

Calendar No. 47

119TH CONGRESS }
1st Session

SENATE

{ REPORT
119-13

INFORMING CONSUMERS ABOUT
SMART DEVICES ACT

R E P O R T

OF THE

COMMITTEE ON COMMERCE, SCIENCE,
AND TRANSPORTATION

ON

S. 28



APRIL 28, 2025.—Ordered to be printed

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SENATE COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

ONE HUNDRED NINETEENTH CONGRESS

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Mr. CRUZ, from the Committee on Commerce, Science, and
Transportation, submitted the following

R E P O R T

[To accompany S. 28]

[Including cost estimate of the Congressional Budget Office]

The Committee on Commerce, Science, and Transportation, to which was referred the bill (S. 28) 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.

PURPOSE OF THE BILL

The purpose of S. 28 is to require the disclosure of a camera or recording capability in certain internet-connected devices.

BACKGROUND AND NEEDS

Internet-connected smart devices are becoming increasingly common in U.S. households. Sixty-nine percent of U.S. houses have at least one smart home product; 83 million households own more than one such product.¹ The U.S. smart home market is expected to reach \$87.25 billion by 2032, up from \$31.85 billion in 2023.² While internet-connected devices can provide enhanced capabilities for household products and increase consumer convenience, consumers may not expect their refrigerators, thermostats, or other products to contain a camera or microphone that could surveil, record, and transmit to others their private home activity. Con-

¹PR Newswire, “United States Smart Home Market Analysis & Forecasts 2020–2026 by Application, Products, Active Household Numbers, Penetration Rate, Company Analysis,” May 10, 2021 (<https://www.prnewswire.com/news-releases/united-states-smart-home-market-analysis-forecasts-2020-2026-by-application-products-active-household-numbers-penetration-rate-company-analysis-301287760.html>).

²Research and Markets, “United States Smart Home Market Report by Product Application States and Company Analysis, 2024–2032,” January 2024 (<https://www.researchandmarkets.com/report/united-states-smart-home-market?>).

sumers have a strong privacy interest in knowing whether a household product has audio or video recording and transmission capabilities before they purchase the product.

SUMMARY OF PROVISIONS

S. 28 would do the following:

- Require each manufacturer of a covered device to disclose, clearly and conspicuously and prior to purchase, whether the covered device contains a camera or microphone as a component of the covered device.
- Authorize the Federal Trade Commission (FTC) to enforce the Act as a violation of a rule prescribed under section 18 of the Federal Trade Commission Act.³
- Require the FTC to issue guidance (including tailored guidance) to assist manufacturers in complying with the requirements of the Act.

LEGISLATIVE HISTORY

S. 28, the Informing Consumers About Smart Devices Act, was introduced on January 7, 2025, by Senator Cruz (for himself and Senators Cantwell and Curtis) and was referred to the Committee on Commerce, Science, and Transportation of the Senate. On March 12, 2025, the Committee met in open Executive Session and, by voice vote, ordered S. 28 reported favorably without amendment.

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S. 90, the Informing Consumers About Smart Devices Act, was introduced on January 25, 2023, by Senator Cruz (for himself and Senator Cantwell) and was referred to the Committee on Commerce, Science, and Transportation of the Senate. On March 22, 2023, the Committee met in open Executive Session and, by voice vote, ordered S. 90 reported favorably with amendments. Senator Warnock became an additional cosponsor on March 28, 2023.

H.R. 538, a House bill similar to S. 90, was introduced on January 26, 2023, by Representative Curtis (for himself and Representative Moulton) and was referred to the Committee on Energy and Commerce of the House of Representatives. On February 27, 2023, H.R. 538 passed the House by a vote of 406–12.

ESTIMATED COSTS

In accordance with paragraph 11(a) of rule XXVI of the Standing Rules of the Senate and section 403 of the Congressional Budget Act of 1974, the Committee provides the following cost estimate, prepared by the Congressional Budget Office:

³ 15 U.S.C. 57a.

S. 28, Informing Consumers about Smart Devices Act As ordered reported by the Senate Committee on Commerce, Science, and Transportation on March 12, 2025			
By Fiscal Year, Millions of Dollars	2025	2025-2030	2025-2035
Direct Spending (Outlays)	0	0	0
Revenues	0	*	*
Increase or Decrease (-) in the Deficit	0	*	*
Spending Subject to Appropriation (Outlays)	*	4	not estimated
Increases <i>net direct spending</i> in any of the four consecutive 10-year periods beginning in 2036?	No	Statutory pay-as-you-go procedures apply? Yes	
Increases <i>on-budget deficits</i> in any of the four consecutive 10-year periods beginning in 2036?	No	Mandate Effects	
		Contains intergovernmental mandate?	No
		Contains private-sector mandate?	Yes, Under Threshold
* = between -\$500,000 and \$500,000.			

S. 28 would require manufacturers of Internet-connected devices to disclose to consumers whether such devices have microphones or cameras. The bill would direct the Federal Trade Commission (FTC) to establish guidance for manufacturers to follow when notifying consumers and to enforce any violations of the bill's requirements.

Using information from the FTC and the cost of similar requirements, CBO expects that the FTC would need three employees to issue guidance in 2026 and four employees in each year from 2027 through 2030 to enforce the bill's requirements. CBO estimates that the average cost for salaries and benefits for an FTC employee would be \$240,000 in 2025. After accounting for anticipated inflation, CBO estimates that implementing S. 28 would cost \$4 million over the 2025–2030 period; any related spending would be subject to the availability of appropriated funds.

The bill would authorize the FTC to collect civil monetary penalties from businesses found in violation of the bill, along with pursuing other remedies. Civil monetary penalties are generally remitted to the Treasury and recorded as revenues. However, CBO estimates that the additional revenues collected over the next decade would be insignificant. The extent to which business would violate the new rules after they go into effect is uncertain.

Furthermore, if a business does violate the new rules and the FTC chooses to proceed with an enforcement action, the extent to which the agency pursues civil penalties versus other remedies is also uncertain, as is the amount of time it would take to resolve a case.

S. 28 would impose a private-sector mandate as defined in the Unfunded Mandates Reform Act (UMRA) by requiring manufacturers of Internet-connected devices to disclose to the consumer if a component of the device includes a microphone or camera. According to industry sources, most manufacturers already disclose such information on the device's exterior packaging or other forms of advertising. Therefore, CBO estimates that the cost for manufacturers to comply with the bill would not exceed the annual threshold

established in UMRA (\$203 million in 2025, adjusted annually for inflation).

S. 28 contains no intergovernmental mandates as defined in UMRA.

The CBO staff contacts for this estimate are Margot Berman (for the FTC) and Rachel Austin (for mandates). The estimate was reviewed by H. Samuel Papenfuss, Deputy Director of Budget Analysis.

PHILLIP L. SWAGEL,
Director, Congressional Budget Office.

REGULATORY IMPACT STATEMENT

In accordance with paragraph 11(b) of rule XXVI of the Standing Rules of the Senate, the Committee provides the following evaluation of the regulatory impact of the legislation, as reported:

Number of Persons Covered

S. 28 would require manufacturers of certain consumer products that are capable of connecting to the internet to disclose to consumers whether such products contain a camera or microphone. As such, the number of persons covered would be approximately equivalent to the number of manufacturers of such products.

Economic Impact

S. 28 would not have a significant economic impact. It may require some increased expenditures by manufacturers in order to add clear and conspicuous labeling to such products as required under the Act.

Privacy

S. 28 would have a positive impact on individual privacy because it would provide transparency to consumers about whether household devices capable of connecting to the internet have cameras or microphones.

Paperwork

S. 28 would not create additional paperwork.

CONGRESSIONALLY DIRECTED SPENDING

In compliance with paragraph 4(b) of rule XLIV of the Standing Rules of the Senate, the Committee provides that no provisions contained in the bill, as reported, meet the definition of congressionally directed spending items under the rule.

SECTION-BY-SECTION ANALYSIS

Section 1. Short title.

This section would provide that the bill 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.

This section would require manufacturers of covered devices to clearly and conspicuously disclose prior to purchase whether a covered device contains a camera or microphone.

Section 3. Enforcement by the Federal Trade Commission.

This section would provide 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,⁴ and would authorize the 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.⁵

This section would also direct 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 decision on practices that are alleged to be inconsistent with such guidance unless the practices allegedly violate section 2.

Section 4. Definition of covered device.

This section would define 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 subsections (aa) and (bb) of section 303 of the Communications Act of 1934, and any regulations promulgated thereunder.

Section 5. Effective date.

This section would provide that the Act applies 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

In compliance with paragraph 12 of rule XXVI of the Standing Rules of the Senate, the Committee states that the bill as reported would make no change to existing law.



⁴ 15 U.S.C. 57a.

⁵ 15 U.S.C. 41 et seq.