

## Union Calendar No. 33

117<sup>TH</sup> CONGRESS  
1<sup>ST</sup> SESSION

# H. R. 3264

**[Report No. 117-50]**

To amend the Homeland Security Act of 2002 to require research and development to identify and evaluate the extent to which critical domain risks within the United States supply chain pose a substantial threat to homeland security, and for other purposes.

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### IN THE HOUSE OF REPRESENTATIVES

MAY 17, 2021

Mr. KATKO (for himself and Mr. THOMPSON of Mississippi) introduced the following bill; which was referred to the Committee on Homeland Security

JUNE 1, 2021

Additional sponsors: Mr. MEIJER, Ms. SLOTKIN, Mrs. CAMMACK, Mr. PFLUGER, Mrs. HARSHBARGER, Mr. GIMENEZ, and Mr. GARBARINO

JUNE 1, 2021

Reported from the Committee on Homeland Security; committed to the Committee of the Whole House on the State of the Union and ordered to be printed

# **A BILL**

To amend the Homeland Security Act of 2002 to require research and development to identify and evaluate the extent to which critical domain risks within the United States supply chain pose a substantial threat to homeland security, and for other purposes.

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

3 **SECTION 1. SHORT TITLE.**

4       This Act may be cited as the “Domains Critical to  
5 Homeland Security Act”.

6 **SEC. 2. CRITICAL DOMAIN RESEARCH AND DEVELOPMENT.**

7       (a) IN GENERAL.—Subtitle H of title VIII of the  
8 Homeland Security Act of 2002 (6 U.S.C. 451 et seq.)  
9 is amended by adding at the end the following new section:

10 **“SEC. 890B. HOMELAND SECURITY CRITICAL DOMAIN RE-**  
11 **SEARCH AND DEVELOPMENT.**

12       “(a) IN GENERAL.—

13               “(1) RESEARCH AND DEVELOPMENT.—The  
14 Secretary is authorized to conduct research and de-  
15 velopment to—

16                       “(A) identify United States critical do-  
17 mains for economic security and homeland se-  
18 curity; and

19                       “(B) evaluate the extent to which disrup-  
20 tion, corruption, exploitation, or dysfunction of  
21 any of such domain poses a substantial threat  
22 to homeland security.

23       “(2) REQUIREMENTS.—

24                       “(A) RISK ANALYSIS OF CRITICAL DO-  
25 MAINS.—The research under paragraph (1)

1 shall include a risk analysis of each identified  
2 United States critical domain for economic se-  
3 curity to determine the degree to which there  
4 exists a present or future threat to homeland  
5 security in the event of disruption, corruption,  
6 exploitation, or dysfunction to such domain.  
7 Such research shall consider, to the extent pos-  
8 sible, the following:

9 “(i) The vulnerability and resilience of  
10 relevant supply chains.

11 “(ii) Foreign production, processing,  
12 and manufacturing methods.

13 “(iii) Influence of malign economic ac-  
14 tors.

15 “(iv) Asset ownership.

16 “(v) Relationships within the supply  
17 chains of such domains.

18 “(vi) The degree to which the condi-  
19 tions referred to in clauses (i) through (v)  
20 would place such a domain at risk of dis-  
21 ruption, corruption, exploitation, or dys-  
22 function.

23 “(B) ADDITIONAL RESEARCH INTO HIGH-  
24 RISK CRITICAL DOMAINS.—Based on the identi-  
25 fication and risk analysis of United States crit-

1           ical domains for economic security pursuant to  
2           paragraph (1) and subparagraph (A) of this  
3           paragraph, respectively, the Secretary may con-  
4           duct additional research into those critical do-  
5           mains, or specific elements thereof, with respect  
6           to which there exists the highest degree of a  
7           present or future threat to homeland security in  
8           the event of disruption, corruption, exploitation,  
9           or dysfunction to such a domain. For each such  
10          high-risk domain, or element thereof, such re-  
11          search shall—

12                   “(i) describe the underlying infra-  
13                   structure and processes;

14                   “(ii) analyze present and projected  
15                   performance of industries that comprise or  
16                   support such domain;

17                   “(iii) examine the extent to which the  
18                   supply chain of a product or service nec-  
19                   essary to such domain is concentrated, ei-  
20                   ther through a small number of sources, or  
21                   if multiple sources are concentrated in one  
22                   geographic area;

23                   “(iv) examine the extent to which the  
24                   demand for supplies of goods and services  
25                   of such industries can be fulfilled by

1 present and projected performance of other  
2 industries, identify strategies, plans, and  
3 potential barriers to expand the supplier  
4 industrial base, and identify the barriers to  
5 the participation of such other industries;

6 “(v) consider each such domain’s per-  
7 formance capacities in stable economic en-  
8 vironments, adversarial supply conditions,  
9 and under crisis economic constraints;

10 “(vi) identify and define needs and re-  
11 quirements to establish supply resiliency  
12 within each such domain; and

13 “(vii) consider the effects of sector  
14 consolidation, including foreign consolida-  
15 tion, either through mergers or acquisi-  
16 tions, or due to recent geographic realign-  
17 ment, on such industries’ performances.

18 “(3) CONSULTATION.—In conducting the re-  
19 search under paragraph (1) and subparagraph (B)  
20 of paragraph (2), the Secretary may consult with  
21 appropriate Federal agencies, State agencies, and  
22 private sector stakeholders.

23 “(4) PUBLICATION.—Beginning one year after  
24 the date of the enactment of this section, the Sec-  
25 retary shall publish a report containing information

1 relating to the research under paragraph (1) and  
2 subparagraph (B) of paragraph (2), including find-  
3 ings, evidence, analysis, and recommendations. Such  
4 report shall be updated annually through 2026.

5 “(b) SUBMISSION TO CONGRESS.—Not later than 90  
6 days after the publication of each report required under  
7 paragraph (4) of subsection (a), the Secretary shall trans-  
8 mit to the Committee on Homeland Security of the House  
9 of Representatives and the Committee on Homeland Secu-  
10 rity and Governmental Affairs of the Senate each such re-  
11 port, together with a description of actions the Secretary,  
12 in consultation with appropriate Federal agencies, will un-  
13 dertake or has undertaken in response to each such report.

14 “(c) DEFINITIONS.—In this section:

15 “(1) UNITED STATES CRITICAL DOMAINS FOR  
16 ECONOMIC SECURITY.—The term ‘United States  
17 critical domains for economic security’ means the  
18 critical infrastructure and other associated indus-  
19 tries, technologies, and intellectual property, or any  
20 combination thereof, that are essential to the eco-  
21 nomic security of the United States.

22 “(2) ECONOMIC SECURITY.—The term ‘eco-  
23 nomic security’ means the condition of having secure  
24 and resilient domestic production capacity, combined  
25 with reliable access to the global resources necessary

1 to maintain an acceptable standard of living and to  
2 protect core national values.

3 “(d) AUTHORIZATION OF APPROPRIATIONS.—There  
4 is authorized to be appropriated \$1,000,000 for each of  
5 fiscal years 2022 through 2026 to carry out this section.”.

6 (b) CLERICAL AMENDMENT.—The table of contents  
7 in section 1(b) of the Homeland Security Act of 2002 is  
8 amended by inserting after the item relating to section  
9 890A the following new item:

“Sec. 890B. Homeland security critical domain research and development.”.





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