

117<sup>TH</sup> CONGRESS  
1<sup>ST</sup> SESSION

# H. R. 3723

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 direct the Secretary of Commerce and the Federal Trade Commission to study and report on the use of blockchain technology and digital tokens, respectively.

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## IN THE HOUSE OF REPRESENTATIVES

JUNE 4, 2021

Mr. MCNERNEY (for himself, Mr. BURGESS, Mr. SOTO, Mr. GUTHRIE, and Mr. DAVIDSON) introduced the following bill; which was referred to the Committee on Energy and Commerce

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## A BILL

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 direct the Secretary of Commerce and the Federal Trade Commission to study and report on the use of blockchain technology and digital tokens, respectively.

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; TABLE OF CONTENTS.**

4       (a) SHORT TITLE.—This Act may be cited as the  
5       “Consumer Safety Technology Act”.

1 (b) TABLE OF CONTENTS.—The table of contents for  
 2 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—DIGITAL TOKEN TAXONOMY

Sec. 301. Short title.  
 Sec. 302. Findings.  
 Sec. 303. Reports on unfair or deceptive acts or practices in transactions relat-  
 ing to digital tokens.

3 **SEC. 2. DEFINITIONS.**

4 In this Act—

5 (1) the term “consumer product” has the  
 6 meaning given such term in section 3(a) of the Con-  
 7 sumer Product Safety Act (15 U.S.C. 2052(a)); and

8 (2) the term “Secretary” means the Secretary  
 9 of Commerce.

10 **TITLE I—ARTIFICIAL INTEL-**  
 11 **LIGENCE AND CONSUMER**  
 12 **PRODUCT SAFETY**

13 **SEC. 101. SHORT TITLE.**

14 This title may be cited as the “AI for Consumer  
 15 Product Safety Act”.

1 **SEC. 102. PILOT PROGRAM FOR USE OF ARTIFICIAL INTEL-**  
2 **LIGENCE BY CONSUMER PRODUCT SAFETY**  
3 **COMMISSION.**

4 (a) **ESTABLISHMENT.**—Not later than 1 year after  
5 the date of enactment of this Act, the Consumer Product  
6 Safety Commission shall establish a pilot program to ex-  
7 plore the use of artificial intelligence by the Commission  
8 in support of the consumer product safety mission of the  
9 Commission.

10 (b) **REQUIREMENTS.**—In conducting the pilot pro-  
11 gram established under subsection (a), the Commission  
12 shall do the following:

13 (1) Use artificial intelligence for at least 1 of  
14 the following purposes:

15 (A) Tracking trends with respect to inju-  
16 ries involving consumer products.

17 (B) Identifying consumer product hazards.

18 (C) Monitoring the retail marketplace (in-  
19 cluding internet websites) for the sale of re-  
20 called consumer products (including both new  
21 and used products).

22 (D) Identifying consumer products re-  
23 quired by section 17(a) of the Consumer Prod-  
24 uct Safety Act (15 U.S.C. 2066(a)) to be re-  
25 fused admission into the customs territory of  
26 the United States.

1 (2) Consult with the following:

2 (A) Technologists, data scientists, and ex-  
3 perts in artificial intelligence and machine  
4 learning.

5 (B) Cybersecurity experts.

6 (C) Members of the retail industry.

7 (D) Consumer product manufacturers.

8 (E) Consumer product safety organiza-  
9 tions.

10 (F) Any other person the Commission con-  
11 siders appropriate.

12 (c) REPORT TO CONGRESS.—Not later than 180 days  
13 after the conclusion of the pilot program established under  
14 subsection (a), the Consumer Product Safety Commission  
15 shall submit to the Committee on Energy and Commerce  
16 of the House of Representatives and the Committee on  
17 Commerce, Science, and Transportation of the Senate,  
18 and make publicly available on the website of the Commis-  
19 sion, a report on the findings and data derived from such  
20 program, including whether and the extent to which the  
21 use of artificial intelligence improved the ability of the  
22 Commission to advance the consumer product safety mis-  
23 sion of the Commission.

1                   **TITLE II—BLOCKCHAIN**  
2                   **TECHNOLOGY INNOVATION**

3   **SEC. 201. SHORT TITLE.**

4           This title may be cited as the “Blockchain Innovation  
5 Act”.

6   **SEC. 202. STUDY ON BLOCKCHAIN TECHNOLOGY AND ITS**  
7                   **USE IN CONSUMER PROTECTION.**

8           (a) IN GENERAL.—

9                   (1) STUDY REQUIRED.—Not later than one  
10           year after the date of enactment of this Act, the  
11           Secretary of Commerce, in consultation with the  
12           Federal Trade Commission, and in consultation with  
13           the any other appropriate Federal agency the Sec-  
14           retary determines appropriate, shall conduct a study  
15           on current and potential use of blockchain tech-  
16           nology in commerce and the potential benefits of  
17           blockchain technology for limiting fraud and other  
18           unfair and deceptive acts and practices.

19                   (2) REQUIREMENTS FOR STUDY.—In con-  
20           ducting the study, the Secretary shall examine—

21                           (A) trends in the commercial use of and  
22                           investment in blockchain technology;

23                           (B) best practices in facilitating public-pri-  
24                           vate partnerships in blockchain technology;

1 (C) potential benefits and risks of  
2 blockchain technology for consumer protection;

3 (D) how blockchain technology can be used  
4 by industry and consumers to reduce fraud and  
5 increase the security of commercial trans-  
6 actions;

7 (E) areas in Federal regulation of  
8 blockchain technology that greater clarity would  
9 encourage domestic innovation; and

10 (F) any other relevant observations or rec-  
11 ommendations related to blockchain technology  
12 and consumer protection.

13 (3) PUBLIC COMMENT.—In producing the study  
14 required in subsection (a)(2), the Secretary shall  
15 provide opportunity for public comment and advice  
16 relevant to the production of the study.

17 (b) REPORT TO CONGRESS.—Not later than 6  
18 months after the completion of the study required pursu-  
19 ant to subsection (a), the Secretary shall submit to the  
20 Committee on Energy and Commerce of the House of  
21 Representatives and the Committee on Commerce,  
22 Science, and Transportation of the Senate, and make pub-  
23 licly available on the website of the Department of Com-  
24 merce, a report that contains the results of the study con-  
25 ducted under subsection (a).

1           **TITLE III—DIGITAL TOKEN**  
2                           **TAXONOMY**

3   **SEC. 301. SHORT TITLE.**

4           This title may be cited as the “Digital Taxonomy  
5 Act”.

6   **SEC. 302. FINDINGS.**

7           Congress finds that—

8                   (1) it is important that the United States re-  
9                   mains a leader in innovation;

10                   (2) digital tokens and blockchain technology are  
11                   driving innovation and providing consumers with in-  
12                   creased choice and convenience;

13                   (3) the use of digital tokens and blockchain  
14                   technology is likely to increase in the future;

15                   (4) the Federal Trade Commission is respon-  
16                   sible for protecting consumers from unfair or decep-  
17                   tive acts or practices, including relating to digital to-  
18                   kens;

19                   (5) the Commission has previously taken action  
20                   against unscrupulous companies and individuals that  
21                   committed unfair or deceptive acts or practices in-  
22                   volving digital tokens; and

23                   (6) to bolster the Commission’s ability to en-  
24                   force against unfair or deceptive acts or practices in-  
25                   volving digital tokens, the Commission should ensure

1 staff have appropriate training and resources to  
2 identify and pursue such cases.

3 **SEC. 303. REPORTS ON UNFAIR OR DECEPTIVE ACTS OR**  
4 **PRACTICES IN TRANSACTIONS RELATING TO**  
5 **DIGITAL TOKENS.**

6 Not later than one year after the date of enactment  
7 of this Act and each year thereafter until fiscal year 2024,  
8 the Federal Trade Commission shall transmit to the Com-  
9 mittee on Energy and Commerce of the House of Rep-  
10 resentatives and the Committee on Commerce, Science,  
11 and Transportation of the Senate, and make publicly  
12 available on its website, a report of—

13 (1) any actions taken by the Commission relat-  
14 ing to unfair or deceptive acts or practices in trans-  
15 actions relating to digital tokens;

16 (2) the Commission's other efforts to prevent  
17 unfair or deceptive acts or practices relating to dig-  
18 ital tokens; and

19 (3) any recommendations by the Commission  
20 for legislation that would improve the ability of the  
21 Commission and other relevant Federal agencies—

22 (A) to further protect consumers from un-  
23 fair or deceptive acts or practices in the digital  
24 token marketplace; and



- 1 (B) to promote competition and promote
- 2 innovation in the global digital token sector.

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