

119TH CONGRESS
1ST SESSION

H. R. 5511

To direct the Federal Trade Commission to require impact assessments of certain algorithms, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 19, 2025

Ms. CLARKE of New York (for herself, Ms. BALINT, Ms. BARRAGÁN, Mr. BELL, Ms. BROWN, Mr. DAVIS of Illinois, Mr. DELUZIO, Mr. EVANS of Pennsylvania, Mr. FIGURES, Mrs. FOUSHEE, Mr. GARCÍA of Illinois, Ms. NORTON, Mr. HUFFMAN, Mr. JACKSON of Illinois, Ms. JACOBS, Ms. JAYAPAL, Ms. KELLY of Illinois, Ms. LEE of Pennsylvania, Mrs. RAMIREZ, Ms. TLAIB, Mr. VEASEY, and Ms. WILSON of Florida) introduced the following bill; which was referred to the Committee on Energy and Commerce

A BILL

To direct the Federal Trade Commission to require impact assessments of certain algorithms, and for other purposes.

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.**

4 This Act may be cited as the “Algorithmic Account-
5 ability Act of 2025”.

6 **SEC. 2. DEFINITIONS.**

7 In this Act:

1 (1) BIOMETRICS.—The term “biometrics”
2 means any information that represents a biological,
3 physiological, or behavioral attribute or feature of a
4 consumer.

5 (2) CHAIR.—The term “Chair” means the
6 Chair of the Commission.

7 (3) COMMISSION.—The term “Commission”
8 means the Federal Trade Commission.

9 (4) CONSUMER.—The term “consumer” means
10 an individual.

11 (5) COVERED ALGORITHM.—The term “covered
12 algorithm” means a computational process derived
13 from machine learning, natural language processing,
14 artificial intelligence techniques, or other computa-
15 tional processing techniques of similar or greater
16 complexity, that, with respect to a consequential ac-
17 tion—

18 (A) creates or facilitates the creation of a
19 product or information;

20 (B) promotes, recommends, ranks, or oth-
21 erwise affects the display or delivery of informa-
22 tion that is material to the consequential action;

23 (C) makes a decision; or

24 (D) facilitates human decision making.

25 (6) COVERED ENTITY.—

1 (A) IN GENERAL.—The term “covered en-
2 tity” means any person, partnership, or cor-
3 poration over which the Commission has juris-
4 diction under section 5(a)(2) of the Federal
5 Trade Commission Act (15 U.S.C. 45(a)(2))—

6 (i) that deploys any covered algo-
7 rithm;

8 (I) had greater than \$50,000,000
9 in average annual gross receipts or is
10 deemed to have greater than
11 \$250,000,000 in equity value for the
12 3-taxable-year period (or for the pe-
13 riod during which the person, partner-
14 ship, or corporation has been in exist-
15 ence, if such period is less than 3
16 years) preceding the most recent fiscal
17 year, as determined in accordance
18 with paragraphs (2) and (3) of section
19 448(c) of the Internal Revenue Code
20 of 1986;

21 (II) possesses, manages, modi-
22 fies, handles, analyzes, controls, or
23 otherwise uses identifying information
24 about more than 1,000,000 con-
25 sumers, households, or consumer de-

1 vices for the purpose of developing or
2 deploying any covered algorithm; or

3 (III) is substantially owned, oper-
4 ated, or controlled by a person, part-
5 nership, or corporation that meets the
6 requirements under subclause (I) or
7 (II);

8 (ii) that—

9 (I) had greater than \$5,000,000
10 in average annual gross receipts or is
11 deemed to have greater than
12 \$25,000,000 in equity value for the 3-
13 taxable-year period (or for the period
14 during which the person, partnership,
15 or corporation has been in existence,
16 if such period is less than 3 years)
17 preceding the most recent fiscal year,
18 as determined in accordance with
19 paragraphs (2) and (3) of section
20 448(c) of the Internal Revenue Code
21 of 1986; and

22 (II) deploys any covered algo-
23 rithm that is developed for implemen-
24 tation or use, or that the person, part-
25 nership, or corporation reasonably ex-

1 pects to be implemented or used by
2 any person, partnership, or corpora-
3 tion if such person, partnership, or
4 corporation meets the requirements
5 described in clause (i); or

6 (iii) that met the criteria described in
7 clause (i) or (ii) within the previous 3
8 years.

9 (B) INFLATION ADJUSTMENT.—For pur-
10 poses of applying this paragraph in any fiscal
11 year after the first fiscal year that begins on or
12 after the date of enactment of this Act, each of
13 the dollar amounts specified in subparagraph
14 (A) shall be increased by the percentage in-
15 crease (if any) in the consumer price index for
16 all urban consumers (U.S. city average) from
17 such first fiscal year that begins after such date
18 of enactment to the fiscal year involved.

19 (7) CRITICAL DECISION.—The term “critical
20 decision” means a decision or judgment that has any
21 legal, material, or similarly significant effect on a
22 consumer’s life relating to access to or the cost,
23 terms, or availability of—

1 (A) education and vocational training, in-
2 cluding assessment, accreditation, or certifi-
3 cation;

4 (B) employment, workers management, or
5 self-employment;

6 (C) essential utilities, such as electricity,
7 heat, water, internet or telecommunications ac-
8 cess, or transportation;

9 (D) family planning, including adoption
10 services or reproductive services;

11 (E) financial services, including any finan-
12 cial service provided by a mortgage company,
13 mortgage broker, or creditor;

14 (F) healthcare, including mental
15 healthcare, dental, or vision;

16 (G) housing or lodging, including any rent-
17 al or short-term housing or lodging;

18 (H) legal services, including private arbi-
19 tration or mediation; or

20 (I) any other service, program, or oppor-
21 tunity decisions about which have a comparably
22 legal, material, or similarly significant effect on
23 a consumer's life as determined by the Commis-
24 sion through rulemaking.

1 (8) DEPLOY.—The term “deploy” means to im-
2 plement, use, or make available for sale, license, or
3 other commercial relationship.

4 (9) DEVELOP.—The term “develop” means to
5 design, code, produce, customize, or otherwise create
6 or modify.

7 (10) IDENTIFYING INFORMATION.—The term
8 “identifying information” means any information,
9 regardless of how the information is collected, in-
10 ferred, predicted, or obtained that identifies or rep-
11 resents a consumer, household, or consumer device
12 through data elements or attributes, such as name,
13 postal address, telephone number, biometrics, email
14 address, internet protocol address, social security
15 number, or any other identifying number, identifier,
16 or code.

17 (11) IMPACT ASSESSMENT.—The term “impact
18 assessment” means the ongoing study and evalua-
19 tion of a covered algorithm and its impact on con-
20 sumers.

21 (12) STATE.—The term “State” means each of
22 the 50 States, the District of Columbia, and any ter-
23 ritory or possession of the United States.

24 (13) SUMMARY REPORT.—The term “summary
25 report” means documentation of a subset of infor-

1 mation required to be addressed by the impact as-
 2 sessment as described in this Act or determined ap-
 3 propriate by the Commission.

4 (14) THIRD-PARTY DECISION RECIPIENT.—The
 5 term “third-party decision recipient” means any per-
 6 son, partnership, or corporation (beyond the con-
 7 sumer and the covered entity) that receives a copy
 8 of or has access to the results of any decision or
 9 judgment that results from a covered entity’s deploy-
 10 ment of a covered algorithm.

11 **SEC. 3. ASSESSING THE IMPACT OF COVERED ALGO-**
 12 **RITHMS.**

13 (a) ACTS PROHIBITED.—

14 (1) IN GENERAL.—It is unlawful for—

15 (A) any covered entity to violate a regula-
 16 tion promulgated under subsection (b); or

17 (B) any person to knowingly provide sub-
 18 stantial assistance to any covered entity in vio-
 19 lating subsection (b).

20 (2) PREEMPTION OF PRIVATE CONTRACTS.—It
 21 shall be unlawful for any covered entity to commit
 22 the acts prohibited in paragraph (1), regardless of
 23 specific agreements between entities or consumers.

24 (b) REGULATIONS.—

(1) IN GENERAL.—Subject to paragraph (2), not later than 2 years after the date of enactment of this Act, the Commission shall, in consultation with the Director of the National Institute of Standards and Technology, the Director of the National Artificial Intelligence Initiative, the Director of the Office of Science and Technology Policy, and other relevant stakeholders, including standards bodies, private industry, academia, technology experts, and advocates for civil rights, consumers, and impacted communities, promulgate regulations, in accordance with section 553 of title 5, United States Code, that—

(A) require each covered entity to perform impact assessment of any covered algorithm—

(i) that was developed for implementation or use, or that the covered entity reasonably expects to be implemented or used, by any person, partnership, or corporation that meets the requirements described in section 2(6)(A)(i); and

(ii) both prior to and after deployment by the covered entity;

(B) require each covered entity to maintain documentation of any impact assessment per-

1 formed under subparagraph (A), including the
2 applicable information described in section 4(a)
3 for 3 years longer than the duration of time for
4 which the covered algorithm is deployed;

5 (C) require each person, partnership, or
6 corporation that meets the requirements de-
7 scribed in section 2(6)(A)(i) to disclose their
8 status as a covered entity to any person, part-
9 nership, or corporation that sells, licenses, or
10 otherwise provides through a commercial rela-
11 tionship any covered algorithm deployed by the
12 covered entity;

13 (D) require each covered entity to submit
14 to the Commission, on an annual basis, a sum-
15 mary report for ongoing impact assessment of
16 any deployed covered algorithm;

17 (E) require each covered entity to submit
18 an initial summary report to the Commission
19 for any new covered algorithm prior to its de-
20 ployment by the covered entity;

21 (F) allow any person, partnership, or cor-
22 poration over which the Commission has juris-
23 diction under section 5(a)(2) of the Federal
24 Trade Commission Act (15 U.S.C. 45(a)(2))
25 that deploys any covered algorithm, but is not

1 a covered entity, to submit to the Commission
2 a summary report for any impact assessment
3 performed with respect to such algorithm;

4 (G) require each covered entity, in per-
5 forming the impact assessment described in
6 subparagraph (A), to the extent possible, to
7 meaningfully consult (including through
8 participatory design, independent auditing, or
9 soliciting or incorporating feedback) with rel-
10 evant internal stakeholders (such as employees,
11 ethics teams, and responsible technology teams)
12 and independent external stakeholders (such as
13 representatives of and advocates for impacted
14 groups, civil society and advocates, and tech-
15 nology experts) as frequently as necessary;

16 (H) require each covered entity to attempt
17 to eliminate or mitigate, in a timely manner,
18 any impact made by a covered algorithm that
19 demonstrates a likely material negative impact
20 that has legal or similarly significant effects on
21 a consumer's life;

22 (I) establish definitions for—

23 (i) what constitutes “access to or the
24 cost, terms, or availability of” with respect
25 to a critical decision;

1 (ii) what constitutes “possession”,
2 “management”, “modification”, and “con-
3 trol” with respect to identifying informa-
4 tion;

5 (iii) the different categories of third-
6 party decision recipients that a covered en-
7 tity must document under section 5(1)(H);
8 and

9 (iv) any of the services, programs, or
10 opportunities described in subparagraphs
11 (A) through (I) of section 2(7) for the pur-
12 pose of informing consumers, covered enti-
13 ties, and regulators, as the Commission
14 deems necessary;

15 (J) establish guidelines for any person,
16 partnership, or corporation to calculate the
17 number of consumers, households, or consumer
18 devices for which the person, partnership, or
19 corporation possesses, manages, modifies, or
20 controls identifying information for the purpose
21 of determining covered entity status;

22 (K) establish guidelines for a covered enti-
23 ty to prioritize different covered algorithms de-
24 ployed by the covered entity for performing im-
25 pact assessment; and

1 (L) establish a required format for any
2 summary report, as described in subparagraphs
3 (D), (E), and (F), to ensure that such reports
4 are submitted in an accessible and machine-
5 readable format.

6 (2) CONSIDERATIONS.—In promulgating the
7 regulations under paragraph (1), the Commission—

8 (A) shall take into consideration—

9 (i) that certain assessment or docu-
10 mentation of a covered algorithm may only
11 be possible at particular stages of the de-
12 velopment and deployment of such algo-
13 rithm or may be limited or not possible
14 based on the availability of certain types of
15 information or data or the nature of the
16 relationship between the covered entity and
17 consumers;

18 (ii) the duration of time between sum-
19 mary report submissions and the timeliness
20 of the reported information;

21 (iii) the administrative burden placed
22 on the Commission and the covered entity;

23 (iv) the benefits of standardizing and
24 structuring summary reports for compara-
25 tive analysis compared with the benefits of

1 less-structured narrative reports to provide
2 detail and flexibility in reporting;

3 (v) that summary reports submitted
4 by different covered entities may contain
5 different fields according to the require-
6 ments established by the Commission, and
7 the Commission may allow or require sub-
8 mission of incomplete reports;

9 (vi) that existing data privacy and
10 other regulations may inhibit a covered en-
11 tity from storing or sharing certain infor-
12 mation; and

13 (vii) that a covered entity may require
14 information from other persons, partner-
15 ships, or corporations that develop any cov-
16 ered algorithm by the covered entity for
17 the purpose of performing impact assess-
18 ment; and

19 (B) may develop specific requirements for
20 impact assessments and summary reports for
21 particular—

22 (i) categories of critical decisions, as
23 described in subparagraphs (A) through (I)
24 of section 2(7) or any subcategory devel-
25 oped by the Commission; and

1 (ii) stages of development and deploy-
2 ment of a covered algorithm.

3 (3) EFFECTIVE DATE.—The regulations de-
4 scribed in paragraph (1) shall take effect on the
5 date that is 2 years after such regulations are pro-
6 mulgated.

7 **SEC. 4. REQUIREMENTS FOR COVERED ENTITY IMPACT AS-**
8 **SESSMENT.**

9 (a) REQUIREMENTS FOR IMPACT ASSESSMENT.—In
10 performing any impact assessment required under section
11 3(b)(1) for a covered algorithm, a covered entity shall do
12 the following, to the extent possible, as applicable to such
13 covered entity as determined by the Commission:

14 (1) In the case of a new covered algorithm,
15 evaluate any previously existing critical decision-
16 making process used for the same critical decision
17 prior to the deployment of the new covered algo-
18 rithm, along with any related documentation or in-
19 formation, such as—

20 (A) a description of the baseline process
21 being enhanced or replaced by the covered algo-
22 rithm;

23 (B) any known harm, shortcoming, failure
24 case, or material negative impact on consumers

1 of the previously existing process used to make
2 the critical decision;

3 (C) the intended benefits of and need for
4 the covered algorithm; and

5 (D) the intended purpose of the covered al-
6 gorithm.

7 (2) Identify and describe any consultation with
8 relevant stakeholders as required by section
9 3(b)(1)(G), including by documenting—

10 (A) the points of contact for the stake-
11 holders who were consulted;

12 (B) the date of any such consultation; and

13 (C) information about the terms and proc-
14 ess of the consultation, such as—

15 (i) the existence and nature of any
16 legal or financial agreement between the
17 stakeholders and the covered entity;

18 (ii) any data, system, design, scenario,
19 or other document or material the stake-
20 holder interacted with; and

21 (iii) any recommendations made by
22 the stakeholders that were used to modify
23 the development or deployment of the cov-
24 ered algorithm, as well as any rec-

1 ommendations not used and the rationale
2 for such nonuse.

3 (3) In accordance with any relevant National
4 Institute of Standards and Technology or other Fed-
5 eral Government best practices and standards, per-
6 form ongoing testing and evaluation of the privacy
7 risks and privacy-enhancing measures of the covered
8 algorithm, such as—

9 (A) assessing and documenting the data
10 minimization practices of such algorithm and
11 the duration for which the relevant identifying
12 information and any resulting critical decision
13 is stored;

14 (B) assessing the information security
15 measures in place with respect to such algo-
16 rithm, including any use of privacy-enhancing
17 technology such as federated learning, differen-
18 tial privacy, secure multi-party computation, de-
19 identification, or secure data enclaves based on
20 the level of risk; and

21 (C) assessing and documenting the current
22 and potential future or downstream positive and
23 negative impacts of such algorithm on the pri-
24 vacy, safety, or security of consumers and their
25 identifying information.

1 (4) Perform ongoing testing and evaluation of
2 the current and historical performance of the cov-
3 ered algorithm using measures such as
4 benchmarking datasets, representative examples
5 from the covered entity's historical data, and other
6 standards, including by documenting—

7 (A) a description of what is deemed suc-
8 cessful performance and the methods and tech-
9 nical and business metrics used by the covered
10 entity to assess performance;

11 (B) a review of the performance of such al-
12 gorithm under test conditions or an explanation
13 of why such performance testing was not con-
14 ducted;

15 (C) a review of the performance of such al-
16 gorithm under deployed conditions or an expla-
17 nation of why performance was not reviewed
18 under deployed conditions;

19 (D) a comparison of the performance of
20 such algorithm under deployed conditions to
21 test conditions or an explanation of why such a
22 comparison was not possible;

23 (E) an evaluation of any differential per-
24 formance associated with consumers' race,
25 color, sex, gender, age, disability, religion, fam-

1 ily status, socioeconomic status, or veteran sta-
2 tus, and any other characteristics the Commis-
3 sion deems appropriate (including any combina-
4 tion of such characteristics) for which the cov-
5 ered entity has information, including a descrip-
6 tion of the methodology for such evaluation and
7 information about and documentation of the
8 methods used to identify such characteristics in
9 the data (such as through the use of proxy
10 data, including ZIP Codes); and

11 (F) if any subpopulations were used for
12 testing and evaluation, a description of which
13 subpopulations were used and how and why
14 such subpopulations were determined to be of
15 relevance for the testing and evaluation.

16 (5) Support and perform ongoing training and
17 education for all relevant employees, contractors, or
18 other agents regarding any documented material
19 negative impacts on consumers from similar covered
20 algorithms and any improved methods of developing
21 or performing an impact assessment for such algo-
22 rithm based on industry best practices and relevant
23 proposals and publications from experts, such as ad-
24 vocates, journalists, and academics.

1 (6) Assess the need for and possible develop-
2 ment of any guard rail for or limitation on certain
3 uses or applications of the covered algorithm, includ-
4 ing whether such uses or applications ought to be
5 prohibited or otherwise limited through any terms of
6 use, licensing agreement, or other legal agreement
7 between entities.

8 (7) Maintain and keep updated documentation
9 of any data or other input information used to de-
10 velop, test, maintain, or update the covered algo-
11 rithm, including—

12 (A) how and when such data or other
13 input information was sourced and, if applica-
14 ble, licensed, including information such as—

15 (i) metadata and information about
16 the structure and type of data or other
17 input information, such as the file type,
18 the date of the file creation or modifica-
19 tion, and a description of data fields;

20 (ii) an explanation of the methodology
21 by which the covered entity collected, in-
22 ferred, or obtained the data or other input
23 information and, if applicable, labeled, cat-
24 egorized, sorted, or clustered such data or
25 other input information, including whether

1 such data or other input information was
2 labeled, categorized, sorted, or clustered
3 prior to being collected, inferred, or ob-
4 tained by the covered entity; and

5 (iii) whether and how consumers pro-
6 vided informed consent for the inclusion
7 and further use of data or other input in-
8 formation about themselves and any limita-
9 tions stipulated on such inclusion or fur-
10 ther use;

11 (B) why such data or other input informa-
12 tion was used and what alternatives were ex-
13 plored; and

14 (C) other information about the data or
15 other input information, such as—

16 (i) the representativeness of the
17 dataset and how this factor was measured,
18 including any assumption about the dis-
19 tribution of the population on which the
20 covered algorithm is deployed; and

21 (ii) the quality of the data, how the
22 quality was evaluated, and any measure
23 taken to normalize, correct, or clean the
24 data.

25 (8) Evaluate the rights of consumers, such as—

1 (A) by assessing the extent to which the
2 covered entity provides consumers with—

3 (i) clear notice that such algorithm
4 will be used; and

5 (ii) a mechanism for opting out of
6 such use;

7 (B) by assessing the transparency and
8 explainability of such algorithm and the degree
9 to which a consumer may contest, correct, or
10 appeal a decision or opt out of such algorithm,
11 including—

12 (i) the information available to con-
13 sumers or representatives or agents of con-
14 sumers about the algorithm, such as any
15 relevant factors that contribute to a par-
16 ticular decision, including an explanation
17 of which contributing factors, if changed,
18 would cause the algorithm to reach a dif-
19 ferent decision, and how such consumer,
20 representative, or agent can access such in-
21 formation;

22 (ii) documentation of any complaint,
23 dispute, correction, appeal, or opt-out re-
24 quest submitted to the covered entity by a

1 consumer with respect to such algorithm;

2 and

3 (iii) the process and outcome of any
4 remediation measure taken by the covered
5 entity to address the concerns of or harms
6 to consumers; and

7 (C) by describing the extent to which any
8 third-party decision recipient receives a copy of
9 or has access to the results of such algorithm
10 and the category of such third-party decision
11 recipient, as defined by the Commission in sec-
12 tion 3(b)(1)(I)(iii).

13 (9) Identify any likely material negative impact
14 of the covered algorithm on consumers and assess
15 any applicable mitigation strategy, such as by—

16 (A) identifying and measuring any likely
17 material negative impact of the algorithm on
18 consumers, including documentation of the
19 steps taken to identify and measure such im-
20 pact;

21 (B) documenting any steps taken to elimi-
22 nate or reasonably mitigate any likely material
23 negative impact identified, including steps such
24 as removing the algorithm from the market or
25 terminating its development;

1 (C) with respect to the likely material neg-
2 ative impacts identified, documenting which
3 such impacts were left unmitigated and the ra-
4 tionale for the inaction, including details about
5 the justifying non-discriminatory, compelling in-
6 terest and why such interest cannot be satisfied
7 by other means (such as where there is an
8 equal, zero-sum trade-off between impacts on 2
9 or more consumers or where the required miti-
10 gating action would violate civil rights or other
11 laws); and

12 (D) documenting standard protocols or
13 practices used to identify, measure, mitigate, or
14 eliminate any likely material negative impact on
15 consumers and how relevant teams or staff are
16 informed of and trained about such protocols or
17 practices.

18 (10) Describe any ongoing documentation of
19 the development and deployment process with re-
20 spect to the covered algorithm, including information
21 such as—

22 (A) the date of any testing, deployment, li-
23 censure, or other significant milestones; and

1 (B) points of contact for any team, busi-
2 ness unit, or similar internal stakeholder that
3 was involved.

4 (11) Identify any capabilities, tools, standards,
5 datasets, security protocols, improvements to stake-
6 holder engagement, or other resources that may be
7 necessary or beneficial to improving the covered al-
8 gorithm or the impact assessment of such algorithm,
9 in areas such as—

10 (A) performance, including accuracy,
11 robustness, and reliability;

12 (B) fairness, including bias and non-
13 discrimination;

14 (C) transparency, explainability,
15 contestability, and opportunity for recourse;

16 (D) privacy and security;

17 (E) personal and public safety;

18 (F) efficiency and timeliness;

19 (G) cost; or

20 (H) any other area determined appropriate
21 by the Commission.

22 (12) Document any of the impact assessment
23 requirements described in paragraphs (1) through
24 (11) that were attempted but were not possible to
25 comply with because they were infeasible, as well as

1 the corresponding rationale for not being able to
2 comply with such requirements, which may in-
3 clude—

4 (A) the absence of certain information
5 about a covered algorithm developed by other
6 persons, partnerships, and corporations;

7 (B) the absence of certain information
8 about how clients, customers, licensees, part-
9 ners, and other persons, partnerships, or cor-
10 porations are deploying a covered algorithm;

11 (C) a lack of demographic or other data
12 required to assess differential performance be-
13 cause such data is too sensitive to collect, infer,
14 or store; or

15 (D) a lack of certain capabilities, including
16 technological innovations, that would be nec-
17 essary to conduct such requirements.

18 (13) Perform and document any other ongoing
19 study or evaluation determined appropriate by the
20 Commission.

21 (b) RULE OF CONSTRUCTION.—Nothing in this Act
22 should be construed to limit any covered entity from add-
23 ing other criteria, procedures, or technologies to improve
24 the performance of an impact assessment of their covered
25 algorithm.

1 (c) NONDISCLOSURE OF IMPACT ASSESSMENT.—
 2 Nothing in this Act should be construed to require a cov-
 3 ered entity to share with or otherwise disclose to the Com-
 4 mission or the public any information contained in an im-
 5 pact assessment performed in accordance with this Act,
 6 except for any information contained in the summary re-
 7 port required under subparagraph (D) or (E) of section
 8 3(b)(1).

9 **SEC. 5. REQUIREMENTS FOR SUMMARY REPORTS TO THE**
 10 **COMMISSION.**

11 The summary report that a covered entity is required
 12 to submit under subparagraph (D) or (E) of section
 13 3(b)(1) for any covered algorithm shall, to the extent pos-
 14 sible—

15 (1) contain information from the impact assess-
 16 ment of such algorithm, as applicable, including—

17 (A) the name, website, and point of con-
 18 tact for the covered entity;

19 (B) a detailed description of the specific
 20 critical decision that the covered algorithm is
 21 intended to make, including the category of
 22 critical decision as described in subparagraphs
 23 (A) through (I) of section 2(7);

24 (C) the covered entity's intended purpose
 25 for the covered algorithm;

1 (D) an identification of any stakeholders
2 consulted by the covered entity as required by
3 section 3(b)(1)(G) and documentation of the ex-
4 istence and nature of any legal agreements be-
5 tween the stakeholders and the covered entity;

6 (E) documentation of the testing and eval-
7 uation of the covered algorithm, including—

8 (i) the methods and technical and
9 business metrics used to assess the per-
10 formance of such algorithm and a descrip-
11 tion of what metrics are deemed successful
12 performance;

13 (ii) the results of any assessment of
14 the performance of such algorithm and a
15 comparison of the results of any assess-
16 ment under test and deployed conditions;
17 and

18 (iii) an evaluation of any differential
19 performance of such algorithm assessed
20 during the impact assessment;

21 (F) any publicly stated guard rail for or
22 limitation on certain uses or applications of the
23 covered algorithm, including whether such uses
24 or applications ought to be prohibited or other-
25 wise limited through any terms of use, licensing

1 agreement, or other legal agreement between
2 entities;

3 (G) documentation about the data or other
4 input information used to develop, test, main-
5 tain, or update the covered algorithm includ-
6 ing—

7 (i) how and when the covered entity
8 sourced such data or other input informa-
9 tion; and

10 (ii) why such data or other input in-
11 formation was used and what alternatives
12 were explored;

13 (H) documentation of whether and how the
14 covered entity implements any transparency or
15 explainability measures, including—

16 (i) which categories of third-party de-
17 cision recipients receive a copy of or have
18 access to the results of any decision or
19 judgment that results from such algorithm;
20 and

21 (ii) any mechanism by which a con-
22 sumer may contest, correct, or appeal a de-
23 cision or opt out of such algorithm, includ-
24 ing the corresponding website for such
25 mechanism, where applicable;

1 (I) any likely material negative impact on
2 consumers identified by the covered entity and
3 a description of the steps taken to remediate or
4 mitigate such impact;

5 (J) a list of any impact assessment re-
6 quirements that were attempted but were not
7 possible to comply with because they were infea-
8 sible, as well as the corresponding rationale for
9 not being able to comply with such require-
10 ments; and

11 (K) any additional capabilities, tools,
12 standards, datasets, security protocols, improve-
13 ments to stakeholder engagement, or other re-
14 sources identified by an impact assessment as
15 necessary or beneficial to improve the perform-
16 ance of impact assessment or the development
17 and deployment of any covered algorithm that
18 the covered entity determines appropriate to
19 share with the Commission;

20 (2) include, in addition to the information re-
21 quired under paragraph (1), any relevant additional
22 information from section 4(a) the covered entity
23 wishes to share with the Commission;

24 (3) follow any format or structure requirements
25 specified by the Commission; and

1 (4) include additional criteria that are essential
2 for the purpose of consumer protection, as deter-
3 mined by the Commission.

4 **SEC. 6. REPORTING; PUBLICLY ACCESSIBLE REPOSITORY.**

5 (a) ANNUAL REPORT.—Not later than 1 year after
6 the effective date described in section 3(b)(3), and annu-
7 ally thereafter, the Commission shall publish publicly on
8 the website of the Commission a report describing and
9 summarizing the information from the summary reports
10 submitted under subparagraph (D), (E), or (F) of section
11 3(b)(1) that—

12 (1) is accessible and machine readable in ac-
13 cordance with the 21st Century Integrated Digital
14 Experience Act (44 U.S.C. 3501 note); and

15 (2) describes broad trends, aggregated statis-
16 tics, and anonymized lessons learned about per-
17 forming impact assessments of covered algorithms,
18 for the purposes of updating guidance related to im-
19 pact assessments and summary reporting, oversight,
20 and making recommendations to other regulatory
21 agencies.

22 (b) PUBLICLY ACCESSIBLE REPOSITORY.—

23 (1) IN GENERAL.—

24 (A) ESTABLISHMENT.—

1 (i) DEVELOPMENT.—Not later than
2 180 days after the Commission promul-
3 gates the regulations required under sec-
4 tion 3(b)(1), the Commission shall develop
5 a publicly accessible repository designed to
6 publish a limited subset of the information
7 about each covered algorithm for which the
8 Commission received a summary report
9 under subparagraph (D), (E), or (F) of
10 section 3(b)(1) in order to facilitate con-
11 sumer protection.

12 (ii) PUBLICATION.—Not later than
13 180 days after the effective date described
14 in section 3(b)(3), the Commission shall
15 make the repository publicly accessible.

16 (iii) UPDATES.—The Commission
17 shall update the repository on a quarterly
18 basis.

19 (B) PURPOSE.—The purposes of the repos-
20 itory established under subparagraph (A) are—

21 (i) to inform consumers about the use
22 of covered algorithms;

23 (ii) to allow researchers and advocates
24 to study the use of covered algorithms; and

1 (iii) to ensure compliance with the re-
2 quirements of this Act.

3 (C) CONSIDERATIONS.—In establishing the
4 repository under subparagraph (A), the Com-
5 mission shall consider—

6 (i) how to provide consumers with
7 pertinent information regarding covered al-
8 gorithms while minimizing any potential
9 commercial risk to any covered entity of
10 providing such information;

11 (ii) what information, if any, to in-
12 clude regarding the specific covered algo-
13 rithms deployed;

14 (iii) how to document information,
15 when applicable, about how to contest or
16 seek recourse for a critical decision in a
17 manner that is readily accessible by the
18 consumer; and

19 (iv) how to streamline the submission
20 of summary reports under subparagraph
21 (D), (E), or (F) of section 3(b)(1) to allow
22 the Commission to efficiently populate in-
23 formation into the repository to minimize
24 or eliminate any burden on the Commis-
25 sion.

1 (D) REQUIREMENTS.—The Commission
2 shall design the repository established under
3 subparagraph (A) to—

4 (i) be publicly available and easily dis-
5 coverable on the website of the Commis-
6 sion;

7 (ii) allow users to sort and search the
8 repository by multiple characteristics (such
9 as by covered entity, date reported, or cat-
10 egory of critical decision) simultaneously;

11 (iii) allow users to make a copy of or
12 download the information obtained from
13 the repository, including any subsets of in-
14 formation obtained by sorting or searching
15 as described in clause (ii), in accordance
16 with current guidance from the Office of
17 Management and Budget, such as the
18 Open, Public, Electronic, and Necessary
19 Government Data Act (44 U.S.C. 101
20 note);

21 (iv) be in accordance with user experi-
22 ence and accessibility best practices such
23 as those described in the 21st Century In-
24 tegrated Digital Experience Act (44 U.S.C.
25 3501 note);

1 (v) include a limited subset of infor-
2 mation from the summary reports, as ap-
3 plicable, under subparagraph (D), (E), or
4 (F) of section 3(b)(1) that includes—

5 (I) the identity of the covered en-
6 tity that submitted such summary re-
7 port, including any link to the website
8 of the covered entity;

9 (II) the specific critical decision
10 that the covered algorithm makes,
11 along with the category of the critical
12 decision;

13 (III) any publicly stated prohib-
14 ited applications of the covered algo-
15 rithm, including whether such prohibi-
16 tion is enforced through any terms of
17 use, licensing agreement, or other
18 legal agreement between entities;

19 (IV) to the extent possible, the
20 sources of any data used to develop,
21 test, maintain, or update the covered
22 algorithm;

23 (V) to the extent possible, the
24 type of technical and business metrics

1 used to assess the performance of the
2 covered algorithm when deployed; and

3 (VI) the link to any web page
4 with instructions or other information
5 related to a mechanism by which a
6 consumer may contest, correct, or ap-
7 peal a decision or opt out of the cov-
8 ered algorithm; and

9 (vi) include information about design,
10 use, and maintenance of the repository, in-
11 cluding—

12 (I) how frequently the repository
13 is updated;

14 (II) the date of the most recent
15 such update;

16 (III) the types of information
17 from the summary reports submitted
18 under subparagraph (D), (E), or (F)
19 of section 3(b)(1) that are and are not
20 included in the repository; and

21 (IV) any other information about
22 the design, use, and maintenance the
23 Commission determines is—

24 (aa) relevant to consumers
25 and researchers; or

1 (bb) essential for consumer
2 education and recourse.

3 (2) AUTHORIZATION OF APPROPRIATIONS.—

4 There are authorized to be appropriated to the Com-
5 mission such sums as are necessary to carry out this
6 subsection.

7 **SEC. 7. GUIDANCE AND TECHNICAL ASSISTANCE; OTHER**
8 **REQUIREMENTS.**

9 (a) GUIDANCE AND TECHNICAL ASSISTANCE FROM
10 THE COMMISSION.—

11 (1) IN GENERAL.—The Commission shall pub-
12 lish guidance on how to meet the requirements of
13 sections 4 and 5, including resources such as docu-
14 mentation templates and guides for meaningful con-
15 sultation, that is developed by the Commission after
16 consultation with the Director of the National Insti-
17 tute of Standards and Technology, the Director of
18 the National Artificial Intelligence Initiative, the Di-
19 rector of the Office of Science and Technology Pol-
20 icy, and other relevant stakeholders, including stand-
21 ards bodies, private industry, academia, technology
22 experts, and advocates for civil rights, consumers,
23 and impacted communities.

1 (2) ASSISTANCE IN DETERMINING COVERED
2 ENTITY STATUS.—In addition to the guidance re-
3 quired under paragraph (1), the Commission shall—

4 (A) issue guidance and training materials
5 to assist persons, partnerships, and corpora-
6 tions in evaluating whether they are a covered
7 entity; and

8 (B) regularly update such guidance and
9 training materials in accordance with any feed-
10 back or questions from covered entities, experts,
11 or other relevant stakeholders.

12 (b) OTHER REQUIREMENTS.—

13 (1) PUBLICATION.—Nothing in this Act shall
14 be construed to limit a covered entity from publi-
15 cizing any documentation of the impact assessment
16 maintained under section 3(b)(1)(B), including in-
17 formation beyond what is required to be submitted
18 in a summary report under subparagraph (D) or (E)
19 of section 3(b)(1), unless such publication would vio-
20 late the privacy of any consumer.

21 (2) PERIODIC REVIEW OF REGULATIONS.—The
22 Commission shall review the regulations promul-
23 gated under section 3(b) not less than once every 5
24 years and update such regulations as appropriate.

1 (3) REVIEW BY NIST AND OSTP.—The Commis-
 2 sion shall make available, in a private and secure
 3 manner, to the Director of the National Institute of
 4 Standards and Technology, the Director of the Of-
 5 fice of Science and Technology Policy, and the head
 6 of any Federal agency with relevant regulatory juris-
 7 diction over a covered algorithm any summary re-
 8 port submitted under subparagraph (D), (E), or (F)
 9 of section 3(b)(1) for review in order to develop fu-
 10 ture standards or regulations.

11 **SEC. 8. RESOURCES AND AUTHORITIES.**

12 (a) BUREAU OF TECHNOLOGY.—

13 (1) ESTABLISHMENT.—

14 (A) IN GENERAL.—There is established
 15 within the Commission the Bureau of Tech-
 16 nology (in this subsection referred to as the
 17 “Bureau”).

18 (B) DUTIES.—The Bureau shall engage in
 19 activities that include:

20 (i) Aiding or advising the Commission
 21 with respect to the technological aspects of
 22 the functions of the Commission, includ-
 23 ing—

24 (I) preparing, conducting, facili-
 25 tating, managing, or otherwise ena-

1 bling studies, workshops, audits, com-
2 munity participation opportunities, or
3 other similar activities; and

4 (II) any other assistance deemed
5 appropriate by the Commission or
6 Chair.

7 (ii) Aiding or advising the Commis-
8 sion with respect to the enforcement of this
9 Act.

10 (iii) Providing technical assistance to
11 any enforcement bureau within the Com-
12 mission with respect to the investigation
13 and trial of cases.

14 (2) CHIEF TECHNOLOGIST.—The Bureau shall
15 be headed by a Chief Technologist.

16 (3) STAFF.—

17 (A) APPOINTMENTS.—

18 (i) IN GENERAL.—Subject to subpara-
19 graph (B), the Chair may, without regard
20 to the civil service laws (including regula-
21 tions), appoint personnel with experience
22 in fields such as management, technology,
23 digital and product design, user experience,
24 information security, civil rights, tech-
25 nology policy, privacy policy, humanities

1 and social sciences, product management,
2 software engineering, machine learning,
3 statistics, or other related fields to enable
4 the Bureau to perform its duties.

5 (ii) MINIMUM APPOINTMENTS.—Not
6 later than 2 years after the date of enact-
7 ment of this Act, the Chair shall appoint
8 not less than 50 personnel.

9 (B) EXCEPTED SERVICE.—The personnel
10 appointed in accordance with subparagraph (A)
11 may be appointed to positions described in sec-
12 tion 213.3102(r) of title 5, Code of Federal
13 Regulations.

14 (4) AUTHORIZATION OF APPROPRIATIONS.—
15 There are authorized to be appropriated to the Com-
16 mission such sums as are necessary to carry out this
17 subsection.

18 (b) ADDITIONAL PERSONNEL IN THE BUREAU OF
19 CONSUMER PROTECTION.—

20 (1) ADDITIONAL PERSONNEL.—Notwith-
21 standing any other provision of law, the Chair may,
22 without regard to the civil service laws (including
23 regulations), appoint 25 additional personnel to the
24 Division of Enforcement of the Bureau of Consumer
25 Protection.

1 (2) AUTHORIZATION OF APPROPRIATIONS.—

2 There are authorized to be appropriated to the Com-
3 mission such sums as are necessary to carry out this
4 subsection.

5 (c) ESTABLISHMENT OF AGREEMENTS OF COOPERA-
6 TION.—The Commission shall negotiate agreements of co-
7 operation, as needed, with any relevant Federal agency
8 with respect to information sharing and enforcement ac-
9 tions taken regarding the development or deployment of
10 a covered algorithm to make a critical decision. Such
11 agreements shall include procedures for determining which
12 agency shall file an action and providing notice to the non-
13 filing agency, where feasible, prior to initiating a civil ac-
14 tion to enforce any Federal law within such agencies' ju-
15 risdictions regarding the development or deployment of a
16 covered algorithm to make a critical decision by a covered
17 entity.

18 **SEC. 9. ENFORCEMENT.**

19 (a) ENFORCEMENT BY THE COMMISSION.—

20 (1) UNFAIR OR DECEPTIVE ACTS OR PRAC-
21 TICES.—A violation of this Act or a regulation pro-
22 mulgated thereunder shall be treated as a violation
23 of a rule defining an unfair or deceptive act or prac-
24 tice under section 18(a)(1)(B) of the Federal Trade
25 Commission Act (15 U.S.C. 57a(a)(1)(B)).

1 (2) POWERS OF THE COMMISSION.—

2 (A) IN GENERAL.—The Commission shall
3 enforce this Act and the regulations promul-
4 gated under this Act in the same manner, by
5 the same means, and with the same jurisdic-
6 tion, powers, and duties as though all applicable
7 terms and provisions of the Federal Trade
8 Commission Act (15 U.S.C. 41 et seq.) were in-
9 corporated into and made a part of this Act.

10 (B) PRIVILEGES AND IMMUNITIES.—Any
11 person who violates this Act or a regulation
12 promulgated thereunder shall be subject to the
13 penalties and entitled to the privileges and im-
14 munities provided in the Federal Trade Com-
15 mission Act (15 U.S.C. 41 et seq.).

16 (C) AUTHORITY PRESERVED.—Nothing in
17 this Act shall be construed to limit the author-
18 ity of the Commission under any other provi-
19 sion of law.

20 (D) RULEMAKING.—The Commission shall
21 promulgate in accordance with section 553 of
22 title 5, United States Code, such additional
23 rules as may be necessary to carry out this Act.

24 (b) ENFORCEMENT BY STATES.—

1 (1) IN GENERAL.—If the attorney general of a
2 State has reason to believe that an interest of the
3 residents of the State has been or is being threat-
4 ened or adversely affected by a practice that violates
5 this Act or a regulation promulgated thereunder, the
6 attorney general of the State may, as *parens patriae*,
7 bring a civil action on behalf of the residents of the
8 State in an appropriate district court of the United
9 States to obtain appropriate relief.

10 (2) RIGHTS OF COMMISSION.—

11 (A) NOTICE TO COMMISSION.—

12 (i) IN GENERAL.—Except as provided
13 in clause (iii), the attorney general of a
14 State, before initiating a civil action under
15 paragraph (1), shall provide written notifi-
16 cation to the Commission that the attorney
17 general intends to bring such civil action.

18 (ii) CONTENTS.—The notification re-
19 quired under clause (i) shall include a copy
20 of the complaint to be filed to initiate the
21 civil action.

22 (iii) EXCEPTION.—If it is not feasible
23 for the attorney general of a State to pro-
24 vide the notification required under clause
25 (i) before initiating a civil action under

1 paragraph (1), the attorney general shall
2 notify the Commission immediately upon
3 instituting the civil action.

4 (B) INTERVENTION BY COMMISSION.—The
5 Commission may—

6 (i) intervene in any civil action
7 brought by the attorney general of a State
8 under paragraph (1); and

9 (ii) upon intervening—

10 (I) be heard on all matters arising in the civil action; and

11 (II) file petitions for appeal of a
12 decision in the civil action.

13 (3) INVESTIGATORY POWERS.—Nothing in this
14 subsection may be construed to prevent the attorney
15 general of a State from exercising the powers conferred on the attorney general by the laws of the
16 State to conduct investigations, to administer oaths
17 or affirmations, or to compel the attendance of witnesses or the production of documentary or other
18 evidence.

19 (4) VENUE; SERVICE OF PROCESS.—

20 (A) VENUE.—Any action brought under
21 paragraph (1) may be brought in—

1 (i) the district court of the United
2 States that meets applicable requirements
3 relating to venue under section 1391 of
4 title 28, United States Code; or

5 (ii) another court of competent juris-
6 diction.

7 (B) SERVICE OF PROCESS.—In an action
8 brought under paragraph (1), process may be
9 served in any district in which—

10 (i) the defendant is an inhabitant,
11 may be found, or transacts business; or

12 (ii) venue is proper under section
13 1391 of title 28, United States Code.

14 (5) ACTIONS BY OTHER STATE OFFICIALS.—

15 (A) IN GENERAL.—In addition to a civil
16 action brought by an attorney general under
17 paragraph (1), any other officer of a State who
18 is authorized by the State to do so may bring
19 a civil action under paragraph (1), subject to
20 the same requirements and limitations that
21 apply under this subsection to civil actions
22 brought by attorneys general.

23 (B) SAVINGS PROVISION.—Nothing in this
24 subsection may be construed to prohibit an au-
25 thorized official of a State from initiating or

1 continuing any proceeding in a court of the
2 State for a violation of any civil or criminal law
3 of the State.

4 **SEC. 10. COORDINATION.**

5 In carrying out this Act, the Commission shall coordi-
6 nate with any appropriate Federal agency or State regu-
7 lator to promote consistent regulatory treatment of cov-
8 ered algorithms.

9 **SEC. 11. NO PREEMPTION.**

10 Nothing in this Act may be construed to preempt any
11 State, tribal, city, or local law, regulation, or ordinance.

○