AMENDMENT TO RULES COMMITTEE PRINT 116-19

OFFERED BY MR. SOTO OF FLORIDA

Add at the end of subtitle B of title II the following:

SEC. 241 TRUSTED SUPPLY CHAIN AND OPERATIONAL SECURITY STANDARDS FOR MICROELECTRONICS.

(a) TRUSTED SUPPLY CHAIN AND OPERATIONAL SECURITY STANDARDS.—

(1) STANDARDS REQUIRED.—Not later than January 1, 2021, the Secretary shall establish trusted supply chain and operational security standards for the purchase of microelectronics products and services by the Department.

(2) CONSULTATION REQUIRED.—In developing standards under paragraph (1), the Secretary shall consult with the following:

(A) The Secretary of Homeland Security, the Secretary of State, the Secretary of Commerce, and the Director of the National Institute of Standards and Technology.
(B) Suppliers of microelectronics products and services from the United States and allies and partners of the United States.

(C) Representatives of major United States industry sectors that rely on a trusted supply chain and the operational security of microelectronics products and services.

(D) Representatives of the United States insurance industry.

(3) Tiers of trust and security authorized.—In carrying out paragraph (1), the Secretary may establish tiers of trust and security within the supply chain and operational security standards for microelectronics products and services.

(4) General applicability.—The standards established pursuant to paragraph (1) shall be, to the greatest extent practicable, generally applicable to the trusted supply chain and operational security needs and use cases of the United States Government and commercial industry, such that the standards could be widely adopted by government and commercial industry.

(5) Annual review.—Not later than October 1 of each year, the Secretary shall review the standards established pursuant to paragraph (1) and
issue updates or modifications as the Secretary considers necessary or appropriate.

(b) **Ensuring Ability to Sell Commercially.**—

(1) **In General.**—The Secretary shall, to the greatest extent practicable, ensure that suppliers of microelectronics products for the Federal Government who meet the standards established under subsection (a) are able and incentivized to sell products commercially that are produced on the same production lines as the microelectronics products supplied to the Federal Government.

(2) **Effect of Requirement and Acquisitions.**—The Secretary shall, to the greatest extent practicable, ensure that the requirements of the Department and the acquisition by the Department of microelectronics enable the success of a dual-use microelectronics industry.

(c) **Maintaining Competition and Innovation.**—

The Secretary shall take such actions as the Secretary considers necessary and appropriate, within the Secretary's authorized activities to maintain the health of the defense industrial base, to ensure that—

(1) providers of microelectronics products and services that meet the standards established under subsection (a) are exposed to competitive market
pressures to achieve competitive pricing and sustained innovation; and

(2) the industrial base of microelectronics products and services that meet the standards established under subsection (a) includes providers producing in or belonging to countries that are allies or partners of the United States.