

LEVERAGING EMERGING TECHNOLOGIES ACT OF 2016

JUNE 21, 2016.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. McCAUL, from the Committee on Homeland Security, submitted the following

R E P O R T

[To accompany H.R. 5389]

The Committee on Homeland Security, to whom was referred the bill (H.R. 5389) to encourage engagement between the Department of Homeland Security and technology innovators, and for other purposes, having considered the same, reports favorably thereon without amendment and recommends that the bill do pass.

CONTENTS

	Page
Purpose and Summary	1
Background and Need for Legislation	2
Hearings	2
Committee Consideration	2
Committee Votes	2
Committee Oversight Findings	2
New Budget Authority, Entitlement Authority, and Tax Expenditures	3
Congressional Budget Office Estimate	3
Statement of General Performance Goals and Objectives	3
Duplicative Federal Programs	3
Congressional Earmarks, Limited Tax Benefits, and Limited Tariff Benefits ...	3
Federal Mandates Statement	3
Preemption Clarification	3
Disclosure of Directed Rule Makings	4
Advisory Committee Statement	4
Applicability to Legislative Branch	4
Section-by-Section Analysis of the Legislation	4
Changes in Existing Law Made by the Bill, as Reported	5

PURPOSE AND SUMMARY

H.R. 5389, the “Leveraging Emerging Technologies Act of 2016” encourages engagement between the Department of Homeland Security and technology innovators. The bill requires the Secretary of

Homeland Security to engage with innovative and emerging technology developers and firms, including technology-based small businesses and startup ventures, to address homeland security needs. The Secretary may also identify geographic areas in the United States where high concentrations of innovative and emerging technology developers and firms exist. H.R. 5389 allows the Secretary to establish personnel and office space in these areas, as appropriate. Finally, the bill requires the Secretary, not later than six months following the date of enactment of the section, to develop, implement, and submit a strategy to proactively engage innovative and emerging technology developers and firms.

BACKGROUND AND NEED FOR LEGISLATION

The technology needs of the Department of Homeland Security (DHS) and its partners in the Homeland Security Enterprise are complex and multi-faceted. To meet these needs, DHS has enhanced efforts to cultivate relationships with innovative but non-traditional partners by establishing an office in Silicon Valley to encourage regular engagement and communication with technology developers in the area. Although Silicon Valley is a vital hub of technological development, it is not the only hub in the United States. The Department's ability to engage regional and national thought leaders across the country and establish a presence in a similar manner will help it target investments and promote proven technologies that address homeland security needs. In this vein, requiring the Department to consider strategically how it will engage these technology developers across the country will strengthen the Department's ability to access innovative and emerging technologies in order to combat evolving threats. This legislation is intended to ensure that DHS fosters sustainable systems, policies and procedures to maintain strong engagement with innovative and emerging technology developers and firms that continue over time

HEARINGS

No hearings were held on H.R. 5389 in the 114th Congress.

COMMITTEE CONSIDERATION

The Committee met on June 8, 2016, to consider H.R. 5389, and ordered the measure to be reported to the House with a favorable recommendation, without amendment, by voice vote.

COMMITTEE VOTES

Clause 3(b) of Rule XIII of the Rules of the House of Representatives requires the Committee to list the recorded votes on the motion to report legislation and amendments thereto.

No recorded votes were requested during consideration of H.R. 5389.

COMMITTEE OVERSIGHT FINDINGS

Pursuant to clause 3(c)(1) of Rule XIII of the Rules of the House of Representatives, the Committee has held oversight hearings and made findings that are reflected in this report.

NEW BUDGET AUTHORITY, ENTITLEMENT AUTHORITY, AND TAX
EXPENDITURES

In compliance with clause 3(c)(2) of Rule XIII of the Rules of the House of Representatives, the Committee finds that H.R. 5389, the Leveraging Emerging Technologies Act of 2016, would result in no new or increased budget authority, entitlement authority, or tax expenditures or revenues.

CONGRESSIONAL BUDGET OFFICE ESTIMATE

Pursuant to clause 3(c)(3) of Rule XIII of the Rules of the House of Representatives, a cost estimate provided by the Congressional Budget Office pursuant to section 402 of the Congressional Budget Act of 1974 was not made available to the Committee in time for the filing of this report. The Chairman of the Committee shall cause such estimate to be printed in the *Congressional Record* upon its receipt by the Committee.

STATEMENT OF GENERAL PERFORMANCE GOALS AND OBJECTIVES

Pursuant to clause 3(c)(4) of Rule XIII of the Rules of the House of Representatives, H.R. 5389 contains the following general performance goals and objectives, including outcome related goals and objectives authorized.

This legislation provides for the Department of Homeland Security to develop and submit to Congress a strategic plan for engaging with innovative technology developers.

DUPLICATIVE FEDERAL PROGRAMS

Pursuant to clause 3(c) of Rule XIII, the Committee finds that H.R. 5389 does not contain any provision that establishes or reauthorizes a program known to be duplicative of another Federal program.

CONGRESSIONAL EARMARKS, LIMITED TAX BENEFITS, AND LIMITED
TARIFF BENEFITS

In compliance with Rule XXI of the Rules of the House of Representatives, this bill, as reported, contains no congressional earmarks, limited tax benefits, or limited tariff benefits as defined in clause 9(e), 9(f), or 9(g) of the Rule XXI.

FEDERAL MANDATES STATEMENT

Pursuant to clause 3(c)(3) of Rule XIII of the Rules of the House of Representatives, a cost estimate provided by the Congressional Budget Office pursuant to section 402 of the Congressional Budget Act of 1974 was not made available to the Committee in time for the filing of this report. The Chairman of the Committee shall cause such estimate to be printed in the *Congressional Record* upon its receipt by the Committee.

PREEMPTION CLARIFICATION

In compliance with section 423 of the Congressional Budget Act of 1974, requiring the report of any Committee on a bill or joint resolution to include a statement on the extent to which the bill or

joint resolution is intended to preempt State, local, or Tribal law, the Committee finds that H.R. 5389 does not preempt any State, local, or Tribal law.

DISCLOSURE OF DIRECTED RULE MAKINGS

The Committee estimates that H.R. 5389 would require no directed rule makings.

ADVISORY COMMITTEE STATEMENT

No advisory committees within the meaning of section 5(b) of the Federal Advisory Committee Act were created by this legislation.

APPLICABILITY TO LEGISLATIVE BRANCH

The Committee finds that the legislation does not relate to the terms and conditions of employment or access to public services or accommodations within the meaning of section 102(b)(3) of the Congressional Accountability Act.

SECTION-BY-SECTION ANALYSIS OF THE LEGISLATION

Section 1. Short Title.

This section provides that this bill may be cited as the “Leveraging Emerging Technologies Act of 2016”.

Sec. 2. Innovation Engagement.

This section requires the Secretary of Homeland Security to engage with innovative and emerging technology developers and firms, including technology-based small businesses and startup ventures to address homeland security needs. The Secretary may identify geographic areas in the United States with high concentrations of innovative and emerging technology developers and firms and may establish personnel and office space in such areas, as appropriate.

The Committee intends to encourage regular engagement with innovative or emerging technology developers across the country in order to promote an environment for government purchase and development of capabilities from the private sector.

This section allows engagement to include developers and firms with proven technologies, supported with outside investment, with potential applications for the Department. The Committee intends for such engagement to include, but not be limited to, startup accelerators as well as businesses producing cybersecurity technologies. If the Secretary chooses to locate personnel in a certain geographic area, based on this Act, this section requires the Secretary to co-locate such personnel and office space with other existing assets of the Department, where possible, or federal facilities, where appropriate.

This section requires the Secretary to inform Congress within 30 days of establishing personnel and office space, pursuant to this bill.

This section requires the Secretary to develop a strategic plan and submit the plan to Congress within six months. The plan must: 1) focus on sustainable methods and guidance to build relationships with innovative and emerging technology developers and firms to establish, develop, and enhance departmental capabilities

to address homeland security needs; 2) include efforts to ensure proven technologies can be included in existing and future acquisition contracts, coordinate with venture capital organizations for technologies expected to be ready for commercialization in the near term, and address barriers to the utilization of innovative and emerging technologies and the engagement of small businesses and startup ventures in the acquisition process; 3) describe how the Department plans to leverage proven technologies and innovations to address homeland security needs; and 4) include the criteria the Secretary plans to use to determine that a technology is proven.

Recognizing that some innovative technology developers or firms may not be located in these regional technology hubs, the Committee intends for the Department to give attention to fostering engagement with innovators that may be located outside these areas but nonetheless have technologies that could be leveraged by the Department to address homeland security needs.

The Committee intends for the Secretary to carry out engagement efforts with innovative or emerging technology developers including small businesses and startup ventures, in a proactive and strategic manner. The Committee strongly believes that for this engagement to make a meaningful impact to addressing the homeland security technology gaps within DHS and the Homeland Security Enterprise there must be sustainable systems, policies, and procedures to ensure that such relationships are not ad hoc, informal, or personality-driven.

The Committee further acknowledges the long-standing positive relationship the Department has had with the nonprofit In-Q-Tel, originally formed by the Intelligence Community, and intends for the Department to seek greater engagement with the venture capital community to help commercialize homeland security technologies.

The Committee intends for the Secretary to examine and clearly identify barriers to utilizing emerging or innovative technology developers, including where the Department lacks authority or needs more authority to simplify or streamline the procurement process for these developers and ways to improve capabilities and reduce costs.

No additional funds are authorized to be appropriated to carry out this Act.

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED
As reported, H.R. 5389 makes no changes to existing law.

