118TH CONGRESS
2d Session
HOUSE OF REPRESENTATIVES
REPORT
118–501

DEPLOYING AMERICAN BLOCKCHAINS ACT OF 2023

MAY 10, 2024.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mrs. RODGERS of Washington, from the Committee on Energy and Commerce, submitted the following

R E P O R T

[To accompany H.R. 6572]

The Committee on Energy and Commerce, to whom was referred the bill (H.R. 6572) to direct the Secretary of Commerce to take actions necessary and appropriate to promote the competitiveness of the United States related to the deployment, use, application, and competitiveness of blockchain technology or other distributed ledger technology, and for other purposes, having considered the same, reports favorably thereon with an amendment and recommends that the bill as amended do pass.

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The amendment is as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Deploying American Blockchains Act of 2023".

SEC. 2. DEFINITIONS.

In this Act:

(1) BLOCKCHAIN TECHNOLOGY OR OTHER DISTRIBUTED LEDGER TECHNOLOGY.—The term "blockchain technology or other distributed ledger technology" means a distributed digital database where data is—

(A) shared across a network of computers to create a ledger of verified information among network participants;

(B) linked using cryptography to maintain the integrity of the ledger and to execute other functions; and

(C) distributed among network participants in an automated fashion to concurrently update network participants on the state of the ledger and other functions.

(2) COVERED NONGOVERNMENTAL REPRESENTATIVES.—The term "covered nongovernmental representatives" means representatives as specified in the second sentence of section 135(b)(1) of the Trade Act of 1974 (19 U.S.C. 2155(b)(1)), except that such term does not include representatives of non-Federal governments.

(3) SECRETARY.—The term "Secretary" means the Secretary of Commerce.

(4) STATE.—The term "State" means each of the several States, the District of Columbia, each commonwealth, territory, or possession of the United States, and each federally recognized Indian Tribe.

(5) TOKEN.—The term "token" means a transferable, digital representation of information recorded on blockchain technology or other distributed ledger technology.

(6) TOKENIZATION.—The term "tokenization" means the process of creating a token.

SEC. 3. DEPARTMENT OF COMMERCE LEADERSHIP ON BLOCKCHAIN.

(a) FUNCTION OF SECRETARY.—The Secretary shall serve as the principal advisor to the President for policy pertaining to the deployment, use, application, and competitiveness of blockchain technology or other distributed ledger technology, applications built on blockchain technology or other distributed ledger technology, tokens, and tokenization.

(b) ACTIVITIES.—The Secretary shall take actions necessary and appropriate to support the leadership of the United States with respect to the deployment, use, application, and competitiveness of blockchain technology or other distributed ledger technology, applications built on blockchain technology or other distributed ledger technology, tokens, and tokenization, including by—

(1) developing policies and recommendations on issues and risks related to the deployment, use, application, and competitiveness of blockchain technology or other distributed ledger technology, applications built on blockchain technology or other distributed ledger technology, tokens, and tokenization, including the issues of decentralized identity, cybersecurity, key storage and security systems, artificial intelligence, fraud reduction, regulatory compliance, e-commerce, health care applications, and supply chain resiliency;

(2) supporting and promoting the stability, maintenance, improvement, and security of blockchain technology or other distributed ledger technology, applications built on blockchain technology or other distributed ledger technology, tokens, and tokenization;

(3) helping to promote the leadership of the United States with respect to the deployment, use, application, and competitiveness of blockchain technology or other distributed ledger technology, applications built on blockchain technology or other distributed ledger technology, tokens, and tokenization through the establishment of a Blockchain Deployment Program in the Department of Commerce;

(4) promoting the national security and economic security of the United States with respect to blockchain technology or other distributed ledger technology, applications built on blockchain technology or other distributed ledger technology, tokens, and tokenization;

(5) supporting engagement with the public to promote the best practices described in subsection (c);

(6) considering policies and programs to encourage and improve coordination among Federal agencies with respect to the deployment of blockchain technology or other distributed ledger technology, applications built on blockchain technology or other distributed ledger technology, tokens, and tokenization;

(7) examining—

(A) how Federal agencies can benefit from utilizing blockchain technology or other distributed ledger technology, applications built on blockchain technology or other distributed ledger technology, tokens, and tokenization;

(B) the current use by Federal agencies of blockchain technology or other distributed ledger technology, applications built on blockchain technology or other distributed ledger technology, tokens, and tokenization;

(C) the current and future preparedness and ability of Federal agencies to adopt blockchain technology or other distributed ledger technology, applications built on blockchain technology or other distributed ledger technology, tokens, and tokenization; and

(D) additional security measures Federal agencies may need to take to—

(i) safely and securely use blockchain technology or other distributed ledger technology, applications built on blockchain technology or other distributed ledger technology, tokens, and tokenization, including to ensure the security of critical infrastructure; and

(ii) enhance the resiliency of Federal systems against cyber threats to blockchain technology or other distributed ledger technology, applications built on blockchain technology or other distributed ledger technology, tokens, and tokenization;

(8) supporting coordination of the activities of the Federal Government related to the security of blockchain technology and other distributed ledger technology, applications built on blockchain technology or other distributed ledger technology, tokens, and tokenization; and

(9) not later than 180 days after the date of the enactment of this Act, establishing advisory committees to support the adoption of blockchain technology or other distributed ledger technology, applications built on blockchain technology or other distributed ledger technology, tokens, and tokenization, the membership of which shall include—

(A) the Secretary;

(B) representatives of Federal agencies (as determined necessary by the Secretary); and

(C) nongovernmental stakeholders with expertise related to blockchain technology or other distributed ledger technology, including—

(i) blockchain technology or other distributed ledger technology infrastructure operators, suppliers, service providers, and vendors;

(ii) application developers building on blockchain technology or other distributed ledger technology;

(iii) developers and organizations supporting the advancement and deployment of public blockchain technology or other distributed ledger technology;

(iv) subject matter experts representing industrial sectors that can benefit from blockchain technology or other distributed ledger technology;

(v) small, medium, and large businesses;

(vi) think tanks and academia;

(vii) nonprofit organizations and consumer groups;

(viii) cybersecurity experts;

(ix) rural stakeholders;

(x) covered nongovernmental representatives;

(xi) artists and the content creator community; and

(xii) other stakeholders with relevant expertise (as determined necessary by the Secretary).

(c) BEST PRACTICES.—The Secretary shall, on an ongoing basis, facilitate and support the development and dissemination of best practices with respect to blockchain technology or other distributed ledger technology, applications built on blockchain technology or other distributed ledger technology, tokens, and tokenization that—

(1) support the private sector, the public sector, and public-private partnerships in the deployment of technologies needed to advance the capabilities of blockchain technology or other distributed ledger technology, applications built on blockchain technology or other distributed ledger technology, tokens, and tokenization;

(2) support the interoperability of blockchain technology or other distributed ledger technology, applications built on blockchain technology or other distributed ledger technology, tokens, and tokenization;

(3) support operations, including hashing and key storage and security systems, that form the foundation of blockchain technology or other distributed ledger technology, applications built on blockchain technology or other distributed ledger technology, tokens, and tokenization;

(4) reduce cybersecurity and other risks that may compromise blockchain technology or other distributed ledger technology, applications built on blockchain technology or other distributed ledger technology, tokens, and tokenization;

(5) reduce uncertainty and risks in the use of blockchain technology or other distributed ledger technology, applications built on blockchain technology or other distributed ledger technology, tokens, and tokenization; and

(6) quantify the value and potential cost savings associated with adoption of blockchain technology or other distributed ledger technology, applications built on blockchain technology or other distributed ledger technology, tokens, and tokenization, including through comparative analyses of competing and existing technologies within specific industry applications.

(d) ADDITIONAL REQUIREMENTS.—In carrying out this section, the Secretary shall—

(1) consult closely and regularly with stakeholders, including private sector individuals and entities, and incorporate industry expertise;

(2) collaborate with private sector stakeholders to identify prioritized, flexible, repeatable, performance-based, and cost-effective approaches to the deployment of blockchain technology or other distributed ledger technology, applications built on blockchain technology or other distributed ledger technology, tokens, and tokenization;

(3) disseminate research and information pertaining to the use of, and marketplace for, blockchain technology or other distributed ledger technology, applications built on blockchain technology or other distributed ledger technology, tokens, and tokenization;

(4) develop standardized terminology for, and promote common understanding of, blockchain technology or other distributed ledger technology, applications built on blockchain technology or other distributed ledger technology, tokens, and tokenization;

(5) ensure the best practices described in subsection (c) facilitate the ease of use of blockchain technology or other distributed ledger technology, applications built on blockchain technology or other distributed ledger technology, tokens, and tokenization;

(6) support open-source infrastructure, data management, and authentication activities with respect to blockchain technology or other distributed ledger technology, applications built on blockchain technology or other distributed ledger technology, tokens, and tokenization; and

(7) consider the needs and interests of both the private and public sector, including small businesses and Federal, State, and local governments.

(e) RULES OF CONSTRUCTION.—Nothing in this section may be construed to—

(1) require a private entity to share information with the Secretary;

(2) require a private entity to request assistance from the Secretary;

(3) require a private entity to implement any measure or recommendation suggested by the Secretary in response to a request by the private entity; or

(4) require the adoption of the best practices described in subsection (c).

(f) CONSULTATION.—In implementing this section, the Secretary may, as appropriate, consult with the heads of relevant Federal agencies.

(g) TERMINATION OF PROGRAM.—The Blockchain Deployment Program established pursuant to subsection (b)(3) shall terminate on the date that is 7 years after the date of the enactment of this Act.

SEC. 4. REPORT TO CONGRESS.

Not later than 2 years after the date of the enactment of this Act, and annually thereafter, the Secretary shall make public on the website of the Department of Commerce and submit to the Committee on Energy and Commerce of the House of Representatives and the Committee on Commerce, Science, and Transportation of the Senate a report that includes—

(1) a description of the activities of the Secretary under this Act during the preceding year;

(2) any recommendations by the Secretary for additional legislation to strengthen the competitiveness of the United States with respect to blockchain technology or other distributed ledger technology, applications built on blockchain technology or other distributed ledger technology, tokens, and tokenization; and

(3) a description of any emerging risks and long-term trends with respect to blockchain technology or other distributed ledger technology, applications built on blockchain technology or other distributed ledger technology, tokens, and tokenization.

PURPOSE AND SUMMARY

The legislation would direct the Secretary of Commerce to take actions necessary and appropriate to promote the competitiveness

of the United States related to the deployment, use, application, and competitiveness of blockchain technology or other distributed ledger technology, and for other purposes.

BACKGROUND AND NEED FOR LEGISLATION

Blockchains, a subset of distributed ledger technology, are an emerging general-purpose technology with many possible applications. Through various design approaches, blockchains can be used to track products through a supply chain,[1] give Americans increased control over their data and digital identity,[2] and assist in the auditing of companies.[3] Congress is working to promote the competitiveness of the United States with regard to blockchain technologies.

One unique aspect of blockchains is the use of tokens. A token is a transferrable, digital representation of information recorded on blockchain technology or other distributed ledger technology. As a general-purpose container of information, tokens are used to represent all types of information, including collectibles like a digital baseball card,[4] a ticket to a live event,[5] or even a state-issued driver's license.[6]

Today, many of the challenges facing the United States are digital and technological, with the leading countries writing technical standards for those lagging behind. It is critical that America—not China— set the rules of the road for the technologies of tomorrow. In a March 2023 report titled "The New American Foreign Policy of Technology," the German Marshall Fund stated that "U.S. leadership is needed to ensure that nationalist and authoritarian forces do not fill the resulting structural vacuum in an increasingly digital world." [7]

Blockchains are a central component of the Chinese Communist Party's (CCP's) strategy to undermine the U.S.-led global order. In remarks to the Political Bureau of the Central Committee of the CCP in 2019, President Xi remarked, "We must take the blockchain as an important breakthrough for independent innovation of core technologies." [8] In its 14th Five-Year plan, the CCP's Central Commission for Cybersecurity and Information makes clear its goal to become the global leader in the digital economy by

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[1] Vishal Gaur and Abhinav Gaiha, *Building a Transparent Supply Chain,* Harvard Business Review (June 2020), https://hbr.org/2020/05/building-a-transparent-supply-chain.

[2] Gregory Rocco, *Decentralized Identity and Web3,* SpruceID (August 5, 2022) https://blog.spruceid.com/decentralized-identity-and-web3/.

[3] CoinDesk, *Paul Brody Discusses Fidelity Digital Assets Utilizing EY's Blockchain Analytics Tool,* CoinDesk (October 17, 2023), https://www.coindesk.com/video/paul-brody-discusses-fidelity-digital-assets-utilizing-eys-blockchain-analytics-tool/.

[4] Henry Palattella, Topps to release Baseball NFT Collection, Major League Baseball (April 26, 2022) https://www.mlb.com/news/topps-baseball-nft-collection.

[5] Live Nation Entertainment, Live Nation Unveils Live Stubs Digital Collectible NFT Sticket Stubs, Minting First Ever Set for the Swedeish House Mafia: Paradise Again Tour, (October 29, 2021), https://www.livenationentertainment.com/2021/10/live-nation-unveils-live-stubs-digital-collectible-nft-ticket-stubs-minting-first-ever-set-for-the-swedish-house-mafia-paradise-again-tour/.

[6] Elissa Maercklein, Credible: Introducing Mobile Driver's Licenses, SpruceID (December 8, 2022) https://blog.spruceid.com/credible-introducing-mobile-drivers-licenses/.

[7] Karen Kornbluh and Julia Trehu, *The New American Foreign Policy of Technology,* the German Marshall Fund of the United States (March 13, 2023), https://www.gmfus.org/news/new-american-foreign-policy-technology.

[8] Brandon Stewart, *China Embracing Blockchain Technology While The US Struggles With Libra*, readBTC, October 27, 2019. https://www.readbtc.com/stories/china-embracing-blockchain-technology-libra-struggles.

2025.[9] In 2019, the CCP established the Blockchain-based Service Network (BSN),[10] a low-cost blockchain infrastructure layer closely tied with the CCP's Digital Yuan project and described as "the backbone of a potential new phase of the global internet." [11] Services provided by BSN, such as the Interchain Communications Hub, Key Trust Mode, and Oracles Services, enabled the BSN to mediate and observe user activity on-chain.[12] According to the BSN Introduction Whitepaper, "[a]ll matters of the BSN, including regulatory design, technical standards, development and operations management, business models and pricing are determined by the BSN Development Association." [13] The BSN Development Association is composed of government agencies like the State Information Center of China and sanctioned entities such as China Mobile Communications.[14] The BSN Secretary General, stated that they were building a global blockchain network where "China controls the rights to internet access." [15]

On December 19, 2023, the Ministry of Industry and Information Technology of the People's Republic of China released "Reply to Proposal No. 02969 of the First Session of the 14th Chinese People's Political Consultive Conference (CPPCC) National Committee." [16] This statement outlines the Ministry's previous work and future plans to "seize the opportunity to seize Web3.0." [17] Previous work of the Ministry includes continuously optimizing the policy environment, deepening technical expertise, accelerating pilots of blockchain applications in 16 characteristic fields, and promoting the establishment of a blockchain technical standards committee.[18] Future plans of the Ministry include developing a national strategy document for blockchain development, to strengthen research into the core technologies that underpin blockchains, leadership in the development of international blockchain standards, and to improve the public's understanding of blockchain technology by promoting application pilots such as distributed digital identity.[19]

The Committee on Energy and Commerce plays a vital role in advancing American competitiveness and global technological leadership. In March 2016, the Subcommittee on Commerce, Manufacturing, and Trade held one of the first hearings on blockchains. The

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[9] Rogier Creemers, et. Al., *Translation: 14th Five-Year Plan for National Informatization* (December 2021). https://digichina.stanford.edu/work/translation-14th-five-year-plan-for-national-informatization-dec-2021/.

[10] Ledger Insights, China's national blockchain infrastructure takes shape (December 2, 2019) https://www.ledgerinsights.com/chinas-national-blockchain-infrastructure-bsn/.

[11] https://digichina.stanford.edu/work/chinas-digital-currency-and-blockchain-network-disparate-projects-or-two-sides-of-the-same-coin/.

[12] Blockchain-based Service Network, *Blockchain-based Service Network User Manual version 1.8.5,* (February 8, 2023) https://www.bsnbase.io/static/tmpFile/bzsc/index.html.

[13] Blockchain-based Service Network Development Association, *Blockchain-based Service Network Introductory White Paper* (February 5, 2020), https://bsnbase.io/static/tmpFile/BSNIntroductionWhitepaper.pdf.

[14] *Supra Note 13*; Executive Order 14032, *Addressing the Threat From Securities Investments That Finance Certain Companies of the People's Republic of China,* (June 3, 2021) https://ofac.treasury.gov/media/99111/download?inline.

[15] 24 minute mark, "How Blockchain Technology and BSN Support Fintech Development," *YouTube,* November 4, 2020. https://www.youtube.com/watch?v=k9Gtq-j_3U.

[16] Ministry of Industry and Information Technology of the People's Republic of China, *Reply to Proposal No. 02969 of the First Session of the 14th CPPCC National Committee* (December 12, 2023), https://www.miit.gov.cn/zwgk/jytafwgk/art/2023/art_7eba1016ef5a4d98979b0167f38e4b35.html.

[17] Ibid.

[18] Ibid.

[19] Ibid.

title of that hearing was "Disruptor Series: Digital Currency and Blockchain Technology."[20] Other efforts followed over the years, which culminated in the inclusion of legislation championed by Rep. Brett Guthrie[21] and Rep. Darren Soto[22] in Chair Rodgers' bipartisan legislation with then-Rep. Bobby Rush, known as the American COMPETE Act.[23] That legislation became Title XV of the "Consolidated Appropriations Act, 2021"[24] and was signed into law in on December 27, 2020.

The American COMPETE Act required the Department of Commerce to study and report on emerging technologies like blockchain.[25] The reports, completed in August 2023, included nine outstanding challenges and recommendations on ". . . how the U.S. Federal Government can ensure that the technology develops in the service of U.S. values."[26] The report further described numerous applications for blockchain technology such as supply chains, personal data and identity management, loyalty programs, and fraud reduction, to name a few.[27]

In September 2022, the Department of Commerce completed a report titled "Responsible Advancement of U.S. Competitiveness in Digital Assets."[28] This report noted "[o]utside of explicit financial use cases, the ability to tokenize many different types of assets could lead to a world in which many physical assets (i.e. objects) have a digital counterpart, thus opening the door to numerous use cases for tracking and recording actions on those assets."[29] The report states that "U.S. competitiveness in this space could be important to continued U.S. economic leadership."[30]

These two blockchain reports from the Department of Commerce underline the agency's mission:

> The Department of Commerce's mission is to create the conditions for economic growth and opportunity for all communities. Through its 13 bureaus, the Department works to drive U.S. economic competitiveness, strengthen domestic industry, and spur the growth of quality jobs in all communities across the country. The Department serves as the voice of business in the Federal Government, and at the same time, the Department touches and serves every American every day.[31]

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[20] Committee on Energy and Commerce, *Disrupter Series: Digital Currency and Blockchain Technology,* (March 16, 2016), https://docs.house.gov/Committee/Calendar/ByEvent.aspx?EventID=104677.

[21] H.R. 6938, Advancing Block Chain Act (116th Congress), https://www.congress.gov/bill/116th-congress/house-bill/6938?q=%7B%22search%22%3A%5B%22%22%5D%7D&s=1&r=5.

[22] H.R. 8153 Blockchain Innovation Act (116th Congress), https://www.congress.gov/bill/116th-congress/house-bill/8153/text?s=2&r=5&q=%7B%22search%22%3A%5B%22%22%5D%7D.

[23] H.R. 8132, American Competitiveness of a More Productive Emerging Tech Economy Act (116th Congress), https://www.congress.gov/bill/116th-congress/house-bill/8132?q=%7B%22search%22%3A%5B%22%22%5D%7D&s=3&r=3.

[24] Consolidated Appropriations Act, 2021, Public Law 116–260 (Dec. 27, 2020), https://www.congress.gov/116/plaws/publ260/PLAW-116publ260.pdf.

[25] Ibid.

[26] National Institute of Standards and Technology, *American Competitiveness of a More Productive Emerging Tech Economy Act (The American COMPETE Act)* (July 2023) (NIST GCR 23–039).

[27] Ibid.

[28] U.S. Department of Commerce, *Responsible Advancement of U.S. Competitiveness in Digital Assets* (September 1, 2022), https://www.commerce.gov/sites/default/files/2022-09/Digital-Asset-Competitiveness-Report.pdf.

[29] Ibid, 2.

[30] Ibid, 2.

[31] U.S. Department of Commerce, About Commerce, https://www.commerce.gov/about.

Building on its mission statement, the Department of Commerce's 2022–2026 Strategic Plan includes Strategic Objective 1.2, "Accelerate the development, commercialization, and deployment of critical and emerging technologies."[32] The objective states that "[t]o maintain its global leadership, the Nation must innovate more and innovate faster than the rest of the world" and that "[t]he Department will also work closely with industry to create the necessary conditions for innovation in the public and private sectors."[33]

The U.S. should develop policies that support the competitiveness of the United States with regard to blockchain technology to ensure China does not control the world's rights to access the internet. Despite the dominance of Silicon Valley during the early days of the internet, recent reports show that the United States is losing market share amongst blockchain developers.[34] Meaningful support for American technological leadership depends on open dialogue and collaboration among the Federal government, industry, academia, civil society, and other engaged stakeholders. The mission of the Department of Commerce is to promote American leadership and global competitiveness, making it the federal agency best positioned agency to promote the growth, development, and deployment of blockchains, applications built on blockchains, and tokens.

H.R. 6572, the Deploying American Blockchains Act ensures that the Department of Commerce is taking actions necessary and appropriate to promote the competitiveness of the United States related to blockchain technologies. It is best to take such actions now with our values driving the process, rather than allowing our adversaries to set the rules of the road. Congress can ensure we lead the next era of American innovation and entrepreneurship with a regulatory environment that keeps pace with the constantly evolving tech sector.

COMMITTEE ACTION

On June 7, 2023, the Subcommittee on Innovation, Data, and Commerce held a hearing on blockchains. The title of the hearing was "Building Blockchains: Exploring Web3 and Other Applications for Distributed Ledger Technologies." Witness testimony focused on the ways blockchains and other distributed ledger technologies are a general-purpose technology with a wide array of commercial applications. The Subcommittee received testimony from:

- Carla L. Reyes, Associate Professor of Law, SMU Dedman School of Law;
- Hasshi Sudler, Professor and Chief Executive Officer, Villanova University College of Engineering and Internet Think Tank, Inc.;
- Ryan Wyatt, President, Polygon Labs; and,
- Ross Schulman, Senior Fellow, Decentralization, Electronic Frontier Foundation.

On September 20, 2023, the Subcommittee on Innovation, Data, and Commerce held a hearing on multiple bills, including draft text

[32] U.S. Department of Commerce, *Strategic Plan 2022–2026,* https://www.commerce.gov/sites/default/files/2022-03/DOC-Strategic-Plan-2022%E2%80%932026.pdf.
[33] Ibid.
[34] Electric Capital, Developer Report (October 1, 2023), https://www.developerreport.com/developer-report-geography.

of the bill "To establish a supply chain resiliency and crisis response program in the Department of Commerce, and for other purposes." The title of the hearing was "Mapping America's Supply Chains: Solutions to Unleash Innovation, Boost Economic Resilience, and Beat China." The Subcommittee received testimony from:

- Chris Griswold, Policy Director, American Compass;
- Deena Ghazarian, Founder and Chief Executive Officer, Austere;
- Justin Slaughter, Policy Director, Paradigm; and,
- Scott Paul, President, Alliance for American Manufacturing.

On November 2, 2023, the Subcommittee on Innovation, Data, and Commerce met in open markup session and forwarded the discussion draft, without amendment, to the full Committee by a voice vote.

H.R. 6572 was introduced by Rep. Larry Bucshon (IN–08) on December 4, 2023, and referred to the Committee on Energy and Commerce.

On December 5 and 6, 2023, the full Committee on Energy and Commerce met in open markup session and ordered H.R. 6572, as amended, favorably reported to the House by a record vote of 46 yeas and 0 nays.

COMMITTEE VOTES

Clause 3(b) of rule XIII requires the Committee to list the record votes on the motion to report legislation and amendments thereto. The following reflects the record votes taken during the Committee consideration:

COMMITTEE ON ENERGY AND COMMERCE
118TH CONGRESS
ROLL CALL VOTE # 12

BILL: H.R. 6572, Deploying American Blockchains Act

AMENDMENT: A motion by Chair Rodgers to order H.R. 6572 favorably reported to the House, as amended (Final Passage).

DISPOSITION: AGREED TO, by a roll call vote of 46 yeas to 0 nays.

REPRESENTATIVE	YEAS	NAYS	PRESENT	REPRESENTATIVE	YEAS	NAYS	PRESENT
Rep. Rodgers	X			Rep. Pallone	X		
Rep. Burgess	X			Rep. Eshoo	X		
Rep. Latta	X			Rep. DeGette	X		
Rep. Guthrie	X			Rep. Schakowsky	X		
Rep. Griffith	X			Rep. Matsui	X		
Rep. Bilirakis	X			Rep. Castor	X		
Rep. Johnson				Rep. Sarbanes	X		
Rep. Bucshon	X			Rep. Tonko	X		
Rep. Hudson				Rep. Clarke	X		
Rep. Walberg	X			Rep. Cárdenas	X		
Rep. Carter	X			Rep. Ruiz	X		
Rep. Duncan	X			Rep. Peters	X		
Rep. Palmer	X			Rep. Dingell	X		
Rep. Dunn				Rep. Veasey	X		
Rep. Curtis				Rep. Kuster			
Rep. Lesko	X			Rep. Kelly	X		
Rep. Pence	X			Rep. Barragán	X		
Rep. Crenshaw	X			Rep. Blunt Rochester	X		
Rep. Joyce	X			Rep. Soto	X		
Rep. Armstrong	X			Rep. Craig	X		
Rep. Weber	X			Rep. Schrier	X		
Rep. Allen	X			Rep. Trahan	X		
Rep. Balderson	X			Rep. Fletcher			
Rep. Fulcher	X						
Rep. Pfluger	X						
Rep. Harshbarger	X						
Rep. Miller-Meeks	X						
Rep. Cammack	X						
Rep. Obernolte	X						

12/05/2023

OVERSIGHT FINDINGS AND RECOMMENDATIONS

Pursuant to clause 2(b)(1) of rule X and clause 3(c)(1) of rule XIII, the Committee held hearings 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. 6572 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 direct the Secretary of Commerce to take actions necessary and appropriate to promote the competitiveness of the United States related to the deployment, use, application, and competitiveness of blockchains technology or other distributed ledger technology.

DUPLICATION OF FEDERAL PROGRAMS

Pursuant to clause 3(c)(5) of rule XIII, no provision of H.R. 6572 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. 6572:

- On February 1, 2023, the Subcommittee on Innovation, Data, and Commerce held a hearing titled "Economic Danger Zone: How America Competes to Win the Future Versus China." The hearing focused on the ways the Chinese Communist Party is challenging the United States for global leadership in emerging technologies like AI and blockchain. Witness testimony outlined the ways the CCP has doubled down on its intent to become the global leader in the deployment of emerging technologies and highlighted the urgent need for the United States government to engage and ensure continued American leadership.
- On June 7, 2023, the Subcommittee on Innovation, Data, and Commerce held a hearing titled "Building Blockchains: Ex-

ploring Web3 and Other applications for Distributed Ledger Technologies." Witness testimony emphasized that blockchains and distributed ledger technologies are a new foundational technology that provides individuals and businesses new ways to access, record, and validate digital activity. Testimony further outlined the ways blockchains and distributed ledger technology can provide new ways to secure personal information, increase transparency in the marketplace, and eliminate middlemen. The hearing expanded on previous testimony regarding global competitiveness by highlighting the vast number of possible applications for the technology and the ways the United States was ceding its industry leadership.

- On September 20, 2023, the Subcommittee on Innovation, Data, and Commerce held a hearing titled "Mapping America's Supply Chains: Solutions to Unleash Innovation, Boost Economic Resilience, and Beat China." Witness testimony outlined the ways blockchains could be used to make our supply chains more resilient while emphasizing the importance of building this emerging technology in America.

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. 6572 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 "Deploying American Blockchains Act of 2023".

Section 2 Definitions

Section 2 defines certain terms throughout the legislation including blockchain technology or other distributed ledger technology, token, and tokenization.

The term "blockchain technology or other distributed ledger technology" means a distributed digital database where data is shared across a network of computers to create a ledger of verified infor-

mation among network participants, linked using cryptography to maintain the integrity of the ledger and to execute other functions, and distributed among network participants in an automated fashion to update concurrently network participants on the state of the ledger and other functions.

The term "token" means a transferrable, digital representation of information recorded on blockchain technology or other distributed ledger technology. The term "tokenization" means the process of creating a token.

Section 3. Department of Commerce leadership on Blockchain

The Secretary of Commerce shall serve as the principal advisor to the President pertaining to the deployment, use, application and competitiveness of blockchain technology or other distributed ledger technology, applications built on blockchain technology or other distributed ledger technology, tokens, or tokenization.

The Secretary shall take actions necessary and appropriate to support the leadership of the United States with respect to the deployment, use, application, and competitiveness of blockchain technology, other distributed ledger technology, applications built on blockchain technology or other distributed ledger technology, tokens, or tokenization.

Such activities shall include establishing a Blockchain Deployment Program to support American leadership and the establishment of advisory committees to support the deployment, use, application, and competitiveness of blockchains technology or other distributed ledger technology, applications built on blockchain technology or other distributed ledger technology, tokens, and tokenization.

The Secretary shall, on an ongoing basis, facilitate and support the development and dissemination of best practices with respect to blockchain technology or other distributed ledger technology, applications built on blockchain technology or other distributed ledger technology, tokens, and tokenization. Such best practices shall be designed to support interoperability, reduce cybersecurity risk, support operations, reduce uncertainty, and quantify the value and potential cost savings associated with adoption.

In carrying out Section 3, the Secretary shall consult regularly with stakeholders, collaborate with private-sector stakeholder to identify approaches to the deployment of blockchains, disseminate research and information on the use of blockchains, develop standardized terminology, develop best practices which ease the use of blockchains, support open-source infrastructure, and consider the needs of both the public and private sector.

Nothing in Section 3 may be construed to require a private entity to share information with, request assistance from, implement any measure or recommendation suggested by, or adopt the best practices developed by, the Secretary of Commerce.

In implementing Section 3, the Secretary of Commerce may consult with the heads of relevant Federal agencies. The Blockchain Deployment Program established in Section 3 shall terminate on the date that is 7 years after the date of the enactment of this Act.

Section 4. Report to Congress

Not later than 2 years after the date of the enactment of this Act, and annually thereafter, the Secretary of Commerce shall make publicly available and submit to the Committee on Energy and Commerce of the House of Representatives and the Committee on Commerce, Science, and Transportation of the Senate a report on the activities of the Secretary under this Act for the previous year, any recommendation for additional legislation to strengthen American competitiveness with respect to blockchains, and a description of any emerging risks and long term trends with respect to blockchains.

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

This legislation does not amend any existing Federal statute.

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