

SEC. _____. NATIONAL SECURITY INVESTOR PERSONNEL
CLEARANCE PILOT PROGRAM.

(a) ESTABLISHMENT.—The Secretary of War, acting through the Defense Counterintelligence and Security Agency (DCSA), shall establish a pilot program under which eligible investors may sponsor and maintain security clearances for certain personnel for the purpose of supporting investments in small and medium-sized businesses developing technologies relevant to the national security interests of the United States.

(b) DEFINITIONS.—In this section:

(1) ELIGIBLE INVESTOR.—The term "eligible investor" means a United States person or entity that—

(A) provides equity, debt, strategic, operational, or other investment support to United States businesses;

(B) is not owned, controlled, or influenced by a foreign person;

(C) demonstrates a history of investing in, supporting, or developing technologies, products, or services with defense, intelligence, homeland security, or other national security applications; and

(D) meets such additional requirements as the Secretary of War may prescribe.

(2) COVERED COMPANY.—The term "covered company" means a United States small business concern, as defined in section 3 of the Small Business Act (15 U.S.C. 632), or a medium-sized business designated by the Secretary, that is engaged in the development,

production, or commercialization of technology, products, or services relevant to national security.

(3) **CLEARED INVESTMENT PROFESSIONAL.**—The term "cleared investment professional" means an employee, partner, member, advisor, director, officer, operating partner, consultant, or other representative of an eligible investor who has been granted a security clearance under this section.

(c) **AUTHORITY TO SPONSOR SECURITY CLEARANCES.**—

(1) An eligible investor may sponsor security clearances for cleared investment professionals, subject to approval by the Secretary of War.

(2) A security clearance granted under this section may be maintained independent of any specific Government contract, provided the sponsoring investor remains eligible under subsection (b).

(3) Cleared investment professionals may access classified information only pursuant to a lawful determination of need-to-know and in accordance with applicable laws, regulations, and security procedures.

(d) **AUTHORIZED PURPOSES.**—

A clearance granted under this section may be used solely for purposes of—

(1) conducting diligence on covered companies;

(2) supporting the development, scaling, and commercialization of technologies relevant to national security;

(3) facilitating engagement between covered companies and the Department of War, intelligence community, or any other Federal agencies;

(4) providing strategic, operational, technical, governance, or management support to covered companies; and

(5) assisting covered companies in obtaining contracts, grants, cooperative agreements, facility clearances, personnel clearances, or other authorizations necessary to support national security missions.

(e) SECURITY REQUIREMENTS.—

(1) Each eligible investor participating in the pilot program shall maintain a facility clearance or such alternative security arrangement as the Secretary determines appropriate.

(2) Participants shall comply with all applicable industrial security requirements, insider threat requirements, and reporting obligations.

(3) The Secretary may suspend or revoke participation for any violation of security requirements or for any foreign ownership, control, or influence concern.

(f) LIMITATIONS.—

(1) No participant may use access to classified information for personal financial gain, securities trading, market manipulation, or any purpose unrelated to supporting covered companies and national security objectives.

(2) No foreign person may serve as a cleared investment professional under this section.

(3) Participation in the program shall not confer any preference in the award of Federal contracts, grants, or other Federal assistance.

(g) PARTICIPATION.—

The Secretary may approve any eligible investor and any cleared investment professional that satisfies the requirements of this section and any regulations promulgated pursuant to this section.

Nothing in this section shall be construed to impose a numerical limitation on the number of participating investors, cleared investment professionals, or covered companies that may participate in the program.

(h) ANNUAL REPORT.—

Not later than one year after the date of enactment of this Act, and annually thereafter, the Secretary shall submit to the congressional defense committees a report describing—

(1) the number of participating investors;

(2) the number and type of clearances sponsored under the program;

(3) the number of covered companies supported through the program;

(4) measurable impacts on defense innovation, manufacturing capacity, technology transition, and the defense industrial base;

(5) any security incidents or counterintelligence concerns identified during implementation; and

(6) recommendations for improving the effectiveness of the program.

(i) SUNSET.—

The authority provided by this section shall terminate on the date that is five years after the date of enactment of this Act unless subsequently reauthorized by an Act of Congress.