ONE HUNDRED FIFTEENTH CONGRESS

Congress of the United States House of Representatives

COMMITTEE ON ENERGY AND COMMERCE 2125 RAYBURN HOUSE OFFICE BUILDING WASHINGTON, DC 20515-6115

> Majority (202) 225-2927 Minority (202) 225-3641

MEMORANDUM

June 11, 2018

To: Subcommittee on Digital Commerce and Consumer Protection Democratic Members and Staff

Fr: Committee on Energy and Commerce Democratic Staff

Re: Markup of H.R. 6032, the State of Modern Application, Research, and Trends of IoT (SMART IoT) Act

On <u>Wednesday, June 13, 2018, at 11:00 a.m. in room 2123 of the Rayburn House</u> <u>Office Building</u>, the Subcommittee on Digital Commerce and Consumer Protection will hold a markup of H.R. 6032, the State of Modern Application, Research, and Trends of IoT (SMART IoT) Act.

I. BACKGROUND

The Internet of Things, or IoT, generally refers to the ability of everyday objects to connect to the internet and to send and receive data. IoT products are consumer products that use the internet as part of how they function. As examples, IoT devices can be home appliances, agricultural products, manufacturing equipment, healthcare monitors, and vehicles on roads.

This Subcommittee has held several hearings on IoT topics as part of the Disrupter Series, including wearable devices, smart communities, health care apps, and two previous IoT-specific hearings. A hearing was held on a discussion draft of this bill on May 22, 2018.

II. SUMMARY OF H.R. 6032, THE STATE OF MODERN APPLICATION, RESEARCH, AND TRENDS OF IOT (SMART IOT) ACT

¹ Federal Trade Commission, *Internet of Things: Privacy & Security in a Commercial World*, FTC Staff Report (Jan. 27, 2015).

 $^{^{2}}$ Id.

Section 1. Short Title. Section 1 of the bill provides that the Act may be cited as the "State of Modern Application, Research, and Trends of IoT Act." or the "SMART IoT Act."

Section 2. Study and Report on Internet of Things. Section 2 directs the Secretary of Commerce to conduct a study on the state of internet-connected devices. Internet-connected devices are defined in the draft as physical objects capable of connecting directly or indirectly to the internet to communicate information at the direction of an individual and are capable of collecting, sending, or receiving data.

The study includes a survey of entities that develop such devices, entities promoting the adoption of internet-connected devices including those that develop standards for such devices, the status of the standards identified, and a description of the ways internet-connected devices are developed, used, or promoted. The study would also include a survey of the federal agencies that have jurisdiction over entities and industry sectors participating in the IoT economy and the activities undertaken by these agencies with regard to IoT. Before introduction, the bill was edited slightly to remove a survey of the industry sectors that use internet-connected devices and to add to the study the status of standards.

The bill requires the Secretary of Commerce to submit a report to Congress within one year on the results of the study and recommendations for growth of the United States economy through the secure advancement of internet-connected devices.