

Department of Homeland Security Policy

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Division F of the *America COMPETES Act* versus the *U.S. Innovation and Competition Act*

Overview

While both pieces of legislation similarly provide for prohibitions on the procurement, operation and financing of covered unmanned aircraft systems (UAS), the U.S. Innovation and Competition Act (USICA) provides more comprehensive prohibitions and potential waivers on UASs beyond covered foreign countries and relevant domiciled corporations under Title IV – Other Matters, Subtitle A – Ensuring Security of Unmanned Aircraft Systems. USICA's section on UASs also includes a sunset on the relevant prohibitions after five years. USICA does not provide for the establishment of the Department of Homeland Security Mentor-Protégé Program. USICA generally addresses supply chain risk management and domestic procurement in Division D – Homeland Security and Governmental Affairs Committee Provisions, and more generally throughout the bill. However, USICA does not establish domestic procurement requirements for the Department of Homeland Security (DHS), nor does it direct the Department to issue guidance on covered information and communications technology or services contracts.

	HOUSE: America COMPETES Act	SENATE: USICA
Homeland Procurement Reform	✓	✗
DHS Software Supply Chain Risk Management	✓	✗
Department of Homeland Security Mentor-Protégé Program	✓	✗
Unmanned Aerial Security	✓	✓

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	HOUSE: America COMPETES Act	SENATE: USICA
Homeland Procurement Reform	<p>Amends the Homeland Security Act of 2002 to increase domestic procurement among Homeland Security's "frontline components" or sub-departments. It is required that one-third of the funds appropriated for procurement for that fiscal year shall be manufactured or supplied by a domestic small business.</p> <p>The section also ensures that each contractor is registered in the System for Award Management and that each supplier of covered items bearing DHS insignia that are not produced, applied or assembled within the United States secures such items in locked storage, reports any theft of such items and ensures the destruction of defective or unusable items.</p> <p>The section also directs the Secretary to submit a study of the adequacy of uniform allowances provided to frontline personnel and a report with recommendations on how the Department could procure additional items from domestic sources and bolster the domestic supply chain for items related to national security within 180 days of enactment. (Sec. 50101)</p>	No corresponding provision.
DHS Software Supply Chain Risk Management	<p>This section directs the Secretary of Homeland Security (the Under Secretary for Management) to issue new guidance on covered information and communications technology or services contracts. The section elaborates on what the guidance should contain, contractor requirements and further actions to be taken by the Department. The section also directs the Comptroller General of the United</p>	No corresponding provision.

	HOUSE: America COMPETES Act	SENATE: USICA
	States to submit a report to Congress within two years of enactment reviewing DHS's implementation of the requirements outlined in the Act. (Sec. 50102)	
Department of Homeland Security Mentor-Protégé Program	Establishes the Mentor-Protégé Program under which a mentor firm enters into an agreement with a protégé firm to assist the protégé firm to compete for prime contracts and subcontracts of the Department. The section outlines the requirements for both types of firms participating in the program. Firms accepted into the program will participate for a minimum of 36 months. (Sec. 50103)	No corresponding provision.
Unmanned Aerial Security	Subject to a waiver, this section prohibits the Secretary of Homeland Security from operating, procuring or providing financial assistance for an unmanned aircraft system that is manufactured, uses relevant device technology, uses ground control system or operating software, or uses network connectivity or data storage derived from a covered foreign country or administered by a corporation domiciled in a covered foreign country. The bill requires a drone origin security report from DHS within 180 days of enactment. (Sec. 50104)	<p>Under the <i>American Security Drone Act of 2021</i>, this section prohibits the procurement, operation, financing or purchase (with government-issued purchase cards) of any covered unmanned aircraft systems that are manufactured or assembled by a covered foreign entity similar to the House bill. The Senate section goes a step further and directs relevant agencies to conduct an inventory analysis of covered unmanned aircraft systems.</p> <p>The bill also directs several agencies to establish a governmentwide procurement policy for unmanned aircraft systems. This section provides similar waivers and exceptions to the House bill and directs the Office of Management and Budget to contract an independent study on unmanned aircraft systems within three years of enactment. The provisions concerning prohibitions on procurement (Sec. 4403), operation (Sec. 4404) and federal financial assistance (Sec. 4405) sunset after five years. (Secs. 4401-4411)</p>

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