

.....
(Original Signature of Member)

116TH CONGRESS
2D SESSION

H. R.

To improve assistance provided by the Hollings Manufacturing Extension Partnership to small manufacturers in the defense industrial supply chain on matters relating to cybersecurity, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

Mr. PANETTA introduced the following bill; which was referred to the Committee on _____

A BILL

To improve assistance provided by the Hollings Manufacturing Extension Partnership to small manufacturers in the defense industrial supply chain on matters relating to cybersecurity, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Small Manufacturer
5 Cybersecurity Enhancement Act”.

6 **SEC. 2. FINDINGS.**

7 Congress finds the following:

1 (1) The Office of the Director of National Intel-
2 ligence stated in its 2019 Worldwide Threat Assess-
3 ment that United States adversaries and strategic
4 competitors will increasingly use cyber capabilities—
5 including cyber espionage, attack, and influence—to
6 seek political, economic, and military advantage over
7 the United States and its allies.

8 (2) The Department of Defense recognizes that
9 small manufacturers operating in the defense supply
10 chain are particularly vulnerable to cyber attacks be-
11 cause they frequently lack the necessary human and
12 financial resources to protect themselves.

13 (3) The Department of Defense is imple-
14 menting its Cybersecurity Maturity Model Certifi-
15 cation (CMMC) to protect Controlled Unclassified
16 Information and critical United States technology
17 and information from cyber theft and hacking. All
18 defense contractors will need to comply with CMMC.

19 (4) The Undersecretary of Defense for Acquisi-
20 tion and Sustainment has stated that smaller com-
21 panies in the defense supply chain might not be able
22 to afford the Department of Defense’s increasingly
23 demanding cybersecurity requirements, but that the
24 Department is committed to ensuring that such
25 companies get the resources they need to comply.

1 (5) According to the Bureau of Labor Statis-
2 tics, there are more than 347,000 manufacturing es-
3 tablishments in the United States, of which 72 per-
4 cent have fewer than 20 employees and 99 percent
5 have fewer than 500 employees.

6 (6) During the past 7 years the Hollings Manu-
7 facturing Extension Partnership (MEP) Centers
8 have worked closely with the Department of Defense
9 to bolster the resilience of the defense industrial
10 base supply chain by providing cybersecurity services
11 to small manufacturers. The MEP Centers have
12 worked with more than 26,000 small- and medium-
13 sized manufacturers nationwide in fiscal year 2019
14 alone.

15 (7) Hollings Manufacturing Extension Partner-
16 ship Centers are located in all 50 States and provide
17 a nationwide network that is—

18 (A) raising the awareness of small manu-
19 facturers to cyber threats;

20 (B) helping small manufacturers comply
21 with new Department of Defense cybersecurity
22 requirements; and

23 (C) helping small manufacturers under-
24 stand that if they do not comply with new De-
25 partment of Defense cybersecurity require-

1 ments, then they risk losing their defense con-
2 tracts.

3 (8) The Hollings Manufacturing Extension
4 Partnership Centers are well-positioned to aid small
5 manufacturing companies in the defense supply
6 chain in complying with cybersecurity requirements
7 to protect controlled unclassified information rel-
8 evant to defense manufacturing supply chains.

9 **SEC. 3. ASSISTANCE FOR SMALL MANUFACTURERS IN THE**
10 **DEFENSE INDUSTRIAL SUPPLY CHAIN ON**
11 **MATTERS RELATING TO CYBERSECURITY.**

12 (a) IN GENERAL.—Subject to the availability of ap-
13 propriations, the Secretary of Defense, acting through the
14 Office of Economic Adjustment and in consultation with
15 the Director of the National Institute of Standards and
16 Technology, may make grants to a Center established
17 under the Hollings Manufacturing Extension Partnership
18 for the purpose of providing cybersecurity services to small
19 manufacturers.

20 (b) CRITERIA.—The Secretary shall establish and
21 publish in the Federal Register criteria for selecting grant
22 recipients under this section.

23 (c) USE OF FUNDS.—Grant funds under this sec-
24 tion—

1 (1) shall be used by a Center to provide small
2 manufacturers with cybersecurity services related
3 to—

4 (A) compliance with the cybersecurity re-
5 quirements of the Department of Defense Sup-
6 plement to the Federal Acquisition Regulation,
7 including awareness, assessment, evaluation,
8 preparation, and implementation of cybersecu-
9 rity services; and

10 (B) achieving compliance with the Cyberse-
11 curity Maturity Model Certification framework
12 of the Department of Defense; and

13 (2) may be used by a Center to employ trained
14 personnel to deliver cybersecurity services to small
15 manufacturers.

16 (d) REPORTS.—The Secretary shall submit to the
17 congressional defense committees a biennial report on
18 grants awarded under this section. To the extent prac-
19 ticable, each such report shall include the following with
20 respect to the years covered by the report:

21 (1) The number of small manufacturing compa-
22 nies assisted.

23 (2) A description of the cybersecurity services
24 provided.

1 (3) A description of the cybersecurity matters
2 addressed.

3 (4) An analysis of the operational effectiveness
4 and cost-effectiveness of the cybersecurity services
5 provided.

6 (e) TERMINATION.—The authority of the Secretary
7 of Defense to make grants under this section shall termi-
8 nate on the date that is five years after the date of the
9 enactment of this Act.

10 (f) DEFINITIONS.—In this section:

11 (1) CENTER.—The term “Center” has the
12 meaning given that term in section 25(a) of the Na-
13 tional Institute of Standards and Technology Act
14 (15 U.S.C. 278k(a)).

15 (2) CONGRESSIONAL DEFENSE COMMITTEES.—
16 The term “congressional defense committees” has
17 the meaning given that term in section 101(a)(16)
18 of title 10, United States Code.

19 (3) SMALL MANUFACTURER.—The term “small
20 manufacturer” has the meaning given that term in
21 section 1644(g) of the John S. McCain National De-
22 fense Authorization Act for Fiscal Year 2019 (Pub-
23 lic Law 115–232; 10 U.S.C. 2224 note).