AMENDMENT IN THE NATURE OF A SUBSTITUTE TO H.R. 6497

OFFERED BY MRS. CAROLYN B. MALONEY OF NEW YORK

Strike all after the enacting clause and insert the following:

1 SECTION 1. SHORT TITLE.

- 2 This Act may be cited as the "Federal Information
- 3 Security Modernization Act of 2022".

4 SEC. 2. TABLE OF CONTENTS.

- 5 The table of contents for this Act is as follows:
 - Sec. 1. Short title.
 - Sec. 2. Table of contents.
 - Sec. 3. Definitions.

TITLE I—UPDATES TO FISMA

- Sec. 101. Title 44 amendments.
- Sec. 102. Amendments to subtitle III of title 40.
- Sec. 103. Actions to enhance Federal incident response.
- Sec. 104. Additional guidance to agencies on FISMA updates.
- Sec. 105. Agency requirements to notify private sector entities impacted by incidents.

TITLE II—IMPROVING FEDERAL CYBERSECURITY

- Sec. 201. Mobile security standards.
- Sec. 202. Data and logging retention for incident response.
- Sec. 203. Federal penetration testing policy.
- Sec. 204. Ongoing threat hunting program.
- Sec. 205. Vulnerability disclosure programs.
- Sec. 206. Implementing zero trust architecture.
- Sec. 207. GAO automation report.
- Sec. 208. Extension of Federal Acquisition Security Council.
- Sec. 209. Renaming of Office of the Federal Chief Information Officer.
- Sec. 210. Federal Chief Information Security Officer.
- Sec. 211. Extension of Chief Data Officer Council.

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

Sec. 212. Council of the inspectors general on integrity and efficiency dashboard. Sec. 213. Quantitative cybersecurity metrics. TITLE III—PILOT PROGRAMS TO ENHANCE FEDERAL CYBERSECURITY Sec. 301. Risk-based budget pilot. Sec. 302. Active cyber defensive study. Sec. 303. Security operations center as a service pilot. Sec. 304. Detection and response as a service pilot. SEC. 3. DEFINITIONS. In this Act, unless otherwise specified: Additional CYBERSECURITY PROCE-DURE.—The term "additional cybersecurity procedure" has the meaning given the term in section 3552(b) of title 44, United States Code, as amended by this Act. (2) AGENCY.—The term "agency" has the meaning given the term in section 3502 of title 44, United States Code. APPROPRIATE CONGRESSIONAL COMMIT-TEES.—The term "appropriate congressional committees" means— (A) the Committee on Homeland Security and Governmental Affairs of the Senate; (B) the Committee on Oversight and Reform of the House of Representatives; and (C) the Committee on Homeland Security

of the House of Representatives.

1	(4) Director.—The term "Director" means
2	the Director of the Office of Management and Budg-
3	et.
4	(5) Incident.—The term "incident" has the
5	meaning given the term in section 3552(b) of title
6	44, United States Code.
7	(6) National Security System.—The term
8	"national security system" has the meaning given
9	the term in section 3552(b) of title 44, United
10	States Code.
11	(7) PENETRATION TEST.—The term "penetra-
12	tion test" has the meaning given the term in section
13	3552(b) of title 44, United States Code, as amended
14	by this Act.
15	(8) THREAT HUNTING.—The term "threat
16	hunting" means iteratively searching systems for
17	threats and vulnerabilities that evade automated
18	threat detection systems.
19	(9) Zero trust architecture.—The term
20	"zero trust architecture" means a security model, a
21	set of system design principles, and a coordinated
22	cybersecurity and system management strategy that
23	employs continuous monitoring, risk-based access
24	controls, or system security automation techniques
25	to address the cybersecurity principle that threats

1	exist both inside and outside traditional network
2	boundaries with an assumption that an incident is
3	inevitable or has likely already occurred, and there-
4	fore employs least-privileged access for network or
5	system users while monitoring for anomalous or ma-
6	licious activity.
7	TITLE I—UPDATES TO FISMA
8	SEC. 101. TITLE 44 AMENDMENTS.
9	(a) Subchapter I Amendments.—Subchapter I of
10	chapter 35 of title 44, United States Code, is amended—
11	(1) in subsection (a)(1)(B) of section 3504—
12	(A) by striking clause (v) and inserting the
13	following:
14	"(v) confidentiality, privacy, disclo-
15	sure, and sharing of information;";
16	(B) by redesignating clause (vi) as clause
17	(vii); and
18	(C) by inserting after clause (v) the fol-
19	lowing:
20	"(vi) in consultation with the National
21	Cyber Director, confidentiality and security
22	of information; and";
23	(2) in section 3505—
24	(A) in paragraph (2) of the first subsection
25	designated as subsection (c) by adding "dis-

1	covery of internet-accessible information sys-
2	tems and assets, as well as" after "an inventory
3	under this subsection shall include";
4	(B) in paragraph (3) of the first subsection
5	designated as subsection (c)—
6	(i) in subparagraph (B)—
7	(I) by inserting "the Secretary of
8	Homeland Security acting through the
9	Director of the Cybersecurity and In-
10	frastructure Security Agency, the Na-
11	tional Cyber Director, and" before
12	"the Comptroller General"; and
13	(II) by striking "and" at the end;
14	(ii) in subparagraph (C)(v), by strik-
15	ing the period at the end and inserting ";
16	and"; and
17	(iii) by adding at the end the fol-
18	lowing:
19	"(D) maintained on a continual basis
20	through the use of automation, machine-read-
21	able data, and scanning wherever practicable.";
22	and
23	(C) by striking the second subsection des-
24	ignated as subsection (c);
25	(3) in section 3506—

1	(A) in subsection (a)(3), by inserting "In
2	carrying out these duties, the Chief Information
3	Officer shall coordinate, as appropriate, with
4	the Chief Data Officer in accordance with the
5	designated functions under section 3520(c)."
6	after "reduction of information collection bur-
7	dens on the public.";
8	(B) in subsection (b)(1)(C), by inserting ",
9	availability" after "integrity"; and
10	(C) in subsection (g)—
11	(i) in paragraph (1) by striking "and"
12	at the end;
13	(ii) in paragraph (2) by striking the
14	period at the end and inserting "; and";
15	and
16	(iii) by adding at the end the fol-
17	lowing paragraphs:
18	"(3)(A) Notwithstanding subsection (a)(2), the
19	head of each agency (as that term is defined in sec-
20	tion 901(b) of title 31, United States Code) shall
21	designate a Chief Privacy Officer to carry out the
22	privacy responsibilities of the agency under this sub-
23	chapter. The Chief Privacy Officer shall serve in a
24	central leadership position at the agency, have visi-
25	bility into relevant agency operations, and be posi-

1	tioned highly enough within the agency to regularly
2	engage with other agency leadership, including the
3	head of the agency.
4	"(B) In an agency that has a privacy officer
5	created by another statute, such officer may carry
6	out the responsibilities identified in subparagraph
7	(A)."; and
8	(4) in section 3513—
9	(A) by redesignating subsection (c) as sub-
10	section (d); and
11	(B) by inserting after subsection (b) the
12	following:
13	"(c) Each agency providing a written plan under sub-
14	section (b) shall provide any portion of the written plan
15	addressing information security to the National Cyber Di-
16	rector.".
17	(b) Subchapter II Definitions.—
18	(1) In general.—Section 3552(b) of title 44,
19	United States Code, is amended—
20	(A) by redesignating paragraphs (1), (2),
21	(3), (4) , (5) , (6) , and (7) as paragraphs (2) ,
22	(4), (5), (6), (7), (9), and (11), respectively;
23	(B) by inserting before paragraph (2), as
24	so redesignated, the following:

1	"(1) The term 'additional cybersecurity proce-
2	dure' means a process, procedure, or other activity
3	that is established in excess of the information secu-
4	rity standards promulgated under section 11331(b)
5	of title 40 to increase the security and reduce the cy-
6	bersecurity risk of agency systems.";
7	(C) by inserting after paragraph (2), as so
8	redesignated, the following:
9	"(3) The term 'high value asset' means infor-
10	mation or an information system that the head of an
11	agency determines, using policies, principles, stand-
12	ards, or guidelines issued by the Director under sec-
13	tion 3553(a), to be so critical to the agency that the
14	loss or corruption of the information or the loss of
15	access to the information system would have a seri-
16	ous impact on the ability of the agency to perform
17	the mission of the agency or conduct business.";
18	(D) by inserting after paragraph (7), as so
19	redesignated, the following:
20	"(8) The term 'major incident' has the meaning
21	given the term in guidance issued by the Director
22	under section 3598(a).";
23	(E) by inserting after paragraph (9), as so
24	redesignated, the following:

1	"(10) The term 'penetration test' has the mean-
2	ing given the term in guidance issued by the Direc-
3	tor."; and
4	(F) by inserting after paragraph (11), as
5	so redesignated, the following:
6	"(12) The term 'shared service' means a cen-
7	tralized business or mission capability that is pro-
8	vided to multiple organizations within an agency or
9	to multiple agencies.".
10	(2) Conforming amendments.—
11	(A) HOMELAND SECURITY ACT OF 2002.—
12	Section 1001(c)(1)(A) of the Homeland Secu-
13	rity Act of 2002 (6 U.S.C. 511(1)(A)) is
14	amended by striking "section 3552(b)(5)" and
15	inserting "section 3552(b)".
16	(B) TITLE 10.—
17	(i) Section 2222.—Section 2222(i)(8)
18	of title 10, United States Code, is amended
19	by striking "section 3552(b)(6)(A)" and
20	inserting "section 3552(b)(9)(A)".
21	(ii) Section 2223.—Section
22	2223(c)(3) of title 10, United States Code,
23	is amended by striking "section
24	3552(b)(6)" and inserting "section
25	3552(b)".

1	(iii) Section 2315.—Section 2315 of
2	title 10, United States Code, is amended
3	by striking "section 3552(b)(6)" and in-
4	serting "section 3552(b)".
5	(iv) Section 2339A.—Section
6	2339a(e)(5) of title 10, United States
7	Code, is amended by striking "section
8	3552(b)(6)" and inserting "section
9	3552(b)".
10	(C) High-performance computing act
11	OF 1991.—Section 207(a) of the High-Perform-
12	ance Computing Act of 1991 (15 U.S.C.
13	5527(a)) is amended by striking "section
14	3552(b)(6)(A)(i)" and inserting "section
15	3552(b)(9)(A)(i)".
16	(D) Internet of things cybersecu-
17	RITY IMPROVEMENT ACT OF 2020.—Section 3(5)
18	of the Internet of Things Cybersecurity Im-
19	provement Act of 2020 (15 U.S.C. 278g–3a) is
20	amended by striking "section 3552(b)(6)" and
21	inserting "section 3552(b)".
22	(E) NATIONAL DEFENSE AUTHORIZATION
23	ACT FOR FISCAL YEAR 2013.—Section
24	933(e)(1)(B) of the National Defense Author-
25	ization Act for Fiscal Year 2013 (10 U.S.C.

1	2224 note) is amended by striking "section
2	3542(b)(2)" and inserting "section 3552(b)".
3	(F) IKE SKELTON NATIONAL DEFENSE AU-
4	THORIZATION ACT FOR FISCAL YEAR 2011.—The
5	Ike Skelton National Defense Authorization Act
6	for Fiscal Year 2011 (Public Law 111–383) is
7	amended—
8	(i) in section 806(e)(5) (10 U.S.C.
9	2304 note), by striking "section 3542(b)"
10	and inserting "section 3552(b)";
11	(ii) in section 931(b)(3) (10 U.S.C.
12	2223 note), by striking "section
13	3542(b)(2)" and inserting "section
14	3552(b)"; and
15	(iii) in section 932(b)(2) (10 U.S.C.
16	2224 note), by striking "section
17	3542(b)(2)" and inserting "section
18	3552(b)".
19	(G) E-GOVERNMENT ACT OF 2002.—Sec-
20	tion $301(c)(1)(A)$ of the E–Government Act of
21	2002 (44 U.S.C. 3501 note) is amended by
22	striking "section 3542(b)(2)" and inserting
23	"section 3552(b)".
24	(H) NATIONAL INSTITUTE OF STANDARDS
25	AND TECHNOLOGY ACT.—Section 20 of the Na-

1	tional Institute of Standards and Technology
2	Act (15 U.S.C. 278g-3) is amended—
3	(i) in subsection (a)(2), by striking
4	"section 3552(b)(5)" and inserting "sec-
5	tion 3552(b)"; and
6	(ii) in subsection (f)—
7	(I) in paragraph (3), by striking
8	"section 3532(1)" and inserting "sec-
9	tion 3552(b)"; and
10	(II) in paragraph (5), by striking
11	"section 3532(b)(2)" and inserting
12	"section 3552(b)".
13	(c) Subchapter II Amendments.—Subchapter II
1314	(c) Subchapter II Amendments.—Subchapter II of chapter 35 of title 44, United States Code, is amend-
14	of chapter 35 of title 44, United States Code, is amend-
14 15	of chapter 35 of title 44, United States Code, is amended—
141516	of chapter 35 of title 44, United States Code, is amended— (1) in section 3551—
14 15 16 17	of chapter 35 of title 44, United States Code, is amended— (1) in section 3551— (A) in paragraph (4), by striking "diag-
14 15 16 17 18	of chapter 35 of title 44, United States Code, is amended— (1) in section 3551— (A) in paragraph (4), by striking "diagnose and improve" and inserting "integrate, de-
141516171819	of chapter 35 of title 44, United States Code, is amended— (1) in section 3551— (A) in paragraph (4), by striking "diagnose and improve" and inserting "integrate, deliver, diagnose, and improve";
14 15 16 17 18 19 20	of chapter 35 of title 44, United States Code, is amended— (1) in section 3551— (A) in paragraph (4), by striking "diagnose and improve" and inserting "integrate, deliver, diagnose, and improve"; (B) in paragraph (5), by striking "and" at
14 15 16 17 18 19 20 21	of chapter 35 of title 44, United States Code, is amended— (1) in section 3551— (A) in paragraph (4), by striking "diagnose and improve" and inserting "integrate, deliver, diagnose, and improve"; (B) in paragraph (5), by striking "and" at the end;

1	"(7) recognize that each agency has specific
2	mission requirements and, at times, unique cyberse-
3	curity requirements to meet the mission of the agen-
4	cy;
5	"(8) recognize that each agency does not have
6	the same resources to secure agency systems, and an
7	agency should not be expected to have the capability
8	to secure the systems of the agency from advanced
9	adversaries alone; and
10	"(9) recognize that a holistic Federal cybersecu-
11	rity model is necessary to account for differences be-
12	tween the missions and capabilities of agencies.";
13	(2) in section 3553—
14	(A) in subsection (a)—
15	(i) in paragraph (5), by striking
16	"and" at the end;
17	(ii) in paragraph (6), by striking the
18	period at the end and inserting "; and";
19	and
20	(iii) by adding at the end the fol-
21	lowing:
22	"(7) promoting, in consultation with the Direc-
23	tor of the Cybersecurity and Infrastructure Security
24	Agency, the National Cyber Director, and the Direc-

1	tor of the National Institute of Standards and Tech-
2	nology—
3	"(A) the use of automation to improve
4	Federal cybersecurity and visibility with respect
5	to the implementation of Federal cybersecurity;
6	and
7	"(B) the use of zero trust architecture to
8	improve resiliency and timely response actions
9	to incidents on Federal systems.";
10	(B) in subsection (b)—
11	(i) in the matter preceding paragraph
12	(1), by striking "The Secretary, in con-
13	sultation with the Director" and inserting
14	"The Secretary of Homeland Security, act-
15	ing through the Director of the Cybersecu-
16	rity and Infrastructure Security Agency
17	and in consultation with the Director and
18	the National Cyber Director";
19	(ii) in paragraph (2)(A), by inserting
20	"and reporting requirements under sub-
21	chapter IV of this chapter" after "section
22	3556";
23	(iii) redesignate paragraphs (8) and
24	(9) as paragraphs (9) and (10), respec-
25	tively; and

1	(iv) by inserting after paragraph (7),
2	the following new paragraph:
3	"(8) expeditiously seek opportunities to reduce
4	costs, administrative burdens, and other barriers to
5	information technology security and modernization
6	for Federal agencies, including through—
7	"(A) shared services for cybersecurity ca-
8	pabilities identified as optimal by the Director,
9	in coordination with the Secretary acting
10	through the Director of the Cybersecurity and
11	Infrastructure Security Agency and other agen-
12	cies as appropriate; and
13	"(B) offering technical assistance and ex-
14	pertise to agencies on the selection and success-
15	ful engagement of highly adaptive cybersecurity
16	service contracts and other relevant contracts
17	provided by the U.S. General Services Adminis-
18	tration;";
19	(C) in subsection (c)—
20	(i) in the matter preceding paragraph
21	(1), by striking "each year" and inserting
22	"each year during which agencies are re-
23	quired to submit reports under section
24	3554(e)" and by striking "preceding year"
25	and inserting "preceding two years";

1	(ii) by striking paragraph (1);
2	(iii) by redesignating paragraphs (2),
3	(3), and (4) as paragraphs (1) , (2) , and
4	(3), respectively;
5	(iv) in paragraph (3), as so redesig-
6	nated, by striking "and" at the end; and
7	(v) by inserting after paragraph (3),
8	as so redesignated, the following:
9	"(4) a summary of each assessment of Federal
10	risk posture performed under subsection (i); and";
11	(D) by redesignating subsections (i), (j),
12	(k), and (l) as subsections (j), (k), (l), and (m)
13	respectively;
13 14	respectively; (E) in subsection (h)—
	· · · · · · · · · · · · · · · · · · ·
14	(E) in subsection (h)—
14 15	(E) in subsection (h)—(i) in paragraph (2)(A), by inserting
141516	(E) in subsection (h)—(i) in paragraph (2)(A), by inserting"and the National Cyber Director" after
14151617	(E) in subsection (h)—(i) in paragraph (2)(A), by inserting"and the National Cyber Director" after"in coordination with the Director";
14 15 16 17 18	 (E) in subsection (h)— (i) in paragraph (2)(A), by inserting "and the National Cyber Director" after "in coordination with the Director"; (ii) in paragraph (2)(D), by inserting
14 15 16 17 18	 (E) in subsection (h)— (i) in paragraph (2)(A), by inserting "and the National Cyber Director" after "in coordination with the Director"; (ii) in paragraph (2)(D), by inserting ", the National Cyber Director," after "no-
14 15 16 17 18 19 20	 (E) in subsection (h)— (i) in paragraph (2)(A), by inserting "and the National Cyber Director" after "in coordination with the Director"; (ii) in paragraph (2)(D), by inserting ", the National Cyber Director," after "notify the Director"; and
14 15 16 17 18 19 20 21	 (E) in subsection (h)— (i) in paragraph (2)(A), by inserting "and the National Cyber Director" after "in coordination with the Director"; (ii) in paragraph (2)(D), by inserting ", the National Cyber Director," after "notify the Director"; and (iii) in paragraph (3)(A)(iv), by in-

1	(F) by inserting after subsection (h) the
2	following:
3	"(i) Federal Risk Assessments.—On an ongoing
4	and continuous basis, the Director of the Cybersecurity
5	and Infrastructure Security Agency shall perform assess-
6	ments using any available information on the cybersecu-
7	rity posture of agencies, and brief the Director and Na-
8	tional Cyber Director on the findings of those assessments
9	including—
10	"(1) the status of agency cybersecurity remedial
11	actions described in section 3554(b)(7);
12	"(2) any vulnerability information relating to
13	the systems of an agency that is known by the agen-
14	cy;
15	"(3) analysis of incident information under sec-
16	tion 3597;
17	"(4) evaluation of penetration testing per-
18	formed under section 3559A;
19	"(5) evaluation of vulnerability disclosure pro-
20	gram information under section 3559B;
21	"(6) evaluation of agency threat hunting re-
22	sults;
23	"(7) evaluation of Federal and non-Federal
24	cyber threat intelligence:

1	"(8) data on agency compliance with standards
2	issued under section 11331 of title 40;
3	"(9) agency system risk assessments performed
4	under section 3554(a)(1)(A); and
5	"(10) any other information the Director of the
6	Cybersecurity and Infrastructure Security Agency
7	determines relevant.";
8	(G) in subsection (j), as so redesignated—
9	(i) by striking "Not later than" and
10	inserting:
11	"(1) In general.—Not later than";
12	(ii) by striking "regarding the spe-
13	cific" and inserting "that includes a sum-
14	mary of—
15	"(A) the specific";
16	(iii) in paragraph (1)(A), as so des-
17	ignated, by striking the period at the end
18	and inserting "; and"; and
19	(iv) by adding at the end the fol-
20	lowing:
21	"(B) the trends identified in the Federal
22	risk assessments performed under subsection
23	(i).

1	"(2) FORM.—The report required under para-
2	graph (1) shall be unclassified but may include a
3	classified annex."; and
4	(H) by adding at the end the following:
5	"(n) BINDING OPERATIONAL DIRECTIVES.—If the
6	Director of the Cybersecurity and Infrastructure Security
7	Agency issues a binding operational directive or an emer-
8	gency directive under this section, not later than 7 days
9	after the date on which the binding operational directive
10	requires an agency to take an action, the Director of the
11	Cybersecurity and Infrastructure Security Agency shall
12	provide to the Director and National Cyber Director the
13	status of the implementation of the binding operational
14	directive at the agency.";
15	(3) in section 3554—
16	(A) in subsection (a)—
17	(i) in paragraph (1)—
18	(I) by redesignating subpara-
19	graphs (A), (B), and (C) as subpara-
20	graphs (B), (C), and (D), respectively;
21	(II) by inserting before subpara-
22	graph (B), as so redesignated, the fol-
23	lowing:

1	"(A) on an ongoing and continuous basis,
2	performing an agency system risk assessment
3	that—
4	"(i) identifies and documents the high
5	value assets of the agency using guidance
6	from the Director;
7	"(ii) evaluates the data assets inven-
8	toried under section 3511 for sensitivity to
9	compromises in confidentiality, integrity,
10	and availability;
11	"(iii) identifies agency systems that
12	have access to or hold the data assets
13	inventoried under section 3511;
14	"(iv) evaluates the threats facing
15	agency systems and data, including high
16	value assets, based on Federal and non-
17	Federal cyber threat intelligence products,
18	where available;
19	"(v) evaluates the vulnerability of
20	agency systems and data, including high
21	value assets, including by analyzing—
22	"(I) the results of penetration
23	testing performed by the Department
24	of Homeland Security under section
25	3553(b)(9);

1	"(II) the results of penetration
2	testing performed under section
3	3559A;
4	"(III) information provided to
5	the agency through the vulnerability
6	disclosure program of the agency
7	under section 3559B;
8	"(IV) incidents; and
9	"(V) any other vulnerability in-
10	formation relating to agency systems
11	that is known to the agency;
12	"(vi) assesses the impacts of potential
13	agency incidents to agency systems, data,
14	and operations based on the evaluations
15	described in clauses (ii) and (iv) and the
16	agency systems identified under clause
17	(iii); and
18	"(vii) assesses the consequences of po-
19	tential incidents occurring on agency sys-
20	tems that would impact systems at other
21	agencies, including due to interconnectivity
22	between different agency systems or oper-
23	ational reliance on the operations of the
24	system or data in the system;";

1	(III) in subparagraph (B), as so
2	redesignated, in the matter preceding
3	clause (i), by striking "providing in-
4	formation" and inserting "using infor-
5	mation from the assessment con-
6	ducted under subparagraph (A), pro-
7	viding information";
8	(IV) in subparagraph (C), as so
9	redesignated—
10	(aa) in clause (ii) by insert-
11	ing "binding" before "oper-
12	ational"; and
13	(bb) in clause (vi), by strik-
14	ing "and" at the end; and
15	(V) by adding at the end the fol-
16	lowing:
17	"(E) providing an update on the ongoing
18	and continuous assessment performed under
19	subparagraph (A)—
20	"(i) upon request, to the inspector
21	general of the agency or the Comptroller
22	General of the United States; and
23	"(ii) on a periodic basis, as deter-
24	mined by guidance issued by the Director

1	but not less frequently than every 2 years,
2	to—
3	"(I) the Director;
4	"(II) the Director of the Cyberse-
5	curity and Infrastructure Security
6	Agency; and
7	"(III) the National Cyber Direc-
8	tor;
9	"(F) in consultation with the Director of
10	the Cybersecurity and Infrastructure Security
11	Agency and not less frequently than once every
12	3 years, performing an evaluation of whether
13	additional cybersecurity procedures are appro-
14	priate for securing a system of, or under the
15	supervision of, the agency, which shall—
16	"(i) be completed considering the
17	agency system risk assessment performed
18	under subparagraph (A); and
19	"(ii) include a specific evaluation for
20	high value assets;
21	"(G) not later than 30 days after com-
22	pleting the evaluation performed under sub-
23	paragraph (F), providing the evaluation and an
24	implementation plan, if applicable, for using ad-

1	ditional cybersecurity procedures determined to
2	be appropriate to—
3	"(i) the Director of the Cybersecurity
4	and Infrastructure Security Agency;
5	"(ii) the Director; and
6	"(iii) the National Cyber Director;
7	and
8	"(H) if the head of the agency determines
9	there is need for additional cybersecurity proce-
10	dures, ensuring that those additional cybersecu-
11	rity procedures are reflected in the budget re-
12	quest of the agency;";
13	(ii) in paragraph (2)—
14	(I) in subparagraph (A), by in-
15	serting "in accordance with the agen-
16	cy system risk assessment performed
17	under paragraph (1)(A)" after "infor-
18	mation systems";
19	(II) in subparagraph (B)—
20	(aa) by striking "in accord-
21	ance with standards" and insert-
22	ing "in accordance with—
23	"(i) standards"; and
24	(bb) by adding at the end
25	the following:

1	"(ii) the evaluation performed under
2	paragraph (1)(F); and
3	"(iii) the implementation plan de-
4	scribed in paragraph (1)(G);"; and
5	(III) in subparagraph (D), by in-
6	serting ", through the use of penetra-
7	tion testing, the vulnerability disclo-
8	sure program established under sec-
9	tion 3559B, and other means," after
10	"periodically"; and
11	(B) in subsection (b)—
12	(i) by striking paragraph (1) and in-
13	serting the following:
14	" (1) pursuant to subsection $(a)(1)(A)$, per-
15	forming ongoing and continuous agency system risk
16	assessment, which may include using automated
17	tools consistent with standards and guidelines pro-
18	mulgated under section 11331 of title 40, as applica-
19	ble;";
20	(ii) in paragraph (2)(D)—
21	(I) by redesignating clauses (iii)
22	and (iv) as clauses (iv) and (v), re-
23	spectively;
24	(II) by inserting after clause (ii)
25	the following:

1	"(iii) binding operational directives
2	and emergency directives promulgated by
3	the Director of the Cybersecurity and In-
4	frastructure Security Agency under section
5	3553;"; and
6	(III) in clause (iv), as so redesig-
7	nated, by striking "as determined by
8	the agency; and" and inserting "as
9	determined by the agency, considering
10	the agency risk assessment performed
11	under subsection (a)(1)(A).";
12	(iii) in paragraph (5)(A), by inserting
13	", including penetration testing, as appro-
14	priate," after "shall include testing";
15	(iv) by redesignating paragraphs (7)
16	and (8) as paragraphs (8) and (9), respec-
17	tively;
18	(v) by inserting after paragraph (6)
19	the following:
20	"(7) a process for providing the status of every
21	remedial action, as well as unremediated identified
22	system vulnerabilities, to the Director and the Direc-
23	tor of the Cybersecurity and Infrastructure Security
24	Agency, using automation and machine-readable
25	data to the greatest extent practicable;"; and

1	(vi) in paragraph (8)(C), as so redes-
2	ignated—
3	(I) by striking clause (ii) and in-
4	serting the following:
5	"(ii) notifying and consulting with the
6	Federal information security incident cen-
7	ter established under section 3556 pursu-
8	ant to the requirements of section 3594;";
9	(II) by redesignating clause (iii)
10	as clause (iv);
11	(III) by inserting after clause (ii)
12	the following:
13	"(iii) performing the notifications and
14	other activities required under subchapter
15	IV of this chapter; and"; and
16	(IV) in clause (iv), as so redesig-
17	nated—
18	(aa) in subclause (II), by
19	adding "and" at the end;
20	(bb) by striking subclause
21	(III); and
22	(cc) by redesignating sub-
23	clause (IV) as subclause (III);
24	(C) in subsection (c)—

1	(i) by redesignating paragraph (2) as
2	paragraph (5);
3	(ii) by striking paragraph (1) and in-
4	serting the following:
5	"(1) Biannual report.—Not later than 2
6	years after the date of the enactment of the Federal
7	Information Security Modernization Act of 2022 and
8	not less frequently than once every 2 years there-
9	after, using the continuous and ongoing agency sys-
10	tem risk assessment under subsection (a)(1)(A), the
11	head of each agency shall submit to the Director,
12	the Director of the Cybersecurity and Infrastructure
13	Security Agency, the majority and minority leaders
14	of the Senate, the Speaker and minority leader of
15	the House of Representatives, the Committee on
16	Homeland Security and Governmental Affairs of the
17	Senate, the Committee on Oversight and Reform of
18	the House of Representatives, the Committee on
19	Homeland Security of the House of Representatives,
20	the Committee on Commerce, Science, and Trans-
21	portation of the Senate, the Committee on Science,
22	Space, and Technology of the House of Representa-
23	tives, the appropriate authorization and appropria-
24	tions committees of Congress, the National Cyber

1	Director, and the Comptroller General of the United
2	States a report that—
3	"(A) summarizes the agency system risk
4	assessment performed under subsection
5	(a)(1)(A);
6	"(B) evaluates the adequacy and effective-
7	ness of information security policies, proce-
8	dures, and practices of the agency to address
9	the risks identified in the agency system risk
10	assessment performed under subsection
11	(a)(1)(A), including an analysis of the agency's
12	cybersecurity and incident response capabilities
13	using the metrics established under section
14	224(c) of the Cybersecurity Act of 2015 (6
15	U.S.C. $1522(e)$;
16	"(C) summarizes the evaluation and imple-
17	mentation plans described in subparagraphs (F)
18	and (G) of subsection (a)(1) and whether those
19	evaluation and implementation plans call for
20	the use of additional cybersecurity procedures
21	determined to be appropriate by the agency;
22	and
23	"(D) summarizes the status of remedial
24	actions identified by inspector general of the
25	agency, the Comptroller General of the United

1	States, and any other source determined appro-
2	priate by the head of the agency.
3	"(2) Unclassified reports.—Each report
4	submitted under paragraph (1)—
5	"(A) shall be, to the greatest extent prac-
6	ticable, in an unclassified and otherwise uncon-
7	trolled form; and
8	"(B) may include a classified annex.
9	"(3) Access to information.—The head of
10	an agency shall ensure that, to the greatest extent
11	practicable, information is included in the unclassi-
12	fied form of the report submitted by the agency
13	under paragraph $(2)(A)$.
14	"(4) Briefings.—During each year during
15	which a report is not required to be submitted under
16	paragraph (1), the Director shall provide to the con-
17	gressional committees described in paragraph (1) a
18	briefing summarizing current cybersecurity posture
19	of agencies."; and
20	(iii) in paragraph (5), as so redesig-
21	nated, by inserting ", including the report-
22	ing procedures established under section
23	11315(d) of title 40 and subsection
24	(a)(3)(A)(v) of this section," after "poli-
25	cies, procedures, and practices"; and

1	(4) in section 3555—
2	(A) in the section heading, by striking
3	"ANNUAL INDEPENDENT" and inserting
4	"INDEPENDENT";
5	(B) in subsection (a)—
6	(i) in paragraph (1), by inserting
7	"during which a report is required to be
8	submitted under section 3553(c)," after
9	"Each year";
10	(ii) in paragraph (2)(A), by inserting
11	", including by penetration testing and
12	analyzing the vulnerability disclosure pro-
13	gram of the agency" after "information
14	systems"; and
15	(iii) by adding at the end the fol-
16	lowing:
17	"(3) An evaluation under this section may in-
18	clude recommendations for improving the cybersecu-
19	rity posture of the agency.";
20	(C) in subsection $(b)(1)$, by striking "an-
21	nual'';
22	(D) in subsection $(e)(1)$, by inserting "dur-
23	ing which a report is required to be submitted
24	under section 3553(c)" after "Each year";

1	(E) by striking subsection (f) and inserting
2	the following:
3	"(f) Protection of Information.—(1) Agencies,
4	evaluators, and other recipients of information that, if dis-
5	closed, may cause harm to the efforts of Federal informa-
6	tion security officers, shall take appropriate steps to en-
7	sure the protection of that information, including safe-
8	guarding the information from public disclosure.
9	"(2) The protections required under paragraph (1)
10	shall be commensurate with the risk and comply with all
11	applicable laws and regulations.
12	"(3) With respect to information that is not related
13	to national security systems, agencies and evaluators shall
14	make a summary of the information unclassified and pub-
15	liely available, including information that does not iden-
16	tify—
17	"(A) specific information system incidents; or
18	"(B) specific information system
19	vulnerabilities.";
20	(F) in subsection $(g)(2)$ —
21	(i) by striking "this subsection shall"
22	and inserting "this subsection—
23	"(A) shall";

1	(ii) in subparagraph (A), as so des-
2	ignated, by striking the period at the end
3	and inserting "; and; and
4	(iii) by adding at the end the fol-
5	lowing:
6	"(B) identify any entity that performs an
7	independent evaluation under subsection (b).";
8	and
9	(G) striking subsection (j); and
10	(5) in section $3556(a)(4)$ by striking " $3554(b)$ "
11	and inserting " $3554(a)(1)(A)$ ".
12	(d) Conforming Amendments.—
13	(1) Table of sections.—The table of sections
14	for chapter 35 of title 44, United States Code, is
15	amended by striking the item relating to section
16	3555 and inserting the following:
	"3555. Independent evaluation.".
17	(2) OMB REPORTS.—Section 226(c) of the Cy-
18	bersecurity Act of 2015 (6 U.S.C. $1524(c)$) is
19	amended—
20	(A) in paragraph (1)(B), in the matter
21	preceding clause (i), by striking "annually
22	thereafter" and inserting "thereafter during the
23	years during which a report is required to be
24	submitted under section 3553(c) of title 44,
25	United States Code"; and

1	(B) in paragraph $(2)(B)$, in the matter
2	preceding clause (i)—
3	(i) by striking "annually thereafter"
4	and inserting "thereafter during the years
5	during which a report is required to be
6	submitted under section 3553(c) of title
7	44, United States Code"; and
8	(ii) by striking "the report required
9	under section 3553(c) of title 44, United
10	States Code" and inserting "that report".
11	(3) NIST RESPONSIBILITIES.—Section
12	20(d)(3)(B) of the National Institute of Standards
13	and Technology Act (15 U.S.C. $278g-3(d)(3)(B)$) is
14	amended by striking "annual".
15	(e) Federal System Incident Response.—
16	(1) In General.—Chapter 35 of title 44,
17	United States Code, is amended by adding at the
18	end the following:
19	"SUBCHAPTER IV—FEDERAL SYSTEM
20	INCIDENT RESPONSE
21	"§ 3591. Definitions
22	"(a) In General.—Except as provided in subsection
23	(b), the definitions under sections 3502 and 3552 shall
24	apply to this subchapter.

1	"(b) Additional Definitions.—As used in this
2	subchapter:
3	"(1) Appropriate reporting entities.—The
4	term 'appropriate reporting entities' means—
5	"(A) the majority and minority leaders of
6	the Senate;
7	"(B) the Speaker and minority leader of
8	the House of Representatives;
9	"(C) the Committee on Homeland Security
10	and Governmental Affairs of the Senate;
11	"(D) the Committee on Oversight and Re-
12	form of the House of Representatives;
13	"(E) the Committee on Homeland Security
14	of the House of Representatives;
15	"(F) the appropriate authorization and ap-
16	propriations committees of Congress;
17	"(G) the Director;
18	"(H) the Director of the Cybersecurity and
19	Infrastructure Security Agency;
20	"(I) the National Cyber Director;
21	"(J) the Comptroller General of the United
22	States; and
23	"(K) the inspector general of any impacted
24	agency.
25	"(2) AWARDEE.—The term 'awardee'—

1	"(A) means a person, business, or other
2	entity that receives a grant from, or is a party
3	to a cooperative agreement or an other trans-
4	action agreement with, an agency; and
5	"(B) includes any subgrantee of a person,
6	business, or other entity described in subpara-
7	graph (A).
8	"(3) Breach.—The term 'breach' shall be de-
9	fined by the Director.
10	"(4) Contractor.—The term 'contractor'
11	means a prime contractor of an agency or a subcon-
12	tractor of a prime contractor of an agency.
13	"(5) Federal information.—The term 'Fed-
14	eral information' means information created, col-
15	lected, processed, maintained, disseminated, dis-
16	closed, or disposed of by or for the Federal Govern-
17	ment in any medium or form.
18	"(6) Federal information system.—The
19	term 'Federal information system' means an infor-
20	mation system used or operated by an agency, a con-
21	tractor, or another organization on behalf of an
22	agency.
23	"(7) Intelligence community.—The term
24	'intelligence community' has the meaning given the

1	term in section 3 of the National Security Act of
2	1947 (50 U.S.C. 3003).
3	"(8) Nationwide consumer reporting
4	AGENCY.—The term 'nationwide consumer reporting
5	agency' means a consumer reporting agency de-
6	scribed in section 603(p) of the Fair Credit Report-
7	ing Act (15 U.S.C. 1681a(p)).
8	"(9) Vulnerability disclosure.—The term
9	'vulnerability disclosure' means a vulnerability iden-
10	tified under section 3559B.
11	"§ 3592. Notification of breach
12	"(a) Notification.—As expeditiously as practicable
13	and without unreasonable delay, and in any case not later
14	than 45 days after an agency has a reasonable basis to
15	conclude that a breach has occurred, the head of the agen-
16	cy, in consultation with the chief privacy officer of the
17	agency, shall—
18	"(1) determine whether notice to any individual
19	potentially affected by the breach is appropriate
20	based on an assessment of the risk of harm to the
21	individual that considers—
22	"(A) the nature and sensitivity of the per-
23	sonally identifiable information affected by the
24	breach:

1	"(B) the likelihood of access to and use of
2	the personally identifiable information affected
3	by the breach;
4	"(C) the type of breach; and
5	"(D) any other factors determined by the
6	Director; and
7	"(2) as appropriate, provide written notice in
8	accordance with subsection (b) to each individual po-
9	tentially affected by the breach—
10	"(A) to the last known mailing address of
11	the individual; or
12	"(B) through an appropriate alternative
13	method of notification that the head of the
14	agency or a designated senior-level individual of
15	the agency selects based on factors determined
16	by the Director.
17	"(b) Contents of Notice.—Each notice of a
18	breach provided to an individual under subsection (a)(2)
19	shall include—
20	"(1) a brief description of the breach;
21	"(2) if possible, a description of the types of
22	personally identifiable information affected by the
23	breach;
24	"(3) contact information of the agency that
25	may be used to ask questions of the agency, which—

1	"(A) shall include an e-mail address or an-
2	other digital contact mechanism; and
3	"(B) may include a telephone number,
4	mailing address, or a website;
5	"(4) information on any remedy being offered
6	by the agency;
7	"(5) any applicable educational materials relat-
8	ing to what individuals can do in response to a
9	breach that potentially affects their personally iden-
10	tifiable information, including relevant contact infor-
11	mation for Federal law enforcement agencies and
12	each nationwide consumer reporting agency; and
13	"(6) any other appropriate information, as de-
14	termined by the head of the agency or established in
15	guidance by the Director.
16	"(c) Delay of Notification.—
17	"(1) IN GENERAL.—The Attorney General, the
18	Director of National Intelligence, or the Secretary of
19	Homeland Security may delay a notification required
20	under subsection (a) if the notification would—
21	"(A) impede a criminal investigation or a
22	national security activity;
23	"(B) reveal sensitive sources and methods;
24	"(C) cause damage to national security; or
25	"(D) hamper security remediation actions.

1	"(2) Documentation.—
2	"(A) IN GENERAL.—Any delay under para-
3	graph (1) shall be reported in writing to the Di-
4	rector, the Attorney General, the Director of
5	National Intelligence, the Secretary of Home-
6	land Security, the National Cyber Director, the
7	Director of the Cybersecurity and Infrastruc-
8	ture Security Agency, and the head of the agen-
9	cy and the inspector general of the agency that
10	experienced the breach.
11	"(B) Contents.—A report required under
12	subparagraph (A) shall include a written state-
13	ment from the entity that delayed the notifica-
14	tion explaining the need for the delay.
15	"(C) FORM.—The report required under
16	subparagraph (A) shall be unclassified but may
17	include a classified annex.
18	"(3) Renewal.—A delay under paragraph (1)
19	shall be for a period of 60 days and may be renewed.
20	"(d) UPDATE NOTIFICATION.—If an agency deter-
21	mines there is a significant change in the reasonable basis
22	to conclude that a breach occurred, a significant change
23	to the determination made under subsection (a)(1), or that
24	it is necessary to update the details of the information pro-
25	vided to potentially affected individuals as described in

1	subsection (b), the agency shall as expeditiously as prac-
2	ticable and without unreasonable delay, and in any case
3	not later than 30 days after such a determination, notify
4	each individual who received a notification pursuant to
5	subsection (a) of those changes.
6	"(e) Rule of Construction.—Nothing in this sec-
7	tion shall be construed to limit—
8	"(1) the Director from issuing guidance relat-
9	ing to notifications or the head of an agency from
10	notifying individuals potentially affected by breaches
11	that are not determined to be major incidents; or
12	"(2) the Director from issuing guidance relat-
13	ing to notifications of major incidents or the head of
14	an agency from providing more information than de-
15	scribed in subsection (b) when notifying individuals
16	potentially affected by breaches.
17	"§ 3593. Congressional and executive branch reports
18	"(a) Initial Report.—
19	"(1) In general.—Not later than 72 hours
20	after an agency has a reasonable basis to conclude
21	that a major incident occurred, the head of the
22	agency impacted by the major incident shall submit
23	to the appropriate reporting entities a written re-
24	port. Within 7 days of a major incident determina-
25	tion, the head of the agency impacted, or their des-

1	ignee, shall coordinate with the National Cyber Di-
2	rector, or their designee, to provide a briefing, along
3	with the Director and any other Federal entity de-
4	termined appropriate by the National Cyber Direc-
5	tor, to the Committee on Homeland Security and
6	Governmental Affairs of the Senate, the Committee
7	on Oversight and Reform of the House of Represent-
8	atives, the Committee on Homeland Security of the
9	House of Representatives, and the appropriate au-
10	thorization and appropriations committees of Con-
11	gress, in the manner requested by the Congressional
12	entities, taking into account—
13	"(A) the information known at the time of
14	the report, including the threat having likely
15	caused the major incident;
16	"(B) the sensitivity of the details associ-
17	ated with the major incident; and
18	"(C) the classification level of the informa-
19	tion contained in the report.
20	"(2) Contents.—A report required under
21	paragraph (1) shall include, in a manner that ex-
22	cludes or otherwise reasonably protects personally
23	identifiable information and to the extent permitted
24	by applicable law, including privacy and statistical
25	laws—

1	"(A) a summary of the information avail-
2	able about the major incident, including how
3	the major incident occurred and, if applicable,
4	information relating to the major incident as a
5	breach, based on information available to agen-
6	cy officials as of the date on which the agency
7	submits the report;
8	"(B) if applicable, whether any ransom has
9	been demanded or paid, or plans to be paid, by
10	any entity operating a Federal information sys-
11	tem or with access to Federal information or a
12	Federal information system, including the name
13	of the entity demanding ransom, the date of the
14	demand, and the amount and type of currency
15	demanded, unless disclosure of such informa-
16	tion will disrupt an active Federal law enforce-
17	ment or national security operation;
18	"(C) if applicable, a description and any
19	associated documentation of any circumstances
20	necessitating a delay in notification to individ-
21	uals potentially affected by the major incident
22	under subsection (c) of section 3592; and
23	"(D) if applicable, an assessment of the
24	impacts to the agency, the Federal Government,
25	or the security of the United States, based on

1	information available to agency officials on the
2	date on which the agency submits the report.
3	"(3) Components of Briefing.—The 7 day
4	briefing required under paragraph (1)—
5	"(A) shall, to the greatest extent prac-
6	ticable, include an unclassified component; and
7	"(B) may include a classified component.
8	"(b) Supplemental Report.—Within a reasonable
9	amount of time, but not later than 30 days after the date
10	on which an agency submits a written report under sub-
11	section (a), the head of the agency shall provide to the
12	appropriate reporting entities written updates on the
13	major incident and, to the extent practicable, offer a brief-
14	ing to the congressional committees described in sub-
15	section (a)(1), including summaries of—
16	"(1) vulnerabilities, means by which the major
17	incident occurred, and impacts to the agency relat-
18	ing to the major incident;
19	"(2) any risk assessment and subsequent risk-
20	based security implementation of the affected infor-
21	mation system before the date on which the major
22	incident occurred;
23	"(3) an estimate of the number of individuals
24	potentially affected by the major incident based on

1	information available to agency officials as of the
2	date on which the agency provides the update;
3	"(4) an assessment of the risk of harm to indi-
4	viduals potentially affected by the major incident
5	based on information available to agency officials as
6	of the date on which the agency provides the update;
7	"(5) an update to the assessment of the risk to
8	agency operations, or to impacts on other agency or
9	non-Federal entity operations, affected by the major
10	incident based on information available to agency of-
11	ficials as of the date on which the agency provides
12	the update; and
13	"(6) the detection, response, and remediation
14	actions of the agency, including any support pro-
15	vided by the Cybersecurity and Infrastructure Secu-
16	rity Agency under section 3594(d) and status up-
17	dates on the notification process described in section
18	3592(a), including any delay described in subsection
19	(c) of section 3592, if applicable.
20	"(c) UPDATE REPORT.—If the agency, the Director,
21	or the National Cyber Director, determines that there is
22	any significant change in the understanding of the agency
23	of the scope, scale, or consequence of a major incident for
24	which an agency submitted a written report under sub-
25	section (a), the agency shall provide an updated report to

1	the appropriate reporting entities that includes informa-
2	tion relating to the change in understanding.
3	"(d) BIANNUAL REPORT.—Each agency shall submit
4	as part of the biannual report required under section
5	3554(c)(1) of this title a description of each major inci-
6	dent that occurred during the 2-year period preceding the
7	date on which the biannual report is submitted.
8	"(e) Delay Report.—
9	"(1) In general.—The Director shall submit
10	to the appropriate reporting entities an annual re-
11	port on all notification delays granted pursuant to
12	subsection (c) of section 3592.
13	"(2) Component of other report.—The Di-
14	rector may submit the report required under para-
15	graph (1) as a component of the annual report sub-
16	mitted under section 3597(b).
17	"(f) Report and Briefing Consistency.—In car-
18	rying out the duties under this section, and to achieve con-
19	sistent and understandable agency reporting to Congress,
20	the National Cyber Director, in coordination with the Di-
21	rector, shall—
22	"(1) provide to agencies formatting guidelines
23	and recommended contents of information to be in-
24	cluded in the reports and briefings required under
25	this section, including recommendations for the use

1	of plain language terminology and consistent for-
2	mats for presenting any associated metrics; and
3	"(2) maintain a historical archive and major in-
4	cident log of all reports and briefings provided under
5	the requirements of this section, which shall include
6	at a minimum an archive of the full contents of any
7	written report and associated documentation, the re-
8	porting agency, the date of submission, and a list of
9	the recipient Congressional entities, which shall be
10	made available upon request to the Congressional
11	entities listed under subsection (a)(1).
12	"(g) Report Delivery.—Any written report re-
13	quired to be submitted under this section may be sub-
14	mitted in a paper or electronic format.
15	"(h) Rule of Construction.—Nothing in this sec-
16	tion shall be construed to limit—
17	"(1) the ability of an agency to provide addi-
18	tional reports or briefings to Congress; or
19	"(2) Congress from requesting additional infor-
20	mation from agencies through reports, briefings, or
21	other means.
22	"§ 3594. Government information sharing and inci-
23	dent response
24	"(a) In General.—

1	"(1) Incident reporting.—Subject to limita-
2	tions in subsection (b), the head of each agency, or
3	their designee, shall provide the information de-
4	scribed in paragraph (2) relating to an incident af-
5	fecting the agency, whether the information is ob-
6	tained by the Federal Government directly or indi-
7	rectly, to the Cybersecurity and Infrastructure Secu-
8	rity Agency, the Office of Management and Budget,
9	and the Office of the National Cyber Director in a
10	manner specified by the Director under subsection
11	(b).
12	"(2) Contents.—A provision of information
13	relating to an incident made by the head of an agen-
14	cy under paragraph (1) shall—
15	"(A) include detailed information about
16	the safeguards that were in place when the inci-
17	dent occurred;
18	"(B) whether the agency implemented the
19	safeguards described in subparagraph (A) cor-
20	rectly;
21	"(C) in order to protect against a similar
22	incident, identify—
23	"(i) how the safeguards described in
24	subparagraph (A) should be implemented
25	differently; and

1	"(ii) additional necessary safeguards;
2	and
3	"(D) include information to aid in incident
4	response, such as—
5	"(i) a description of the affected sys-
6	tems or networks;
7	"(ii) the estimated dates of when the
8	incident occurred; and
9	"(iii) information that could reason-
10	ably help identify the party that conducted
11	the incident, as appropriate.
12	"(3) Information sharing.—To the greatest
13	extent practicable, the Director of the Cybersecurity
14	and Infrastructure Security Agency shall—
15	"(A) share information relating to an inci-
16	dent with any agencies that may be impacted
17	by the incident, or are potentially susceptible or
18	similarly targeted, as well as with appropriate
19	Federal law enforcement agencies to facilitate
20	any necessary threat response activities as re-
21	quested; and
22	"(B) coordinate, in consultation with the
23	National Cyber Director, any necessary infor-
24	mation sharing efforts related to a major inci-
25	dent with the private sector.

1	"(4) NATIONAL SECURITY SYSTEMS.—Each
2	agency operating or exercising control of a national
3	security system shall share information about inci-
4	dents that occur on national security systems with
5	the Director of the Cybersecurity and Infrastructure
6	Security Agency to the extent consistent with stand-
7	ards and guidelines for national security systems
8	issued in accordance with law and as directed by the
9	President.
10	"(b) Compliance.—The information provided and
11	method of reporting under subsection (a) shall take into
12	account the level of classification of the information and
13	any information sharing limitations and protections, such
14	as limitations and protections relating to law enforcement,
15	national security, privacy, statistical confidentiality, or
16	other factors determined by the Director in order to imple-
17	ment subsection (a)(1) in a manner that enables auto-
18	mated and consistent reporting.
19	"(c) Incident Response.—Each agency that has a
20	reasonable basis to conclude that a major incident oc-
21	curred involving Federal information in electronic medium
22	or form, as defined by the Director and not involving a
23	national security system, regardless of delays from notifi-
24	cation granted for a major incident, shall coordinate with
25	the Cybersecurity and Infrastructure Security Agency to

1	facilitate asset response activities and recommendations
2	for mitigating future incidents, and with appropriate Fed-
3	eral law enforcement agencies to facilitate threat response
4	activities, consistent with relevant policies, principles,
5	standards, and guidelines on information security.
6	"§ 3595. Responsibilities of contractors and awardees
7	"(a) Reporting.—
8	"(1) In general.—Unless otherwise specified
9	in a contract, grant, cooperative agreement, or any
10	other transaction agreement, any contractor or
11	awardee of an agency shall report to both the agency
12	and the Cybersecurity and Infrastructure Security
13	Agency within the same amount of time such agency
14	is required to report an incident, if the contractor or
15	awardee has a reasonable basis to suspect or con-
16	clude that—
17	"(A) an incident or breach has occurred
18	with respect to Federal information collected,
19	used, or maintained by the contractor or award-
20	ee in connection with the contract, grant, coop-
21	erative agreement, or other transaction agree-
22	ment of the contractor or awardee;
23	"(B) an incident or breach has occurred
24	with respect to a Federal information system
25	used or operated by the contractor or awardee

1	in connection with the contract, grant, coopera-
2	tive agreement, or other transaction agreement
3	of the contractor or awardee;
4	"(C) a component of any Federal informa-
5	tion system used or operated by the contractor
6	or awardee in connection with the contract,
7	grant, cooperative agreement, or other trans-
8	action agreement of the contractor or awardee
9	contains a security vulnerability, including a
10	supply chain compromise or an identified soft-
11	ware or hardware vulnerability; or
12	"(D) the contractor or awardee has re-
13	ceived information from the agency that the
14	contractor or awardee is not authorized to re-
15	ceive in connection with the contract, grant, co-
16	operative agreement, or other transaction agree-
17	ment of the contractor or awardee.
18	"(2) Procedures.—
19	"(A) Major incident.—Following a re-
20	port of a breach or major incident by a con-
21	tractor or awardee under paragraph (1), the
22	agency, in consultation with the contractor or
23	awardee and as coordinated by the National
24	Cyber Director, shall carry out the require-

1	ments under sections 3592, 3593, and 3594
2	with respect to the breach or major incident.
3	"(B) Incident.—Following a report of an
4	incident by a contractor or awardee under para-
5	graph (1), an agency, in consultation with the
6	contractor or awardee and as coordinated by
7	the National Cyber Director, shall carry out the
8	requirements under section 3594 with respect
9	to the incident.
10	"(b) Effective Date.—This section shall apply on
11	and after the date that is 1 year after the date of the
12	enactment of the Federal Information Security Mod-
13	ernization Act of 2022 and shall apply with respect to any
14	contract entered into on or after such effective date.
15	"§ 3596. Training
16	"(a) Covered Individual Defined.—In this sec-
17	tion, the term 'covered individual' means an individual
18	who obtains access to Federal information or Federal in-
19	formation systems because of the status of the individual
20	as an employee, contractor, awardee, volunteer, or intern
21	of an agency.
22	"(b) Requirement.—The head of each agency shall
23	develop training for covered individuals on how to identify
24	and respond to an incident, including—

1	"(1) the internal process of the agency for re-
2	porting an incident; and
3	"(2) the obligation of a covered individual to re-
4	port to the agency a suspected major incident and
5	any suspected incident involving information in any
6	medium or form, including paper, oral, and elec-
7	tronic.
8	"(c) Inclusion in Annual Training.—The train-
9	ing developed under subsection (b) may be included as
10	part of an annual privacy or security awareness training
11	of an agency.
12	"§ 3597. Analysis and report on Federal incidents
13	"(a) Analysis of Federal Incidents.—
14	"(1) QUANTITATIVE AND QUALITATIVE ANAL-
15	YSES.—The Director of the Cybersecurity and Infra-
16	structure Security Agency shall develop, in consulta-
17	tion with the Director and the National Cyber Direc-
18	tor, and perform continuous monitoring and quan-
19	titative and qualitative analyses of incidents at agen-
20	cies, including major incidents, including—
21	"(A) the causes of incidents, including—
22	"(i) attacker tactics, techniques, and
23	procedures; and
24	"(ii) system vulnerabilities, including
25	previously unknown zero day exploitations,

1	unpatched systems, and information sys-
2	tem misconfigurations;
3	"(B) the scope and scale of incidents at
4	agencies;
5	"(C) common root causes of incidents
6	across multiple agencies;
7	"(D) agency incident response, recovery,
8	and remediation actions and the effectiveness of
9	those actions, as applicable;
10	"(E) lessons learned and recommendations
11	in responding to, recovering from, remediating,
12	and mitigating future incidents; and
13	"(F) trends across multiple Federal agen-
14	cies to address intrusion detection and incident
15	response capabilities using the metrics estab-
16	lished under section 224(c) of the Cybersecurity
17	Act of 2015 (6 U.S.C. 1522(c)).
18	"(2) Automated analysis.—The analyses de-
19	veloped under paragraph (1) shall, to the greatest
20	extent practicable, use machine readable data, auto-
21	mation, and machine learning processes.
22	"(3) Sharing of data and analysis.—
23	"(A) In General.—The Director shall
24	share on an ongoing basis the analyses required

1	under this subsection with agencies and the Na-
2	tional Cyber Director to—
3	"(i) improve the understanding of cy-
4	bersecurity risk of agencies; and
5	"(ii) support the cybersecurity im-
6	provement efforts of agencies.
7	"(B) Format.—In carrying out subpara-
8	graph (A), the Director shall share the anal-
9	yses—
10	"(i) in human-readable written prod-
11	ucts; and
12	"(ii) to the greatest extent practicable,
13	in machine-readable formats in order to
14	enable automated intake and use by agen-
15	cies.
16	"(b) Annual Report on Federal Incidents.—
17	Not later than 2 years after the date of the enactment
18	of this section, and not less frequently than annually
19	thereafter, the Director of the Cybersecurity and Infra-
20	structure Security Agency, in consultation with the Direc-
21	tor, the National Cyber Director, and the heads of other
22	agencies as appropriate, shall submit to the appropriate
23	reporting entities a report that includes—

1	"(1) a summary of causes of incidents from
2	across the Federal Government that categorizes
3	those incidents as incidents or major incidents;
4	"(2) the quantitative and qualitative analyses of
5	incidents developed under subsection (a)(1) on an
6	agency-by-agency basis and comprehensively across
7	the Federal Government, including—
8	"(A) a specific analysis of breaches; and
9	"(B) an analysis of the Federal Govern-
10	ment's performance against the metrics estab-
11	lished under section 224(c) of the Cybersecurity
12	Act of 2015 (6 U.S.C. 1522(c)); and
13	"(3) an annex for each agency that includes—
14	"(A) a description of each major incident;
15	and
16	"(B) an analysis of the agency's perform-
17	ance against the metrics established under sec-
18	tion 224(c) of the Cybersecurity Act of 2015 (6
19	U.S.C. 1522(c)).
20	"(c) Publication.—To the extent that publication
21	is consistent with national security interests, a summary
22	report containing aggregated metrics and trends of the in-
23	cident information contained in the reports submitted
24	under subsection (b) shall be made publicly available on
25	the website of the Cybersecurity and Infrastructure Secu-

1	rity Agency during the year in which the reports are sub-
2	mitted.
3	"(d) Information Provided by Agencies.—
4	"(1) In general.—The analysis required
5	under subsection (a) and each report submitted
6	under subsection (b) shall use information provided
7	by agencies under section 3594(a).
8	"(2) National security system reports.—
9	"(A) IN GENERAL.—Annually, the head of
10	an agency that operates or exercises control of
11	a national security system shall submit a report
12	that includes the information described in sub-
13	section (b) with respect to the agency to the ex-
14	tent that the submission is consistent with
15	standards and guidelines for national security
16	systems issued in accordance with law and as
17	directed by the President to—
18	"(i) the majority and minority leaders
19	of the Senate,
20	"(ii) the Speaker and minority leader
21	of the House of Representatives;
22	"(iii) the Committee on Homeland Se-
23	curity and Governmental Affairs of the
24	Senate;

1	"(iv) the Select Committee on Intel-
2	ligence of the Senate;
3	"(v) the Committee on Armed Serv-
4	ices of the Senate;
5	"(vi) the Committee on Appropria-
6	tions of the Senate;
7	"(vii) the Committee on Oversight and
8	Reform of the House of Representatives;
9	"(viii) the Committee on Homeland
10	Security of the House of Representatives;
11	"(ix) the Permanent Select Committee
12	on Intelligence of the House of Represent-
13	atives;
14	"(x) the Committee on Armed Serv-
15	ices of the House of Representatives; and
16	"(xi) the Committee on Appropria-
17	tions of the House of Representatives.
18	"(B) Classified form.—A report re-
19	quired under subparagraph (A) may be sub-
20	mitted in a classified form.
21	"(e) Requirement for Compiling Informa-
22	TION.—In publishing the public report required under
23	subsection (c), the Director of the Cybersecurity and In-
24	frastructure Security Agency shall sufficiently compile in-
25	formation such that no specific incident of an agency can

- 1 be identified, except with the concurrence of the Director
- 2 of the Office of Management and Budget, the National
- 3 Cyber Director, and in consultation with the impacted
- 4 agency.

5 "§ 3598. Major incident definition

- 6 "(a) IN GENERAL.—Not later than one year after the
- 7 date of the enactment of the Federal Information Security
- 8 Modernization Act of 2022, the Director, in coordination
- 9 with the Director of the Cybersecurity and Infrastructure
- 10 Security Agency and the National Cyber Director, shall
- 11 develop and promulgate guidance on the definition of the
- 12 term 'major incident' for the purposes of subchapter II
- 13 and this subchapter.
- 14 "(b) REQUIREMENTS.—With respect to the guidance
- 15 issued under subsection (a), the definition of the term
- 16 'major incident' shall—
- 17 "(1) include, with respect to any information
- 18 collected or maintained by or on behalf of an agency
- or an information system used or operated by an
- agency or by a contractor of an agency or another
- organization on behalf of an agency, any incident
- the head of the agency determines with high con-
- fidence is likely to result in clear and demonstrable
- harm to—

1	"(A) the national security interests, foreign
2	relations, or the economy of the United States;
3	"(B) the public confidence, civil liberties,
4	or public health and safety of the people of the
5	United States;
6	"(C) the privacy of the people of the
7	United States, including the integrity of person-
8	ally identifiable information; or
9	"(D) any other type of incident determined
10	appropriate by the Director; and
11	"(2) stipulate that the National Cyber Director,
12	in consultation with the Director, shall have the au-
13	thority to declare a major incident, and in making
14	such declaration shall consider whether an inci-
15	dent—
16	"(A) occurs at not less than 2 agencies;
17	"(B) is enabled by—
18	"(i) a common technical root cause,
19	such as a supply chain compromise or a
20	common software or hardware vulner-
21	ability; or
22	"(ii) the related activities of a com-
23	mon threat actor; or

1	"(C) has a significant impact on the con-
2	fidentiality, integrity, or availability of a high
3	value asset.
4	"(c) Evaluation and Updates.—Not later than 2
5	years after the date on which the Director promulgates
6	guidance as required in subsection (a), and not less fre-
7	quently than every 2 years thereafter, the Director shall
8	evaluate and update, if necessary, the guidance issued
9	under subsection (a).".
10	(2) CLERICAL AMENDMENT.—The table of sec-
11	tions for chapter 35 of title 44, United States Code,
12	is amended by adding at the end the following:
	"SUBCHAPTER IV—FEDERAL SYSTEM INCIDENT RESPONSE
	 "3591. Definitions. "3592. Notification of breach. "3593. Congressional and executive branch reports. "3594. Government information sharing and incident response. "3595. Responsibilities of contractors and awardees. "3596. Training. "3597. Analysis and report on Federal incidents. "3598. Major incident definition.".
13	SEC. 102. AMENDMENTS TO SUBTITLE III OF TITLE 40.
14	(a) Modernizing Government Technology.—
15	Subtitle G of title X of division A of the National Defense
16	Authorization Act for Fiscal Year 2018 (Public Law 115–
17	91; 40 U.S.C. 11301 note) is amended in section 1078—
18	(1) by striking subsection (a) and inserting the
19	following:
20	"(a) Definitions.—In this section:

1	"(1) Agency.—The term 'agency' has the
2	meaning given the term in section 551 of title 5,
3	United States Code.
4	"(2) High value asset.—The term 'high
5	value asset' has the meaning given the term in sec-
6	tion 3552 of title 44, United States Code."; and
7	(2) in subsection (c)—
8	(A) in paragraph (2)(A)(i), by inserting ",
9	including a consideration of the impact on high
10	value assets" after "operational risks";
11	(B) in paragraph (5)—
12	(i) in subparagraph (A), by striking
13	"and" at the end;
14	(ii) in subparagraph (B), by striking
15	the period at the end and inserting ";
16	and"; and
17	(iii) by adding at the end the fol-
18	lowing:
19	"(C) a senior official from the Cybersecu-
20	rity and Infrastructure Security Agency of the
21	Department of Homeland Security, appointed
22	by the Director."; and
23	(C) in paragraph (6)(A), by striking "shall
24	be—" and all that follows through "4 employ-
25	ees" and inserting "shall be 4 employees".

1	(b) Subchapter I.—Subchapter I of chapter 113 of
2	subtitle III of title 40, United States Code, is amended—
3	(1) in section 11302—
4	(A) in subsection (b), by striking "use, se-
5	curity, and disposal of" and inserting "use, and
6	disposal of, and, in consultation with the Direc-
7	tor of the Cybersecurity and Infrastructure Se-
8	curity Agency and the National Cyber Director,
9	promote and improve the security of,";
10	(B) by amending subsection (f) to read as
11	follows:
12	"(f) Use of Best Practices in Acquisitions.—
13	The Director shall—
14	"(1) encourage the heads of the executive agen-
15	cies to develop and use the best practices in the ac-
16	quisition of information technology, including supply
17	chain risk management standards, guidelines, and
18	practices developed by the National Institute of
19	Standards and Technology; and
20	"(2) consult with the Federal Chief Information
21	Security Officer appointed by the President under
22	section 3607 of title 44, for the development and use
23	of risk management standards, guidelines, and prac-
24	tices developed by the National Institute of Stand-
25	ards and Technology."; and

1	(C) in subsection (h), by inserting ", in-
2	cluding cybersecurity performances," after "the
3	performances'; and
4	(2) in subparagraph (B) of section
5	11303(b)(2)—
6	(A) in clause (i), by striking "; or" and in-
7	serting a semicolon;
8	(B) in clause (ii), by striking the semicolon
9	and inserting "; or"; and
10	(C) by inserting at the end the following:
11	"(iii) whether the function should be
12	performed by a shared service offered by
13	another executive agency;".
14	(c) Subchapter II.—Subchapter II of chapter 113
15	of subtitle III of title 40, United States Code, is amend-
16	ed—
17	(1) in section 11312(a), by inserting ", includ-
18	ing security risks" after "managing the risks";
19	(2) in section 11313(1), by striking "efficiency
20	and effectiveness" and inserting "efficiency, security,
21	and effectiveness";
22	(3) in section 11317, by inserting "security,"
23	before "or schedule"; and

1	(4) in the heading for paragraph (1) of section
2	11319(b), by striking "CIOS" and inserting "CHIEF
3	INFORMATION OFFICERS".
4	(d) Subchapter III.—Section 11331 of title 40,
5	United States Code, is amended—
6	(1) in subsection (a), by striking "section
7	3532(b)(1)" and inserting "section 3552(b)";
8	(2) in subsection (b)(1)(A), by striking "the
9	Secretary of Homeland Security" and inserting "the
10	Director of the Cybersecurity and Infrastructure Se-
11	curity Agency";
12	(3) by adding at the end the following:
13	"(e) Review of Office of Management and
14	BUDGET GUIDANCE AND POLICY.—
15	"(1) CONDUCT OF REVIEW.—The Director of
16	the Office of Management and Budget shall regu-
17	larly review the efficacy of the guidance and policy
18	promulgated by the Director in reducing cybersecu-
19	rity risks, including consideration of reporting and
20	compliance burden on agencies.
21	"(2) GAO REVIEW.—The Government Account-
22	ability Office shall regularly review the guidance and
23	policy promulgated by the Director to assess its effi-
24	cacy in risk reduction and burden on agencies, and
25	shall issue recommendations to the Director

1	"(f) Automated Standard Implementation
2	VERIFICATION.—When the Director of the National Insti-
3	tute of Standards and Technology issues a proposed
4	standard or guideline pursuant to paragraphs (2) and (3)
5	of section 20(a) of the National Institute of Standards and
6	Technology Act (15 U.S.C. 278g-3(a)), the Director of
7	the National Institute of Standards and Technology shall
8	consider developing and, if appropriate and practical, de-
9	velop, in consultation with the Director of the Cybersecu-
10	rity and Infrastructure Security Agency, specifications to
11	enable the automated verification of the implementation
12	of controls.".
12	SEC. 103. ACTIONS TO ENHANCE FEDERAL INCIDENT RE-
13	SEC. 103. ACTIONS TO ENHANCE FEDERAL INCIDENT RE-
13	SPONSE.
14	SPONSE.
14 15	SPONSE. (a) Responsibilities of the Cybersecurity and
14 15 16	SPONSE. (a) RESPONSIBILITIES OF THE CYBERSECURITY AND INFRASTRUCTURE SECURITY AGENCY.—
14 15 16 17	sponse. (a) Responsibilities of the Cybersecurity and Infrastructure Security Agency.— (1) In general.—Not later than 180 days
14 15 16 17 18	sponse. (a) Responsibilities of the Cybersecurity and Infrastructure Security Agency.— (1) In general.—Not later than 180 days after the date of the enactment of this Act, the Di-
14 15 16 17 18	sponse. (a) Responsibilities of the Cybersecurity and Infrastructure Security Agency.— (1) In General.—Not later than 180 days after the date of the enactment of this Act, the Director of the Cybersecurity and Infrastructure Security
14 15 16 17 18 19 20	sponse. (a) Responsibilities of the Cybersecurity and Infrastructure Security Agency.— (1) In General.—Not later than 180 days after the date of the enactment of this Act, the Director of the Cybersecurity and Infrastructure Security Agency shall—
14 15 16 17 18 19 20 21	(a) Responsibilities of the Cybersecurity and Infrastructure Security Agency.— (1) In General.—Not later than 180 days after the date of the enactment of this Act, the Director of the Cybersecurity and Infrastructure Security Agency shall— (A) develop a plan for the development of
14 15 16 17 18 19 20 21	(a) Responsibilities of the Cybersecurity and Infrastructure Security Agency.— (1) In General.—Not later than 180 days after the date of the enactment of this Act, the Director of the Cybersecurity and Infrastructure Security Agency shall— (A) develop a plan for the development of the analysis required under section 3597(a) of

1	(i) a description of any challenges the
2	Director of the Cybersecurity and Infra-
3	structure Security Agency anticipates en-
4	countering; and
5	(ii) the use of automation and ma-
6	chine-readable formats for collecting, com-
7	piling, monitoring, and analyzing data; and
8	(B) provide to the appropriate congres-
9	sional committees a briefing on the plan devel-
10	oped under subparagraph (A).
11	(2) Briefing.—Not later than 1 year after the
12	date of the enactment of this Act, the Director of
13	the Cybersecurity and Infrastructure Security Agen-
14	cy shall provide to the appropriate congressional
15	committees a briefing on—
16	(A) the execution of the plan required
17	under paragraph (1)(A); and
18	(B) the development of the report required
19	under section 3597(b) of title 44, United States
20	Code, as added by this Act.
21	(b) Responsibilities of the Director of the
22	Office of Management and Budget.—
23	(1) FISMA.—Section 2 of the Federal Informa-
24	tion Security Modernization Act of 2014 (Public
25	Law 113–283; 44 U.S.C. 3554 note) is amended—

1	(A) by striking subsection (b); and
2	(B) by redesignating subsections (c)
3	through (f) as subsections (b) through (e), re-
4	spectively.
5	(2) In general.—The Director shall develop
6	guidance, to be updated not less frequently than
7	once every 2 years, on the content, timeliness, and
8	format of the information provided by agencies
9	under section 3594(a) of title 44, United States
10	Code, as added by this Act.
11	(3) Guidance on responding to informa-
12	TION REQUESTS.—Not later than 1 year after the
13	date of the enactment of this Act, the Director shall
14	develop guidance for agencies to implement the re-
15	quirement under section 3594(c) of title 44, United
16	States Code, as added by this Act, to provide infor-
17	mation to other agencies experiencing incidents.
18	(4) STANDARD GUIDANCE AND TEMPLATES.—
19	Not later than 1 year after the date of the enact-
20	ment of this Act, the Director, in consultation with
21	the Director of the Cybersecurity and Infrastructure
22	Security Agency, shall develop guidance and, as ap-
23	propriate, templates, to be reviewed and, if nec-
24	essary, updated not less frequently than once every
25	2 years, for use by agencies in the activities required

1	under sections 3592, 3593, and 3596 of title 44,
2	United States Code, as added by this Act.
3	(5) CONTRACTOR AND AWARDEE GUIDANCE.—
4	(A) In general.—Not later than 1 year
5	after the date of the enactment of this Act, the
6	Director, in coordination with the Secretary of
7	Homeland Security, the Secretary of Defense,
8	the Administrator of General Services, and the
9	heads of other agencies determined appropriate
10	by the Director, shall issue guidance to agencies
11	on how to deconflict, to the greatest extent
12	practicable, regulations, policies, and procedures
13	relating to the responsibilities of contractors
14	and awardees established under section 3595 of
15	title 44, United States Code, as added by this
16	Act.
17	(B) Existing processes.—To the great-
18	est extent practicable, the guidance issued
19	under subparagraph (A) shall allow contractors
20	and awardees to use existing processes for noti-
21	fying agencies of incidents involving information
22	of the Federal Government.
23	(c) Update to the Privacy Act of 1974.—Sec-
24	tion 552a(b) of title 5, United States Code (commonly
25	known as the "Privacy Act of 1974") is amended—

1	(1) in paragraph (11), by striking "; or" and
2	inserting a semicolon;
3	(2) in paragraph (12), by striking the period at
4	the end and inserting "; or"; and
5	(3) by adding at the end the following:
6	"(13) to another agency, to the extent nec-
7	essary, in furtherance of a response to an incident
8	(as defined in section 3552 of title 44) or to fulfil
9	the information sharing requirements in section
10	3594 of title 44, provided that the agency maintains
11	a record specifying the particular portion desired
12	and the activity for which the record is sought.".
13	SEC. 104. ADDITIONAL GUIDANCE TO AGENCIES ON FISMA
13 14	SEC. 104. ADDITIONAL GUIDANCE TO AGENCIES ON FISMA UPDATES.
14	UPDATES.
14 15	UPDATES. Not later than 1 year after the date of the enactment
14 15 16	UPDATES. Not later than 1 year after the date of the enactment of this Act, the Director shall issue guidance for agencies
14 15 16 17	UPDATES. Not later than 1 year after the date of the enactment of this Act, the Director shall issue guidance for agencies on—
14 15 16 17	Not later than 1 year after the date of the enactment of this Act, the Director shall issue guidance for agencies on— (1) performing the ongoing and continuous
114 115 116 117 118	Not later than 1 year after the date of the enactment of this Act, the Director shall issue guidance for agencies on— (1) performing the ongoing and continuous agency system risk assessment required under sec-
114 115 116 117 118 119 220	Not later than 1 year after the date of the enactment of this Act, the Director shall issue guidance for agencies on— (1) performing the ongoing and continuous agency system risk assessment required under section 3554(a)(1)(A) of title 44, United States Code
14 15 16 17 18 19 20 21	Not later than 1 year after the date of the enactment of this Act, the Director shall issue guidance for agencies on— (1) performing the ongoing and continuous agency system risk assessment required under section 3554(a)(1)(A) of title 44, United States Code as amended by this Act;

1	(3) establishing a process for providing the sta-
2	tus of each remedial action under section $3554(b)(7)$
3	of title 44, United States Code, as amended by this
4	Act, to the Director and the Director of the Cyberse-
5	curity and Infrastructure Security Agency using au-
6	tomation and machine-readable data, as practicable,
7	which shall include—
8	(A) specific guidance for the use of auto-
9	mation and machine-readable data; and
10	(B) templates for providing the status of
11	the remedial action;
12	(4) interpreting the definition of "high value
13	asset" under section 3552 of title 44, United States
14	Code, as amended by this Act; and
15	(5) a requirement to coordinate with inspectors
16	general of agencies to ensure consistent under-
17	standing and application of agency policies for the
18	purpose of evaluations by inspectors general.
19	SEC. 105. AGENCY REQUIREMENTS TO NOTIFY PRIVATE
20	SECTOR ENTITIES IMPACTED BY INCIDENTS.
21	(a) Definitions.—In this section:
22	(1) Reporting entity.—The term "reporting
23	entity" means a private organization or govern-
24	mental unit that is required by statute or regulation
25	to submit sensitive information to an agency.

1	(2) Sensitive information.—The term "sen-
2	sitive information" has the meaning given the term
3	by the Director in guidance issued under subsection
4	(b).
5	(b) Guidance on Notification of Reporting En-
6	TITIES.—Not later than 180 days after the date of the
7	enactment of this Act, the Director shall issue guidance
8	requiring the head of each agency to notify a reporting
9	entity of an incident that is likely to substantially affect—
10	(1) the confidentiality or integrity of sensitive
11	information submitted by the reporting entity to the
12	agency pursuant to a statutory or regulatory re-
13	quirement; or
14	(2) each agency information system used in the
15	transmission or storage of the sensitive information
16	described in paragraph (1).
17	TITLE II—IMPROVING FEDERAL
18	CYBERSECURITY
19	SEC. 201. MOBILE SECURITY STANDARDS.
20	(a) In General.—Not later than 1 year after the
21	date of the enactment of this Act, the Director shall—
22	(1) evaluate mobile application security guid-
23	ance promulgated by the Director; and
24	(2) issue guidance to secure mobile devices, in-
25	cluding for mobile applications, for every agency.

1	(b) Contents.—The guidance issued under sub-
2	section (a)(2) shall include—
3	(1) a requirement, pursuant to section
4	3506(b)(4) of title 44, United States Code, for every
5	agency to maintain a continuous inventory of
6	every—
7	(A) mobile device operated by or on behalf
8	of the agency; and
9	(B) vulnerability identified by the agency
10	associated with a mobile device; and
11	(2) a requirement for every agency to perform
12	continuous evaluation of the vulnerabilities described
13	in paragraph (1)(B) and other risks associated with
14	the use of applications on mobile devices.
15	(e) Information Sharing.—The Director, in co-
16	ordination with the Director of the Cybersecurity and In-
17	frastructure Security Agency, shall issue guidance to
18	agencies for sharing the inventory of the agency required
19	under subsection $(b)(1)$ with the Director of the Cyberse-
20	curity and Infrastructure Security Agency, using automa-
21	tion and machine-readable data to the greatest extent
22	practicable.
23	(d) Briefing.—Not later than 60 days after the date
24	on which the Director issues guidance under subsection
25	(a)(2), the Director, in coordination with the Director of

1	the Cybersecurity and Infrastructure Security Agency,
2	shall provide to the appropriate congressional committees
3	a briefing on the guidance.
4	SEC. 202. DATA AND LOGGING RETENTION FOR INCIDENT
5	RESPONSE.
6	(a) Recommendations.—Not later than 2 years
7	after the date of the enactment of this Act, and not less
8	frequently than every 2 years thereafter, the Director of
9	the Cybersecurity and Infrastructure Security Agency, in
10	consultation with the Attorney General, shall submit to
11	the Director recommendations on requirements for logging
12	events on agency systems and retaining other relevant
13	data within the systems and networks of an agency.
14	(b) Contents.—The recommendations provided
15	under subsection (a) shall include—
16	(1) the types of logs to be maintained;
17	(2) the duration that logs and other relevant
18	data should be retained;
19	(3) the time periods for agency implementation
20	of recommended logging and security requirements;
21	(4) how to ensure the confidentiality, integrity,
22	and availability of logs;
23	(5) requirements to ensure that, upon request,
24	in a manner that excludes or otherwise reasonably
25	protects personally identifiable information, and to

1	the extent permitted by applicable law (including
2	privacy and statistical laws), agencies provide logs
3	to—
4	(A) the Director of the Cybersecurity and
5	Infrastructure Security Agency for a cybersecu-
6	rity purpose; and
7	(B) the Director of the Federal Bureau of
8	Investigation, or the appropriate Federal law
9	enforcement agency, to investigate potential
10	criminal activity; and
11	(6) requirements to ensure that, subject to com-
12	pliance with statistical laws and other relevant data
13	protection requirements, the highest level security
14	operations center of each agency has visibility into
15	all agency logs.
16	(c) Guidance.—Not later than 90 days after receiv-
17	ing the recommendations submitted under subsection (a),
18	the Director, in consultation with National Cyber Direc-
19	tor, the Director of the Cybersecurity and Infrastructure
20	Security Agency, and the Attorney General, shall, as de-
21	termined to be appropriate by the Director, update guid-
22	ance to agencies regarding requirements for logging, log
23	retention, log management, sharing of log data with other
24	appropriate agencies, or any other logging activity deter-
25	mined to be appropriate by the Director.

1	(d) Sunset.—This section will cease to be in effect
2	on the date that is 10 years after the date of the enact-
3	ment of this Act.
4	SEC. 203. FEDERAL PENETRATION TESTING POLICY.
5	(a) In General.—Subchapter II of chapter 35 of
6	title 44, United States Code, is amended by adding at the
7	end the following:
8	"§ 3559A. Federal penetration testing
9	"(a) Guidance.—The Director shall, in consultation
10	with the Secretary of Homeland Security acting through
11	the Director of the Cybersecurity and Infrastructure Secu-
12	rity Agency, issue guidance to agencies that—
13	"(1) requires agencies to use, when and where
14	appropriate, penetration testing on agency systems
15	by both Federal and non-Federal entities, with a
16	focus on high value assets;
17	"(2) provides policies governing agency develop-
18	ment of an operational plan, rules of engagement for
19	utilizing penetration testing, and procedures to uti-
20	lize the results of penetration testing to improve the
21	cybersecurity and risk management of the agency;
22	and
23	"(3) ensures that penetration testing is being
24	performed appropriately by agencies and that oper-
25	ational support or a shared service is available.

- 1 "(b) Exception for National Security Sys-
- 2 TEMS.—The guidance issued under subsection (a) shall
- 3 not apply to national security systems.
- 4 "(c) Delegation of Authority for Certain Sys-
- 5 TEMS.—The authorities of the Director described in sub-
- 6 section (a) shall be delegated—
- 7 "(1) to the Secretary of Defense in the case of
- 8 systems described in section 3553(e)(2); and
- 9 "(2) to the Director of National Intelligence in
- the case of systems described in section
- 3553(e)(3).".
- 12 (b) DEADLINE FOR GUIDANCE.—Not later than 180
- 13 days after the date of the enactment of this Act, the Direc-
- 14 tor shall issue the guidance required under section
- 15 3559A(a) of title 44, United States Code, as added by sub-
- 16 section (a).
- 17 (c) Sunset.—This section shall sunset and any
- 18 amendments made by this section shall be repealed on the
- 19 date that is 10 years after the date of the enactment of
- 20 this Act.
- 21 (d) CLERICAL AMENDMENT.—The table of sections
- 22 for chapter 35 of title 44, United States Code, is amended
- 23 by adding after the item relating to section 3559 the fol-
- 24 lowing:

[&]quot;3559A. Federal penetration testing.".

1	(e) Penetration Testing by the Secretary of
2	Homeland Security.—Section 3553(b) of title 44,
3	United States Code, as amended by section 101, is further
4	amended—
5	(1) by redesignating paragraphs (9) and (10)
6	as paragraphs (10) and (11), respectively; and
7	(2) by inserting after paragraph (8) the fol-
8	lowing:
9	"(9) performing penetration testing to identify
10	vulnerabilities within Federal information systems;".
11	SEC. 204. ONGOING THREAT HUNTING PROGRAM.
12	(a) Threat Hunting Program.—
13	(1) In general.—Not later than 540 days
14	after the date of the enactment of this Act, the Di-
15	rector of the Cybersecurity and Infrastructure Secu-
16	rity Agency shall establish a program to provide on-
17	going threat-hunting services in accordance with au-
18	thorities granted in section $3553(b)(9)$ – (10) and
19	3553(m) of title 44, United States Code (as redesig-
20	nated by this Act), and may offer such threat hunt-
21	ing services as a shared service for the network of
22	each agency.
23	(2) Plan.—Not later than 180 days after the
24	date of the enactment of this Act, the Director of
25	the Cybersecurity and Infrastructure Security Agen-

1	cy shall develop a plan to establish the program re-
2	quired under paragraph (1) that describes how the
3	Director of the Cybersecurity and Infrastructure Se-
4	curity Agency plans to—
5	(A) determine the method for collecting,
6	storing, accessing, analyzing, and safeguarding
7	appropriate agency data;
8	(B) provide on-premises support to agen-
9	cies;
10	(C) staff threat hunting services;
11	(D) establish common operating proce-
12	dures, including necessary interagency legal
13	agreements;
14	(E) allocate available human and financial
15	resources to implement the plan; and
16	(F) provide input to the heads of agencies
17	on the use of—
18	(i) more stringent standards under
19	section 11331(c)(1) of title 40, United
20	States Code; and
21	(ii) additional cybersecurity proce-
22	dures under section 3554 of title 44,
23	United States Code.
24	(b) Reports.—The Director of the Cybersecurity
25	and Infrastructure Security Agency, in consultation with

1	the Director, shall submit to the appropriate congressional
2	committees—
3	(1) not later than 30 days after the date on
4	which the Director of the Cybersecurity and Infra-
5	structure Security Agency completes the plan re-
6	quired under subsection (a)(2), a report on the plan
7	to provide threat hunting services to agencies;
8	(2) not less than 30 days before the date on
9	which the Director of the Cybersecurity and Infra-
10	structure Security Agency begins providing threat
11	hunting services under the program under sub-
12	section (a)(1), a report providing any updates to the
13	plan developed under subsection (a)(2); and
14	(3) not later than 1 year after the date on
15	which the Director of the Cybersecurity and Infra-
16	structure Security Agency begins providing threat
17	hunting services to agencies other than the Cyberse-
18	curity and Infrastructure Security Agency, a report
19	describing lessons learned from providing those serv-
20	ices.
21	SEC. 205. VULNERABILITY DISCLOSURE PROGRAMS.
22	(a) In General.—Subchapter II of Chapter 35 of
23	title 44, United States Code, as amended by section
24	203(a), is further amended by adding at the end the fol-
25	lowing:

1	"§ 3559B. Federal vulnerability disclosure programs
2	"(a) Definitions.—In this section:
3	"(1) Vulnerability disclosure report.—
4	The term 'vulnerability disclosure report' means a
5	disclosure of a security vulnerability (as that term is
6	defined in section 1501(17) of title 6, United States
7	Code) made to an agency by a reporter.
8	"(2) Reporter.—The term 'reporter' means
9	an individual that submits a vulnerability disclosure
10	report pursuant to the vulnerability disclosure proc-
11	ess of an agency.
12	"(b) Responsibilities of OMB.—
13	"(1) Limitation on legal action.—The Di-
14	rector of the Office of Management and Budget, in
15	consultation with the Attorney General, shall issue
16	guidance to agencies to not recommend or pursue
17	legal action against a reporter or an individual
18	that—
19	"(A) conducts a security research activity
20	that the head of the agency determines rep-
21	resents a good faith effort to identify and re-
22	port security vulnerabilities in Federal informa-
23	tion systems; or
24	"(B) is otherwise authorized under the vul-
25	nerability disclosure policy of the agency devel-
26	oped under subsection $(d)(2)$.

1	"(2) Sharing information with cisa.—The
2	Director of the Office of Management and Budget,
3	in coordination with the Director of the Cybersecu-
4	rity and Infrastructure Security Agency and in con-
5	sultation with the National Cyber Director, shall
6	issue guidance to agencies on sharing relevant infor-
7	mation in a consistent, automated, and machine
8	readable manner with the Director of the Cybersecu-
9	rity and Infrastructure Security Agency, including—
10	"(A) any valid or credible vulnerability dis-
11	closure reports of newly discovered or not pub-
12	licly known vulnerabilities (including
13	misconfigurations) on commercial software or
14	services used by Federal information systems;
15	"(B) information relating to vulnerability
16	disclosure, coordination, or remediation activi-
17	ties of an agency, particularly as those activities
18	relate to outside organizations—
19	"(i) with which the head of the agency
20	believes the Director of the Cybersecurity
21	and Infrastructure Security Agency can as-
22	sist; or
23	"(ii) about which the head of the
24	agency believes the Director of the Cyber-

1	security and Infrastructure Security Agen-
2	cy should know; and
3	"(C) any other information with respect to
4	which the head of the agency determines helpful
5	or necessary to involve the Director of the Cy-
6	bersecurity and Infrastructure Security Agency.
7	"(3) Agency vulnerability disclosure
8	POLICIES.—The Director shall issue guidance to
9	agencies on the required minimum scope of agency
10	systems covered by the vulnerability disclosure policy
11	of an agency required under subsection (d)(2).
12	"(c) Responsibilities of CISA.—The Director of
13	the Cybersecurity and Infrastructure Security Agency
14	shall—
15	"(1) provide support to agencies with respect to
16	the implementation of the requirements of this sec-
17	tion;
18	"(2) develop tools, processes, and other mecha-
19	nisms determined appropriate to offer agencies capa-
20	bilities to implement the requirements of this sec-
21	tion;
22	"(3) upon a request by an agency, assist the
23	agency in the disclosure to vendors of newly identi-
24	fied vulnerabilities in vendor products and services;
25	and

1	"(4) as appropriate, implement the require-
2	ments of this section, in accordance with authorities
3	set out in section 3553(b)(8), as a shared service
4	available to agencies.
5	"(d) Responsibilities of Agencies.—
6	"(1) Public information.—The head of each
7	agency shall make publicly available, with respect to
8	each internet domain under the control of the agen-
9	cy that is not a national security system—
10	"(A) an appropriate security contact; and
11	"(B) the component of the agency that is
12	responsible for the internet accessible services
13	offered at the domain.
14	"(2) Vulnerability disclosure policy.—
15	The head of each agency shall develop and make
16	publicly available a vulnerability disclosure policy for
17	the agency, which shall—
18	"(A) describe—
19	"(i) the scope of the systems of the
20	agency included in the vulnerability disclo-
21	sure policy;
22	"(ii) the type of information system
23	testing that is authorized by the agency;

1	"(iii) the type of information system
2	testing that is not authorized by the agen-
3	cy; and
4	"(iv) the disclosure policy of the agen-
5	cy for sensitive information;
6	"(B) with respect to a vulnerability disclo-
7	sure report to an agency, describe—
8	"(i) how the reporter should submit
9	the vulnerability disclosure report; and
10	"(ii) if the vulnerability disclosure re-
11	port is not anonymous, when the reporter
12	should anticipate an acknowledgment of re-
13	ceipt of the vulnerability disclosure report
14	by the agency;
15	"(C) include any other relevant informa-
16	tion; and
17	"(D) be mature in scope, covering all inter-
18	net accessible Federal information systems used
19	or operated by that agency or on behalf of that
20	agency.
21	"(3) IDENTIFIED VULNERABILITIES.—The head
22	of each agency shall consider vulnerabilities reported
23	under paragraph (2) and, commensurate with the
24	risk posed by the vulnerability, address such vulner-
25	ability using the vulnerability management process

- 1 of the agency in order to track and remediate the
- 2 vulnerability.
- 3 "(e) Congressional Reporting.—Not later than
- 4 90 days after the date of the enactment of the Federal
- 5 Information Security Modernization Act of 2022, and an-
- 6 nually thereafter for a 3-year period, the Director of the
- 7 Cybersecurity and Infrastructure Security Agency, in con-
- 8 sultation with the Director and impacted agencies, shall
- 9 provide to the Committee on Homeland Security and Gov-
- 10 ernmental Affairs of the Senate and the Committee on
- 11 Oversight and Reform of the House of Representatives a
- 12 briefing on the status of the use of vulnerability disclosure
- 13 policies under this section at agencies, including, with re-
- 14 spect to the guidance issued under subsection (b)(3), an
- 15 identification of the agencies that are compliant and not
- 16 compliant.
- 17 "(f) Exemptions.—The authorities and functions of
- 18 the Director and Director of the Cybersecurity and Infra-
- 19 structure Security Agency under this section shall not
- 20 apply to national security systems.
- 21 "(g) Delegation of Authority for Certain
- 22 Systems.—The authorities of the Director and the Direc-
- 23 tor of the Cybersecurity and Infrastructure Security Agen-
- 24 cy described in this section shall be delegated—

1	"(1) to the Secretary of Defense in the case of
2	systems described in section 3553(e)(2); and
3	"(2) to the Director of National Intelligence in
4	the case of systems described in section
5	3553(e)(3).".
6	(b) Sunset.—This section shall sunset and any
7	amendments made by this section shall be repealed on the
8	date that is 10 years after the date of the enactment of
9	this Act.
10	(c) Clerical Amendment.—The table of sections
11	for chapter 35 of title 44, United States Code, is amended
12	by adding after the item relating to section 3559A, as
13	added by this Act, the following:
	"3559B. Federal vulnerability disclosure programs.".
14	SEC. 206. IMPLEMENTING ZERO TRUST ARCHITECTURE.
15	(a) Guidance.—The Director shall maintain guid-
16	ance on the adoption of zero trust architecture and not
17	later than 2 years after the date of the enactment of this
18	Act, provide an update to the appropriate congressional
19	committees on progress in increasing the internal defenses
20	of agency systems through such adoption across the gov-
21	ernment, including—
22	(1) shifting away from "trusted networks" to
23	implement security controls based on a presumption
24	of compromise;

1	(2) implementing principles of least privilege in
2	administering information security programs;
3	(3) limiting the ability of entities that cause in-
4	cidents to move laterally through or between agency
5	systems;
6	(4) identifying incidents quickly;
7	(5) isolating and removing unauthorized entities
8	from agency systems as quickly as practicable, ac-
9	counting for intelligence or law enforcement pur-
10	poses;
11	(6) otherwise increasing the resource costs for
12	entities that cause incidents to be successful; and
13	(7) a summary of the agency progress reports
14	required under subsection (b).
15	(b) Agency Progress Reports.—Not later than
16	270 days after the date of the enactment of this Act, the
17	head of each agency shall submit to the Director a
18	progress report on implementing an information security
19	program based on a zero trust architecture, which shall
20	include—
21	(1) a description of any steps the agency has
22	completed, including progress toward achieving any
23	requirements issued by the Director, including the
24	adoption of any models or reference architecture;

1	(2) an identification of activities that have not
2	yet been completed and that would have the most
3	immediate security impact; and
4	(3) a schedule to implement any planned activi-
5	ties.
6	SEC. 207. GAO AUTOMATION REPORT.
7	Not later than 2 years after the date of the enact-
8	ment of this Act, the Comptroller General of the United
9	States shall perform a study and submit to the Commit-
10	tees on Oversight and Reform, Homeland Security, and
11	Science, Space, and Technology of the House of Rep-
12	resentatives and the Committees on Homeland Security
13	and Governmental Affairs and Commerce, Science, and
14	Transportation of the Senate a report on the use of auto-
15	mation and machine-readable data across the Federal
16	Government for cybersecurity purposes, including the
17	automated updating of cybersecurity tools, sensors, or
18	processes employed by agencies under paragraphs (1),
19	(5)(C), and (8)(B) of section 3554(b) of title 44, United
20	States Code, as amended by this Act.
21	SEC. 208. EXTENSION OF FEDERAL ACQUISITION SECURITY
22	COUNCIL.
23	(a) Extension.—Section 1328 of title 41, United
24	States Code, is amended by striking "the date that" and
25	all that follows and inserting "December 31, 2026.".

1	(b) Extension.—Section 4713(j) of title 41, United
2	States Code, is amended by striking "the date that" and
3	all that follows and inserting "December 31, 2026.".
4	(c) Designation.—Section 1322(c)(1) of title 41,
5	United States Code, is amended by striking "Not later
6	than" and all that follows through the end of the para-
7	graph and inserting the following: "The Director of OMB
8	shall designate the Federal Chief Information Security Of-
9	ficer appointed by the President under section 3607 of
10	title 44, or an equivalent senior-level official from the Of-
11	fice of Management and Budget if the position is vacant,
12	to serve as the Chairperson of the Council.".
13	(d) Requirement.—Subsection 1326(b) of title 41,
14	United States Code, is amended—
15	(1) in paragraph (5), by striking "; and" and
16	inserting a semicolon;
17	(2) by redesignating paragraph (6) as para-
18	graph (7); and
19	(3) by inserting after paragraph (5) the fol-
20	lowing new paragraph:
21	"(6) maintaining an up-to-date and accurate in-
22	ventory of software in use by the agency and, when
23	available, the components of such software, including
24	any available Software Bills of Materials, as applica-
25	ble, that can be communicated when requested to

1	the Federal Acquisition Security Council, the Na-
2	tional Cybersecurity Director, or the Secretary of
3	Homeland Security acting through the Director of
4	Cybersecurity and Infrastructure Security Agency;
5	and".
6	SEC. 209. RENAMING OF OFFICE OF THE FEDERAL CHIEF
7	INFORMATION OFFICER.
8	(a) Definitions.—Section 3601 of title 44, United
9	States Code, is amended—
10	(1) by striking paragraph (1); and
11	(2) by redesignating paragraphs (2) through
12	(8) as paragraphs (1) through (7), respectively.
13	(b) Office of Electronic Government.—Section
14	3602 of title 44, United States Code, is amended—
15	(1) in the heading, by striking "Office of
16	Electronic Government" and inserting "Of-
17	fice of the Federal Chief Information Offi-
18	cer";
19	(2) in subsection (a), by striking "Office of
20	Electronic Government" and inserting "Office of the
21	Federal Chief Information Officer";
22	(3) in subsection (b), by striking "an Adminis-
23	trator" and inserting "a Federal Chief Information
24	Officer";

1	(4) in subsection (c), by striking "The Adminis-
2	trator" and inserting "The Federal Chief Informa-
3	tion Officer";
4	(5) in subsection (d), by striking "The Adminis-
5	trator" and inserting "The Federal Chief Informa-
6	tion Officer";
7	(6) in subsection (e), by striking "The Adminis-
8	trator" and inserting "The Federal Chief Informa-
9	tion Officer";
10	(7) in subsection (f)—
11	(A) in the matter preceding paragraph (1),
12	by striking "the Administrator" and inserting
13	"the Federal Chief Information Officer";
14	(B) in paragraph (16), by striking "the
15	Office of Electronic Government" and inserting
16	"the Office of the Federal Chief Information
17	Officer'; and
18	(C) by adding at the end the following new
19	paragraph:
20	"(18) Oversee the Federal Chief Information
21	Security Officer."; and
22	(8) in subsection (g), by striking "the Office of
23	Electronic Government" and inserting "the Office of
24	the Federal Chief Information Officer".

1	(c) Chief Information Officers Council.—Sec-
2	tion 3603 of title 44, United States Code, is amended—
3	(1) in subsection (b)(2), by striking "The Ad-
4	ministrator of the Office of Electronic Government"
5	and inserting "The Federal Chief Information Offi-
6	cer ";
7	(2) in subsection (c)(1), by striking "The Ad-
8	ministrator of the Office of Electronic Government"
9	and inserting "The Federal Chief Information Offi-
10	cer"; and
11	(3) in subsection (f)—
12	(A) in paragraph (3), by striking "the Ad-
13	ministrator" and inserting "the Federal Chief
14	Information Officer"; and
15	(B) in paragraph (5), by striking "the Ad-
16	ministrator" and inserting "the Federal Chief
17	Information Officer".
18	(d) E-government Fund.—Section 3604 of title
19	44, United States Code, is amended—
20	(1) in paragraph (2) of subsection (a), by strik-
21	ing "the Administrator of the Office of Electronic
22	Government" and inserting "the Federal Chief In-
23	formation Officer":

1	(2) in subsection (b), by striking "Adminis-
2	trator" each place it appears and inserting "Federal
3	Chief Information Officer"; and
4	(3) in subsection (c), by striking "the Adminis-
5	trator" and inserting "the Federal Chief Informa-
6	tion Officer".
7	(e) Program to Encourage Innovative Solu-
8	TIONS TO ENHANCE ELECTRONIC GOVERNMENT SERV-
9	ICES AND PROCESSES.—Section 3605 of title 44, United
10	States Code, is amended—
11	(1) in subsection (a), by striking "The Adminis-
12	trator" and inserting "The Federal Chief Informa-
13	tion Officer';
14	(2) in subsection (b), by striking ", the Admin-
15	istrator," and inserting ", the Federal Chief Infor-
16	mation Officer,"; and
17	(3) in subsection (e)—
18	(A) in paragraph (1)—
19	(i) by striking "The Administrator"
20	and inserting "The Federal Chief Informa-
21	tion Officer"; and
22	(ii) by striking "proposals submitted
23	to the Administrator" and inserting "pro-
24	posals submitted to the Federal Chief In-
25	formation Officer";

1	(B) in paragraph (2)(B), by striking "the
2	Administrator" and inserting "the Federal
3	Chief Information Officer"; and
4	(C) in paragraph (4), by striking "the Ad-
5	ministrator" and inserting "the Federal Chief
6	Information Officer"; and
7	(f) E-GOVERNMENT REPORT.—Section 3606 of title
8	44, United States Code, is amended—
9	(1) in the heading, by striking " E-Govern-
10	ment" and inserting "Annual"; and
11	(2) in subsection (a), by striking "an E-Gov-
12	ernment status report to the Committee on Govern-
13	mental Affairs of the Senate and the Committee on
14	Government Reform of the House of Representa-
15	tives" and inserting "a report to the Committee on
16	Homeland Security and Governmental Affairs of the
17	Senate and the Committee on Oversight and Govern-
18	ment Reform of the House of Representatives".
19	(g) Treatment of Incumbent.—The individual
20	serving as the Administrator of the Office of Electronic
21	Government under section 3602 of title 44, United States
22	Code, as of the date of the enactment of this Act, may
23	continue to serve as the Federal Chief Information Officer
24	commencing as of that date, without further appointment
25	under such section.

1	(h) References.—Any reference to the Adminis-
2	trator of the Office of Electronic Government in any law,
3	regulation, document, record, or other paper of the United
4	States shall be deemed to be a reference to the Federal
5	Chief Information Officer.
6	(i) Technical and Conforming Amendments.—
7	The table of sections for chapter 36 of title 44, United
8	States Code, is amended—
9	(1) by striking the item relating to section 3602
10	and inserting the following new item:
	"3602. Office of the Federal Chief Information Officer"; and
11	(2) in the item relating to section 3606, by
12	striking "E-Government" and inserting "Annual".
13	SEC. 210. FEDERAL CHIEF INFORMATION SECURITY OFFI-
13 14	SEC. 210. FEDERAL CHIEF INFORMATION SECURITY OFFI- CER.
14	
	CER.
14 15 16	CER. (a) Amendment.—Chapter 36 of title 44, United
14 15 16 17	CER. (a) AMENDMENT.—Chapter 36 of title 44, United States Code, is amended by adding at the end the fol-
14 15 16	CER. (a) Amendment.—Chapter 36 of title 44, United States Code, is amended by adding at the end the following:
14 15 16 17	CER. (a) AMENDMENT.—Chapter 36 of title 44, United States Code, is amended by adding at the end the following: "§ 3607. Federal chief information security officer
14 15 16 17 18	CER. (a) AMENDMENT.—Chapter 36 of title 44, United States Code, is amended by adding at the end the following: "§ 3607. Federal chief information security officer "(a) ESTABLISHMENT.—There is established in the
14 15 16 17 18 19	CER. (a) AMENDMENT.—Chapter 36 of title 44, United States Code, is amended by adding at the end the following: "§ 3607. Federal chief information security officer "(a) ESTABLISHMENT.—There is established in the Office of the Federal Chief Information Officer of the Of-
14 15 16 17 18 19 20	CER. (a) AMENDMENT.—Chapter 36 of title 44, United States Code, is amended by adding at the end the following: "§ 3607. Federal chief information security officer "(a) ESTABLISHMENT.—There is established in the Office of the Federal Chief Information Officer of the Office of Management and Budget a Federal Chief Information
14 15 16 17 18 19 20 21	CER. (a) AMENDMENT.—Chapter 36 of title 44, United States Code, is amended by adding at the end the following: "§ 3607. Federal chief information security officer "(a) ESTABLISHMENT.—There is established in the Office of the Federal Chief Information Officer of the Office of Management and Budget a Federal Chief Information Security Officer, who shall be appointed by the President Chief Information Security Officer, who shall be appointed by the President Chief Information Security Officer, who shall be appointed by the President Chief Information Security Officer, who shall be appointed by the President Chief Information Security Officer, who shall be appointed by the President Chief Information Security Officer, who shall be appointed by the President Chief Information Security Officer, who shall be appointed by the President Chief Information Security Officer, who shall be appointed by the President Chief Information Security Officer, who shall be appointed by the President Chief Information Security Officer, who shall be appointed by the President Chief Information Security Officer, who shall be appointed by the President Chief Information Security Officer, who shall be appointed by the President Chief Information Security Officer Securi

1	Officer, and assist the Chief Information Officer in car-
2	rying out—
3	"(1) all functions under this chapter;
4	"(2) all functions assigned to the Director
5	under title II of the E–Government Act of 2002;
6	"(3) other electronic government initiatives,
7	consistent with other statutes; and
8	"(4) other initiatives determined by the Chief
9	Information Officer.
10	"(c) Additional Duties.—The Federal Chief Infor-
11	mation Security Officer shall work with the Chief Informa-
12	tion Officer to oversee implementation of electronic Gov-
13	ernment under the E–Government Act of 2002, and other
14	relevant statutes, in a manner consistent with law, relating
15	to—
16	"(1) cybersecurity strategy, policy, and oper-
17	ations, including the performance of the duties of
18	the Director under subchapter II of chapter 35;
19	"(2) the development of enterprise architec-
20	tures;
21	"(3) information security;
22	"(4) privacy;
23	"(5) access to, dissemination of, and preserva-
24	tion of Government information; and

1	"(6) other areas of electronic Government as
2	determined by the Federal Chief Information Offi-
3	cer.
4	"(d) Assistance.—The Federal Chief Information
5	Security Officer shall assist the Federal Chief Information
6	Officer in the performance of electronic Government func-
7	tions as described in section 3602(f).".
8	(b) Deputy National Cyber Director.—Section
9	1752 of the William M. (Mac) Thornberry National De-
10	fense Authorization Act for Fiscal Year 2021 (6 U.S.C.
11	1500; 134 Stat. 4144) is amended by adding at the end
12	the following new subsection:
13	"(h) DEPUTY DIRECTOR.—There shall be a Deputy
14	National Cyber Director for Agency Strategy, Capabilities,
15	and Budget, who shall be the Federal Chief Information
16	Security Officer appointed by the President under section
17	3607 of title 44, United States Code, and shall report to
18	the Director and assist the office in carrying out the fol-
19	lowing duties as it applies to the protection of Federal in-
20	formation systems by the agencies—
21	"(1) the preparation and oversight over the im-
22	plementation of national cyber policy and strategy
23	under subsection (e)(1)(C)(i);

1	"(2) the formation and issuance of rec-
2	ommendations to agencies on resource allocations
3	and policies under subsection (c)(1)(C)(ii);
4	"(3) reviewing annual budget proposals and
5	making related recommendations under subsection
6	(c)(1)(C)(iii);
7	"(4) the functions, as determined necessary, of
8	the National Cyber Director under subchapter II of
9	chapter 35 of title 44, United States Code; and
10	"(5) other initiatives determined by the Direc-
11	tor, or to be necessary to coordinate with the Office
12	by the Federal Chief Information Officer.".
13	(c) Clerical Amendment.—The table of sections
14	for chapter 36 of title 44, United States Code, is amended
15	by adding after the item relating to section 3606 the fol-
16	lowing:
	"3607. Federal chief information security officer.".
17	SEC. 211. EXTENSION OF CHIEF DATA OFFICER COUNCIL.
18	Section 3520A(e)(2) of title 44, United States Code
19	is amended by striking "upon the expiration of the 2-year
20	period that begins on the date the Comptroller General
21	submits the report under paragraph (1) to Congress" and
2.2.	inserting "January 31 2030"

1	SEC. 212. COUNCIL OF THE INSPECTORS GENERAL ON IN-
2	TEGRITY AND EFFICIENCY DASHBOARD.
3	Section 11(e)(2) of the Inspector General Act of 1978
4	(5 U.S.C. App.) is amended—
5	(1) in subparagraph (A), by striking "and" at
6	the end;
7	(2) by redesignating subparagraph (B) as sub-
8	paragraph (C); and
9	(3) by inserting after subparagraph (A) the fol-
10	lowing:
11	"(B) that shall include a dashboard of
12	open information security recommendations
13	identified in the independent evaluations re-
14	quired by section 3555(a) of title 44, United
15	States Code; and".
16	SEC. 213. QUANTITATIVE CYBERSECURITY METRICS.
17	(a) Definition of Covered Metrics.—In this sec-
18	tion, the term "covered metrics" means the metrics estab-
19	lished, reviewed, and updated under section 224(c) of the
20	Cybersecurity Act of 2015 (6 U.S.C. 1522(c)).
21	(b) Updating and Establishing Metrics.—Not
22	later than 1 year after the date of the enactment of this
23	Act, the Director of the Cybersecurity and Infrastructure
24	Security Agency, in coordination with the Director and the
25	National Cyber Director and consulting with the Director

1	of the National Institute of Standards and Technology,
2	shall—
3	(1) evaluate any covered metrics established as
4	of the date of the enactment of this Act; and
5	(2) as appropriate and pursuant to section
6	224(c) of the Cybersecurity Act of 2015 (6 U.S.C.
7	1522(e))—
8	(A) update the covered metrics; and
9	(B) establish new covered metrics.
10	(c) Implementation.—
11	(1) In general.—Not later than 540 days
12	after the date of the enactment of this Act, the Di-
13	rector, in coordination with the Director of the Cy-
14	bersecurity and Infrastructure Security Agency,
15	shall promulgate guidance that requires each agency
16	to use covered metrics to track trends in the cyber-
17	security and incident response capabilities of the
18	agency.
19	(2) Performance Demonstration.—The
20	guidance issued under paragraph (1) and any subse-
21	quent guidance shall require agencies to share with
22	the Director of the Cybersecurity and Infrastructure
23	Security Agency data demonstrating the perform-
24	ance of the agency using the covered metrics in-
25	cluded in the guidance.

1	(3) Penetration tests.—On not less than 2
2	occasions during the 2-year period following the date
3	on which guidance is promulgated under paragraph
4	(1), the Director shall ensure that not less than 3
5	agencies are subjected to substantially similar pene-
6	tration tests, as determined by the Director, in co-
7	ordination with the Director of the Cybersecurity
8	and Infrastructure Security Agency, in order to vali-
9	date the utility of the covered metrics.
10	(4) Analysis capacity.—The Director of the
11	Cybersecurity and Infrastructure Security Agency
12	shall develop a capability that allows for the analysis
13	of the covered metrics, including cross-agency per-
14	formance of agency cybersecurity and incident re-
15	sponse capability trends.
16	(d) Congressional Report.—Not later than 1 year
17	after the date of the enactment of this Act, the Director
18	of the Cybersecurity and Infrastructure Security Agency,
19	in coordination with the Director, shall submit to the ap-
20	propriate congressional committees a report on the utility
21	of the covered metrics.
22	(e) Federal Cybersecurity Enhancement Act
23	OF 2015 UPDATES.—The Federal Cybersecurity Enhance-
24	ment Act of 2015 (6 U.S.C. 1521 et seq) is amended—

1	(1) in section 222(3)(B), by inserting "and the
2	Committee on Oversight and Reform" before "of the
3	House of Representatives"; and
4	(2) in section 224—
5	(A) by amending subsection (c) to read as
6	follows:
7	"(c) Improved Metrics.—The Director of the Cy-
8	bersecurity and Infrastructure Security Agency, in coordi-
9	nation with the Director, shall establish, review, and up-
10	date metrics to measure the cybersecurity and incident re-
11	sponse capabilities of agencies in accordance with the re-
12	sponsibilities of agencies under section 3554 of title 44,
13	United States Code.";
14	(B) by striking subsection (e); and
15	(C) by redesignating subsection (f) as sub-
16	section (e).
17	TITLE III—PILOT PROGRAMS TO
18	ENHANCE FEDERAL CYBER-
19	SECURITY
20	SEC. 301. RISK-BASED BUDGET PILOT.
21	(a) Definitions.—In this section:
22	(1) Appropriate congressional commit-
23	TEES.—The term "appropriate congressional com-
24	mittees" means—

1	(A) the Committee on Homeland Security
2	and Governmental Affairs and the Committee
3	on Appropriations of the Senate; and
4	(B) the Committee on Homeland Security,
5	the Committee on Oversight and Reform, and
6	the Committee on Appropriations of the House
7	of Representatives.
8	(2) Information technology.—The term
9	"information technology"—
10	(A) has the meaning given the term in sec-
11	tion 11101 of title 40, United States Code; and
12	(B) includes the hardware and software
13	systems of an agency that monitor and control
14	physical equipment and processes of the agency.
15	(3) RISK-BASED BUDGET.—The term "risk-
16	based budget" means a budget—
17	(A) developed by identifying and
18	prioritizing cybersecurity risks and
19	vulnerabilities, including impact on agency oper-
20	ations in the case of a cyber attack, through
21	analysis of cyber threat intelligence, incident
22	data, and tactics, techniques, procedures, and
23	capabilities of cyber threats; and

1		(B) that allocates resources based on the
2		risks identified and prioritized under subpara-
3		graph (A).
4	(b)	ESTABLISHMENT OF RISK-BASED BUDGET
5	Рпот.—	_
6		(1) In general.—
7		(A) Model.—Not later than 1 year after
8		the first publication of the budget submitted by
9		the President under section 1105 of title 31,
10		United States Code, following the date of the
11		enactment of this Act, the Director, in consulta-
12		tion with the Director of the Cybersecurity and
13		Infrastructure Security Agency and the Na-
14		tional Cyber Director and in coordination with
15		the Director of the National Institute of Stand-
16		ards and Technology, shall conduct a pilot for
17		creating a risk-based budget for cybersecurity
18		spending.
19		(B) CONTENTS OF PILOT.—The pilot re-
20		quired to be developed under this paragraph
21		shall—
22		(i) consider Federal and non-Federal
23		cyber threat intelligence products, where
24		available, to identify threats,
25		vulnerabilities, and risks;

107

1	(ii) consider the impact on agency op-
2	erations of incidents, including the
3	interconnectivity to other agency systems
4	and the operations of other agencies;
5	(iii) indicate where resources should
6	be allocated to have the greatest impact on
7	mitigating current and future threats and
8	current and future cybersecurity capabili-
9	ties;
10	(iv) be used to inform acquisition and
11	sustainment of—
12	(I) information technology and
13	cybersecurity tools;
14	(II) information technology and
15	cybersecurity architectures;
16	(III) information technology and
17	cybersecurity personnel; and
18	(IV) cybersecurity and informa-
19	tion technology concepts of operations;
20	and
21	(v) be used to evaluate and inform
22	government-wide cybersecurity programs of
23	the Department of Homeland Security.
24	(2) Reports.—Not later than 3 years after the
25	first publication of the budget submitted by the

1	President under section 1105 of title 31, United
2	States Code, following the date of the enactment of
3	this Act, the Director shall submit a report to Con-
4	gress on the implementation of the pilot for risk-
5	based budgeting for cybersecurity spending, an as-
6	sessment of agency implementation, and an evalua-
7	tion of whether the risk-based budget helps to miti-
8	gate cybersecurity vulnerabilities.
9	(3) GAO REPORT.—Not later than 4 years
10	after the first publication of the budget submitted by
11	the President under section 1105 of title 31, United
12	States Code, following the date of the enactment of
13	this Act, the Comptroller General of the United
14	States shall submit to the appropriate congressional
15	committees a report that includes—
16	(A) an evaluation of the success of pilot
17	agencies in implementing risk-based budgets;
18	(B) an evaluation of whether the risk-
19	based budgets developed by pilot agencies are
20	effective at informing Federal Government-wide
21	cybersecurity programs; and
22	(C) any other information relating to risk-
23	based budgets the Comptroller General deter-
24	mines appropriate.

	100
1	SEC. 302. ACTIVE CYBER DEFENSIVE STUDY.
2	(a) Definition.—In this section, the term "active
3	defense technique" has the meaning given in guidance
4	issued by the Director, in coordination with the Attorney
5	General.
6	(b) STUDY.—Not later than 180 days after the date
7	of the enactment of this Act, the Director of the Cyberse-
8	curity and Infrastructure Security Agency, in coordination
9	with the Director and the National Cyber Director, shall
10	perform a study and submit to the Committees on Over-
11	sight and Reform and Homeland Security of the House
12	of Representatives and the Committee on Homeland Secu-
13	rity and Governmental Affairs of the Senate a report or
14	the use of active defense techniques to enhance the secu-
15	rity of agencies, which shall include—
16	(1) a review of legal restrictions on the use of
17	different active cyber defense techniques in Federa
18	environments, in consultation with the Attorney
19	General;
20	(2) an evaluation of—
21	(A) the efficacy of a selection of active de-

fense techniques determined by the Director of

the Cybersecurity and Infrastructure Security

22

23

24

Agency; and

1	(B) factors that impact the efficacy of the
2	active defense techniques evaluated under sub-
3	paragraph (A);
4	(3) recommendations on safeguards and proce-
5	dures that shall be established to require that active
6	defense techniques are adequately coordinated to en-
7	sure that active defense techniques do not impede
8	agency operations and mission delivery, threat re-
9	sponse efforts, criminal investigations, and national
10	security activities, including intelligence collection;
11	and
12	(4) the development of a framework for the use
13	of different active defense techniques by agencies.
14	SEC. 303. SECURITY OPERATIONS CENTER AS A SERVICE
15	PILOT.
16	(a) Plan.—Not later than 1 year after the date of
17	the enactment of this Act, the Director of the Cybersecu-
18	rity and Infrastructure Security Agency shall develop a
19	plan to establish a centralized Federal security operations
20	center shared service offering within the Cybersecurity
21	and Infrastructure Security Agency.
22	(b) CONTENTS.—The plan required under subsection
23	(a) shall include considerations for—
24	(1) collecting, organizing, and analyzing agency
25	information system data in real time;

111

1	(2) staffing and resources; and
2	(3) appropriate interagency agreements, con-
3	cepts of operations, and governance plans, including
4	alignment with existing shared services operations
5	and policy.
6	(c) Pilot Program.—
7	(1) In general.—Not later than 180 days
8	after the date on which the plan required under sub-
9	section (a) is developed, the Director of the Cyberse-
10	curity and Infrastructure Security Agency, in con-
11	sultation with the Director of the Office of Manage-
12	ment and Budget, shall enter into a 1-year agree-
13	ment with not less than 2 agencies to offer a secu-
14	rity operations center as a shared service.
15	(2) Additional agreements.—After the date
16	on which the briefing required under subsection
17	(d)(1) is provided, the Director of the Cybersecurity
18	and Infrastructure Security Agency, in consultation
19	with the Director of the Office of Management and
20	Budget, may enter into additional 1-year agreements
21	described in paragraph (1) with agencies.
22	(d) Briefing and Report.—
23	(1) Briefing.—Not later than 270 days after
24	the date of the enactment of this Act, the Director
25	of the Cybersecurity and Infrastructure Security

1	Agency shall provide to appropriate congressional
2	committees a briefing on the parameters of any 1-
3	year agreements entered into under subsection
4	(e)(1).
5	(2) Report.—Not later than 90 days after the
6	date on which the first 1-year agreement entered
7	into under subsection (c) expires, the Director of the
8	Cybersecurity and Infrastructure Security Agency
9	shall submit to appropriate congressional committees
10	a report on—
11	(A) the agreement; and
12	(B) any additional agreements entered into
13	with agencies under subsection (c).
14	SEC. 304. DETECTION AND RESPONSE AS A SERVICE PILOT.
15	(a) Purpose.—The Cybersecurity and Infrastruc-
16	ture Security Agency is directed to establish and conduct
17	a pilot to determine the feasibility, value, and efficacy of
18	providing detection and response capabilities as a shared
19	service to agencies to reduce costs, enhance interoper-
20	ability, and continuously detect and mitigate threat activ-
21	ity on Federal networks.
22	(b) Plan.—Not later than 90 days after the date of
23	the enactment of this Act, the Director of the Cybersecu-
24	rity and Infrastructure Security Agency shall develop a
25	plan to establish a centralized detection and response

1	shared service offering within the Cybersecurity and Infra-
2	structure Security Agency.
3	(c) Contents.—The plan required under subsection
4	(b) shall include considerations for—
5	(1) understanding and assessing the full extent
6	of endpoints across the Federal civilian environment;
7	(2) maximizing the value of existing agency in-
8	vestments in endpoint detection and response tools
9	and services;
10	(3) aggregating the available contract vehicles
11	and options that provide agencies with appropriate
12	capability for their environment and architecture;
13	(4) equipping all endpoints and services of pilot
14	agencies with endpoint detection and response pro-
15	grams;
16	(5) where appropriate, aggregating network,
17	cloud, and endpoint data from both within the agen-
18	cy and across agencies to provide enterprise-wide
19	monitoring of the network to detect abnormal net-
20	work behavior and automate defensive capabilities;
21	and
22	(6) appropriate interagency agreements, con-
23	cepts of operations, and governance plans, including
24	alignment with existing shared services operations
25	and policy.

1 (d) Pilot Program.—

- (1) IN GENERAL.—Not later than 180 days after the date on which the plan required under subsection (b) is developed, the Director of the Cybersecurity and Infrastructure Security Agency, in consultation with the Director, shall enter into a 1-year agreement with not less than 2 agencies to offer detection and response as a shared service.
- (2) ADDITIONAL AGREEMENTS.—After the date on which the briefing required under subsection (e)(1) is provided, the Director of the Cybersecurity and Infrastructure Security Agency, in consultation with the Director, may enter into additional 1-year agreements described in paragraph (1) with agencies.

(e) Briefing and Report.—

(1) Briefing.—Not later than 270 days after the date of the enactment of this Act, the Director of the Cybersecurity and Infrastructure Security Agency shall provide to the Committee on Homeland Security and Governmental Affairs of the Senate and the Committee on Homeland Security and the Committee on Oversight and Reform of the House of Representatives a briefing on the parameters of

1	any 1-year agreements entered into under subsection
2	(d)(1).
3	(2) Report.—Not later than 90 days after the
4	date on which the first 1-year agreement entered
5	into under subsection (d) expires, the Director of the
6	Cybersecurity and Infrastructure Security Agency
7	shall submit to the Committee on Homeland Secu-
8	rity and Governmental Affairs of the Senate and the
9	Committee on Homeland Security and the Com-
10	mittee on Oversight and Reform of the House of
11	Representatives a report on—
12	(A) the agreement; and
13	(B) any additional agreements entered into
14	with agencies under subsection (d).