

**AMENDMENT TO THE RULES COMMITTEE PRINT  
OF H.R. 3523**

**OFFERED BY MR. THOMPSON OF MISSISSIPPI**

Page 1, strike line 1 and insert the following:

- 1 **TITLE I—CYBER INTELLIGENCE**  
2 **SHARING AND PROTECTION ACT**  
3 **SEC. 101. SHORT TITLE.**

Page 1, line 2, strike “Act” and insert “title”.

Page 1, line 4, strike “2.” and insert “102.”

Page 17, line 20, strike “Act” and insert “title”.

Page 18, line 20, strike “Act” and insert “title”.

At the end of the bill, add the following new title:

- 4 **TITLE II—PROMOTING AND EN-**  
5 **HANCING CYBERSECURITY**  
6 **AND INFORMATION SHARING**  
7 **EFFECTIVENESS ACT OF 2012**  
8 **SEC. 201. SHORT TITLE.**

9 This title may be cited as the “Promoting and En-  
10 hancing Cybersecurity and Information Sharing Effective-  
11 ness Act of 2012” or the “PRECISE Act of 2012”.

1 **SEC. 202. DEPARTMENT OF HOMELAND SECURITY CYBER-**  
2 **SECURITY ACTIVITIES.**

3 (a) IN GENERAL.—Subtitle C of title II of the Home-  
4 land Security Act of 2002 is amended by adding at the  
5 end the following new sections:

6 **“SEC. 226. NATIONAL CYBERSECURITY AUTHORITY.**

7 “(a) IN GENERAL.—To protect Federal systems and  
8 critical infrastructure information systems and to prepare  
9 the Nation to respond to, recover from, and mitigate  
10 against acts of terrorism and other incidents involving  
11 such systems and infrastructure, the Secretary shall—

12 “(1) develop and conduct risk assessments for  
13 Federal systems and, subject to the availability of  
14 resources and upon request from critical infrastruc-  
15 ture owners and operators, critical infrastructure in-  
16 formation systems in consultation with the heads of  
17 other agencies or governmental and private entities  
18 that own and operate such systems, that may in-  
19 clude threat, vulnerability, and impact assessments  
20 and penetration testing, or other comprehensive as-  
21 sessments techniques;

22 “(2) foster the development, in conjunction with  
23 other governmental entities and the private sector,  
24 of essential information security technologies and ca-  
25 pabilities for protecting Federal systems and critical  
26 infrastructure information systems, including com-

1       prehensive protective capabilities and other techno-  
2       logical solutions;

3               “(3) acquire, integrate, and facilitate the adop-  
4       tion of new cybersecurity technologies and practices  
5       in a technologically and vendor-neutral manner to  
6       keep pace with emerging terrorist and other cyberse-  
7       curity threats and developments, including through  
8       research and development, technical service agree-  
9       ments, and making such technologies available to  
10      governmental and private entities that own or oper-  
11      ate critical infrastructure information systems, as  
12      necessary to accomplish the purpose of this section;

13              “(4) establish and maintain a center to be  
14      known as the ‘National Cybersecurity and Commu-  
15      nications Integration Center’ to serve as a focal  
16      point with the Federal Government for cybersecu-  
17      rity, responsible for—

18                      “(A) the coordination of the protection of  
19      Federal systems and critical infrastructure in-  
20      formation systems;

21                      “(B) the coordination of national cyber in-  
22      cident response;

23                      “(C) facilitating information sharing, inter-  
24      actions, and collaborations among and between  
25      Federal agencies, State and local governments,

1 the private sector, academia, and international  
2 partners;

3 “(D) working with appropriate Federal  
4 agencies, State and local governments, the pri-  
5 vate sector, academia, and international part-  
6 ners to prevent and respond to terrorist and  
7 other cybersecurity threats and incidents involv-  
8 ing Federal systems and critical infrastructure  
9 information systems pursuant to the national  
10 cyber incident response plan and supporting  
11 plans developed in accordance with paragraph  
12 (8);

13 “(E) the dissemination of timely and ac-  
14 tionable terrorist and other cybersecurity  
15 threat, vulnerability, mitigation, and warning  
16 information, including alerts, advisories, indica-  
17 tors, signatures, and mitigation and response  
18 measures, to improve the security and protec-  
19 tion of Federal systems and critical infrastruc-  
20 ture information systems;

21 “(F) the integration of information from  
22 Federal Government and non-federal network  
23 operation centers and security operations cen-  
24 ters;

1           “(G) the compilation and analysis of infor-  
2           mation about risks and incidents regarding ter-  
3           rorism or other causes that threaten Federal  
4           systems and critical infrastructure information  
5           systems; and

6           “(H) the provision of incident prediction,  
7           detection, analysis, mitigation, and response in-  
8           formation and remote or on-site technical as-  
9           sistance to heads of Federal agencies and, upon  
10          request, governmental and private entities that  
11          own or operate critical infrastructure;

12          “(5) assist in national efforts to mitigate com-  
13          munications and information technology supply  
14          chain vulnerabilities to enhance the security and the  
15          resiliency of Federal systems and critical infrastruc-  
16          ture information systems;

17          “(6) develop and lead a nationwide awareness  
18          and outreach effort to educate the public about—

19                  “(A) the importance of cybersecurity and  
20                  cyber ethics;

21                  “(B) ways to promote cybersecurity best  
22                  practices at home and in the workplace; and

23                  “(C) training opportunities to support the  
24                  development of an effective national cybersecu-

1           rity workforce and educational paths to cyberse-  
2           curity professions;

3           “(7) establish, in coordination with the Director  
4           of the National Institute of Standards and Tech-  
5           nology, the heads of other appropriate agencies, and  
6           appropriate elements of the private sector, guidelines  
7           for making critical infrastructure information sys-  
8           tems and industrial control systems more secure at  
9           a fundamental level, including through automation,  
10          interoperability, and privacy-enhancing authentica-  
11          tion;

12          “(8) develop a national cybersecurity incident  
13          response plan and supporting cyber incident re-  
14          sponse and restoration plans, in consultation with  
15          the heads of other relevant Federal agencies, owners  
16          and operators of critical infrastructure, sector co-  
17          ordinating councils, State and local governments,  
18          and relevant non-governmental organizations and  
19          based on applicable law that describe the specific  
20          roles and responsibilities of governmental and pri-  
21          vate entities during cyber incidents to ensure essen-  
22          tial government operations continue;

23          “(9) develop and conduct exercises, simulations,  
24          and other activities designed to support the national  
25          response to terrorism and other cybersecurity

1 threats and incidents and evaluate the national  
2 cyber incident response plan and supporting plans  
3 developed in accordance with paragraph (8);

4 “(10) ensure that the technology and tools used  
5 to accomplish the requirements of this section are  
6 scientifically and operationally validated;

7 “(11) subject to the availability of resources,  
8 provide technical assistance, including sending on-  
9 site teams, to critical infrastructure owners and op-  
10 erators when requested; and

11 “(12) take such other lawful action as may be  
12 necessary and appropriate to accomplish the require-  
13 ments of this section.

14 “(b) COORDINATION.—

15 “(1) COORDINATION WITH OTHER ENTITIES.—

16 In carrying out the cybersecurity activities under  
17 this section, the Secretary shall coordinate, as ap-  
18 propriate, with—

19 “(A) the head of any relevant agency or  
20 entity;

21 “(B) representatives of State and local  
22 governments;

23 “(C) the private sector, including owners  
24 and operators of critical infrastructure;

1                   “(D) suppliers of technology for critical in-  
2                   frastructure;

3                   “(E) academia; and

4                   “(F) international organizations and for-  
5                   eign partners.

6                   “(2) COORDINATION OF AGENCY ACTIVITIES.—

7                   The Secretary shall coordinate the activities under-  
8                   taken by agencies to protect Federal systems and  
9                   critical infrastructure information systems and pre-  
10                  pare the Nation to predict, anticipate, recognize, re-  
11                  spond to, recover from, and mitigate against risk of  
12                  acts of terrorism and other incidents involving such  
13                  systems and infrastructure.

14                  “(3) LEAD CYBERSECURITY OFFICIAL.—The  
15                  Secretary shall designate a lead cybersecurity official  
16                  to provide leadership to the cybersecurity activities  
17                  of the Department and to ensure that the Depart-  
18                  ment’s cybersecurity activities under this subtitle are  
19                  coordinated with all other infrastructure protection  
20                  and cyber-related programs and activities of the De-  
21                  partment, including those of any intelligence or law  
22                  enforcement components or entities within the De-  
23                  partment.

24                  “(4) REPORTS TO CONGRESS.—The lead cyber-  
25                  security official shall make annual reports to the ap-



1       appropriate committees of Congress on the coordina-  
2       tion of cyber-related programs across the Depart-  
3       ment.

4       “(c) STRATEGY.—In carrying out the cybersecurity  
5       functions of the Department, the Secretary shall develop  
6       and maintain a strategy that—

7               “(1) articulates the actions necessary to assure  
8       the readiness, reliability, continuity, integrity, and  
9       resilience of Federal systems and critical infrastruc-  
10      ture information systems;

11              “(2) includes explicit goals and objectives as  
12      well as specific timeframes for achievement of stated  
13      goals and objectives;

14              “(3) is informed by the need to maintain eco-  
15      nomic prosperity and facilitate market leadership for  
16      the United States information and communications  
17      industry; and

18              “(4) protects privacy rights and preserves civil  
19      liberties of United States persons.

20      “(d) NO RIGHT OR BENEFIT.—The provision of as-  
21      sistance or information to governmental or private entities  
22      that own or operate critical infrastructure information sys-  
23      tems under this section shall be at the discretion of the  
24      Secretary and subject to the availability of resources. The  
25      provision of certain assistance or information to one gov-

1 ernmental or private entity pursuant to this section shall  
2 not create a right or benefit, substantive or procedural,  
3 to similar assistance or information for any other govern-  
4 mental or private entity.

5 “(e) SAVINGS CLAUSE.—Nothing in this subtitle shall  
6 be interpreted to alter or amend the law enforcement or  
7 intelligence authorities of any agency.

8 “(f) DEFINITIONS.—In this section:

9 “(1) The term ‘Federal systems’ means all in-  
10 formation systems owned, operated, leased, or other-  
11 wise controlled by an agency, or on behalf of an  
12 agency, except for national security systems or those  
13 information systems under the control of the De-  
14 partment of Defense.

15 “(2) The term ‘critical infrastructure informa-  
16 tion systems’ means any physical or virtual informa-  
17 tion system that controls, processes, transmits, re-  
18 ceives, or stores electronic information in any form,  
19 including data, voice, or video, that is—

20 “(A) vital to the functioning of critical in-  
21 frastructure as defined in section 5195c(e) of  
22 title 42, United States Code; or

23 “(B) owned or operated by or on behalf of  
24 a State or local government entity that is nec-

1           essary to ensure essential government oper-  
2           ations continue.

3           “(g) AUTHORIZATION OF APPROPRIATION FOR THE  
4 NATIONAL CYBERSECURITY AND COMMUNICATIONS INTE-  
5 GRATION CENTER.—There is authorized to be appro-  
6 priated for the administration and management of the Na-  
7 tional Cybersecurity and Communications Integration  
8 Center established pursuant to subsection (a), \$4,000,000  
9 for each of fiscal years 2013, 2014, and 2015.

10 **“SEC. 227. IDENTIFICATION OF SECTOR SPECIFIC CYBER-**  
11 **SECURITY RISKS.**

12           “(a) IN GENERAL.—The Secretary shall, on a contin-  
13 uous and sector-by-sector basis, identify and evaluate cy-  
14 bersecurity risks to critical infrastructure for inclusion in  
15 annual risk assessments required under the National In-  
16 frastructure Protection Plan. In carrying out this sub-  
17 section, the Secretary shall coordinate, as appropriate,  
18 with the following:

19           “(1) The head of the sector specific agency with  
20 responsibility for critical infrastructure.

21           “(2) The head of any agency with responsibil-  
22 ities for regulating the critical infrastructure.

23           “(3) The owners and operators of critical infra-  
24 structure, including as a priority, the relevant Crit-

1 ical Infrastructure Partnership Advisory Council en-  
2 tities.

3 “(4) Any private sector entity determined ap-  
4 propriate by the Secretary.

5 “(b) EVALUATION OF RISKS.—The Secretary, in co-  
6 ordination with the individuals and entities referred to in  
7 subsection (a), shall evaluate the cybersecurity risks iden-  
8 tified under subsection (a) by taking into account each of  
9 the following:

10 “(1) The actual or assessed threat, including a  
11 consideration of adversary capabilities and intent,  
12 preparedness, target attractiveness, and deterrence  
13 capabilities.

14 “(2) The extent and likelihood of death, injury,  
15 or serious adverse effects to human health and safe-  
16 ty caused by a disruption, destruction, or unauthor-  
17 ized use of critical infrastructure.

18 “(3) The threat to national security caused by  
19 the disruption, destruction or unauthorized use of  
20 critical infrastructure.

21 “(4) The harm to the economy that would re-  
22 sult from the disruption, destruction, or unauthor-  
23 ized use of critical infrastructure.

24 “(5) Other risk-based security factors that the  
25 Secretary, in consultation with the head of the sec-

1       tor specific agency with responsibility for critical in-  
2       frastructure and the head of any Federal agency  
3       that is not a sector specific agency with responsibil-  
4       ities for regulating critical infrastructure, and in  
5       consultation with any private sector entity deter-  
6       mined appropriate by the Secretary to protect public  
7       health and safety, critical infrastructure, or national  
8       and economic security.

9       “(c) AVAILABILITY OF IDENTIFIED RISKS.—The Sec-  
10      retary shall ensure that the risks identified and evaluated  
11      under this section for each sector and subsector are made  
12      available to the owners and operators of critical infrastruc-  
13      ture within each sector and subsector.

14      “(d) COLLECTION OF RISK-BASED PERFORMANCE  
15      STANDARDS.—

16           “(1) REVIEW AND ESTABLISHMENT.—The Sec-  
17      retary, in coordination with the National Institute of  
18      Standards and Technology and the heads of other  
19      appropriate agencies, shall review existing inter-  
20      nationally recognized consensus-developed risk-based  
21      performance standards, including standards devel-  
22      oped by the National Institute of Standards and  
23      Technology, for inclusion in a common collection.  
24      Such collection shall include, for each such risk-  
25      based performance standard, an analysis, based on

1 the typical implementation of each performance  
2 standard, of each of the following:

3 “(A) How well the performance standard  
4 addresses the identified risks.

5 “(B) How cost-effective the standard im-  
6 plementation of the performance standard can  
7 be.

8 “(2) USE OF COLLECTION.—The Secretary, in  
9 conjunction with the heads of other appropriate  
10 agencies, shall develop market-based incentives de-  
11 signed to encourage the use of the collection estab-  
12 lished under paragraph (1).

13 “(3) INCLUSION IN REGULATORY REGIMES.—  
14 The heads of sector specific agencies with responsi-  
15 bility for regulating covered critical infrastructure or  
16 the head of any Federal agency that is not a sector  
17 specific agency with responsibilities for regulating  
18 covered critical infrastructure, in consultation with  
19 the Secretary and with any private sector entity de-  
20 termined appropriate by the Secretary, shall—

21 “(A) review agency regulations regarding  
22 critical infrastructure protection to determine  
23 the efficacy of such regulations in regard to the  
24 risks identified under subsection (a);

1           “(B) revoke any unnecessary or duplicative  
2 regulation;

3           “(C) identify any gaps in regulation that  
4 leave any risk to the agency’s sector identified  
5 under subsection (a) unmitigated;

6           “(D) propose through a notice and com-  
7 ment rulemaking to include only the most effec-  
8 tive and cost beneficial standards collected  
9 under paragraph (1) to mitigate unmitigated  
10 risks; and

11           “(E) communicate to covered critical infra-  
12 structure the results and basis of the review of  
13 regulatory requirements.

14       “(e) MITIGATION OF RISKS.—If the Secretary deter-  
15 mines that no existing internationally-recognized risk-  
16 based performance standard mitigates a risk identified  
17 under subsection (a), the Secretary shall—

18           “(1) collaborate with owners and operators of  
19 critical infrastructure and suppliers of technology to  
20 develop mitigation strategies for the identified risk,  
21 including determining appropriate market-based in-  
22 centives for the implementation of the identified  
23 mitigation; and

24           “(2) engage with the National Institute of  
25 Standards and Technology and appropriate inter-

1 national consensus bodies that develop and strength-  
2 en standards and practices to address the identified  
3 risk.

4 “(f) COVERED CRITICAL INFRASTRUCTURE DE-  
5 FINED.—In this section, the term ‘covered critical infra-  
6 structure’ means any facility or function of a company or  
7 government agency that, by way of cyber vulnerability, the  
8 destruction or disruption of or unauthorized access to  
9 could result in—

10 “(1) a significant loss of life;

11 “(2) a major economic disruption, including—

12 “(A) the immediate failure of, or loss of  
13 confidence in, a major financial market; or

14 “(B) the sustained disruption of financial  
15 systems that would lead to long term cata-  
16 strophic economic damage to the United States;

17 “(3) mass evacuations of a major population  
18 center for an extended length of time; or

19 “(4) severe degradation of national security or  
20 national security capabilities, including intelligence  
21 and defense functions, but excluding military facili-  
22 ties.

23 “(g) WRITTEN NOTIFICATION.—The Secretary shall  
24 provide written notification to the owners or operators of



1 a facility or function that has been designated a covered  
2 critical infrastructure within 30 days of such designation.

3 “(h) REDRESS.—

4 “(1) IN GENERAL.—Subject to paragraphs (2)  
5 and (3), the Secretary shall develop a mechanism,  
6 consistent with subchapter II of chapter 5 of title 5,  
7 United States Code, for an owner or operator noti-  
8 fied under subsection (f) to appeal the identification  
9 of a facility or function as covered critical infrastruc-  
10 ture under this section.

11 “(2) APPEAL TO FEDERAL COURT.—A civil ac-  
12 tion seeking judicial review of a final agency action  
13 taken under the mechanism developed under para-  
14 graph (1) shall be filed in the United States District  
15 Court for the District of Columbia.

16 “(3) COMPLIANCE.—The owner or operator of a  
17 facility or function identified as covered critical in-  
18 frastructure shall comply with any requirement of  
19 this subtitle relating to covered critical infrastruc-  
20 ture until such time as the facility or function is no  
21 longer identified as covered critical infrastructure,  
22 based on—

23 “(A) an appeal under paragraph (1);

24 “(B) a determination of the Secretary un-  
25 related to an appeal; or

1                   “(C) a final judgment entered in a civil ac-  
2                   tion seeking judicial review brought in accord-  
3                   ance with paragraph (2).

4           “(i) **LIMITATION OF REGULATORY AUTHORITY.**—  
5 Nothing in this section expands the regulatory authority  
6 of sector specific agencies or other agencies with regu-  
7 latory authority over elements of covered critical infra-  
8 structure beyond the risk-based performance standards  
9 collected under subsection (d).

10 **“SEC. 228. INFORMATION SHARING.**

11           “(a) **CYBERSECURITY INFORMATION.**—The Secretary  
12 shall be responsible for making all cyber threat informa-  
13 tion, provided pursuant to section 202 of this title, avail-  
14 able to appropriate owners and operators of critical infra-  
15 structure on a timely basis consistent with the responsibil-  
16 ities of the Secretary to provide information related to  
17 threats to critical infrastructure.

18           “(b) **INFORMATION SHARING.**—The Secretary shall,  
19 in a timely manner and to the maximum extent possible,  
20 consistent with rules for the handling of classified and sen-  
21 sitive but unclassified information, share relevant informa-  
22 tion regarding cybersecurity threats and vulnerabilities,  
23 and any proposed actions to mitigate them, with all Fed-  
24 eral agencies, appropriate State or local government rep-  
25 resentatives, appropriate critical infrastructure informa-

1 tion systems owners and operators, Information Sharing  
2 and Analysis Centers, appropriate academic and private  
3 sector entities that conduct cybersecurity or information  
4 security research and development, and appropriate pri-  
5 vate sector entities that provide cybersecurity or informa-  
6 tion security products or services, including by expediting  
7 necessary security clearances for designated points of con-  
8 tact for all appropriate entities.

9       “(c) PROTECTION OF INFORMATION.—The Secretary  
10 shall designate, as appropriate, information received from  
11 Federal agencies and from critical infrastructure informa-  
12 tion systems owners and operators and information pro-  
13 vided to Federal agencies or critical infrastructure infor-  
14 mation systems owners and operators pursuant to this sec-  
15 tion as sensitive security information and shall require and  
16 enforce sensitive security information requirements for  
17 handling, storage, and dissemination of any such informa-  
18 tion, including proper protections for personally identifi-  
19 able information and stripping data of unnecessary identi-  
20 fying information.

21 **“SEC. 229. CYBERSECURITY RESEARCH AND DEVELOP-**  
22 **MENT.**

23       “(a) IN GENERAL.—The Under Secretary for Science  
24 and Technology shall support research, development, test-  
25 ing, evaluation, and transition of cybersecurity technology

1 in coordination with a national cybersecurity research and  
2 development plan. Such support shall include funda-  
3 mental, long-term research to improve the ability of the  
4 United States to prevent, protect against, detect, respond  
5 to, and recover from acts of terrorism and cyber attacks,  
6 with an emphasis on research and development relevant  
7 to attacks that would cause a debilitating impact on na-  
8 tional security, national economic security, or national  
9 public health and safety.

10 “(b) ACTIVITIES.—The research and development  
11 testing, evaluation, and transition supported under sub-  
12 section (a) shall include work to—

13 “(1) advance the development and accelerate  
14 the deployment of more secure versions of funda-  
15 mental Internet protocols and architectures, includ-  
16 ing for the domain name system and routing proto-  
17 cols;

18 “(2) improve, create, and advance the research  
19 and development of techniques and technologies for  
20 proactive detection and identification of threats, at-  
21 tacks, and acts of terrorism before they occur;

22 “(3) advance technologies for detecting attacks  
23 or intrusions, including real-time monitoring and  
24 real-time analytic technologies;

1           “(4) improve and create mitigation and recovery  
2           methodologies, including techniques and policies  
3           for real-time containment of attacks and develop-  
4           ment of resilient networks and systems;

5           “(5) develop and support infrastructure and  
6           tools to support cybersecurity research and develop-  
7           ment efforts, including modeling, test beds, and data  
8           sets for assessment of new cybersecurity tech-  
9           nologies;

10          “(6) assist in the development and support of  
11          technologies to reduce vulnerabilities in process con-  
12          trol systems;

13          “(7) develop and support cyber forensics and  
14          attack attribution;

15          “(8) test, evaluate, and facilitate the transfer of  
16          technologies associated with the engineering of less  
17          vulnerable software and securing the information  
18          technology software development lifecycle;

19          “(9) ensure new cybersecurity technologies are  
20          scientifically and operationally validated; and

21          “(10) facilitate the planning, development, and  
22          implementation of international cooperative activities  
23          (as defined in section 317) to address cybersecurity  
24          and energy infrastructure with foreign public or pri-  
25          vate entities, governmental organizations, businesses

1 (including small business concerns and social and  
2 economically disadvantaged small business concerns  
3 (as those terms are defined in sections 3 and 8 of  
4 the Small Business Act (15 U.S.C. 632 and 637) re-  
5 spectively)), federally funded research and develop-  
6 ment centers and universities from countries that  
7 may include Israel, the United Kingdom, Canada,  
8 Australia, Singapore, Germany, New Zealand, and  
9 other allies, as determined by the Secretary, in re-  
10 search and development of technologies, best prac-  
11 tices, and other means to protect critical infrastruc-  
12 ture, including the national electric grid.

13 “(c) COORDINATION.—In carrying out this section,  
14 the Under Secretary shall coordinate activities with—

15 “(1) the Under Secretary for National Protec-  
16 tion and Programs Directorate; and

17 “(2) the heads of other relevant Federal depart-  
18 ments and agencies, including the National Science  
19 Foundation, the Defense Advanced Research  
20 Projects Agency, the Information Assurance Direc-  
21 torate of the National Security Agency, the National  
22 Institute of Standards and Technology, the Depart-  
23 ment of Commerce, academic institutions, the Net-  
24 working and Information Technology Research and  
25 Development Program, and other appropriate work-

1       ing groups established by the President to identify  
2       unmet needs and cooperatively support activities, as  
3       appropriate.

4       **“SEC. 230. PERSONNEL AUTHORITIES RELATED TO THE OF-**  
5                               **FICE OF CYBERSECURITY AND COMMUNICA-**  
6                               **TIONS.**

7       “(a) IN GENERAL.—In order to assure that the De-  
8       partment has the necessary resources to carry out the mis-  
9       sion of securing Federal systems and critical infrastruc-  
10      ture information systems, the Secretary may, as nec-  
11      essary, convert competitive service positions, and the in-  
12      cumbents of such positions, within the Office of Cyberse-  
13      curity and Communications to excepted service, or may  
14      establish new positions within the Office of Cybersecurity  
15      and Communications in the excepted service, to the extent  
16      that the Secretary determines such positions are necessary  
17      to carry out the cybersecurity functions of the Depart-  
18      ment.

19      “(b) COMPENSATION.—The Secretary may—

20               “(1) fix the compensation of individuals who  
21      serve in positions referred to in subsection (a) in re-  
22      lation to the rates of pay provided for comparable  
23      positions in the Department and subject to the same  
24      limitations on maximum rates of pay established for

1 employees of the Department by law or regulations;  
2 and

3 “(2) provide additional forms of compensation,  
4 including benefits, incentives, and allowances, that  
5 are consistent with and not in excess of the level au-  
6 thorized for comparable positions authorized under  
7 title 5, United States Code.

8 “(c) RETENTION BONUSES.—Notwithstanding any  
9 other provision of law, the Secretary may pay a retention  
10 bonus to any employee appointed under this section, if the  
11 Secretary determines that the bonus is needed to retain  
12 essential personnel. Before announcing the payment of a  
13 bonus under this subsection, the Secretary shall submit  
14 a written explanation of such determination to the Com-  
15 mittee on Homeland Security of the House of Representa-  
16 tives and the Committee on Homeland Security and Gov-  
17 ernmental Affairs of the Senate.

18 “(d) ANNUAL REPORT.—Not later than one year  
19 after the date of the enactment of this section, and annu-  
20 ally thereafter, the Secretary shall submit to the Com-  
21 mittee on Homeland Security of the House of Representa-  
22 tives and the Committee on Homeland Security and Gov-  
23 ernment Affairs of the Senate a detailed report that in-  
24 cludes, for the period covered by the report—



1           “(1) a discussion the Secretary’s use of the  
2 flexible authority authorized under this section to re-  
3 cruit and retain qualified employees;

4           “(2) metrics on relevant personnel actions, in-  
5 cluding—

6           “(A) the number of qualified employees  
7 hired by occupation and grade, level, or pay  
8 band;

9           “(B) the total number of veterans hired;

10           “(C) the number of separations of qualified  
11 employees;

12           “(D) the number of retirements of quali-  
13 fied employees; and

14           “(E) the number and amounts of recruit-  
15 ment, relocation, and retention incentives paid  
16 to qualified employees by occupation and grade,  
17 level, or pay band; and

18           “(3) long-term and short-term strategic goals to  
19 address critical skills deficiencies, including an anal-  
20 ysis of the numbers of and reasons for attrition of  
21 employees and barriers to recruiting and hiring indi-  
22 viduals qualified in cybersecurity.”.

23           (b) CLERICAL AMENDMENT.—The table of contents  
24 in section 2(b) of such Act is amended by inserting after  
25 the item relating to section 225 the following new items:

“Sec. 226. National cybersecurity authority.

“Sec. 227. Identification of sector specific cybersecurity risks.

“Sec. 228. Information sharing.

“Sec. 229. Cybersecurity research and development.

“Sec. 230. Personnel authorities related to the Office of Cybersecurity and Communications.”.

1           (c) PLAN FOR EXECUTION OF AUTHORITIES.—Not  
2 later than 120 days after the date of the enactment of  
3 this title, the Secretary of Homeland Security shall submit  
4 to the Committee on Homeland Security of the House of  
5 Representatives and the Committee on Homeland Security  
6 and Governmental Affairs of the Senate a report con-  
7 taining a plan for the execution of the authorities con-  
8 tained in the amendment made by subsection (a).

9   **SEC. 203. REPORT ON SUPPORT FOR REGIONAL CYBERSE-**  
10   **CURITY COOPERATIVES.**

11           Not later than 180 days after the date of the enact-  
12 ment of this title, the Secretary of Homeland Security  
13 shall submit to the Committee on Homeland Security of  
14 the House of Representatives and the Committee on  
15 Homeland Security and Governmental Affairs of the Sen-  
16 ate a report on the Secretary’s plan to provide support  
17 to regional, State, and local grassroots cyber cooperatives  
18 designed to decrease cyber disruptions to critical infra-  
19 structure, increase cyber workforce training efforts, in-  
20 crease community awareness of cybersecurity, organize  
21 community cyber-emergency preparedness efforts, build  
22 resiliency of regional, State, and local critical services, and

1 coordinate academic technical and policy research effort.

2 The report shall include each of the following:

3 (1) A plan for introducing a grant process for  
4 pilot regional, State, and local cyber cooperatives  
5 that would be implemented within 90 days of the  
6 submission of the report to Congress.

7 (2) Recommendations for integrating regional,  
8 State, and local grassroots cyber cooperatives in re-  
9 gional, State, and Federal cyber disruption plans.

10 (3) A plan for increasing cyber threat informa-  
11 tion sharing between regional, State, and local cyber  
12 cooperatives, the Federal Emergency Management  
13 Agency, the Department of Homeland Security, and  
14 the National Information Sharing Organization.

15 (4) A plan to promote with the National Infor-  
16 mation Sharing Organization a ground up, commu-  
17 nity-based network of cyber cooperatives.

18 (5) A plan for establishing a Federal online  
19 portal for existing groups to coordinate online train-  
20 ing, best practices, and other cybersecurity integra-  
21 tion efforts.

22 (6) A plan for utilizing Federal cyber assets in  
23 support of disaster response efforts, as well as sup-  
24 port to regional, State, and local cyber cooperatives.

1 **SEC. 204. PILOT PROGRAM ON CYBERSECURITY TRAINING**  
2 **FOR FUSION CENTERS.**

3 (a) PLAN.—The Secretary of Homeland Security  
4 shall develop a plan to implement a one-year voluntary  
5 pilot program to test and assess the feasibility, costs, and  
6 benefits of providing cybersecurity training to State and  
7 local law enforcement personnel through the national net-  
8 work of fusion centers.

9 (b) PILOT PROGRAM.—

10 (1) IN GENERAL.—Not later than one year  
11 after the date of the enactment of the title, the Sec-  
12 retary shall implement a one-year voluntary pilot  
13 program to train State and local law enforcement  
14 personnel in the national network of fusion centers  
15 in cyber security standards, procedures, and best  
16 practices.

17 (2) CURRICULUM AND PERSONNEL.—In cre-  
18 ating the curriculum for the training program and  
19 conducting the program, the Secretary may assign  
20 personnel from the Department of Homeland Secu-  
21 rity, including personnel from the Office of Cyberse-  
22 curity and Communications.

23 **SEC. 205. ASSESSMENT OF SECTOR BY SECTOR CYBERSE-**  
24 **CURITY PREPAREDNESS.**

25 (a) ASSESSMENT REQUIRED.—The Secretary of  
26 Homeland Security, in conjunction with the owners and

1 operators of critical infrastructure through the Critical In-  
2 frastructure Partnership Advisory Council, and in con-  
3 sultation with the sector specific agencies and agencies  
4 with regulatory authority over critical infrastructure, and  
5 other appropriate organizations shall conduct an assess-  
6 ment of the cybersecurity preparedness of each sector of  
7 the critical infrastructure as described in the National In-  
8 frastructure Protection Plan. Not later than 180 days  
9 after the date of the enactment of this title, the Secretary  
10 shall submit to the appropriate congressional committees  
11 the results and recommendations of that assessment in an  
12 unclassified report, with a classified annex if appropriate.

13 (b) CONTENTS OF REPORT.— The report required by  
14 subsection (a) shall include an assessment of the current  
15 state of the cybersecurity preparedness of each sector, in-  
16 cluding an evaluation of—

17 (1) the current state of cybersecurity situational  
18 awareness for each sector, an articulation of what an  
19 adequate level of cybersecurity situational awareness  
20 should be for the sector, and recommendations for  
21 how and over what time frame the gap should be  
22 closed between current and desired end-state;

23 (2) the current state of cybersecurity analytic  
24 capability for each sector, an articulation of what an  
25 adequate level of cybersecurity analytic capability

1       should be for the sector, and recommendations for  
2       how and over what time frame the gap should be  
3       closed between current and desired end-state;

4           (3) the current state of cybersecurity response  
5       capability for each sector, an articulation of what an  
6       adequate level of cybersecurity response capability  
7       should be for the sector, and recommendations for  
8       how and over what time frame the gap should be  
9       closed between current and desired end-state; and

10          (4) the current state of cybersecurity recovery  
11       planning and capability for each sector, an articula-  
12       tion of what an adequate level of recovery planning  
13       and capability should be for the sector, and rec-  
14       ommendations for how and over what time frame the  
15       gap should be closed between current and desired  
16       end-state.

17       (c) CYBERSECURITY RISK.—To the extent necessary  
18       to inform the quality and specificity of the evaluation and  
19       recommendations regarding cybersecurity preparedness  
20       for each sector, consideration should be given to the cyber-  
21       security identified under section 227 of the Homeland Se-  
22       curity Act of 2002, as added by this title.

1 **SEC. 206. REPORT ON FOREIGN ENTITIES POSING CYBER-**  
2 **SECURITY THREATS TO CRITICAL INFRA-**  
3 **STRUCTURE.**

4 The Secretary of Homeland Security shall submit to  
5 the Committee on Homeland Security of the House of  
6 Representatives a report on the foreign entities, including  
7 foreign terrorist organizations, that the Secretary deter-  
8 mines pose the greatest cybersecurity threats to the crit-  
9 ical infrastructure of the United States.

