

§ 201–1.300

(v) For any other purpose authorized by law.

(3) This paragraph (e) shall continue to apply to supply chain risk information referenced in paragraph (e)(1) even after the FASC issues a recommendation for exclusion or removal pursuant to 41 U.S.C. 1323.

(f) *Dissemination of information by the FASC.* The FASC may, in its sole discretion, disclose its recommendations and any supply chain risk information relevant to those recommendations to Federal or non-Federal entities if the FASC determines that such sharing may facilitate identification or mitigation of supply chain risk, and disclosure is consistent with the following paragraphs:

(1) The FASC may maintain its recommendations and any supply chain risk information as nonpublic, to the extent permitted by law, or release such information to impacted entities and appropriate stakeholders. The FASC shall have discretion to determine the circumstances under which information will be released, as well as the timing of any such release, the scope of the information to be released, and the recipients to whom information will be released.

(2) Any release by the FASC of recommendations or supply chain risk information will be in accordance title 41 U.S.C. 1323 and the provisions of this subpart.

(3) The FASC will not release a recommendation to a non-Federal entity, other than a source named in the recommendation, unless an exclusion or removal order has been issued based on that recommendation, and the named source has been notified.

(4) The FASC (including the ISA, Task Force, and any other FASC constituent bodies) shall comply with applicable limitations on dissemination of supply chain risk information submitted pursuant to this subpart, including but not limited to the following restrictions:

(i) Controlled Unclassified Information, such as Law Enforcement Sensitive, Proprietary, Privileged, or Personally Identifiable Information, may only be disseminated in compliance with the restrictions applicable to the information and in accordance with the

41 CFR Ch. 201 (7–1–23 Edition)

FASC's processes and procedures for disseminating controlled unclassified information as required by this part.

(ii) Classified Information may only be disseminated consistent with the restrictions applicable to the information and in accordance with the FASC's processes and procedures for disseminating classified information as required by this part.

Subpart C—Exclusion and Removal Orders

§ 201–1.300 Evaluation of sources and covered articles.

(a) *Referral procedure.* The FASC may commence an evaluation of a source or covered article in any of the following ways:

(1) Upon the referral of the FASC or any member of the FASC;

(2) Upon the request, in writing, of the head of an executive agency or a designee, accompanied by a submission of relevant information; or

(3) Based on information submitted to the FASC by any Federal or non-Federal entity that the FASC deems, in its discretion, to be credible.

(b) *Relevant factors.* In evaluating sources and covered articles, the FASC will analyze available information and consider, as appropriate, any relevant factors contained in the following non-exclusive list:

(1) Functionality and features of the covered article, including the covered article's or source's access to data and information system privileges;

(2) The user environment in which the covered article is used or installed;

(3) Security, authenticity, and integrity of covered articles and associated supply and compilation chains, including for embedded, integrated, and bundled software;

(4) The ability of the source to produce and deliver covered articles as expected;

(5) Ownership of, control of, or influence over the source or covered article(s) by a foreign government or parties owned or controlled by a foreign government, or other ties between the source and a foreign government, which may include the following considerations:

Fed. Acquisition Security Council

§ 201–1.301

(i) Whether a Federal agency has identified the country as a foreign adversary or country of special concern;

(ii) Whether the source or its component suppliers have headquarters, research, development, manufacturing, testing, packaging, distribution, or service facilities or other operations in a foreign country, including a country of special concern or a foreign adversary;

(iii) Personal and professional ties between the source—including its officers, directors or similar officials, employees, consultants, or contractors—and any foreign government; and

(iv) Laws and regulations of any foreign country in which the source has headquarters, research development, manufacturing, testing, packaging, distribution, or service facilities or other operations.

(6) Implications for government missions or assets, national security, homeland security, or critical functions associated with use of the source or covered article;

(7) Potential or existing threats to or vulnerabilities of Federal systems, programs or facilities, including the potential for exploitability;

(8) Capacity of the source or the U.S. Government to mitigate risks;

(9) Credibility of and confidence in available information used for assessment of risk associated with proceeding, with using alternatives, and/or with enacting mitigation efforts;

(10) Any transmission of information or data by a covered article to a country outside of the United States; and

(11) Any other information that would factor into an assessment of supply chain risk, including any impact to agency functions, and other information as the FASC deems appropriate.

(c) *Foreign Ownership.* Nothing in this section shall be construed to authorize the issuance of an exclusion or removal order based solely on the fact of the foreign ownership of a potential procurement source that is otherwise qualified to enter into procurement contracts with the Federal Government.

(d) *Due Diligence.* As part of the analysis performed pursuant to paragraph (b) of this section, the FASC will conduct appropriate due diligence. Such

due diligence may include, but need not be limited to, the following actions:

(1) Reviewing any information the FASC considers appropriate; and

(2) Assessing the reliability of the information considered.

(e) *Consultation with NIST.* NIST will participate in FASC activities as a member and will advise the FASC on NIST standards and guidelines issued under 40 U.S.C. 11331.

§ 201–1.301 Recommendation.

(a) *Content of recommendation.* The FASC shall include the following in any recommendation for the issuance of an exclusion or removal order made to the Secretary of Homeland Security, Secretary of Defense, and/or Director of National Intelligence:

(1) Information necessary to positively identify any source or covered article recommended for exclusion or removal;

(2) Information regarding the scope and applicability of the recommended exclusion or removal order, including whether the order should apply to all executive agencies or a subset of executive agencies;

(3) A summary of the supply chain risk assessment reviewed or conducted in support of the recommended exclusion or removal order, including significant conflicting or contrary information, if any;

(4) A summary of the basis for the recommendation, including a discussion of less intrusive measures that were considered and why such measures were not reasonably available to reduce supply chain risk;

(5) A description of the actions necessary to implement the recommended exclusion or removal order; and,

(6) Where practicable, in the FASC's sole and unreviewable discretion, a description of the mitigation steps that could be taken by the source that may result in the FASC's rescission of the recommendation.

(b) *Information sharing in the absence of a recommendation:* If the FASC decides not to issue a recommendation, information received and analyzed pursuant to the procedures in this section may be shared, as appropriate, in accordance with subpart B of this part.