

INFORMING CONSUMERS ABOUT SMART DEVICES ACT

APRIL 24, 2025.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. GUTHRIE, from the Committee on Energy and Commerce,
submitted the following

R E P O R T

[To accompany H.R. 859]

The Committee on Energy and Commerce, to whom was referred the bill (H.R. 859) to require the disclosure of a camera or recording capability in certain internet-connected devices, having considered the same, reports favorably thereon without amendment and recommends that the bill do pass.

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PURPOSE AND SUMMARY

H.R. 859, the “Informing Consumers about Smart Devices Act”, was introduced by Representative Fulcher on January 31, 2025, and was referred to the Committee on Energy and Commerce. H.R. 859 requires manufacturers to disclose whether certain internet-connected devices are equipped with a camera or a microphone.

The bill does not apply to a telephone, laptop, tablet, or any device that a consumer would reasonably expect to have a camera or microphone or to any device that is specifically marketed as a camera, telecommunications device, or microphone.

BACKGROUND AND NEED FOR LEGISLATION

Consumers increasingly purchase internet-connected devices for use in their homes. The number of so-called “smart homes,” where internet-connected appliances, controls, and devices are used, is expected to reach 103 million by 2028.¹ In one survey, consumers who embraced smart home devices believed these technologies improved their quality of life because of real-time notifications and the ability to easily adjust home and appliance settings, among other features.²

At the same time, consumers may not be aware that many internet-connected devices contain cameras or microphones that record them. One investigation found that a smart refrigerator used a small camera to photograph its contents and gathered additional information on its users.³ A robot vacuum was also found to have also collected and shared compromising images of its owner.⁴ In addition to consumers being unaware of these features, internet-connected devices may pose new data security risks to consumers because of the collection, processing, and storage of this information.

Given the proliferation of internet-connected devices in American homes and the potential data security risks to consumers, consumers should be informed when a smart device is capable of recording or listening to them before purchasing the device. The Federal Trade Commission Act’s prohibition on unfair or deceptive acts or practices broadly applies to the marketing of smart devices by manufacturers. Nonetheless, specific legislation is necessary to ensure manufacturers take these steps before additional consumer harm occurs in the marketplace and to ensure that consumers can make informed purchasing decisions.

COMMITTEE ACTION

On February 1, 2023, the Subcommittee on Innovation, Data, and Commerce held a hearing entitled “Economic Danger Zone: How America Competes to Win the Future Versus China.” The Subcommittee received testimony from:

- Brandon Pugh, Policy and Resident Senior Fellow, R Street Institute;
- Jeff Farrah, Executive Director, Autonomous Vehicle Industry Association;
- Samm Sacks, Cyber Policy Fellow, International Security Program, New America; and

¹ Statista, *Number of users of smart homes in the United States from 2019 to 2028* (Feb. 28, 2025), <https://www.statista.com/forecasts/887611/number-of-smart-homes-in-the-smart-home-market-in-the-united-states>.

² Jana Arbanas, Paul H. Silverglate, and Susanne Hupfer, “Consumer make their homes smart, with a focus on security,” DELOITTE INSIGHTS (Sep. 6, 2023), <https://www2.deloitte.com/us/en/insights/industry/telecommunications/connectivity-mobile-trends-survey/2023/smart-home-industry-adoption-trend.html>.

³ Tate Ryan-Mosley, “How to Hack a Smart Fridge,” MIT TECHNOLOGY REVIEW (May 8, 2023), <https://www.technologyreview.com/2023/05/08/1072708/hack-smart-fridge-digital-forensics/>.

⁴ Eileen Guo, “A Roomba recorded a woman the toilet. How did screenshots end up on Facebook?” MIT TECHNOLOGY REVIEW (Dec 19, 2022), <https://www.technologyreview.com/2022/12/19/1065306/roomba-irobot-robot-vacuums-artificial-intelligence-training-data-privacy/>.

- Marc Jarsulic, Senior Fellow and Chief Economist, Center for American Progress.

On March 1, 2023, the Subcommittee on Innovation, Data, and Commerce held a hearing entitled “Promoting U.S. Innovation and Individual Liberty through a National Standard for Data Privacy.” The Subcommittee received testimony from:

- Alexandra Reeve Givens, President and CEO, Center for Democracy & Technology;
- Graham Mudd, Founder and Chief Product Officer, Anonym; and
- Jessica Rich, Of Counsel and Senior Policy Advisor for Consumer Protection, Kelley Drye & Warren, LLP.

On April 8, 2025, the full Committee on Energy and Commerce met in open markup session and ordered H.R. 859, without amendment, favorably reported to the House by a voice vote.

COMMITTEE VOTES

Clause 3(b) of rule XIII requires the Committee to list the recorded votes on the motion to report legislation and amendments thereto. There were no record votes taken in connection with ordering H.R. 859 reported.

OVERSIGHT FINDINGS AND RECOMMENDATIONS

Pursuant to clause 2(b)(1) of rule X and clause 3(c)(1) of rule XIII, the Committee held a hearing and made findings that are reflected in this report.

NEW BUDGET AUTHORITY, ENTITLEMENT AUTHORITY, AND TAX EXPENDITURES

Pursuant to clause 3(c)(2) of rule XIII, the Committee finds that H.R. 859 would result in no new or increased budget authority, entitlement authority, or tax expenditures or revenues.

CONGRESSIONAL BUDGET OFFICE ESTIMATE

Pursuant to clause 3(c)(3) of rule XIII, at the time this report was filed, the cost estimate prepared by the Director of the Congressional Budget Office pursuant to section 402 of the Congressional Budget Act of 1974 was not available.

FEDERAL MANDATES STATEMENT

The Committee adopts as its own the estimate of Federal mandates prepared by the Director of the Congressional Budget Office pursuant to section 423 of the Unfunded Mandates Reform Act.

STATEMENT OF GENERAL PERFORMANCE GOALS AND OBJECTIVES

Pursuant to clause 3(c)(4) of rule XIII, the general performance goal or objective of this legislation is to require labeling on certain internet connected devices to designate they are equipped with a microphone or camera.

DUPLICATION OF FEDERAL PROGRAMS

Pursuant to clause 3(c)(5) of rule XIII, no provision of H.R. 859 is known to be duplicative of another Federal program, including any program that was included in a report to Congress pursuant

to section 21 of Public Law 111–139 or the most recent Catalog of Federal Domestic Assistance.

RELATED COMMITTEE AND SUBCOMMITTEE HEARINGS

Pursuant to clause 3(c)(6) of rule XIII, the following related hearings were used to develop or consider H.R. 859:

- On February 1, 2023, the Subcommittee on Innovation, Data, and Commerce held a hearing entitled “Economic Danger Zone: How America Competes to Win the Future Versus China.” The Subcommittee received testimony from:
 - Brandon Pugh, Policy and Resident Senior Fellow, R Street Institute;
 - Jeff Farrah, Executive Director, Autonomous Vehicle Industry Association;
 - Samm Sacks, Cyber Policy Fellow, International Security Program, New America; and
 - Marc Jarsulic, Senior Fellow and Chief Economist, Center for American Progress.
- On March 1, 2023, the Subcommittee on Innovation, Data, and Commerce held a hearing entitled “Promoting U.S. Innovation and Individual Liberty through a National Standard for Data Privacy.” The Subcommittee received testimony from:
 - Alexandra Reeve Givens, President and CEO, Center for Democracy & Technology;
 - Graham Mudd, Founder and Chief Product Officer, Anonym; and
 - Jessica Rich, Of Counsel and Senior Policy Advisor for Consumer Protection, Kelley Drye & Warren, LLP.
- On April 27, 2023, the Subcommittee on Innovation, Data, and Commerce held a hearing entitled “Addressing America’s Data Privacy Shortfalls: How a National Standard Fills Gaps to Protect Americans’ Personal Information.” The Subcommittee received testimony from:
 - Morgan Reed, President, ACT | The App Association;
 - Donald Codling, Senior Advisor for Cybersecurity and Privacy, REGO Payment Architectures, Inc.;
 - Edward Britan, Head of Global Privacy, Salesforce, Inc.;
 - Amelia Vance, Founder and President, Public Interest Privacy Center.

COMMITTEE COST ESTIMATE

Pursuant to clause 3(d)(1) of rule XIII, the Committee adopts as its own the cost estimate prepared by the Director of the Congressional Budget Office pursuant to section 402 of the Congressional Budget Act of 1974. At the time this report was filed, the estimate was not available.

EARMARK, LIMITED TAX BENEFITS, AND LIMITED TARIFF BENEFITS

Pursuant to clause 9(e), 9(f), and 9(g) of rule XXI, the Committee finds that H.R. 859 contains no earmarks, limited tax benefits, or limited tariff benefits.

ADVISORY COMMITTEE STATEMENT

No advisory committees within the meaning of section 5(b) of the Federal Advisory Committee Act were created by this legislation.

APPLICABILITY TO LEGISLATIVE BRANCH

The Committee finds that the legislation does not relate to the terms and conditions of employment or access to public services or accommodations within the meaning of section 102(b)(3) of the Congressional Accountability Act.

SECTION-BY-SECTION ANALYSIS OF THE LEGISLATION

Section 1. Short title

Section 1 provides that the Act may be cited as the “Informing Consumers about Smart Devices Act.”

Section 2. Required disclosure of a camera or recording capability in certain internet-connected devices

Section 2 requires manufacturers of covered devices to clearly and conspicuously disclose prior to purchase whether a covered device contains a camera or microphone.

Section 3. Enforcement

Section 3 provides that a violation of the Act shall be treated as a violation of a rule defining an unfair or deceptive practice prescribed under section 18(a)(1)(B) of the Federal Trade Commission Act, and authorizes the Federal Trade Commission (FTC) to enforce the Act in the same manner, by the same means, and with the same jurisdiction, powers, and duties as applicable under the Federal Trade Commission Act.

This section also directs the FTC, within 180 days of the Act’s enactment, to issue guidance to help manufacturers comply with the Act’s requirements, including guidance about best practices for making required disclosures as clear and conspicuous and age appropriate as practicable, and best practices for using a pictorial visual representation of the information to be disclosed. Manufacturers may petition the FTC for tailored guidance on how to meet the disclosure requirements consistent with existing rules of practice or any successor rules. The FTC’s guidance shall not confer rights on any person or entity and shall not operate to bind the FTC or any person to the approach recommended in the guidance. The FTC shall not base an enforcement action or execute a consent order based on practices that are alleged to be inconsistent with such guidance unless the practices allegedly violate section 2 of the Act.

Section 4. Definition of covered device

Section 4 defines the term “covered device” to: (1) mean a consumer product, as defined by section 3(a) of the Consumer Product Safety Act that is capable of connecting to the internet, a component of which is a camera or microphone; and (2) not include: (A) a telephone (including a mobile phone), a laptop, tablet, or any device that a consumer would reasonably expect to have a microphone or camera; (B) any device that is specifically marketed as a camera, telecommunications device, or microphone; or (C) any device or apparatus described in sections 255, 716, and 718, and sub-

sections (aa) and (bb) of section 303 of the Communications Act of 1934, and any regulations promulgated thereunder.

Section 5. Effective date

Section 4 provides that the Act would apply to all covered devices manufactured after the date that is 180 days after the date the FTC issues the guidance required by section 3. The Act would not apply to covered devices manufactured, sold, or otherwise introduced into interstate commerce before that date.

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

This legislation does not amend any existing Federal statute.

