

119TH CONGRESS
1ST SESSION

S. _____

To require the Director of the Office of Science and Technology Policy to establish a Federal regulatory sandbox program for artificial intelligence, and for other purposes.

IN THE SENATE OF THE UNITED STATES

Mr. CRUZ introduced the following bill; which was read twice and referred to the Committee on _____

A BILL

To require the Director of the Office of Science and Technology Policy to establish a Federal regulatory sandbox program for artificial intelligence, 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 “Strengthening Artifi-
5 cial intelligence Normalization and Diffusion By Oversight
6 and eXperimentation Act” or the “SANDBOX Act”.

1 **SEC. 2. ARTIFICIAL INTELLIGENCE REGULATORY SANDBOX**
2 **PROGRAM.**

3 The National Science and Technology Policy, Organi-
4 zation, and Priorities Act of 1976 (42 U.S.C. 6611 et seq.)
5 is amended by adding at the end the following:

6 **“TITLE VII—ARTIFICIAL INTEL-**
7 **LIGENCE REGULATORY SAND-**
8 **BOX PROGRAM**

9 **“SEC. 701. DEFINITIONS.**

10 “In this title:

11 “(1) AGENCY.—The term ‘agency’ has the
12 meaning given the term in section 551 of title 5,
13 United States Code.

14 “(2) APPLICABLE AGENCY.—The term ‘applica-
15 ble agency’ means an agency that has jurisdiction
16 over the enforcement or implementation of a covered
17 provision for which an applicant is seeking a waiver
18 or modification under the Program.

19 “(3) ARTIFICIAL INTELLIGENCE; ARTIFICIAL
20 INTELLIGENCE SYSTEM.—The terms ‘artificial intel-
21 ligence’ and ‘artificial intelligence system’ have the
22 meaning given the term ‘artificial intelligence’ in
23 section 5002 of the National Artificial Intelligence
24 Initiative Act of 2020 (15 U.S.C. 9401).

25 “(4) ARTIFICIAL INTELLIGENCE DEVELOPMENT
26 METHOD.—The term ‘artificial intelligence develop-

1 ment method’ means a business model or production
2 method that, in whole or in part, uses one or more
3 artificial intelligence systems.

4 “(5) ARTIFICIAL INTELLIGENCE PRODUCT OR
5 SERVICE.—The term ‘artificial intelligence product
6 or service’ means a product or service that uses or
7 contains, in whole or in part, one or more artificial
8 intelligence systems.

9 “(6) COVERED PROVISION.—The term ‘covered
10 provision’ has the meaning given the term ‘rule’ in
11 section 804(3) of title 5, United States Code, includ-
12 ing any associated guidance, frequently asked ques-
13 tions publications, bulletins, or associated, derivative
14 material and any rule the adoption of which is ex-
15 pressly required by statute.

16 “(7) DIRECTOR.—The term ‘Director’ means
17 the Director of the Office of Science and Technology
18 Policy.

19 “(8) HEALTH AND SAFETY RISK.—The term
20 ‘health and safety risk’ means a risk that is likely
21 to cause—

22 “(A) bodily harm to a human life (includ-
23 ing life before birth);

24 “(B) loss of human life (including life be-
25 fore birth); or

1 “(C) a substantial adverse effect on the
2 health of a human (including an unborn
3 human).

4 “(9) PROGRAM.—The term ‘Program’ means
5 the artificial intelligence regulatory sandbox program
6 established pursuant to section 702(a).

7 “(10) RISK OF ECONOMIC DAMAGE.—The term
8 ‘risk of economic damage’ means likely to cause tan-
9 gible, physical harm to the property or assets of a
10 consumer.

11 “(11) UNFAIR OR DECEPTIVE TRADE PRAC-
12 TICE.—The term ‘unfair or deceptive trade prac-
13 tice’—

14 “(A) means an unfair or deceptive act or
15 practice that is declared unlawful pursuant to
16 section 5 of the Federal Trade Commission Act
17 (15 U.S.C. 45); or

18 “(B) has the meaning given such term
19 in—

20 “(i) the Policy Statement of the Fed-
21 eral Trade Commission on Deception,
22 issued on October 14, 1983; or

23 “(ii) the Policy Statement of the Fed-
24 eral Trade Commission on Unfairness,
25 issued on December 17, 1980.

1 **“SEC. 702. ESTABLISHMENT OF ARTIFICIAL INTELLIGENCE**
2 **REGULATORY SANDBOX PROGRAM.**

3 “(a) ESTABLISHMENT.—

4 “(1) IN GENERAL.—Not later than one year
5 after the date of the enactment of this Act, the Di-
6 rector shall establish and operate, in accordance with
7 the requirements of this section, an artificial intel-
8 ligence regulatory sandbox program, under which
9 the Director and persons may apply for a temporary
10 waiver or modification of one or more covered provi-
11 sions of an applicable agency in order to test, experi-
12 ment, or temporarily provide to consumers artificial
13 intelligence products or services or artificial intel-
14 ligence development methods on a limited basis with-
15 out being subject to the enforcement, licensing, or
16 authorization requirements of such covered provi-
17 sions.

18 “(2) REGULATIONS.—In establishing the Pro-
19 gram under paragraph (1), the Director shall—

20 “(A) establish an application process for a
21 temporary waiver or modification described in
22 paragraph (1), including the creation of a
23 standardized form for applicants to provide the
24 information required under subsection (c);

25 “(B) establish a process by which by which
26 the Director may submit an application for a

1 temporary waiver or modification described in
2 paragraph (1) in accordance with subsection
3 (c)(3); and

4 “(C) establish a process for review of ap-
5 plications submitted pursuant to a process es-
6 tablished under subparagraph (A) or (B) in ac-
7 cordance with the requirements of this section
8 for assessing whether an application submitted
9 for the Program presents a health and safety
10 risk, a risk of economic damage, or a risk of
11 unfair or deceptive trade practices, which shall
12 be—

13 “(i) published in the Federal Register
14 and made publicly available with a detailed
15 list of the criteria used to make such as-
16 sessments; and

17 “(ii) subject to public comment before
18 final publication in the Federal Register.

19 “(b) PURPOSE.—The purpose of the Program is to
20 incentivize—

21 “(1) the development of current or new artifi-
22 cial intelligence products and services and artificial
23 intelligence development methods;

24 “(2) the expansion of economic opportunities
25 from artificial intelligence development;

“(3) the creation of jobs from artificial intelligence development; and

3 “(4) the creation of opportunities for artificial
4 intelligence innovation in the United States.

5 “(c) APPLICATION PROCESS FOR WAIVERS AND
6 MODIFICATIONS.—

7 “(1) IN GENERAL.—To apply for a waiver or
8 modification under the Program, an applicant shall,
9 pursuant to the process established under subsection
10 (a)(2)(A), submit to the Director an application
11 therefor that includes—

12 “(A) confirmation that the applicant—

13 “(i) is subject to the jurisdiction of
14 the Federal Government; and

“(ii) has established, or plans to es-
tablish not later than 180 days after the
date on which the applicant enters into a
written agreement under subsection (e), a
business that is incorporated or has a prin-
cipal place of business in the United States
from which the artificial intelligence prod-
ucts or services or artificial intelligence de-
velopment methods are deployed;

1 “(B) relevant contact information, includ-
2 ing the legal name, address, telephone number,
3 email address, and website of the applicant;

4 “(C) a description of any criminal convic-
5 tion of the applicant or any senior management
6 personnel or director of the business of the ap-
7 plicant; and

8 “(D) a description of any artificial intel-
9 ligence product or service or artificial intel-
10 ligence development method to be tested, ex-
11 perimented, or deployed for which the applicant
12 is requesting a waiver or modification, and for
13 each such artificial intelligence product or serv-
14 ice or artificial intelligence development meth-
15 od—

16 “(i) identification of each covered pro-
17 vision that the applicant seeks to have
18 waived or modified during participation in
19 the Program and the reasons why the
20 waiver or modification is needed;

21 “(ii) a description of the manner by
22 which the product or service or develop-
23 ment method would—

24 “(I) benefit consumers;

1 “(II) enhance the operational ef-
2 ficiency of the business of the appli-
3 cant;

4 “(III) expand economic opportu-
5 nities;

6 “(IV) create jobs; or

7 “(V) further the innovation or
8 development of artificial intelligence;

9 “(iii) an explanation of how potential
10 benefits of the product or service or devel-
11 opment method outweigh the risks, taking
12 into account any mitigation measures,
13 which shall include—

14 “(I) a description of the reason-
15 ably foreseeable risks associated with
16 waiving or modifying each covered
17 provision identified under clause (i)
18 during participation in the Program,
19 including any—

20 “(aa) health and safety risk;

21 “(bb) risk of economic dam-
22 age; and

23 “(cc) risk of unfair or decep-
24 tive trade practices;

1 “(II) the manner in which the
2 applicant intends to reasonably miti-
3 gate any risk identified pursuant to
4 subclause (I);

5 “(iv) the requested time periods for
6 which the waiver or modification of each
7 covered provision identified under clause
8 (i) would apply;

9 “(v) confirmation that the applicant
10 understands that the applicant will be sub-
11 ject to and must comply with all statutes
12 and regulations after the conclusion of
13 testing, experimenting, or deploying such
14 product or service or development method
15 under the Program; and

16 “(vi) a list of each agency that may
17 have jurisdiction, in whole or in part, over
18 the product or service or development
19 method to be tested, experimented, or de-
20 ployed by the applicant.

21 “(2) ASSISTANCE.—The Director may, upon re-
22 quest, consult with an applicant and provide assist-
23 ance completing an application described in para-
24 graph (1), including by—

25 “(A) identifying—

1 “(i) the likely covered provisions that
2 could be relevant and eligible for a waiver
3 or modification under the Program; and

4 “(ii) the agencies with authority over
5 the covered provisions identified under
6 clause (i); and

7 “(B) providing anonymized information on
8 other relevant applications or aggregate appli-
9 cant trends.

10 “(3) DIRECTOR-SUBMITTED APPLICATION.—

11 The Director may submit an application to waive or
12 modify any covered provision under the Program, if
13 in the opinion of the Director the waiver or modi-
14 fication proposed in the application will advance the
15 development, deployment, or use of artificial intel-
16 ligence in the United States.

17 “(d) AGENCY REVIEW.—

18 “(1) TRANSMISSION.—Not later than 14 days
19 after the date on which the Director receives a com-
20 pleted application under paragraph (1) of subsection
21 (c) or submits a completed application under para-
22 graph (3) of that subsection, the Director shall sub-
23 mit a copy of the application to the head of each ap-
24 plicable agency.

1 “(2) REVIEW.—The head of an applicable agen-
2 cy shall review an application received under para-
3 graph (1) with respect to the covered provision or
4 provisions under the jurisdiction of the agency and
5 solicit input, and demonstrate due consideration of
6 such input, from the private sector and technical ex-
7 perts with relevance to the Program, on—

8 “(A) whether the plan of the applicant
9 with respect to testing, experimenting, or de-
10 ploying an artificial intelligence product or serv-
11 ice or an artificial intelligence development
12 method would—

13 “(i) benefit consumers;

14 “(ii) enhance the operational effi-
15 ciency of the business of the applicant

16 “(iii) expand economic opportunities;

17 “(iv) create jobs; or

18 “(v) further the innovation or develop-
19 ment of artificial intelligence; and

20 “(B) whether the potential benefits of the
21 plan outweigh any—

22 “(i) health and safety risk;

23 “(ii) risk of economic damage; and

24 “(iii) risk of unfair or deceptive trade
25 practices.

1 “(3) METHOD.—The head of an applicable
2 agency may conduct its review of applications re-
3 ceived under paragraph (2) by establishing advisory
4 boards or working groups to review and provide
5 input on the applications.

6 “(4) AGENCY DECISION.—

7 “(A) IN GENERAL.—Subject to subpara-
8 graph (B), the head of an applicable agency
9 who receives a copy of an application under
10 paragraph (1) shall, taking into consideration
11 the recommendations of the advisory board of
12 the applicable agency, make the agency decision
13 to grant or deny the application with respect to
14 the covered provision or provisions requested to
15 be waived or modified that are under the juris-
16 diction of the agency.

17 “(B) IN PART APPROVAL.—If more than
18 one applicable agency receives a copy of an ap-
19 plication under paragraph (1)—

20 “(i) the head of each applicable agen-
21 cy, with input from the advisory board of
22 the applicable agency, shall grant or deny
23 the waiver or modification of each covered
24 provision over which the applicable agency
25 has jurisdiction; and

1 “(ii)(I) if each applicable agency that
2 receives an application under paragraph
3 (1) grants the request for a waiver or
4 modification, the Director shall grant the
5 entire application; or

6 “(II) if an applicable agency denies
7 part of an application and another applica-
8 ble agency grants part of the application,
9 the Director shall approve the application
10 in part and specify in the decision which
11 covered provisions are waived or modified.

12 “(5) RECORD OF AGENCY DECISION.—

13 “(A) IN GENERAL.—Not later than 90
14 days after receiving a copy of an application
15 under paragraph (1), the head of an applicable
16 agency shall approve or deny the application
17 and submit to the Director a record of the
18 agency decision.

19 “(B) ELEMENTS.—The record of the agen-
20 cy decision required by subparagraph (A) to be
21 submitted by the head of an applicable agency
22 shall include—

23 “(i) a description of each covered pro-
24 vision over which the applicable agency has
25 jurisdiction for enforcement or implemen-

1 tation that the applicant is seeking to have
2 waived or modified and a list of the rea-
3 sonably foreseeable risks, if any, that could
4 result from the requested waiver or modi-
5 fication, including any—

6 “(I) health and safety risk;

7 “(II) risk of economic damage;

8 and

9 “(III) risk of unfair or deceptive

10 trade practices;

11 “(ii) if the application is approved, a
12 description, if applicable, of—

13 “(I) the manner by which the ap-

14 plicant will mitigate the risks identi-

15 fied in clause (i); and

16 “(II) the manner by which con-

17 sumers will be protected during the

18 term for which the waiver or modifica-

19 tion remains in effect;

20 “(iii) if the head of the applicable
21 agency denies the waiver or modification—

22 “(I) a description of the reasons

23 for the denial, including—

24 “(aa) an explanation of the

25 manner by which a waiver or

1 modification could cause any of
2 the risks described in clause (i);
3 and

4 “(bb) the likelihood of such
5 reasonably foreseeable risks oc-
6 ccurring; and

7 “(II) the reasons why the appli-
8 cation cannot be approved in part or
9 reformed to mitigate the risks de-
10 scribed under subclause (I)(aa) and
11 any information the head of the appli-
12 cable agency relied on to support
13 these reasons; and

14 “(iv) if the head of the applicable
15 agency would deny the waiver or modifica-
16 tion unless the risks described in clause (i)
17 are mitigated, a recommendation of the
18 means by which the applicant can mitigate
19 such risks.

20 “(C) NO RECORD SUBMITTED.—If the
21 head of the applicable agency does not submit
22 a record of the agency decision by the deadline
23 required by subparagraph (A), the Director
24 shall presume that the head of the applicable
25 agency does not object to the granting of the

1 waiver or modification requested by the appli-
2 cant and may proceed with the application.

3 “(D) EXTENSION.—The head of the appli-
4 cable agency may request one 30-day extension
5 of the deadline required by subparagraph (A)
6 for submission of the record of the agency deci-
7 sion.

8 “(E) EXPEDITED REVIEW.—If the head of
9 the applicable agency provides a recommenda-
10 tion described in subparagraph (B)(iv), the Di-
11 rector shall provide the applicant 60 days to
12 make necessary changes to the application, and
13 the applicant may resubmit the application to
14 the head of the applicable agency for expedited
15 review of not more than 60 days from the date
16 of resubmission of the completed application.

17 “(e) WRITTEN AGREEMENT.—

18 “(1) IN GENERAL.—If the head of an agency,
19 or the Director upon an appeal under subsection (g),
20 grants the entire application or part of the applica-
21 tion under subsection (d)(4), any waiver or modifica-
22 tion requested shall not be effective until the appli-
23 cant enters into a written agreement with the Direc-
24 tor and the head of the agency that describes—

1 “(A) each covered provision that is waived
2 or modified under the Program; and

3 “(B) the terms the applicant shall abide by
4 to mitigate any risk described in the record of
5 the agency decision pursuant to subsection
6 (d)(5)(B)(i).

7 “(2) REQUIREMENT.—Each written agreement
8 entered into under paragraph (1) shall include a re-
9 quirement that the applicant notify the Director and
10 the head of any relevant applicable agency of any in-
11 cident that results in harm to the health and safety
12 of a consumer, economic damage, or an unfair or de-
13 ceptive trade practice under the Program not later
14 than 72 hours after the incident occurs.

15 “(3) TIMELINE.—The Director shall provide to
16 the applicant a copy of the written agreement de-
17 scribed in paragraph (1) not later than 45 days
18 after the date on which the application is granted,
19 in part or in whole, under subsection (d)(4).

20 “(f) PUBLICATION OF DIRECTOR-SUBMITTED APPLI-
21 CATIONS AND UTILIZATION BY APPLICANTS.—

22 “(1) IN GENERAL.—If the head of an agency,
23 or the Director upon an appeal under subsection (g),
24 grants a Director-submitted application, in whole or
25 part, under subsection (d)(4), the Director shall

1 publish in the Federal Register notice of any waiver
2 or modification granted and any information re-
3 quired to be submitted to the Director for an appli-
4 cant to utilize such waiver or modification under
5 paragraph (2).

6 “(2) AUTHORITY.—In the case described in
7 paragraph (1), any person may submit an applica-
8 tion to utilize such waiver or modification, pursuant
9 to fulfilling the requirements of subsection (e) and
10 any requirement developed by the Director under
11 paragraph (3).

12 “(3) PROCESS FOR UTILIZATION.—The Direc-
13 tor may develop a standardized process for the sub-
14 mission and consideration of an application to utilize
15 a waiver or modification of a covered provision
16 granted under paragraph (1).

17 “(g) APPEALS.—

18 “(1) IN GENERAL.—If the head of an applicable
19 agency denies an application under subsection
20 (d)(4), the applicant may submit to the Director an
21 appeal for reconsideration, or in the case of a Direc-
22 tor-submitted application shall prepare a statement,
23 which shall—

24 “(A) address the comments in the record
25 of the agency decision submitted under sub-

1 section (d)(5) that resulted in denial of the ap-
2 plication; and

3 “(B) include the manner by which the ap-
4 plicant plans to mitigate the risks identified in
5 the record of the agency decision.

6 “(2) RESPONSE.—Not later than 60 days after
7 receiving an appeal under paragraph (1), the Direc-
8 tor shall—

9 “(A) determine whether the appeal suffi-
10 ciently addresses the concerns raised in the
11 record of the agency decision submitted under
12 subsection (d)(5); and

13 “(B)(i) if the Director determines that the
14 appeal sufficiently addresses the concerns, file a
15 record of the agency decision and provide a
16 statement detailing how the concerns have been
17 mitigated and approve the application; or

18 “(ii) if the Director determines that the
19 appeal does not sufficiently address the con-
20 cerns, file a record of the agency decision and
21 provide a statement detailing how the concerns
22 have not been mitigated and deny the applica-
23 tion.

1 “(h) JUDICIAL REVIEW.—For purposes of review
2 under section 704 of title 5, United States Code, the fol-
3 lowing shall be considered a final agency action:

4 “(1) A record of the agency decision submitted
5 under subsection (d)(5).

6 “(2) The granting of a request to renew a waiv-
7 er or modification under subsection (i)(3)(C).

8 “(3) The failure of the Director to provide a
9 written agreement subject to the terms of subsection
10 (e).

11 “(4) The revocation of a waiver or modifica-
12 tions under subsection (j).

13 “(i) PERIOD OF WAIVER OR MODIFICATION.—

14 “(1) INITIAL PERIOD.—Except as provided in
15 this subsection, a waiver or modification granted
16 under the Program shall be for a term of 2 years.

17 “(2) NOTIFICATION BEFORE ENDING OFFER-
18 ING.—If a person decides to end deployment of its
19 artificial intelligence product, service, or method be-
20 fore the end of the initial period described in para-
21 graph (1), the person shall, not later than 30 days
22 before the date on which the person ends deployment
23 of the product, service, or method, submit to the Di-
24 rector a report on actions taken by the person to en-

1 sure consumers have not been harmed as a result of
2 the termination of the product, service, or method.

3 “(3) RENEWAL.—

“(A) IN GENERAL.—The person granted a waiver or modification under the Program may request for renewal of the waiver or modification for a maximum of 4 additional 2-year periods.

9 “(B) NOTIFICATION.—Not later than 30
10 days before the end of an initial period under
11 paragraph (1), a person that is granted a waiv-
12 er or modification under the Program shall no-
13 tify the Director if the person intends to seek
14 renewal under subparagraph (A).

15 “(C) DECISION.—The Director shall grant
16 a request made pursuant to subparagraph (A),
17 unless the Director determines that—

18 “(i) relevant information or cir-
19 cumstances have materially changed since
20 the waiver or modification was granted and
21 the person must submit a new or amended
22 application; or

23 “(ii) the person granted the waiver or
24 modification is not in compliance with the
25 terms of the written agreement entered

1 into pursuant to subsection (e) and the
2 person is unable to correct the action
3 under subsection (j)(2).

4 “(j) REVOCATION.—If the Director determines that
5 a person that was granted a waiver or modification under
6 the Program is not in compliance with the terms of the
7 written agreement entered into pursuant to subsection (e),
8 the Director—

9 “(1) shall give the person 30 days to correct the
10 action, or additional 30-day periods if the Director
11 considers it appropriate;

12 “(2) if the person does not correct the action by
13 the end of the 30-day period, the Director may end
14 the participation of the person in the Program by re-
15 voking the waiver or modification.

16 “(k) TERMS.—A person for which a waiver or modi-
17 fication is granted under the Program shall be subject to
18 the following terms:

19 “(1) No existing right of action of a consumer
20 to seek actual damages or an equitable remedy may
21 be waived or modified under the Program.

22 “(2) While a waiver or modification is in effect,
23 and the person is in compliance with the written
24 agreement entered into pursuant to subsection (e),
25 the person shall not be subject to the criminal or

1 civil enforcement of a covered provision specifically
2 identified in the waiver or modification.

3 “(3) An agency may not file or pursue any pu-
4 nitive action against the person during the period
5 for which the waiver or modification is in effect, in-
6 cluding a civil penalty, fine, or license suspension or
7 revocation for a violation of a covered provision iden-
8 tified in the waiver or modification, unless the per-
9 son is not in compliance with the written agreement
10 entered into pursuant to subsection (e).

11 “(4) The person shall not have immunity re-
12 lated to any criminal offense that is not expressly
13 identified in the waiver or modification.

14 “(5) The Federal Government shall not be re-
15 sponsible for any business losses if the waiver or
16 modification is revoked at any time, including any
17 action brought under section 1346(b) or 1491 of
18 title 28, United States Code.

19 “(6) The person shall notify the Director and
20 the head of any applicable agency of any incident
21 that results in harm to the health and safety of a
22 consumer, economic damage, or an unfair or decep-
23 tive trade practice under the Program not later than
24 72 hours after the incident occurs.

1 “(7) The person shall abide by all terms of the
2 written agreement entered into pursuant to sub-
3 section (e).

4 “(1) CONSUMER PROTECTION.—Before deploying an
5 artificial intelligence product or service to consumers
6 under a waiver or modification granted under the Pro-
7 gram, and throughout the period the waiver or modifica-
8 tion remains in effect, a person shall disclose, through a
9 publicly accessible website or similar public means, the fol-
10 lowing to consumers:

11 “(1) The name and contact information of the
12 person.

13 “(2) A description of the participation of the
14 person in the Program, and if applicable, disclosure
15 that the person does not have a license or other au-
16 thorization to provide artificial intelligence products
17 or services under provisions not waived or modified
18 under the Program.

19 “(3) If applicable, that the artificial intelligence
20 product or service is undergoing testing and may not
21 function as intended and may expose the consumer
22 to certain risks as identified in the record of the
23 agency decision of the applicable agency submitted
24 under subsection (d)(5).

1 “(4) That the person is not immune from exist-
2 ing civil liability for any loss or damage caused by
3 the artificial intelligence product or service.

4 “(5) That the person is not immune from crimi-
5 nal prosecution for violations of covered provisions
6 that are not waived or modified under the Program.

7 “(6) That the artificial intelligence product or
8 service is a temporary demonstration and may be
9 discontinued at the end of the initial period under
10 paragraph (1) of subsection (i) or before the end of
11 the initial period under paragraph (2) of that sub-
12 section.

13 “(7) The expected commencement date of the
14 initial period under subsection (i)(1).

15 “(8) The contact information of the National
16 Artificial Intelligence Initiative Office and that the
17 consumer may contact the Initiative Office to file a
18 complaint.

19 “(m) RECORD KEEPING.—

20 “(1) IN GENERAL.—A person who is granted a
21 waiver or modification under the Program shall re-
22 tain all records, documents, and data directly related
23 to the participation of the person in the Program.

24 “(2) REQUEST FOR DOCUMENTS.—Upon re-
25 quest by the Director, a person granted a waiver or

1 modification under the Program shall make available
2 for inspection any record, document, or data re-
3 tained under paragraph (1).

4 “(n) REPORTS.—

5 “(1) PERSONS GRANTED A WAIVER OR MODI-
6 FICATION.—

7 “(A) IN GENERAL.—Each person who is
8 granted a waiver or modification under the Pro-
9 gram shall submit to the Director a report that
10 includes—

11 “(i) if applicable, the number of con-
12 sumers participating in or receiving the ar-
13 tificial intelligence product or service or
14 the artificial intelligence development
15 method offered by the person under the
16 Program;

17 “(ii) an assessment of the likely risks
18 and the manner by which the person is
19 mitigating those risks, consistent with the
20 terms of the written agreement entered
21 into under subsection (e);

22 “(iii) an identification of any pre-
23 viously unanticipated risks that have mani-
24 fested during the deployment of the artifi-

1 cial intelligence product or service or the
2 artificial intelligence development method;

3 “(iv) a description of any adverse inci-
4 dent and any action taken by the person to
5 repair the harm to consumers; and

6 “(v) a description of the benefits of
7 the waiver or modification, including, if ap-
8 plicable, studies, surveys, financial bene-
9 fits, or additional quantitative measures
10 demonstrating such benefits.

11 “(B) TIMING.—Each person shall submit a
12 report required under subparagraph (A)—

13 “(i) 40 days after the commencement
14 of the period for which a waiver or modi-
15 fication is granted under the Program;

16 “(ii) 30 days after the halfway mark
17 of the period for which a waiver or modi-
18 fication is granted under the Program; and

19 “(iii) 30 days before the expiration
20 of—

21 “(I) the period for which a waiv-
22 er or modification is initially granted
23 under the Program; and

1 “(II) each 2-year period for
2 which the waiver or modification is re-
3 newed under subsection (i)(3).

4 “(2) ANNUAL REPORT TO CONGRESS.—Not
5 later than 1 year after the date of the enactment of
6 the Strengthening Artificial intelligence Normaliza-
7 tion and Diffusion By Oversight and eXperimen-
8 tation Act, and annually thereafter, the Director
9 shall submit to Congress a report on the Program,
10 which shall include, for the 1-year period preceding
11 the submission of the report—

12 “(A) the number of applications approved
13 received and the number of applications ap-
14 proved;

15 “(B) the name and a description of each
16 applicant that was granted a waiver or modi-
17 fication under the Program;

18 “(C) a description of the benefits to the
19 public from the Program;

20 “(D) a description of any harm to the pub-
21 lic from the Program;

22 “(E) the covered provisions that have been
23 waived or modified and the number of times
24 such provisions have been waived or modified;

1 “(F) the total number of consumers af-
2 fected by such waivers or modifications de-
3 scribed in subsection (E); and

4 “(G) all applicant, Director, and agency
5 materials related to the Program.

6 “(o) COORDINATION WITH STATE ARTIFICIAL IN-
7 TELLIGENCE PROGRAMS.—The Director shall—

8 “(1) establish mechanisms for sharing informa-
9 tion with State programs that are similar or com-
10 parable to the Program;

11 “(2) coordinate application review processes
12 where jurisdictions overlap;

13 “(3) accept joint applications for projects bene-
14 fitting from both Federal and State regulatory relief;
15 and

16 “(4) work to harmonize testing approaches
17 whenever feasible.

18 “(p) RULE OF CONSTRUCTION.—Nothing in this sec-
19 tion shall be construed—

20 “(1) to require a person that is granted a waiv-
21 er or modification under the Program to publicly
22 disclose proprietary information, including trade se-
23 crets or commercial or financial information that is
24 privileged or confidential; or

1 “(2) to affect any other provision of law that is
2 not included in a waiver or modification provided
3 under the Program.

4 “(q) SUNSET.—The Program shall terminate on the
5 date that is 12 years after the date on which the Director
6 establishes the Program under subsection (a).

7 **“SEC. 703. CONGRESSIONAL REVIEW OF COVERED PROVI-**
8 **SIONS.**

9 “(a) JOINT RESOLUTION OF APPROVAL DEFINED.—
10 In this section, the term ‘joint resolution of approval’
11 means only a joint resolution of either House of Con-
12 gress—

13 “(1) the matter after the resolving clause of
14 which contains only—

15 “(A) a list of some or all of the covered
16 provisions that were identified under subsection
17 (b)(1) in a special message submitted to Con-
18 gress under that subsection; and

19 “(B) a provision that immediately repeals
20 or adopts amendments to the covered provisions
21 listed under subparagraph (A) upon enactment
22 of the joint resolution of approval; and

23 “(2) upon which Congress completes action be-
24 fore the end of the first period of 60 legislative days

1 after the date on which the special message is re-
2 ceived by Congress.

3 “(b) SUBMISSION.—

4 “(1) IN GENERAL.—Not later than the first day
5 on which both Houses of Congress are in session
6 after May 1 of each year, the Director of the Office
7 of Science and Technology Policy (in this section re-
8 ferred to as the ‘Director’) shall submit to Congress
9 a special message that details each covered provision
10 that the Director recommends should be amended or
11 repealed as a result of persons being able to operate
12 safely without those covered provisions under the ar-
13 tificial intelligence regulatory sandbox program es-
14 tablished under section 5107(b).

15 “(2) ELEMENTS.—The special message sub-
16 mitted under paragraph (1) shall include—

17 “(A) a list of each covered provision
18 waived or modified and how many times that
19 provision has been waived or modified;

20 “(B) a list of each covered provision that
21 is the subject of an application for waiver or
22 modification that has been denied, how many
23 times applications have been denied, and a sum-
24 mary of the reasons behind such denial;

1 “(C) a list of any covered provision that
2 the Director determines should be repealed, for
3 any reason, including a brief rationale for the
4 Director’s determination;

5 “(D) a list of any covered provision that
6 the Director determines should be amended, in-
7 cluding the recommended textual changes to the
8 covered provision, including a brief rationale for
9 the Director’s determination; and

10 “(E) an explanation of why each covered
11 provision described in subparagraphs (A) and
12 (B) should be amended or repealed.

13 “(3) DELIVERY TO HOUSE AND SENATE; PRINT-
14 ING.—Each special message submitted under para-
15 graph (1) shall be—

16 “(A) delivered to the Clerk of the House of
17 Representatives and the Secretary of the Sen-
18 ate; and

19 “(B) printed in the Congressional Record.

20 “(c) APPROVAL BY CONGRESS.—

21 “(1) INTRODUCTION.—Beginning on the date
22 on which the Director submits a special message to
23 Congress under subsection (b)(1), any member of
24 the Senate or House of Representative may intro-

1 duce a joint resolution of approval relating to the
2 special message.

3 “(2) CONSIDERATION IN HOUSE OF REP-
4 RESENTATIVES.—

5 “(A) COMMITTEE REFERRAL.—A joint res-
6 olution of approval introduced in the House of
7 Representatives shall be referred to the appro-
8 priate committee of the House of Representa-
9 tives.

10 “(B) REPORTING AND DISCHARGE.—If the
11 committee to which a joint resolution of ap-
12 proval has been referred to has not reported the
13 joint resolution of approval within 10 legislative
14 days after the date of referral, the committee
15 shall be discharged from further consideration
16 of the joint resolution.

17 “(C) PROCEEDING TO CONSIDERATION.—
18 Beginning on the third legislative day after the
19 committee to which a joint resolution of ap-
20 proval has been referred reports the joint reso-
21 lution of approval to the House or has been dis-
22 charged from further consideration thereof, it
23 shall be in order to move to proceed to consider
24 the joint resolution of approval in the House.
25 All points of order against the motion are

1 waived. Such a motion shall not be in order
2 after the House has disposed of a motion to
3 proceed on the joint resolution of approval. The
4 previous question shall be considered as ordered
5 on the motion to its adoption without inter-
6 vening motion. The motion shall not be debat-
7 able. A motion to reconsider the vote by which
8 the motion is disposed of shall not be in order.

9 “(D) FLOOR CONSIDERATION.—The joint
10 resolution of approval shall be considered as
11 read. All points of order against the joint reso-
12 lution of approval and against its consideration
13 are waived. The previous question shall be con-
14 sidered as ordered on the joint resolution of ap-
15 proval to final passage without intervening mo-
16 tion except 2 hours of debate equally divided
17 and controlled by the sponsor of the joint reso-
18 lution of approval (or a designee) and an oppo-
19 nent. A motion to reconsider the vote on pas-
20 sage of the joint resolution of approval shall not
21 be in order.

22 “(3) CONSIDERATION IN THE SENATE.—

23 “(A) COMMITTEE REFERRAL.—A joint res-
24 olution of approval introduced in the Senate

1 shall be referred to the appropriate committee
2 of the Senate.

3 “(B) REPORTING AND DISCHARGE.—If the
4 committee to which a joint resolution has been
5 referred has not reported the joint resolution of
6 approval within 10 legislative days after the
7 date of referral of the joint resolution, the com-
8 mittee shall be discharged from further consid-
9 eration of the joint resolution and the joint res-
10 olution shall be placed on the appropriate cal-
11 endar.

12 “(C) PROCEEDING TO CONSIDERATION.—
13 Notwithstanding Rule XXII of the Standing
14 Rules of the Senate, it is in order at any time
15 after the committee to which a joint resolution
16 has been referred reports a joint resolution of
17 approval or has been discharged from consider-
18 ation of such a joint resolution to move to pro-
19 ceed to the consideration of the joint resolution
20 of approval. The motion to proceed is not de-
21 batable. The motion is not subject to a motion
22 to postpone. A motion to reconsider the vote by
23 which the motion is agreed to or disagreed to
24 shall not be in order.

1 “(D) RULINGS OF THE CHAIR ON PROCE-
2 DURE.—Appeals from the decisions of the Chair
3 relating to the application of the rules of the
4 Senate to the procedure relating to a joint reso-
5 lution of approval shall be decided by the Sen-
6 ate without debate.

7 “(4) RULES RELATING TO SENATE AND HOUSE
8 OF REPRESENTATIVES.—

9 “(A) TREATMENT OF SENATE JOINT RESO-
10 LUTION OF APPROVAL IN HOUSE.—In the
11 House of Representatives, the following proce-
12 dures shall apply to a joint resolution of ap-
13 proval received from the Senate (unless the
14 House has already passed a joint resolution re-
15 lating to the same proposed action):

16 “(i) The joint resolution of approval
17 shall be referred to the appropriate com-
18 mittee of the House of Representatives.

19 “(ii) If the committee to which a joint
20 resolution of approval has been referred
21 has not reported the joint resolution of ap-
22 proval within 2 legislative days after the
23 date of referral, the committee shall be dis-
24 charged from further consideration of the
25 joint resolution.

“(iii) Beginning on the third legislative day after the committee to which a joint resolution has been referred reports the joint resolution of approval to the House or has been discharged from further consideration thereof, it shall be in order to move to proceed to consider the joint resolution of approval in the House. All points of order against the motion are waived. Such a motion shall not be in order after the House has disposed of a motion to proceed on the joint resolution of approval. The previous question shall be considered as ordered on the motion to its adoption without intervening motion. The motion shall not be debatable. A motion to reconsider the vote by which the motion is disposed of shall not be in order.

“ (iv) The joint resolution of approval shall be considered as read. All points of order against the joint resolution and against its consideration are waived. The previous question shall be considered as ordered on the joint resolution to final passage without intervening motion except 2

1 hours of debate equally divided and con-
2 trolled by the sponsor of the joint resolu-
3 tion of approval (or a designee) and an op-
4 ponent. A motion to reconsider the vote on
5 passage of the joint resolution of approval
6 shall not be in order.

7 “(B) TREATMENT OF HOUSE JOINT RESO-
8 LUTION OF APPROVAL IN SENATE.—

9 “(i) RECEIPT BEFORE PASSAGE.—If,
10 before the passage by the Senate of a joint
11 resolution of approval, the Senate receives
12 an identical joint resolution of approval
13 from the House of Representatives, the fol-
14 lowing procedures shall apply:

15 “(I) That joint resolution of ap-
16 proval shall not be referred to a com-
17 mittee.

18 “(II) With respect to that joint
19 resolution of approval—

20 “(aa) the procedure in the
21 Senate shall be the same as if no
22 joint resolution had been received
23 from the House of Representa-
24 tives; but

1 “(bb) the vote on passage
2 shall be on the joint resolution
3 from the House of Representa-
4 tives.

5 “(ii) RECEIPT AFTER PASSAGE.—If,
6 following passage of a joint resolution of
7 approval in the Senate, the Senate receives
8 an identical joint resolution of approval
9 from the House of Representatives, that
10 joint resolution shall be placed on the ap-
11 propriate Senate calendar.

12 “(iii) NO COMPANION MEASURE.—If a
13 joint resolution of approval is received
14 from the House, and no companion joint
15 resolution of approval has been introduced
16 in the Senate, the Senate procedures under
17 this subsection shall apply to the House
18 joint resolution of approval.

19 “(C) APPLICATION TO REVENUE MEAS-
20 URES.—The provisions of this paragraph shall
21 not apply in the House of Representatives to a
22 joint resolution that is a revenue measure.

23 “(5) RULES OF HOUSE OF REPRESENTATIVES
24 AND SENATE.—This subsection is enacted by Con-
25 gress—

1 “(A) as an exercise of the rulemaking
2 power of the Senate and the House of Rep-
3 resentatives, respectively, and as such is deemed
4 a part of the rules of each House, respectively,
5 and supersedes other rules only to the extent
6 that it is inconsistent with such rules; and

7 “(B) with full recognition of the constitu-
8 tional right of either House to change the rules
9 (so far as relating to the procedure of that
10 House) at any time, in the same manner, and
11 to the same extent as in the case of any other
12 rule of that House.”.