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

SEC. 18__. SECURING OUR AIRSPACE FROM RECONNAISSANCE.

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

(1) In general.—Beginning on the first October 1 that occurs after the date of the enactment of this Act, and except as provided in paragraph (2), Federal funds may not be awarded through a contract, grant, or cooperative agreement, or otherwise made available—

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

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

(2) Exemptions.—
(A) COVERED AGENCIES.—A covered agen-
cy head may waive the prohibition under para-
graph (1) with respect to Federal funds award-
ed through a contract, grant, or cooperative
agreement, or otherwise made available by the
covered agency head if the procurement or op-
eration of an unmanned aircraft system that is
manufactured or assembled by a covered foreign
entity by the covered agency head—

(i) is required in the national security
interest of the United States, as deter-
mined by the Secretary of Defense; and

(ii) is—

(I) for the sole purpose of con-
ducting research, evaluation, training,
testing, or analysis for—

(aa) electronic warfare;

(bb) information warfare op-
erations;

(cc) cybersecurity; or

(dd) the development of un-
manned aircraft system or
counter-unmanned aircraft sys-
tem technology;
(II) for the sole purpose of conducting—

(aa) counterterrorism or counterintelligence activities;

(bb) protective missions;

(cc) Federal criminal or national security investigations, including forensic examinations;

(dd) electronic warfare,

(ee) information warfare operations,

(ff) cybersecurity; or

(gg) development of an unmanned aircraft system or counter-unmanned aircraft system technology; or

(III) 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.
(B) Other Agencies.—The head of an agency that is not a covered agency head may waive the prohibition under paragraph (1) on a case-by-case basis for a period not more than a year with respect to Federal funds awarded through a contract, grant, or cooperative agreement, or otherwise made available by the head of the agency, which may be renewed for additional periods of not more than a year—

(i) with the approval of the Secretary of Homeland Security or the Secretary of Defense; and

(ii) upon notification to Congress.

(b) Increase to Domestic Production of Unmanned Aircraft Systems.—The Secretary of Defense is directed to take such action as necessary to increase the domestic production of unmanned aircraft systems for use by the Federal Government.

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

(d) Definitions.—In this section:

(1) Agency.—The term “agency” has the meaning given that term in section 551 of title 5, United States Code.
(2) COVERED AGENCY HEAD.—The term “covered agency head” means the following:

(A) The Secretary of Homeland Security.

(B) The Secretary of Defense.

(C) The Attorney General.

(3) COVERED FOREIGN ENTITY.—The term “covered foreign entity” means an entity in any of the following categories:

(A) An entity included on the Consolidated Screening List maintained by the International Trade Administration of the Department of Commerce.

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

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

(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 in coordination with the Secretary of State, including, any such entity that—

(i) is involved in the implementation of military-civil fusion;

(ii) participates in the Chinese defense industrial base;

(iii) is affiliated with the Chinese State Administration for Science, Technology, and Industry for the National Defense;

(iv) receives funding from any organization subordinate to the Central Military Commission of the Chinese Communist Party; or

(v) provides support to any security, defense, police, or intelligence organization of the Government of the People’s Republic of China or the Chinese Communist Party.

(E) Any subsidiary or affiliate of an entity described in subparagraphs (A) through (D).
(4) Intelligence Community.—The term “intelligence community” has meaning given that term in section 3 of the National Security Act of 1947 (50 U.S.C. 3003).

(5) Unmanned Aircraft System.—The term “unmanned aircraft system” has the meaning given that term in section 44801 of title 49, United States Code.