

AMENDMENT TO RULES COMMITTEE PRINT 117–

13

OFFERED BY MR. GALLAGHER OF WISCONSIN

Add at the appropriate place in title LX the following new section:

1 **SEC. 60___ . REQUIREMENTS RELATING TO UNMANNED AIR-**
2 **CRAFT SYSTEMS.**

3 (a) **DEFINITIONS.**—In this section:

4 (1) **APPROPRIATE CONGRESSIONAL COMMIT-**
5 **TEES.**—The term “appropriate congressional com-
6 mittees” means—

7 (A) the congressional defense committees;

8 (B) the Committee on Science, Space, and
9 Technology, and the Committee on Transpor-
10 tation and Infrastructure of the House of Rep-
11 resentatives; and

12 (C) the Committee on Commerce, Science,
13 and Transportation of the Senate.

14 (2) **COVERED FOREIGN ENTITY.**—The term
15 “covered foreign entity” means an entity included on
16 a list developed and maintained by the Federal Ac-
17 quisition Security Council that includes entities in
18 the following categories:

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

3 (B) Any entity that is subject to
4 extrajudicial direction from a foreign govern-
5 ment, as determined by the Secretary of Home-
6 land Security.

7 (C) Any entity the Secretary of Homeland
8 Security, in coordination with the Director of
9 National Intelligence and the Secretary of De-
10 fense, determines poses a national security risk.

11 (D) Any entity domiciled in the People's
12 Republic of China or subject to influence or
13 control by the Government of the People's Re-
14 public of China or the Communist Party of the
15 People's Republic of China, as determined by
16 the Secretary of Homeland Security.

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

19 (3) EXECUTIVE AGENCY.—The term “executive
20 agency” has the meaning given that term in section
21 133 of title 41, United States Code.

22 (4) UNMANNED AIRCRAFT SYSTEM; UAS.—Ex-
23 cept as otherwise provided, the terms “unmanned
24 aircraft system” and “UAS” mean an unmanned
25 aircraft and associated elements (consisting of com-

1 munication links and the components that control
2 the unmanned aircraft) that are required for the op-
3 erator to operate safely and efficiently in the na-
4 tional airspace system.

5 (b) PROHIBITION ON PROCUREMENT OF UNMANNED
6 AIRCRAFT SYSTEMS FROM COVERED FOREIGN ENTI-
7 TIES.—

8 (1) IN GENERAL.—Except as provided under
9 paragraphs (2) and (3), the head of an executive
10 agency may not procure any unmanned aircraft sys-
11 tem that is manufactured, assembled, designed, or
12 patented by a covered foreign entity that are re-
13 quired for the operator to operate safely and effi-
14 ciently in the national airspace system. The Federal
15 Acquisition Security Council, in coordination with
16 the Secretary of Transportation, shall develop and
17 update a list of associated elements.

18 (2) EXEMPTION.—The Secretary of Homeland
19 Security, the Secretary of Defense, and the Attorney
20 General are exempt from the restriction under para-
21 graph (1) if the operation or procurement—

22 (A) is for the sole purposes of research,
23 evaluation, training, testing, or analysis for—

24 (i) electronic warfare;

25 (ii) information warfare operations;

1 (iii) development of UAS or counter-
2 UAS technology;

3 (iv) counterterrorism or counterintel-
4 ligence activities; or

5 (v) Federal criminal investigations, in-
6 cluding forensic examinations; and

7 (B) is required in the national interest of
8 the United States.

9 (3) WAIVER.—The head of an executive agency
10 may waive the prohibition under paragraph (1)—

11 (A) with the approval of the Secretary of
12 Homeland Security or the Secretary of Defense;
13 and

14 (B) upon notification to Congress.

15 (c) PROHIBITION ON OPERATION OF UNMANNED
16 AIRCRAFT SYSTEMS FROM COVERED FOREIGN ENTI-
17 TIES.—

18 (1) PROHIBITION.—

19 (A) IN GENERAL.—Beginning on the date
20 that is 2 years after the date of the enactment
21 of this Act, an executive agency may not oper-
22 ate an unmanned aircraft system manufac-
23 tured, assembled, designed, or patented by a
24 covered foreign entity.

1 (B) APPLICABILITY TO CONTRACTED
2 SERVICES.—The prohibition under subpara-
3 graph (A) applies to any unmanned aircraft
4 systems that are being used by any executive
5 agency through the method of contracting for
6 the services of unmanned aircraft systems.

7 (2) EXEMPTION.—The Secretary of Homeland
8 Security, the Secretary of Defense, and the Attorney
9 General are exempt from the restriction under para-
10 graph (1) if the operation or procurement—

11 (A) is for the sole purposes of research,
12 evaluation, training, testing, or analysis for—

13 (i) electronic warfare;

14 (ii) information warfare operations;

15 (iii) development of UAS or counter-
16 UAS technology;

17 (iv) counterterrorism or counterintel-
18 ligence activities; or

19 (v) Federal criminal investigations, in-
20 cluding forensic examinations; and

21 (B) is required in the national interest of
22 the United States.

23 (3) WAIVER.—The head of an executive agency
24 may waive the prohibition under paragraph (1) on a
25 case-by-case basis—

1 (A) with the approval of the Secretary of
2 Homeland Security or the Secretary of Defense;
3 and

4 (B) upon notification to Congress.

5 (4) REGULATIONS AND GUIDANCE.—Not later
6 than 180 days after the date of the enactment of
7 this Act, the Secretary of Homeland Security shall
8 prescribe regulations or guidance to implement this
9 section.

10 (d) PROHIBITION ON USE OF FEDERAL FUNDS FOR
11 PURCHASES AND OPERATION OF UNMANNED AIRCRAFT
12 SYSTEMS FROM COVERED FOREIGN ENTITIES.—

13 (1) IN GENERAL.—Beginning on the date that
14 is 2 years after the date of the enactment of this
15 Act, except as provided in paragraphs (2) and (3),
16 Federal funds awarded through a contract, grant, or
17 cooperative agreement entered into on or after such
18 effective date, or otherwise made available, may not
19 be used—

20 (A) to purchase a unmanned aircraft sys-
21 tem, or a system to counter unmanned aircraft
22 systems, that is manufactured, assembled, de-
23 signed, or patented by a covered foreign entity;
24 or

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

3 (2) EXEMPTION.—An executive agency is ex-
4 empt from the restriction under paragraph (1) if the
5 operation or procurement is for the sole purposes of
6 research, evaluation, training, testing, or analysis, as
7 determined by the Secretary of Homeland Security,
8 the Secretary of Defense, or the Attorney General,
9 for—

10 (A) electronic warfare;

11 (B) information warfare operations;

12 (C) development of UAS or counter-UAS
13 technology;

14 (D) counterterrorism or counterintelligence
15 activities;

16 (E) Federal criminal investigations, includ-
17 ing forensic examinations; or

18 (F) the safe integration of UAS in the na-
19 tional airspace (as determined in consultation
20 with the Secretary of Transportation); and

21 (G) is required in the national interest of
22 the United States.

23 (3) WAIVER.—The head of an executive agency
24 may waive the prohibition under paragraph (1) on a
25 case-by-case basis—

1 (A) with the approval of the Secretary of
2 Homeland Security or the Secretary of Defense;
3 and

4 (B) upon notification to Congress.

5 (4) REGULATIONS.—Not later than 180 days
6 after the date of the enactment of this Act, the Fed-
7 eral Acquisition Regulatory Council shall prescribe
8 regulations or guidance, as necessary, to implement
9 the requirements of this section relating to Federal
10 contracts.

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

17 (f) MANAGEMENT OF EXISTING INVENTORIES OF
18 UNMANNED AIRCRAFT SYSTEMS FROM COVERED FOR-
19 EIGN ENTITIES.—

20 (1) IN GENERAL.—Effective immediately, all
21 executive agencies must account for existing inven-
22 tories of unmanned aircraft systems manufactured,
23 assembled, designed, or patented by a covered for-
24 eign entity in their personal property accounting sys-
25 tems, regardless of the original procurement cost, or

1 the purpose of procurement due to the special moni-
2 toring and accounting measures necessary to track
3 the items' capabilities.

4 (2) CLASSIFIED TRACKING.—Due to the sen-
5 sitive nature of missions and operations conducted
6 by the United States Government, inventory data re-
7 lated to unmanned aircraft systems manufactured,
8 assembled, designed, or patented by a covered for-
9 eign entity may be tracked at a classified level.

10 (3) EXCEPTIONS.—The Department of Defense
11 and Department of Homeland Security may exclude
12 from the full inventory process, unmanned aircraft
13 systems that are deemed expendable due to mission
14 risk such as recovery issues or that are one-time-use
15 unmanned aircraft system due to requirements and
16 low cost.

17 (g) COMPTROLLER GENERAL REPORT.—Not later
18 than 275 days after the date of the enactment of this Act,
19 the Comptroller General of the United States shall submit
20 to Congress a report on the amount of commercial off-
21 the-shelf drones and unmanned aircraft systems procured
22 by Federal departments and agencies from covered foreign
23 entities.

24 (h) GOVERNMENT-WIDE POLICY FOR PROCUREMENT
25 OF UNMANNED AIRCRAFT SYSTEMS.—

1 (1) IN GENERAL.—Not later than 180 days
2 after the date of the enactment of this Act, the Di-
3 rector of the Office of Management and Budget, in
4 coordination with the Department of Homeland Se-
5 curity, Department of Transportation, the Depart-
6 ment of Justice, and other Departments as deter-
7 mined by the Director of the Office of Management
8 and Budget, and in consultation with the National
9 Institute of Standards and Technology, shall estab-
10 lish a government-wide policy for the procurement of
11 UAS—

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

14 (B) through grants and cooperative agree-
15 ments entered into with non-Federal entities.

16 (2) INFORMATION SECURITY.—The policy devel-
17 oped under paragraph (1) shall include the following
18 specifications, which to the extent practicable, shall
19 be based on industry standards and technical guid-
20 ance from the National Institute of Standards and
21 Technology, to address the risks associated with
22 processing, storing and transmitting Federal infor-
23 mation in a UAS:

24 (A) Protections to ensure controlled access
25 of UAS.

1 (B) Protecting software, firmware, and
2 hardware by ensuring changes to UAS are
3 properly managed, including by ensuring UAS
4 can be updated using a secure, controlled, and
5 configurable mechanism.

6 (C) Cryptographically securing sensitive
7 collected, stored, and transmitted data, includ-
8 ing proper handling of privacy data and other
9 controlled unclassified information.

10 (D) Appropriate safeguards necessary to
11 protect sensitive information, including during
12 and after use of UAS.

13 (E) Appropriate data security to ensure
14 that data is not transmitted to or stored in non-
15 approved locations.

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

21 (3) REQUIREMENT.—The policy developed
22 under paragraph (1) shall reflect an appropriate
23 risk-based approach to information security related
24 to use of UAS.

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

4 (A) the Federal Acquisition Regulatory
5 Council shall revise the Federal Acquisition
6 Regulation, as necessary, to implement the pol-
7 icy; and

8 (B) any executive agency or other Federal
9 entity not subject to, or not subject solely to,
10 the Federal Acquisition Regulation shall revise
11 applicable policy, guidance, or regulations, as
12 necessary, to implement the policy.

13 (5) EXEMPTION.—In developing the policy re-
14 quired under paragraph (1), the Director of the Of-
15 fice of Management and Budget shall incorporate an
16 exemption to the policy for the following reasons:

17 (A) In the case of procurement for the
18 purposes of training, testing, or analysis for—

19 (i) electronic warfare; or

20 (ii) information warfare operations.

21 (B) In the case of researching UAS tech-
22 nology, including testing, evaluation, research,
23 or development of technology to counter UAS.

24 (C) In the case of a head of the procuring
25 executive agency determining, in writing, that

1 no product that complies with the information
2 security requirements described in paragraph
3 (2) is capable of fulfilling mission critical per-
4 formance requirements, and such determina-
5 tion—

6 (i) may not be delegated below the
7 level of the Deputy Secretary of the pro-
8 curing executive agency;

9 (ii) shall specify—

10 (I) the quantity of end items to
11 which the waiver applies, the procure-
12 ment value of which may not exceed
13 \$50,000 per waiver; and

14 (II) the time period over which
15 the waiver applies, which shall not ex-
16 ceed 3 years;

17 (iii) shall be reported to the Office of
18 Management and Budget following
19 issuance of such a determination; and

20 (iv) not later than 30 days after the
21 date on which the determination is made,
22 shall be provided to the Committee on
23 Homeland Security and Government Af-
24 fairs of the Senate and the Committee on

1 Oversight and Reform of the House of
2 Representatives.

3 (i) STUDY ON THE SUPPLY CHAIN FOR UNMANNED
4 AIRCRAFT SYSTEMS AND COMPONENTS.—

5 (1) REPORT REQUIRED.—Not later than 180
6 days after the date of the enactment of this Act, the
7 Under Secretary of Defense for Acquisition and
8 Sustainment, in consultation with the Administrator
9 of the National Aeronautics and Space Administra-
10 tion, shall provide to the appropriate congressional
11 committees a report on the supply chain for covered
12 unmanned aircraft systems, including a discussion of
13 current and projected future demand for covered un-
14 manned aircraft systems.

15 (2) ELEMENTS.—The report under paragraph
16 (1) shall include the following:

17 (A) A description of the current and future
18 global and domestic market for covered un-
19 manned aircraft systems that are not widely
20 commercially available except from a covered
21 foreign entity.

22 (B) A description of the sustainability,
23 availability, cost, and quality of secure sources
24 of covered unmanned aircraft systems domesti-

1 cally and from sources in allied and partner
2 countries.

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

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

14 (3) COVERED UNMANNED AIRCRAFT SYSTEM
15 DEFINED.—In this subsection, the term “covered
16 unmanned aircraft system” means an unmanned air-
17 craft system (as defined in subsection (a)) and any
18 components of such a system.

