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(Original Signature of Member)

117TH CONGRESS  
2D SESSION

**H. R.** \_\_\_\_\_

To direct the Secretary of the Treasury to develop and pilot digital dollar technologies that replicate the privacy-respecting features of physical cash.

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IN THE HOUSE OF REPRESENTATIVES

Mr. LYNCH introduced the following bill; which was referred to the Committee  
on \_\_\_\_\_  
\_\_\_\_\_

**A BILL**

To direct the Secretary of the Treasury to develop and pilot digital dollar technologies that replicate the privacy-respecting features of physical cash.

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 “Electronic Currency  
5 And Secure Hardware Act” or the “ECASH Act”.

6 **SEC. 2. DEFINITIONS.**

7 In this Act:

1           (1) ECIP.—The term “ECIP” means the Elec-  
2           tronic Currency Innovation Program established  
3           under section 4.

4           (2) SECRETARY.—The term “Secretary” means  
5           the Secretary of the Treasury.

6   **SEC. 3. ELECTRONIC DOLLAR.**

7           (a) ESTABLISHMENT.—The Secretary of the Treas-  
8           ury shall promote and facilitate the development and de-  
9           ployment of an electronic version of the United States dol-  
10          lar for use by the general public that replicates and pre-  
11          serves the privacy, anonymity-respecting, and minimal  
12          transactional data-generating properties of physical cur-  
13          rency instruments such as coins and notes to the greatest  
14          extent technically and practically possible.

15          (b) ELECTRONIC DOLLAR REQUIREMENTS.—The  
16          electronic dollar described under subsection (a) shall be—

17               (1) known as “e-cash”;

18               (2) payable to bearer;

19               (3) legal tender, as described in section 5103 of  
20          title 31, United States Code;

21               (4) an obligation of the United States, as de-  
22          scribed in section 8 of title 18, United States Code;

23               (5) created and issued into circulation by the  
24          Department of the Treasury, in such quantities, de-  
25          nominations, and technical forms as the Secretary,

1 in the Secretary's discretion, determines to be appro-  
2 priate;

3 (6) distributed directly to, and capable of being  
4 owned, held, and used directly by, the general public;

5 (7) capable of instantaneous, final, direct, peer-  
6 to-peer, offline transactions using secured hardware  
7 devices that do not involve or require subsequent or  
8 final settlement on or via a common or distributed  
9 ledger, or any other additional approval or validation  
10 by the United States Government or any other third-  
11 party payments processing intermediary;

12 (8) inter-operable with all existing financial in-  
13 stitution and payment provider systems and gener-  
14 ally accepted payments standards and network  
15 protocols, as well as other public payments pro-  
16 grams, including the U.S. Debit Card and Digital  
17 Pay Program and the EagleCash card program of  
18 the Department of the Treasury and any other dig-  
19 ital dollar or public banking products;

20 (9) classified and regulated in a manner similar  
21 to physical currency for the purposes of anti-money  
22 laundering, know-your-customer, counter-terrorism,  
23 and transaction reporting laws, and accordingly not  
24 subject to the third-party exemption to an otherwise  
25 presumptive expectation of privacy;

1           (10) designed, issued, and administered to be  
2 consistent with—

3           (A) the statutory objectives articulated in  
4 subsection (c), as well as any rules, standards,  
5 and criteria enacted to further those objectives;

6           (B) the consumer protections articulated in  
7 subsection (d), as well as any rules, standards,  
8 and criteria enacted to further those protec-  
9 tions; and

10          (C) any and all other technical and policy  
11 criteria established by this Act or by the Sec-  
12 retary or Director under the authority granted  
13 to them under this Act;

14          (11) distinguishable from other forms of elec-  
15 tronic currency issued by or on behalf of the United  
16 States Government, including any such forms that—

17           (A) are issued by a department, branch,  
18 agency, or instrumentality of the United States  
19 Government other than the Department of the  
20 Treasury, including such forms of “central  
21 bank digital currency” as may be issued by the  
22 Board of Governors of the Federal Reserve Sys-  
23 tem or its designated agents;

24           (B) are legally classified as an account bal-  
25 ance or any other kind of financial instrument

1 not payable to bearer or that otherwise require  
2 identification and account or device registration  
3 to hold, access, or use;

4 (C) are not distributed directly to, or oth-  
5 erwise capable of being owned, held, or used di-  
6 rectly by, the general public;

7 (D) fail to replicate and preserve the pri-  
8 vacy, anonymity-respecting, and minimal trans-  
9 actional data-generating properties of physical  
10 currency instruments such as coins and paper  
11 notes to the greatest extent technically and  
12 practically possible; and

13 (12) not included in calculations of public debt  
14 subject to limit under section 3101 of title 31,  
15 United States Code.

16 (c) STATUTORY OBJECTIVES.—The Secretary shall  
17 promulgate and enforce rules, standards, and criteria per-  
18 taining to the development and implementation of e-cash  
19 instruments, devices, technologies, platforms, and sup-  
20 porting and enabling infrastructure, as well as the  
21 issuance, dissemination, circulation, storage, and use of e-  
22 cash balances, including use in transactions, in such a  
23 manner and to such an extent as the Secretary determines  
24 to be necessary or appropriate to achieve the objectives  
25 of this Act, subject to the following conditions:

1           (1) OWNERSHIP.—The Secretary shall require  
2           that any and all e-cash instruments are capable of  
3           being owned, held, and used directly by the general  
4           public via widely available hardware devices, without  
5           the necessary involvement of third-party custodial or  
6           payment processing intermediaries.

7           (2) PRIVACY.—The Secretary shall require that  
8           any hardware device authorized to hold or otherwise  
9           facilitate transactions involving e-cash shall be se-  
10          cured locally via cryptographic encryption and other  
11          appropriate technologies, and shall not contain or be  
12          subject to any surveillance, personal identification or  
13          transactional data-gathering, or censorship-enabling  
14          backdoor features.

15          (3) UNIVERSALITY.—The Secretary shall  
16          prioritize wherever possible technologies, practices,  
17          and programs that promote universal access and  
18          usability, particularly for—

19                 (A) individuals with disabilities, including  
20                 blindness or other eyesight problems;

21                 (B) low-income individuals; and

22                 (C) communities with limited access to the  
23                 internet or telecommunications networks.

24          (4) INCLUSION.—The Secretary shall take into  
25          consideration the unique needs and circumstances of

1       marginalized communities and populations that have  
2       historically been excluded from or otherwise pre-  
3       vented from taking full advantage of traditional and  
4       current financial institutions and payment services.

5           (5) TRANSPARENCY.—The Secretary shall seek  
6       out and prioritize wherever practically feasible the  
7       use of hardware and software technologies issued  
8       under open-source licenses, and shall further require  
9       that all publicly funded research and technology be  
10      released under a suitable open-source license and  
11      made available for study and review by the scientific  
12      community and the general public, except to the ex-  
13      tent that doing so would undermine or impair the  
14      security and integrity of e-cash devices or instru-  
15      ments.

16      (d) CONSUMER PROTECTIONS.—

17           (1) FEES.—The Government may charge rea-  
18      sonable prices when selling e-cash-compatible hard-  
19      ware (henceforth “e-cash devices”) directly to the  
20      public, provided such prices are proportionate to,  
21      and not unduly in excess of, actual production and  
22      administration costs, but may in no instance impose  
23      fees or other charges for holding, receiving, sending,  
24      or otherwise transacting with e-cash balances using  
25      such devices.

1           (2) SOLICITED ISSUANCE OF E-CASH HARD-  
2           WARE DEVICES.—The Government or an authorized  
3           e-cash distributor may issue an e-cash device to a  
4           member of the public only in response to an oral or  
5           written request for such device.

6           (3) SOLICITED ISSUANCE OF E-CASH BAL-  
7           ANCES.—The Government or an authorized e-cash  
8           distributor may issue e-cash instruments to a user  
9           only in response to an oral or written request to re-  
10          ceive funds in the form of e-cash, and any such re-  
11          quested funds shall be capable of being—

12                 (A) received in the form of an increase in  
13                 the available balance of an existing e-cash de-  
14                 vice or as a balance on a newly-issued e-cash  
15                 device; and

16                 (B) paid for, to the extent such instru-  
17                 ments shall be paid for, through delivery of  
18                 physical currency or demand deposits at an  
19                 interoperable exchange terminal.

20          (4) DISCLOSURES BY E-CASH DISTRIBUTORS.—

21                 (A) IN GENERAL.—Disclosures by the  
22                 United States Government and any third-party  
23                 authorized to distribute e-cash devices or bal-  
24                 ances regarding usage, fees, interoperability, se-  
25                 curity, privacy, data collection, error resolution,



1           and any other terms considered relevant by the  
2           Bureau of Consumer Financial Protection shall  
3           be clear and readily understandable, in writing,  
4           and in a form the e-cash instrument bearer can  
5           reasonably maintain.

6                   (B) FORM OF DISCLOSURES.—Disclosures  
7           described under subparagraph (A) may be pro-  
8           vided to the consumer in offline electronic form,  
9           subject to compliance with the consumer-con-  
10          sent and other applicable provisions of the Elec-  
11          tronic Signatures in Global and National Com-  
12          merce Act (15 U.S.C. 7001 et seq.).

13                   (5) LIABILITY OF ISSUERS FOR UNAUTHORIZED  
14          TRANSFERS.—Neither the issuing entity nor any  
15          other Government agencies or approved e-cash dis-  
16          tributors shall be held liable for unauthorized trans-  
17          fer of e-cash balances, so long as the appropriate  
18          disclosures and protections described in this Act are  
19          made.

20                   (6) FEES BY MERCHANTS.—It shall be unlawful  
21          for the United States Government, authorized e-cash  
22          distributors, or any other person to impose a service  
23          fee or an interchange fee, or other processing fee or  
24          surcharge, for the use of e-cash in payments or pur-  
25          chases.

1           (7) BANKRUPTCY.—E-cash instruments and  
2 balances shall be considered exempt property equiva-  
3 lent to physical currency for the purposes of Chapter  
4 7 Bankruptcy proceedings.

5           (8) TRANSACTIONAL REPORTING.—Under no  
6 circumstance, regardless of the particular technology  
7 involved, shall any transaction data generated by e-  
8 cash payments be collected, monitored, or retained  
9 by the United States Government, an authorized e-  
10 cash distributor, or any other counterparty except  
11 via the exemptions provided by this Act.

12           (9) PREEMPTION OF INCONSISTENT STATE  
13 LAWS.—State consumer laws are pre-empted unless  
14 the Director of the Bureau of Consumer Financial  
15 Protection determines, upon the Director’s own mo-  
16 tion or upon the request of a State government, but  
17 ultimately in the Director’s sole discretion, that a  
18 State’s consumer protection laws are not pre-  
19 empted.

20 (e) REQUIREMENT TO ACCEPT E-CASH.—

21           (1) FEDERAL GOVERNMENT.—The Federal  
22 Government shall—

23                   (A) accept e-cash for any payment to the  
24 Federal Government, including payments for  
25 taxes, fines, and fees; and

1 (B) upon request, provide any Federal  
2 Government benefit in the form of e-cash.

3 (2) PRODUCTS AND SERVICES.—Any person  
4 selling products or services that accepts physical cur-  
5 rency as a form of payment shall also accept e-cash  
6 as a form of payment to the extent it is practically  
7 feasible and reasonable to do so.

8 (f) ILLICIT FLOWS.—

9 (1) PRESUMPTION OF LEGITIMATE USE.—  
10 Under no condition shall the acquisition, possession,  
11 or use of e-cash devices, instruments, and balances  
12 under the parameters established by this Act be  
13 treated as prima facie or intrinsic evidence of crimi-  
14 nal activity or intent, nor be established as a predi-  
15 cate offense or factor in crimes not specified in or  
16 under the authority established by this Act.

17 (2) INCLUDING UNDER THE BANK SECRECY  
18 ACT.—

19 (A) IN GENERAL.—Section 5312(a)(3) of  
20 title 31, United States Code, is amended—

21 (i) in subparagraph (C), by striking  
22 “and” at the end;

23 (ii) by redesignating subparagraph  
24 (D) as subparagraph (E);

1 (iii) by inserting after subparagraph  
2 (C) the following:

3 “(D) e-cash, as defined under section 3 of  
4 the ECASH Act; and”;

5 (iv) in subparagraph (E), as so reded-  
6 icated, by striking “subparagraph (A),  
7 (B), or (C)” and inserting “subparagraph  
8 (A), (B), (C), or (D)”.

9 (B) AMENDMENTS TO DOLLAR THRESH-  
10 OLDS.—At any time, the Director of ECIP may  
11 increase the value thresholds applicable to e-  
12 cash for any reporting requirement under sub-  
13 chapter II of chapter 53 of title 31, United  
14 States Code, but may at no time decrease such  
15 value thresholds.

16 (g) SYSTEMIC LIQUIDITY.—The Board of Governors  
17 of the Federal Reserve System shall take appropriate  
18 measures to ensure that the implementation and adoption  
19 of e-cash does not disrupt or substantially impact the gen-  
20 eral availability or cost of liquidity for depository institu-  
21 tions, credit unions, or community development financial  
22 institutions, or their capacity to extend credit and other  
23 financial services to underserved populations, as described  
24 under the Community Reinvestment Act of 1977, and any  
25 other applicable Federal and State laws, however such

1 measures may in no way impair, restrict, or otherwise  
2 limit the ability of the public to access, hold, and use e-  
3 cash.

4 **SEC. 4. ELECTRONIC CURRENCY INNOVATION PROGRAM.**

5 (a) IN GENERAL.—The Secretary shall establish the  
6 Electronic Currency Innovation Program to direct, over-  
7 see, coordinate, and harmonize the development, imple-  
8 mentation, maintenance, and regulation of e-cash instru-  
9 ments, devices, technologies, platforms, and supporting  
10 and enabling infrastructure in accordance with the tech-  
11 nical and policy criteria established by this Act.

12 (b) DIRECTOR.—

13 (1) APPOINTMENT.—

14 (A) IN GENERAL.—The head of the ECIP  
15 shall be the Director, who shall be appointed by  
16 the President, by and with the advice and con-  
17 sent of the Senate.

18 (B) TERM.— The term of the Director is  
19 5 years.

20 (C) REMOVAL.—The President may re-  
21 move the Director from office. On removal, the  
22 President shall send a message to the Senate  
23 giving the reasons for removal.

24 (D) INTERIM DIRECTOR.—When a Direc-  
25 tor has not yet been confirmed or appointed,

1 the Secretary may, subject to the consent of the  
2 President, appoint an Interim Director, who  
3 shall enjoy the full powers and privileges of the  
4 Director as established under this Act until  
5 such time as a permanent Director is confirmed  
6 and appointed. In the event neither a Director  
7 or Interim Director is appointed, all responsibil-  
8 ities and duties assigned to the Director under  
9 this Act shall be assumed by the Secretary.

10 (2) DUTIES AND POWERS.—The duties and  
11 powers of the Director are as follows:

12 (A) Promote innovation in, and ensure the  
13 successful implementation and widespread  
14 adoption of, e-cash instruments, devices, tech-  
15 nologies, platforms, and supporting and ena-  
16 bling infrastructure in accordance with this Act,  
17 by—

18 (i) directing, conducting, sponsoring,  
19 and publishing research;

20 (ii) generating, collecting, analyzing,  
21 and publishing data;

22 (iii) acquiring, developing, dissemi-  
23 nating, and sharing open-access tech-  
24 nologies and technical knowledge;

1           (v) developing and administering e-  
2 cash pilot programs, both individually and  
3 in partnership with other actors and enti-  
4 ties that the Secretary determines appro-  
5 priate;

6           (vi) promulgating, and enforcing  
7 rules, objectives, standards, and criteria  
8 pertaining to the development and imple-  
9 mentation of e-cash instruments, devices,  
10 technologies, platforms, and supporting  
11 and enabling infrastructure, as well as the  
12 issuance, dissemination, circulation, stor-  
13 age, and use of e-cash, including its use in  
14 transactions;

15           (vii) coordinating with other actors,  
16 including other departments, branches,  
17 agencies, and instrumentalities of the  
18 United States Government, as well as  
19 State, local, and foreign governments and  
20 international regulatory bodies, in further-  
21 ance of the general goals of this Act; and

22           (viii) developing and disseminating  
23 public educational materials and con-  
24 ducting public educational campaigns to  
25 foster awareness and understanding of e-

1 cash and its economic and social signifi-  
2 cance in the broader monetary system; and

3 (B) Such other duties and powers as the  
4 Secretary may delegate or prescribe.

5 (c) STAFF, EQUIPMENT, AND FACILITIES.—The Di-  
6 rector shall be authorized to hire staff, purchase equip-  
7 ment, and rent or acquire facilities as the Director deter-  
8 mines to be appropriate to achieve the goals and objectives  
9 established under this Act, subject to the approval of the  
10 Secretary.

11 (d) PILOT PROGRAMS.—

12 (1) ESTABLISHMENT.—

13 (A) IN GENERAL.—Not later than 90 days  
14 after the enactment of this Act, the Director  
15 shall initiate a two-phase e-cash pilot program  
16 in anticipation of general deployment of e-cash  
17 to the public not later than forty-eight months  
18 after the date of enactment of this Act.

19 (B) PHASE 1.—Phase 1 of the pilot pro-  
20 gram shall consist of not less than three dis-  
21 tinct pilots (in this section referred to as  
22 “Proof-of-Concept Pilots”), each of which shall  
23 launch no later than 180 days after the date of  
24 enactment of this Act, and run for no longer  
25 than 360 days thereafter.



1 (C) PHASE 2.—Phase 2 of the pilot pro-  
2 gram shall consist of at least one large-scale de-  
3 ployment to a segment of the public (in this  
4 section referred to as “Field Test Pilots”),  
5 which shall launch no later than 2 years after  
6 the enactment of this Act, and run for no  
7 longer than 2 years thereafter.

8 (D) EXTENSION OF TIMELINES FOR PILOT  
9 PROGRAMS.—The timelines for the implementa-  
10 tion of the two phases of the e-cash pilot pro-  
11 gram described in this paragraph may be ex-  
12 tended upon a determination by the Director  
13 that such an extension is necessary to ensure  
14 the security and integrity of the technologies to  
15 be piloted in the program.

16 (2) ADMINISTRATION.—

17 (A) IN GENERAL.—The pilot programs  
18 shall be administered by the Director, in coordi-  
19 nation with the Digital Dollar Council, and sub-  
20 ject to the ongoing oversight and review of the  
21 Monetary Privacy Board.

22 (B) PROOF-OF-CONCEPT PILOTS.—Proof-  
23 of-Concept Pilots may be conducted—

24 (i) in partnership with one or more  
25 universities, non-profit entities, insured fi-

1           nancial institutions, non-bank payment  
2           providers aimed at promoting financial in-  
3           clusion, technology-focused financial firms  
4           and companies, financial technology com-  
5           panies, or foreign central banks; and

6                   (ii) through, or in partnership with,  
7           any existing Federal, State, or local gov-  
8           ernment fund disbursement and payments  
9           program, including those that rely on the  
10          U.S. Debit Card and Digital Pay Program,  
11          the EagleCash Card program, or any other  
12          payments technology offered by or in part-  
13          nership with the Bureau of the Fiscal  
14          Service of the Department of the Treasury.

15          (C) FIELD TEST PILOTS.—Field Test Pi-  
16          lots may be conducted in partnership with any  
17          entity capable of partnering for a Proof-of-Con-  
18          cept Pilot, as well as other departments,  
19          branches, agencies, and instrumentalities of the  
20          United States Government, or State, local, and  
21          foreign governments and international regu-  
22          latory bodies.

23          (3) OBJECTIVES.—The objectives of the pilot  
24          programs are to test the viability and capacity of  
25          various forms of e-cash technologies to—

1 (A) preserve the privacy, anonymity-re-  
2 specting, and minimal transactional data-gener-  
3 ating properties of physical currency instru-  
4 ments such as coins and notes to the greatest  
5 extent technically and practically possible;

6 (B) enforce total balance and transactional  
7 activity limits on a per-device basis without ren-  
8 dering such devices vulnerable to surveillance or  
9 censorship by third parties including the United  
10 States Government;

11 (C) deploy rapidly, securely, and efficiently  
12 on a mass scale; and

13 (D) maintain ease of use and interoper-  
14 ability with existing financial institution and  
15 payment provider systems, as well as any other  
16 digital dollar products.

17 (4) PARAMETERS AND CONSTRAINTS.—

18 (A) All technologies selected for Proof-of-  
19 Concept Pilots and Field Test Pilots shall be—

20 (i) designed as bearer instruments;

21 (ii) capable of instantaneous, final, di-  
22 rect, peer-to-peer, offline transactions; and

23 (iii) capable of being distributed di-  
24 rectly to, and owned, held, and used di-  
25 rectly by, the general public.

1 (B) At least two technologies selected for  
2 Proof-of-Concept Pilots shall be based on se-  
3 cured hardware-based architectures for the pur-  
4 poses of creation, distribution, holding, and  
5 payment that do not involve any common or  
6 distributed ledger.

7 (C) At least one technology selected for  
8 Proof-of-Concept Pilots shall include a stored-  
9 value magnetic or pin card option for storage  
10 and payment of e-cash.

11 (D) At least one technology selected for  
12 Proof-of-Concept Pilots shall include a cell  
13 phone or SIM card option for storage and pay-  
14 ment of e-cash.

15 (E) All technologies selected for Field Test  
16 Pilots shall have or at a minimum be capable  
17 of incorporating stored-value card functionality.

18 (5) SPECIAL TENDER AUTHORITY.—In order to  
19 facilitate and promote the effectiveness of the pilot  
20 programs, the Secretary may grant special recogni-  
21 tion of prototypical e-cash instruments issued under  
22 a pilot program as legal tender, and direct the  
23 Board of Governors of the Federal Reserve System,  
24 other departments, branches, agencies, and instru-  
25 mentalities of the United States Government, any

1 other federally regulated financial institution to ac-  
2 cept such prototypical e-cash instruments in settle-  
3 ment of outstanding obligations on an at-par basis.

4 (6) REPORTING.—Not later than 180 days after  
5 the date on which each phase of the pilot programs  
6 terminates, the Secretary shall submit to Congress a  
7 report regarding that phase of the pilot programs,  
8 which shall—

9 (A) include—

10 (i) a description of which elements of  
11 the pilot programs were successful and  
12 which were unsuccessful;

13 (ii) recommendations regarding legis-  
14 lative changes to the pilot programs and  
15 related authority under this Act and else-  
16 where; and

17 (iii) recommendations for additional  
18 pilots and revisions to the pilot program;  
19 and

20 (B) make the nonsensitive analytical data  
21 available for public review and comment.

22 **SEC. 5. DIGITAL DOLLAR COUNCIL.**

23 (a) IN GENERAL.—The Secretary shall establish the  
24 Digital Dollar Council (in this section referred to as “the  
25 Council”) to coordinate the Secretary’s ECIP-related ac-

1 tivities with the efforts of other bureaus of the Depart-  
2 ment of the Treasury and other departments, branches,  
3 agencies, and instrumentalities of the United States Gov-  
4 ernment, including the Board of Governors of the Federal  
5 Reserve System and the United States Postal Service.

6 (b) MEMBERSHIP.—The Council shall be comprised  
7 of the Secretary, the Director of ECIP, the Chairman of  
8 the Board of Governors of the Federal Reserve System,  
9 the Postmaster General of the United States Postal Serv-  
10 ice, the Director of the Office of Science and Technology  
11 Policy, the Chief Technology Officer of the United States,  
12 and the Director of the National Institute of Standards  
13 and Technology, and any other Federal employees or rep-  
14 resentatives of Federal agencies as the Secretary, in the  
15 Secretary's discretion, determines to be appropriate.

16 (c) LEADERSHIP.—The head of the Council shall be  
17 the Secretary, however, the Secretary may, at the Sec-  
18 retary's discretion, delegate administrative and decision-  
19 making responsibility to the Director.

20 (d) AUTHORITY.—The Council shall have the power  
21 to redeploy personnel and resources among the various  
22 participating agencies, as well as establish or amend any  
23 rules and regulations promulgated by any participating  
24 agencies to the extent the Council determines such actions

1 to be necessary to achieve the goals and objectives estab-  
2 lished under this Act.

3 (e) JURISDICTION.—Nothing in this section shall be  
4 construed as taking away any powers heretofore or other-  
5 wise vested by law in the Secretary, and wherever any  
6 power vested in the Council appears to conflict with the  
7 powers vested in the Secretary under this Act, such powers  
8 shall be exercised subject to the supervision and control  
9 of the Secretary.

10 (f) JOINT REPORT.—Beginning 180 days after the  
11 date of enactment of this Act, and each 180 days there-  
12 after, the Council and the National Institute for Stand-  
13 ards and Technology shall issue a joint report to the Con-  
14 gress detailing a plan to achieve full interoperability with  
15 existing public and private payments systems within 1  
16 year.

17 **SEC. 6. MONETARY PRIVACY BOARD.**

18 (a) IN GENERAL.—There is established a Monetary  
19 Privacy Board (in this section referred to as “the Board”).

20 (b) MEMBERSHIP.—

21 (1) IN GENERAL.—The Board shall be com-  
22 prised of 5 members, appointed by the President, by  
23 and with the advice and consent of the Senate.

24 (2) CHAIR.—The President shall appoint one  
25 member of the Board as the Chair of the Board. Ex-

1       cept as provided under subsections (c) and (e), the  
2       Chair shall—

3               (A) make all decisions of the Board with  
4               respect to staffing, hiring, and budget alloca-  
5               tion; and

6               (B) conduct the meetings of the Board.

7               (3) TERM.—The term of each member of the  
8       Board is 3 years.

9               (4) REMOVAL.— The President may remove a  
10       member of the Board from office. On removal, the  
11       President shall send a message to the Senate giving  
12       the reasons for removal.

13              (5) INTERIM MEMBERS.—When a vacancy on  
14       the Board remains open for more than three  
15       months, the President may appoint an interim mem-  
16       ber to fill that vacancy. Interim members shall enjoy  
17       the full powers and privileges of a full member until  
18       such time as a permanent member is appointed and  
19       confirmed.

20              (c) MEMBER OFFICES.—Each member of the Board  
21       shall be entitled to spend 5 percent of the budget of the  
22       Board on the personal office and staff of the member.

23              (d) DUTIES AND POWERS.—

24              (1) IN GENERAL.—The Board shall review the  
25       actions and decisions of the Secretary, the Director



1 of ECIP, and ECIP generally on an ongoing basis  
2 to evaluate the extent to which their decisions are  
3 consistent with their statutory responsibilities under  
4 this Act, and more broadly, a general commitment  
5 to preserving the privacy interests of individuals and  
6 actors that use e-cash and other forms of digital dol-  
7 lar technologies issued or administered by the  
8 United States government.

9 (2) SEMI-ANNUAL REPORT.—The Board shall  
10 issue a report to Congress no less than twice per  
11 year—

12 (A) detailing its findings from its ongoing  
13 review process;

14 (B) providing an assessment of the general  
15 state of monetary privacy in the United States;  
16 and

17 (C) offering recommendations for how to  
18 better protect civil liberties and individual pri-  
19 vacy interests through legislative and regulatory  
20 reform.

21 (3) INTERIM REPORTS.—The Board, or one or  
22 more members thereof, may publish interim reports  
23 or any other communication at any time at their dis-  
24 cretion, provided such reports and communications  
25 are clearly distinguished from the reports required

1 under paragraph (2), and the particular authors and  
2 co-signatories are clearly indicated.

3 (e) FUNDING AUTHORITY.—The Board shall submit  
4 an annual budget request to the Secretary, and the Sec-  
5 retary shall transfer the requested amount to the Board,  
6 using the authorities provided under section 7(b), unless  
7 the Secretary determines that the amount is unreasonable  
8 in light of the Board’s duties and powers under this Act.

9 **SEC. 7. ENABLING AUTHORITY.**

10 (a) AUTHORIZATION OF APPROPRIATIONS.—There  
11 are authorized to be appropriated such sums as may be  
12 necessary to carry out this Act.

13 (b) FINANCING.—

14 (1) FUND ACCOUNT.—The Federal Reserve  
15 Bank of New York shall establish a new account on  
16 behalf of the Secretary, called the “Treasury Elec-  
17 tronic Currency Innovation Fund Account” (in this  
18 section referred to as the “Fund Account”).

19 (2) USE OF FUND ACCOUNT.—The Secretary  
20 shall effectuate any and all spending under this Act  
21 by drawing an overdraft on the Fund Account,  
22 which shall be accommodated and facilitated auto-  
23 matically, on an indefinite basis, and without the im-  
24 position of any interest charge or other form of  
25 maintenance or overdraft fees by the Federal Re-

1       serve Bank of New York and the Board of Gov-  
2       ernors of the Federal Reserve System.

3               (3) OVERDRAFT TREATMENT.—The Fund Ac-  
4       count shall be exempt from any overdraft prohibi-  
5       tions that currently apply to other accounts adminis-  
6       tered on behalf of the Department of the Treasury  
7       Department by the Federal Reserve System or a  
8       Federal reserve bank, and any overdraft liability in-  
9       curred by the Department of the Treasury shall not  
10      be included in calculations of public debt subject to  
11      limit under section 3101 of title 31, United States  
12      Code.

13              (4) TREATMENT OF LOSSES.—The Federal Re-  
14      serve Bank of New York shall record any losses in-  
15      curred as a result of spending undertaken on behalf  
16      of the Secretary from the Fund Account as a de-  
17      ferred asset (as described in section 11.96 of the Fi-  
18      nancial Accounting Manual for Federal Reserve  
19      Banks, as in effect on the date of the enactment of  
20      this Act) and shall be excluded from calculations of  
21      the net operating position or consolidated balance  
22      sheet of the Federal Reserve Bank of New York or  
23      the Federal Reserve System, so as to not reduce or  
24      impact the calculation of total income or revenue  
25      generated by the Federal Reserve System, or other-

- 1 wise reduce the total amount of net operating profits
- 2 to be made available for remittance to the Treasury
- 3 on an ongoing basis.