AMENDMENT TO RULES COMMITTEE PRINT
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OFFERED BY MR. GALLAGHER OF WISCONSIN

At the appropriate place in title XVIII insert the following:

SEC. 18-. AMERICAN SECURITY DRONE ACT.

(a) DEFINITIONS.—In this section:

(1) COVERED FOREIGN ENTITY.—The term “covered foreign entity” means an entity included on a list developed and maintained by the Federal Acquisition Security Council and published in the System for Award Management (SAM). This list will include entities in the following categories:

(A) An entity included on the Consolidated Screening List.

(B) Any entity that is subject to extrajudicial direction from a foreign government, as determined by the Secretary of Homeland Security.

(C) Any entity the Secretary of Homeland Security, in coordination with the Attorney General, Director of National Intelligence, and
the Secretary of Defense, determines poses a national security risk.

(D) Any entity domiciled in the People’s Republic of China or subject to influence or control by the Government of the People’s Republic of China or the Communist Party of the People’s Republic of China, as determined by the Secretary of Homeland Security.

(E) Any subsidiary or affiliate of an entity described in subparagraphs (A) through (D).

(2) Covered unmanned aircraft system.—

The term “covered unmanned aircraft system” has the meaning given the term “unmanned aircraft system” in section 44801 of title 49, United States Code.

(3) Executive agency.—The term “executive agency” has the meaning given the term “Executive agency” in section 105 of title 5, United States Code.

(4) Intelligence; intelligence community.—The terms “intelligence” and “intelligence community” have the meanings given those terms in section 3 of the National Security Act of 1947 (50 U.S.C. 3003).
(b) Prohibition on Procurement of Covered Unmanned Aircraft Systems From Covered Foreign Entities.—

(1) In General.—Except as provided under paragraph (2) through (6), the head of an executive agency may not procure any covered unmanned aircraft system that is manufactured or assembled by a covered foreign entity, which includes associated elements related to the collection and transmission of sensitive information (consisting of communication links and the components that control the unmanned aircraft) that enable the operator to operate the aircraft in the National Airspace System. The Federal Acquisition Security Council, in coordination with the Secretary of Transportation, shall develop and update a list of associated elements.

(2) Exemption.—The Secretary of Homeland Security, the Secretary of Defense, and the Attorney General are exempt from the prohibition under paragraph (1) if the procurement is required in the national interest of the United States and—

(A) is for the sole purposes of research, evaluation, training, testing, or analysis for electronic warfare, information warfare operations, cybersecurity, or development of un-
manned aircraft system or counter-unmanned aircraft system technology;

(B) is for the sole purposes of conducting counterterrorism or counterintelligence activities, protective missions, or Federal criminal or national security investigations, including forensic examinations, or for electronic warfare, information warfare operations, cybersecurity, or development of an unmanned aircraft system or counter-unmanned aircraft system technology;

or

(C) is an unmanned aircraft system that, as procured or as modified after procurement but before operational use, can no longer transfer to, or download data from, a covered foreign entity and otherwise poses no national security cybersecurity risks as determined by the exempting official.

(3) Department of Transportation and Federal Aviation Administration Exemption.—The Secretary of Transportation is exempt from the prohibition under paragraph (1) if the operation or procurement is deemed to support the safe, secure, or efficient operation of the National Airspace System or maintenance of public safety, including ac-
activities carried out under the Federal Aviation Administration’s Alliance for System Safety of UAS through Research Excellence (ASSURE) Center of Excellence (COE) and any other activity deemed to support the safe, secure, or efficient operation of the National Airspace System or maintenance of public safety, as determined by the Secretary or the Secretary’s designee.

(4) National Transportation Safety Board Exemption.—The National Transportation Safety Board, in consultation with the Secretary of Homeland Security, is exempt from the prohibition under subsection (a) if the operation or procurement is necessary for the sole purpose of conducting safety investigations.

(5) National Oceanic and Atmospheric Administration Exemption.—The Administrator of the National Oceanic and Atmospheric Administration (NOAA), in consultation with the Secretary of Homeland Security, is exempt from the prohibition under paragraph (1) if the procurement is necessary for the purpose of meeting NOAA’s science, management, or operational mission.
(6) WAIVER.—The head of an executive agency may waive the prohibition under paragraph (1) on a case-by-case basis—

(A) with the approval of the Director of the Office of Management and Budget, after consultation with the Federal Acquisition Security Council; and

(B) upon notification to—

(i) the Committee on Homeland Security and Governmental Affairs of the Senate;

(ii) the Committee on Oversight and Accountability in the House of Representatives; and

(iii) other appropriate congressional committees of jurisdiction.

(7) INTELLIGENCE COMMUNITY EXEMPTION.—Nothing in this section shall apply to any element of the intelligence community.

(c) PROHIBITION ON OPERATION OF COVERED UNMANNED AIRCRAFT SYSTEMS FROM COVERED FOREIGN ENTITIES.—

(1) PROHIBITION.—

(A) IN GENERAL.—Beginning on the date that is two years after the date of the enact-
ment of this Act, no head of an executive agency may operate a covered unmanned aircraft system manufactured or assembled by a covered foreign entity.

(B) APPLICABILITY TO CONTRACTED SERVICES.—The prohibition under subparagraph (A) applies to any covered unmanned aircraft systems that are being used by the head of the executive agency through the method of contracting for the services of covered unmanned aircraft systems.

(2) EXEMPTION.—The Secretary of Homeland Security, the Secretary of Defense, and the Attorney General are exempt from the prohibition under paragraph (1) if the operation is required in the national interest of the United States and—

(A) is for the sole purposes of research, evaluation, training, testing, or analysis for electronic warfare, information warfare operations, cybersecurity, or development of unmanned aircraft system or counter-unmanned aircraft system technology;

(B) is for the sole purposes of conducting counterterrorism or counterintelligence activities, protective missions, or Federal criminal or
national security investigations, including forensic examinations, or for electronic warfare, information warfare operations, cybersecurity, or development of an unmanned aircraft system or counter-unmanned aircraft system technology; or

(C) is an unmanned aircraft system that, as procured or as modified after procurement but before operational use, can no longer transfer to, or download data from, a covered foreign entity and otherwise poses no national security cybersecurity risks as determined by the exempting official.

(3) DEPARTMENT OF TRANSPORTATION AND FEDERAL AVIATION ADMINISTRATION EXEMPTION.—The Secretary of Transportation is exempt from the prohibition under paragraph (1) if the operation is deemed to support the safe, secure, or efficient operation of the National Airspace System or maintenance of public safety, including activities carried out under the Federal Aviation Administration’s Alliance for System Safety of UAS through Research Excellence (ASSURE) Center of Excellence (COE) and any other activity deemed to support the safe, secure, or efficient operation of the National Air-
space System or maintenance of public safety, as determined by the Secretary or the Secretary’s designee.

(4) National Transportation Safety Board exemption.—The National Transportation Safety Board, in consultation with the Secretary of Homeland Security, is exempt from the prohibition under subsection (a) if the operation is necessary for the sole purpose of conducting safety investigations.

(5) National Oceanic and Atmospheric Administration exemption.—The Administrator of the National Oceanic and Atmospheric Administration (NOAA), in consultation with the Secretary of Homeland Security, is exempt from the prohibition under paragraph (1) if the procurement is necessary for the purpose of meeting NOAA’s science, management, or operational mission.

(6) Waiver.—The head of an executive agency may waive the prohibition under paragraph (1) on a case-by-case basis—

(A) with the approval of the Director of the Office of Management and Budget, after consultation with the Federal Acquisition Security Council; and

(B) upon notification to—
(i) the Committee on Homeland Security and Governmental Affairs of the Senate;

(ii) the Committee on Oversight and Accountability in the House of Representatives; and

(iii) other appropriate congressional committees of jurisdiction.

(7) Regulations and Guidance.—Not later than 180 days after the date of the enactment of this Act, the Secretary of Homeland Security, in consultation with the Attorney General and the Secretary of Transportation, shall prescribe regulations or guidance to implement this section.

(8) Intelligence Community Exemption.—Nothing in this section shall apply to any element of the intelligence community.

(d) Prohibition on Use of Federal Funds for Procurement and Operation of Covered Unmanned Aircraft Systems From Covered Foreign Entities.—

(1) In General.—Beginning on the date that is two years after the date of the enactment of this Act, except as provided in paragraph (2), no funds awarded by the head of an executive agency, through
a contract, grant, or cooperative agreement, or otherwise made available by the head of the executive agency, may be used—

(A) to procure a covered unmanned aircraft system that is manufactured or assembled by a covered foreign entity; or

(B) in connection with the operation of such a drone or unmanned aircraft system.

(2) EXEMPTION.—The Secretary of Homeland Security, the Secretary of Defense, and the Attorney General are exempt from the prohibition under paragraph (1) if the procurement or operation is required in the national interest of the United States and—

(A) is for the sole purposes of research, evaluation, training, testing, or analysis for electronic warfare, information warfare operations, cybersecurity, or development of unmanned aircraft system or counter-unmanned aircraft system technology;

(B) is for the sole purposes of conducting counterterrorism or counterintelligence activities, protective missions, or Federal criminal or national security investigations, including forensic examinations, or for electronic warfare, in-
formation warfare operations, cybersecurity, or
development of an unmanned aircraft system or
counter-unmanned aircraft system technology;
or
(C) is an unmanned aircraft system that,
as procured or as modified after procurement
but before operational use, can no longer trans-
fer to, or download data from, a covered foreign
entity and otherwise poses no national security
cybersecurity risks as determined by the ex-
empting official.

(3) Department of Transportation and
Federal Aviation Administration Exemption.—
The Secretary of Transportation is exempt from the
prohibition under paragraph (1) if the operation or
procurement is deemed to support the safe, secure,
or efficient operation of the National Airspace Sys-

tem or maintenance of public safety, including ac-
tivities carried out under the Federal Aviation Ad-
ministration’s Alliance for System Safety of UAS
through Research Excellence (ASSURE) Center of
Excellence (COE) and any other activity deemed to
support the safe, secure, or efficient operation of the
National Airspace System or maintenance of public
safety, as determined by the Secretary or the Secretary’s designee.

(4) **National Oceanic and Atmospheric Administration Exemption.**—The Administrator of the National Oceanic and Atmospheric Administration (NOAA), in consultation with the Secretary of Homeland Security, is exempt from the prohibition under paragraph (1) if the operation or procurement is necessary for the purpose of meeting NOAA’s science, management, or operational mission.

(5) **Waiver.**—The head of an executive agency may waive the prohibition under paragraph (1) on a case-by-case basis—

(A) with the approval of the Director of the Office of Management and Budget, after consultation with the Federal Acquisition Security Council; and

(B) upon notification to—

(i) the Committee on Homeland Security and Governmental Affairs of the Senate;

(ii) the Committee on Oversight and Accountability in the House of Representatives; and
(iii) other appropriate congressional committees of jurisdiction.

(6) REGULATIONS.—Not later than 180 days after the date of the enactment of this Act, the Federal Acquisition Regulatory Council shall prescribe regulations or guidance, as necessary, to implement the requirements of this section pertaining to Federal contracts.

(7) INTELLIGENCE COMMUNITY EXEMPTION.—Nothing in this section shall apply to any element of the intelligence community.

(e) PROHIBITION ON USE OF GOVERNMENT-ISSUED PURCHASE CARDS TO PURCHASE COVERED UNMANNED AIRCRAFT SYSTEMS FROM COVERED FOREIGN ENTITIES.—Government-issued Purchase Cards may not be used to procure any covered unmanned aircraft system from a covered foreign entity.

(f) MANAGEMENT OF EXISTING INVENTORIES OF COVERED UNMANNED AIRCRAFT SYSTEMS FROM COVERED FOREIGN ENTITIES.—

(1) IN GENERAL.—The head of each executive agency shall account for existing inventories of covered unmanned aircraft systems manufactured or assembled by a covered foreign entity in their personal property accounting systems, within one year of the
date of enactment of this Act, regardless of the
original procurement cost, or the purpose of procure-
ment due to the special monitoring and accounting
measures necessary to track the items’ capabilities.

(2) CLASSIFIED TRACKING.—Due to the sen-
sitive nature of missions and operations conducted
by the United States Government, inventory data re-
lated to covered unmanned aircraft systems manu-
factured or assembled by a covered foreign entity
may be tracked at a classified level, as determined
by the Secretary of Homeland Security, or the Sec-
retary’s designee.

(3) EXCEPTIONS.—The Secretary of Defense,
Secretary of Homeland Security, Attorney General,
Secretary of Transportation, and the Administrator
of the National Oceanic and Atmospheric Adminis-
tration may exclude from the full inventory process,
covered unmanned aircraft systems that are deemed
expendable due to mission risk such as recovery
issues, or that are one-time-use covered unmanned
aircraft due to requirements and low cost.

(4) INTELLIGENCE COMMUNITY EXEMPTION.—
Nothing in this section shall apply to any element of
the intelligence community.
(g) **Comptroller General Report.**—Not later than 275 days after the date of the enactment of this Act, the Comptroller General of the United States shall submit to Congress a report on the amount of commercial off-the-shelf drones and covered unmanned aircraft systems procured by executive agencies, not including elements of the intelligence community, from covered foreign entities.

(h) **Government-wide Policy for Procurement of Unmanned Aircraft Systems.**—

(1) **In General.**—Not later than 180 days after the date of the enactment of this Act, the Director of the Office of Management and Budget, in coordination with the Secretary of Homeland Security, Secretary of Transportation, the Attorney General, and other heads of executive agencies as determined by the Director of the Office of Management and Budget, and in consultation with the Director of the National Institute of Standards and Technology, shall establish a government-wide policy for the procurement of an unmanned aircraft system—

(A) for non-Department of Defense and non-intelligence community operations; and

(B) through grants and cooperative agreements entered into with non-Federal entities.
(2) INFORMATION SECURITY.—The policy developed under paragraph (1) shall include the following specifications, which to the extent practicable, shall be based on industry standards and technical guidance from the Director of the National Institute of Standards and Technology, to address the risks associated with processing, storing, and transmitting Federal information in an unmanned aircraft system:

(A) Protections to ensure controlled access to an unmanned aircraft system.

(B) Protecting software, firmware, and hardware by ensuring changes to an unmanned aircraft system are properly managed, including by ensuring an unmanned aircraft system can be updated using a secure, controlled, and configurable mechanism.

(C) Cryptographically securing sensitive collected, stored, and transmitted data, including proper handling of privacy data and other controlled unclassified information.

(D) Appropriate safeguards necessary to protect sensitive information, including during and after use of an unmanned aircraft system.
(E) Appropriate data security to ensure that data is not transmitted to or stored in non-approved locations.

(F) The ability to opt out of the uploading, downloading, or transmitting of data that is not required by law or regulation and an ability to choose with whom and where information is shared when it is required.

(3) REQUIREMENT.—The policy developed under paragraph (1) shall reflect an appropriate risk-based approach to information security related to use of an unmanned aircraft system.

(4) REVISION OF ACQUISITION REGULATIONS.—Not later than 180 days after the date on which the policy required under paragraph (1) is issued—

(A) the Federal Acquisition Regulatory Council shall revise the Federal Acquisition Regulation, as necessary, to implement the policy; and

(B) the head of any executive agency not subject to, or not subject solely to, the Federal Acquisition Regulation shall revise applicable policy, guidance, or regulations, as necessary, to implement the policy.
(5) **EXEMPTION.**—In developing the policy required under paragraph (1), the Director of the Office of Management and Budget shall—

(A) incorporate policies to implement the exemptions contained in this Act; and

(B) incorporate an exemption to the policy in the case of a head of the procuring agency determining, in writing, that no product that complies with the information security requirements described in paragraph (2) is capable of fulfilling mission critical performance requirements, and such determination—

(i) may not be delegated below the level of the Deputy Secretary, or Administrator, of the procuring agency;

(ii) shall specify—

(I) the quantity of end items to which the waiver applies and the procurement value of those items; and

(II) the time period over which the waiver applies, which shall not exceed three years;

(iii) shall be reported to the Director of the Office of Management and Budget
following issuance of such a determination;
and
(iv) not later than 30 days after the date on which the determination is made, shall be provided to the Committee on Homeland Security and Governmental Affairs of the Senate and the Committee on Oversight and Accountability of the House of Representatives.

(6) INTELLIGENCE COMMUNITY EXEMPTION.—Nothing in this section shall apply to any element of the intelligence community.

(i) STATE, LOCAL, AND TERRITORIAL LAW ENFORCEMENT AND EMERGENCY SERVICE EXEMPTION.—

(1) RULE OF CONSTRUCTION.—Nothing in this Act shall prevent a State, local, or territorial law enforcement or emergency service agency from procuring or operating a covered unmanned aircraft system purchased with non-Federal dollars.

(2) CONTINUITY OF ARRANGEMENTS.—The head of an executive agency may continue entering into contracts, grants, and cooperative agreements or other Federal funding instruments with State, local, or territorial law enforcement or emergency service agencies under which a covered unmanned
aircraft system will be purchased or operated if the head of the agency has received approval or waiver to purchase or operate a covered unmanned aircraft system pursuant to subsection (d).

(j) **Study on the Supply Chain for Unmanned Aircraft Systems and Components.**—

(1) **Report Required.**—Not later than one year after the date of the enactment of this Act, the Under Secretary of Defense for Acquisition and Sustainment shall provide to the appropriate congressional committees a report on the supply chain for covered unmanned aircraft systems, including a discussion of current and projected future demand for covered unmanned aircraft systems.

(2) **Elements.**—The report under paragraph (1) shall include the following:

(A) A description of the current and future global and domestic market for covered unmanned aircraft systems that are not widely commercially available except from a covered foreign entity.

(B) A description of the sustainability, availability, cost, and quality of secure sources of covered unmanned aircraft systems domesti-
cally and from sources in allied and partner
countries.

(C) The plan of the Secretary of Defense
to address any gaps or deficiencies identified in
subparagraph (B), including through the use of
funds available under the Defense Production
Act of 1950 (50 U.S.C. 4501 et seq.) and part-
nerships with the National Aeronautics and
Space Administration and other interested per-
sons.

(D) Such other information as the Under
Secretary of Defense for Acquisition and
Sustainment determines to be appropriate.

(3) APPROPRIATE CONGRESSIONAL COMMIT-
TEES.—In this section, the term “appropriate con-
gressional committees” means:

(A) The Committees on Armed Services of
the Senate and the House of Representatives.

(B) The Committee on Homeland Security
and Governmental Affairs of the Senate and the
Committee on Oversight and Accountability of
the House of Representatives.

(C) The Committee on Commerce, Science,
and Transportation of the Senate and the Com-
mittee on Science, Space, and Technology of the House of Representatives.

(D) The Select Committee on Intelligence of the Senate, and the Permanent Select Committee on Intelligence of the House of Representatives.

(E) The Committee on Transportation and Infrastructure of the House of Representatives.

(F) The Committee on Homeland Security of the House of Representatives.

(k) EXCEPTIONS.—

(1) EXCEPTION FOR WILDFIRE MANAGEMENT OPERATIONS AND SEARCH AND RESCUE OPERATIONS.—The appropriate executive agencies, in consultation with the Secretary of Homeland Security, are exempt from the procurement and operation prohibitions under subsections (b), (c), and (d) to the extent the procurement or operation is necessary for the purpose of supporting the full range of wildfire management operations or search and rescue operations.

(2) EXCEPTION FOR TRIBAL LAW ENFORCEMENT OR EMERGENCY SERVICE AGENCY.—Tribal law enforcement or Tribal emergency service agencies, in consultation with the Secretary of Homeland
Security, are exempt from the procurement, operation, and purchase prohibitions under subsections (b), (c), and (d) to the extent the procurement or operation is necessary for the purpose of supporting the full range of law enforcement operations or search and rescue operations on Indian lands.

(l) SUNSET.—Subsections (b), (c), and (d) shall cease to have effect on the date that is five years after the date of the enactment of this Act.