This title may be cited as the "Blockchain Innovation Act".  SEC. 202. STUDY ON BLOCKCHAIN TECHNOLOGY AND ITS  USE IN CONSUMER PROTECTION.  (a) IN GENERAL.—  (1) STUDY REQUIRED.—Not later than 1 year after the date of the enactment of this Act, the Sec- |  |  |  |  |  |  |

- plete a study on the possible uses of blockchain technology for consumer protection purposes, including preventing or mitigating fraud and other unfair or deceptive acts or practices.
  - (2) REQUIREMENTS FOR STUDY.—In conducting the study required by paragraph (1), the Secretary shall examine—
    - (A) existing and emerging uses of blockchain technology that could help protect consumers, including by preventing or mitigating fraud and other unfair or deceptive acts or practices within the meaning of section 5 of the Federal Trade Commission Act (15 U.S.C. 45);
    - (B) trends in the commercial use of and investment in blockchain technology to prevent or mitigate fraud and other unfair or deceptive acts or practices as described in subparagraph (A);
    - (C) best practices in facilitating public-private partnerships in blockchain technology to prevent or mitigate fraud and other unfair or deceptive acts or practices as described in subparagraph (A);

- 1 (D) potential benefits and risks related to
  2 the use of blockchain technology to prevent or
  3 mitigate fraud and other unfair or deceptive
  4 acts or practices as described in subparagraph
  5 (A);
  - (E) possible modifications to Federal regulations that could encourage the use of blockchain technology to prevent or mitigate fraud and other unfair or deceptive acts or practices as described in subparagraph (A); and
  - (F) any other relevant observations or recommendations related to the use of blockchain technology for consumer protection purposes, including preventing or mitigating fraud and other unfair or deceptive acts or practices as described in subparagraph (A).
  - (3) Public comment.—In conducting the study required by paragraph (1), the Secretary shall provide opportunity for public comment and advice relevant to conducting the study.
- 21 (b) REPORT TO CONGRESS.—Not later than 6 22 months after the completion of the study required by sub-23 section (a)(1), the Secretary shall submit to the Com-24 mittee on Energy and Commerce of the House of Rep-25 resentatives and the Committee on Commerce, Science,

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| 1  | and Transportation of the Senate, and make publicly     |  |  |  |  |  |  |
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| 2  | available on the website of the Department of Commerce, |  |  |  |  |  |  |
| 3  | a report that contains the results of such study.       |  |  |  |  |  |  |
| 4  | TITLE III—TOKEN TAXONOMY                                |  |  |  |  |  |  |
| 5  | SEC. 301. SHORT TITLE.                                  |  |  |  |  |  |  |
| 6  | This title may be cited as the "Digital Taxonomy        |  |  |  |  |  |  |
| 7  | Act".   |  |  |  |  |  |  |
| 8  | SEC. 302. FINDINGS.                                     |  |  |  |  |  |  |
| 9  | Congress finds that—                                    |  |  |  |  |  |  |
| 10 | (1) it is important that the United States re-          |  |  |  |  |  |  |
| 11 | mains a leader in innovation;                           |  |  |  |  |  |  |
| 12 | (2) tokens and blockchain technology are driv-          |  |  |  |  |  |  |
| 13 | ing innovation and providing consumers with in-         |  |  |  |  |  |  |
| 14 | creased choice and convenience;                         |  |  |  |  |  |  |
| 15 | (3) the use of tokens and blockchain technology         |  |  |  |  |  |  |
| 16 | is likely to increase in the future;                    |  |  |  |  |  |  |
| 17 | (4) the Federal Trade Commission is respon-             |  |  |  |  |  |  |
| 18 | sible for protecting consumers from unfair or decep-    |  |  |  |  |  |  |
| 19 | tive acts or practices, including relating to tokens;   |  |  |  |  |  |  |
| 20 | (5) the Commission has previously taken action          |  |  |  |  |  |  |
| 21 | against unscrupulous companies and individuals that     |  |  |  |  |  |  |
| 22 | committed unfair or deceptive acts or practices in-     |  |  |  |  |  |  |
| 23 | volving tokens; and                                     |  |  |  |  |  |  |
| 24 | (6) to bolster the Commission's ability to en-          |  |  |  |  |  |  |
| 25 | force against unfair or deceptive acts or practices in- |  |  |  |  |  |  |

| 1    | volving tokens, the Commission should ensure staff       |  |  |  |  |  |
|------|--|--|--|--|--|--|
| 2    | have appropriate training and resources to identify      |  |  |  |  |  |
| 3    | and pursue such cases.                                   |  |  |  |  |  |
| 4    | SEC. 303. REPORT ON UNFAIR OR DECEPTIVE ACTS OR          |  |  |  |  |  |
| 5    | PRACTICES IN TRANSACTIONS RELATING TO                    |  |  |  |  |  |
| 6    | TOKENS.  |  |  |  |  |  |
| 7    | Not later than 1 year after the date of the enactment    |  |  |  |  |  |
| 8    | of this Act, the Federal Trade Commission shall submit   |  |  |  |  |  |
| 9    | to the Committee on Energy and Commerce of the House     |  |  |  |  |  |
| 10   | of Representatives and the Committee on Commerce         |  |  |  |  |  |
| 11   | Science, and Transportation of the Senate, and make pul  |  |  |  |  |  |
| 12   | licly available on the website of the Commission, a repo |  |  |  |  |  |
| 13   | on—  |  |  |  |  |  |
| 14   | (1) any actions taken by the Commission relat-           |  |  |  |  |  |
| 15   | ing to unfair or deceptive acts or practices in trans-   |  |  |  |  |  |
| 16   | actions relating to tokens;                              |  |  |  |  |  |
| 17   | (2) any other efforts of the Commission to pre-          |  |  |  |  |  |
| 18   | vent unfair or deceptive acts or practices relating to   |  |  |  |  |  |
| 19   | tokens; and  |  |  |  |  |  |
| 20   | (3) any recommendations by the Commission                |  |  |  |  |  |
| 21   | for legislation that would improve the ability of the    |  |  |  |  |  |
| 2.2. | Commission and other relevant Federal agencie            |  |  |  |  |  |

- 1 further protect consumers from unfair or deceptive
- acts or practices in the token marketplace.
   Passed the House of Representatives May 14, 2024.
   Attest:

Clerk.

## 118TH CONGRESS H. R. 4814

## AN ACT

To direct the Consumer Product Safety Commission to establish a pilot program to explore the use of artificial intelligence in support of the mission of the Commission and to direct the Secretary of Commerce and the Federal Trade Commission to study and report on the use of blockchain technology and tokens, respectively.