AMENDMENT TO RULES COMM. PRINT 116–57
OFFERED BY MR. GALLAGHER OF WISCONSIN

Add at the end of subtitle C of title VIII the following:

SEC. 8. PROHIBITION ON PROCUREMENT OR OPERATION OF FOREIGN-MADE UNMANNED AIRCRAFT SYSTEMS.

(a) Prohibition on Procurement.—

(1) In General.—Except as otherwise provided in this subsection, the head of an executive agency may not procure any commercial off-the-shelf drone or covered unmanned aircraft, or any component thereof for use in such a drone or unmanned aircraft, that is manufactured or assembled by a covered foreign entity, including any flight controllers, radios, core processors, printed circuit boards, cameras, or gimbals.

(2) Exemption.—The Secretary of Homeland Security and the Secretary of Defense are exempt from the requirements of paragraph (1) if the operation or procurement—

(A) is for the purposes of training, testing, or analysis for—
(i) counter-UAS system surrogate intelligence;

(ii) electronic warfare; or

(iii) information warfare operations;

and

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

(3) PROCUREMENT OF PRINTED CIRCUIT BOARDS.—

(A) IN GENERAL.—Beginning in fiscal year 2023, the head of an executive agency shall require that any contractor or subcontractor that provides printed circuit boards for use in covered unmanned aircraft or commercial off-the-shelf drones to certify that, of the total value of the printed circuit boards provided by such contractor or subcontractor pursuant to a contract with an executive agency, not more than the percentages set forth in subparagraph (B) were manufactured and assembled by a covered foreign entity.

(B) PERCENTAGES.—In making a certification under subsection (a), a contractor or subcontractor shall use the following percentages:
(i) During fiscal years 2023 through 2027, the lesser of—

(I) 50 percent; or

(II) 25 percent, if the relevant head of an executive agency has determined that suppliers other than covered foreign entities are capable of supplying 75 percent of the requirements of the executive agency for printed circuit boards.

(ii) During fiscal years 2028 through 2032, the lesser of—

(I) 25 percent; or

(II) Zero percent, if the relevant head of an executive agency has determined that suppliers other than covered foreign entities are capable of supplying 100 percent the requirements of the executive agency for printed circuit boards.

(C) REMEDIATION.—

(i) IN GENERAL.—If a contractor or subcontractor is unable to make the certification required under subparagraph (A), the head of an executive agency may ac-
cept printed circuit boards from such con-
tractor or subcontractor for up to one year
while requiring the contractor to complete
a remediation plan. Such plan shall be sub-
mitted to Congress and shall require the
contractor or subcontractor that failed to
make the certification required under sub-
paragraph (A) to—

(I) audit its supply chain to iden-
tify any areas of security vulner-
ability; and

(II) meet the requirements of
subparagraph (A) within one year
after the initial missed certification
deadline.

(ii) RESTRICTION.—No contractor or
subcontractor that has supplied printed
circuit boards while under a remediation
plan shall be eligible to enter into another
remediation plan under subparagraph (C)
for a period of five years.

(iii) WAIVER.—The head of an execu-
tive agency may waive the requirement
under subparagraph (A) with respect to a
contractor or subcontractor if the head of an executive agency determines that—

(I) there are no significant national security concerns regarding counterfeiting, quality, or unauthorized access created by accepting printed circuit boards under such waiver; and

(II) the contractor is otherwise in compliance with all cybersecurity requirements applicable to such contractor under Federal laws or regulations.

(iv) Availability Exception.—Subparagraph (A) shall not apply to the extent that the head of an executive agency determines that printed circuit boards of satisfactory quality and sufficient quantity, in the required form, cannot be procured as and when needed from entities that are not covered foreign entities.

(4) Waiver.—The head of an executive agency may waive the prohibition under paragraph (1), except with respect to a contract to procure printed circuit boards for use in covered unmanned aircraft
or commercial off-the-shelf drones, on a case-by-case basis with the approval of the Secretary of Homeland Security or the Secretary of Defense and notification to Congress.

(5) Component prohibition applicability.—Except as otherwise provided in this subsection, the prohibition under paragraph (1) regarding components of commercial off-the-shelf drones or covered unmanned aircraft shall apply only to contracts for the procurement of such components that are entered into on or after the date that is 2 years after the date of the enactment of this Act.

(b) Prohibition on Operation.—

(1) Prohibition.—

(A) In general.—Beginning not later than 180 days after the date of the enactment of this Act, the head of an executive agency may not operate a commercial off-the-shelf drone or covered unmanned aircraft manufactured or assembled by a covered foreign entity.

(B) Phase-in period for existing contracts.—The prohibition under subparagraph (A) shall not apply, during the 1-year period beginning on the date of the enactment of this Act, to commercial off-the-shelf drones and cov-
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Redacted unmanned aircraft procured through a contract entered into before the date of the enactment of this Act.

(2) EXEMPTION.—The Secretary of Homeland Security and the Secretary of Defense are exempt from the restriction under paragraph (1) if the operation—

(A) is for the purposes of training, testing, or analysis for—

(i) counter-UAS system surrogate intelligence;

(ii) electronic warfare; or

(iii) information warfare operations;

and

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

(3) WAIVER.—The head of an executive agency may waive the prohibition under paragraph (1) on a case-by-case basis with the approval of the Secretary of Homeland Security or the Secretary of Defense and notification to Congress.

(4) REGULATIONS.—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 Secu-
rity, Secretary of Transportation, the Attorney General, and such other Federal departments and agencies as determined by the Director of the Office of Management and Budget, and in consultation with the Under Secretary of Commerce for Standards and Technology, shall establish a Governmentwide policy for the operation of UASs for non-Department of Defense and non-intelligence community operations.

(c) **Prohibition On Use Of Federal Funds.**—The requirements described in subsection (a) shall apply with respect to the use of Federal funds awarded through a contract, grant, or cooperative agreement, or made available to a State or local government, or any subdivision thereof.

(d) **Comptroller General Report.**—Not later than 90 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 quantity of commercial off-the-shelf drones and covered unmanned aircraft procured by Federal departments and agencies from covered foreign entities.

(e) **Interaction With Other Law.**—Section 848 of the National Defense Authorization Act for Fiscal Year 2020 (10 U.S.C. 2302 note) does not apply with respect
to a commercial off-the-shelf drone or covered unmanned aircraft, or any component thereof intended for use in such a drone or unmanned aircraft, to which the provisions of this Act apply.

(f) DEFINITIONS.—In this section:

(1) COMMERCIAL OFF-THE-SHELF DRONE.— The term “commercial off-the-shelf drone” means a covered unmanned aircraft that is a commercially available off-the-shelf item (as defined in section 104 of title 41, United States Code).

(2) COVERED FOREIGN ENTITY.—The term “covered foreign entity” means—

(A) a covered entity (as determined by the Secretary of Commerce);

(B) any entity that is subject to extrajudicial direction from a foreign government, as determined by the Director of National Intelligence;

(C) any entity the Secretary of Homeland Security, in coordination with the Director of National Intelligence, the Secretary of Defense, and the Secretary of State, determines poses a national security risk;

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

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

(3) COVERED UNMANNED AIRCRAFT.—The term “covered unmanned aircraft” means an unmanned aircraft or unmanned aircraft system as such terms are defined, respectively, in section 44801 of title 49, United States Code.

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

(5) INTELLIGENCE COMMUNITY.—The term “intelligence community” has the meaning given such term in section 3 of the National Security Act of 1947 (50 U.S.C. 3003).

(6) UAS.—The term “UAS” has the meaning given the term “unmanned aircraft system” in section 44801 of title 49, United States Code.