

**Calendar No. 620**

116TH CONGRESS }  
2d Session }

SENATE

{ REPORT  
{ 116-317

SAFEGUARDING AMERICAN  
INNOVATION ACT

—  
R E P O R T

OF THE

COMMITTEE ON HOMELAND SECURITY AND  
GOVERNMENTAL AFFAIRS  
UNITED STATES SENATE

TO ACCOMPANY

S. 3997

TO STRENGTHEN THE SECURITY AND INTEGRITY OF THE  
UNITED STATES SCIENTIFIC AND RESEARCH ENTERPRISE



DECEMBER 14, 2020.—Ordered to be printed

—  
U.S. GOVERNMENT PUBLISHING OFFICE

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**SAFEGUARDING AMERICAN INNOVATION ACT**

DECEMBER 14, 2020.—Ordered to be printed

Mr. JOHNSON, from the Committee on Homeland Security and  
Governmental Affairs, submitted the following

**R E P O R T**

[To accompany S. 3997]

[Including cost estimate of the Congressional Budget Office]

The Committee on Homeland Security and Governmental Affairs, to which was referred the bill (S. 3997) to strengthen the security and integrity of the United States scientific and research enterprise having considered the same, reports favorably thereon with an amendment (in the nature of a substitute), and recommends that the bill, as amended, do pass.

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**I. PURPOSE AND SUMMARY**

The purpose of S. 3997, the Safeguarding American Innovation Act, is to improve the United States' ability to combat foreign threats to the American science and research enterprise. The bill establishes a council within the Office of Management and Budget (OMB) to update grant application processes across the Federal government and assess security risks to the U.S. research community. Further, the bill criminalizes Federal grant application fraud in instances in which the applicant omits information about outside and foreign compensation. Additionally, the bill authorizes the Department of State (State Department) to deny visa applications of

known or likely bad actors seeking to travel to the United States to engage in any activity to acquire export-controlled technologies. The bill further requires that the sponsors of foreign researchers provide information on the extent of access the researcher will have to export-controlled technology on visa applications. Finally, the bill reduces the minimum reporting requirements of colleges and universities for foreign gifts and contracts from \$250,000 to \$50,000.

## II. BACKGROUND AND NEED FOR THE LEGISLATION

China continues to pose a threat to the U.S. research enterprise and has used various means to exploit gaps in the country's current apparatus. Following a year-long investigation, on November 18, 2019, the Committee's Permanent Subcommittee on Investigations (PSI) released a staff report entitled "Threats to the U.S. Research Enterprise: China's Talent Recruitment Plans."<sup>1</sup> The report includes information, findings and recommendations on how to better position the U.S. against threats to our nation's research institutions.

The staff report found that China is working to claim hegemony over science and technology by 2050 and intends to do so by recruiting leaders in the field through talent recruitment programs.<sup>2</sup> Talent recruitment programs, like the Thousand Talents Plan, incentivize overseas researchers, academics and professionals to provide the Chinese government with access and information to foreign technology.<sup>3</sup> John Brown, Assistant Director of Counterintelligence, the Federal Bureau of Investigation (FBI), testified before PSI that China provides financial and research benefits to researchers working and studying overseas as ways to recruit and incentivize them to share research with the government.<sup>4</sup> As of 2017, the Chinese government had successfully recruited more than 7,000 professionals.<sup>5</sup> According to the PSI staff report, the U.S. government failed to act quickly to address the threat of talent recruitment plans, which led to federal grant dollars and U.S. research benefiting China.<sup>6</sup>

Considering the threat posed by China and the shortcomings of the U.S. government to prevent exploitation, the staff report outlined a number of recommendations to help improve the U.S.' positioning against such threats, several of which are addressed by this legislation. First, S. 3997 establishes a Federal Research Security Council within OMB that, among other things, will establish a uniform Federal grant application process. Once established, the

<sup>1</sup>United States Senate Permanent Subcommittee on Investigations Staff Report, *Threats to the U.S. Research Enterprise: China's Talent Recruitment Plans*, <https://www.hsgac.senate.gov/imo/media/doc/2019-11-18%20PSI%20Staff%20Report%20-%20China%27s%20Talent%20Recruitment%20Plans.pdf>.

<sup>2</sup>*Id.*

<sup>3</sup>*Id.*

<sup>4</sup>*Securing the U.S. Research Enterprise from China's Talent Recruitment Plans: Hearing Before the S. Comm. on Homeland Sec. & Governmental Affairs' Permanent Subcomm. on Investigations*, 116th Cong. (2019) (statement of John Brown, Assistant Director, Counterintelligence Division, Federal Bureau of Investigation) ("Through these programs, the Chinese government offers lucrative financial and research benefits to recruit individuals working and studying outside of China who possess access to, or expertise in, high-priority research fields.") available at <https://www.hsgac.senate.gov/subcommittees/investigations/hearings/securing-the-us-research-enterprise-from-chinas-talent-recruitment-plans>.

<sup>5</sup>*Id.* at 1.

<sup>6</sup>*Id.*

Council will help address concerns that the current Federal grant processes are not coordinated, resulting in administrative burden.<sup>7</sup> Through streamlined grant application processes, the Federal Government will be able to better manage grants and ensure that taxpayer dollars are provided appropriately and efficiently.

PSI's staff report also included a recommendation that the State Department deny visas for individuals suspected of, or likely to participate in, transferring technology, intellectual property, or other research.<sup>8</sup> S. 3997 authorizes the State Department to deny visas to aliens traveling to the U.S. to acquire export-controlled technology. By preventing known or likely bad actors from acquiring U.S. export-controlled technology, less research, technology and intellectual property will be at risk of being accessed by foreign governments, such as China.

S. 3997, the Safeguarding American Innovation Act, addresses gaps within the Federal Government that competitors like China continue to exploit. The enactment of this bill will accomplish this by imposing requirements to improve Federal grant application processes, establish interagency coordination to address threats, increase reporting for relevant information, and prevent known, or likely bad actors from acquiring U.S. research for nefarious purposes. This will assist the Federal Government's response to the threat posed by China and work to ensure that research, intellectual property, technology, and grant funds do not benefit foreign competitors.

### III. LEGISLATIVE HISTORY

Senator Rob Portman introduced S. 3997, the Safeguarding American Innovation Act, on June 18, 2020, with Senators Thomas Carper, John Barrasso, Marsha Blackburn, Mike Braun, Chris Coons, Catherine Cortez Mastro, Margaret Hassan, Josh Hawley, Joe Manchin, Jim Risch, Marco Rubio, Rick Scott, Jean Shaheen, and Tom Tillis. Senators Charles Grassley, Ron Johnson, Martha McSally, James Lankford and Mitt Romney later joined as cosponsors. The bill was referred to the Committee on Homeland Security and Governmental Affairs.

The Committee considered S. 3997 at a business meeting on July 22, 2020. Senators Portman, Carper, and Romney offered a substitute amendment that made technical edits and clarified the reporting requirement for foreign gifts and contracts.

The amendment, and the bill as amended, was ordered reported favorably by voice vote en bloc. Senators present for the vote were Johnson, Portman, Paul, Lankford, Romney, Scott, Enzi, Hawley, Peters, Carper, Hassan, Harris, and Rosen.

### IV. SECTION-BY-SECTION ANALYSIS OF THE BILL, AS REPORTED

#### *Section 1. Short title; Table of contents.*

Subsection (a) establishes the short title as the "Safeguarding American Innovation Act". Subsection (b) creates a table of contents.

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<sup>7</sup>*Id.*

<sup>8</sup>*Id.* at 1.

## *Section 2. Definitions.*

This section establishes definitions for terms in the bill, including “research and development,” “development,” “experimental development,” and “research.”

## *Section 3. Federal Research Security Council.*

Subsection (a) amends Subtitle V of title 31, United States Code, by establishing a new chapter 79 creating the Federal Research Security Council. The new Chapter 79 section 7901 establishes definitions for terms used in the chapter including “appropriate congressional committees,” “Council,” “Executive Agency,” “Federal Research Security Risk,” “Insider,” and “Insider Threat,” “Research and Development,” and “United States Research Community.”

New section 7902 establishes the Federal Research Security Council in OMB to develop Federally-funded research and development grants guidance, establishes the membership of the Council, and how the Chairperson is to be determined.

New section 7903 subsection (a) outlines the functions and authorities of the Council, including the development of uniform grant application processes; the development and implementation of reporting processes; sharing information with stakeholders to mitigate security risks; the identification of an Executive agency partners for various purposes; and identification and issuance of guidance. Subsection (b) establishes requirements for the government-wide uniform grant application process. Subsection (c) establishes requirements for information-sharing criteria. Subsection (d) establishes requirements for how the Council should develop insider threat guidance. Subsection (e) requires the Council in conjunction with the lead security advisor to issue warnings on threats, risks, and vulnerabilities to the research community. Subsection (f) requires that the interagency working group established under section 1746 of the National Defense Authorization Act for Fiscal Year 2020 (Public Law 116–92) be a working group under the Council. Subsection (g) requires the Interagency Suspension and Debarment Committee to provide quarterly reports to the Council.

New section 7904 requires the Council to develop a strategic plan within 180 days of enactment that addresses Federal research security risks and includes information-sharing requirements for risks; identifications of authorities and best practices for addressing risks; recommendations to mitigate risks; and evaluations and plans. This section also requires the strategic plan be submitted to Congress.

New section 7905 requires the Chairperson to submit a report on the activities and progress of the Council to Congress not later than December 15 each year.

New section 7906 requires all heads of Executive agencies on the Council to assess, avoid, and mitigate risks to Federally-funded research and align agency initiatives related to research grant policies with Council guidance. It also directs all heads of Executive agencies on the Council to develop risk management strategies, integrate risk management practices, share information on federal research security risks as well as report on effectiveness of the Federal research security risk management strategy.

Subsection (b) is a clerical amendment to change the table of chapters in title 31 of United States Code to reflect the new chapter 79.

*Section 4. Federal Grant Application Fraud.*

Subsection (a) amends Chapter 47 of title 18 of the United States Code by adding a new section that criminalizes Federal grant application fraud. New section 1041 establishes definitions for terms in the section; makes it unlawful for any individual to knowingly prepare or submit Federal grant applications that omit receipt of outside or foreign compensation, as well as providing false information on Federal grant applications; exempts cases of Federal grant application fraud from being unlawful when they are carried out in connection to lawful investigative, protective, or intelligence activity; and sets penalties for violators of subsection (b) including fines, or at most 5-year imprisonment, or both. Additionally, violators will be prohibited from receiving Federal grants for five years beginning when a sentence is imposed.

Subsection (b) amends the table of sections for chapter 47 of title 18, United States Code to reflect new section 1041.

*Section 5. Restricting the Acquisition of Goods, Technologies, and Sensitive Information to Certain Aliens.*

Subsection (a) amends Section 212(a)(3)(A)(i) of the Immigration and Nationality Act to authorize Consular officers to deny visas to aliens seeking to travel to the U.S. to engage solely in activity to access export-controlled technologies if that access would be contrary to a national or economic security interest of the U.S.

Subsection (b) establishes factors for determining visa denials under the amended Section 212(a)(3)(A)(i) of the Immigration and Nationality Act. Further, the subsection directs the State Department to seek interagency assistance for establishing criteria and to use machine-readable documents for visa applications.

Subsection (c) requires the State Department, in coordination with other Federal departments and agencies, to submit a report to Congress that details the criteria developed in this section and the number of inadmissible individuals referenced in Section 212(a)(3)(A)(i) of the Immigration and Nationality Act.

Subsection (d) establishes that each annual report should be unclassified to the extent possible and include a classified appendix if necessary.

Subsection (e) requires the Secretary of State to submit a report to Congress within 45 days of enactment of this legislation regarding implementation of this section.

*Section 6. Limitations on Educational and Cultural Exchange Programs.*

This section amends Section 102(b)(5) of the Mutual Educational and Cultural Exchange Act of 1961 to require exchange visa sponsors to provide the State Department with information on the exchange visitor's access to export-controlled technologies through research, lectures, course work, conferences, and more. . Additionally, this section requires visa sponsors to provide the State Department plans to mitigate unauthorized access to export-controlled technologies. Lastly, this section requires visa sponsors to demonstrate,

to the appropriate satisfaction of the Secretary of State, that they have received appropriate authorization from the appropriate Federal agency to allow the exchange visitor to access export-controlled technologies.

*Section 7. Amendments to Disclosures of Foreign Gifts.*

This section amends section 117 of the Higher Education Act of 1965 to reduce the required reporting threshold for foreign gifts and contracts made to colleges and universities from \$250,000 to \$50,000. Further, this section allows the Secretary of Education to permit institutions to revise and update reports previously filed to account for the new minimum reporting requirement. The Secretary of Education is also required to make disclosure reports publicly available in an electronic format. The Secretary of Education is also given the authority to fine institutions that have failed to disclose receipts of foreign gifts of at least \$50,000 for three years in a row. Additionally, the Secretary of Education is required to issue regulations using the negotiated rulemaking procedure for instructions related to reporting requirements. Lastly, this section requires that tuitions and scholarships not be considered a gift or contract under this section.

V. EVALUATION OF REGULATORY IMPACT

Pursuant to the requirements of paragraph 11(b) of rule XXVI of the Standing Rules of the Senate, the Committee has considered the regulatory impact of this bill and determined that the bill will have no regulatory impact within the meaning of the rules. The Committee agrees with the Congressional Budget Office's statement that the bill contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would impose no costs on state, local, or tribal governments.

VI. CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

U.S. CONGRESS,  
CONGRESSIONAL BUDGET OFFICE,  
*Washington, DC, October 19, 2020.*

Hon. RON JOHNSON,  
*Chairman, Committee on Homeland Security and Governmental Affairs, U.S. Senate, Washington, DC.*

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for S. 3997, the Safeguarding American Innovation Act.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is Aldo Proserpi.

Sincerely,

PHILLIP L. SWAGEL,  
*Director.*

Enclosure.



At a Glance			
<b>S. 3997, Safeguarding American Innovation Act</b>			
As ordered reported by the Senate Committee on Homeland Security and Governmental Affairs on July 22, 2020			
By Fiscal Year, Millions of Dollars	2021	2021-2025	2021-2030
Direct Spending (Outlays)	*	*	*
Revenues	*	*	*
Increase or Decrease (-) in the Deficit	*	*	*
Spending Subject to Appropriation (Outlays)	9	25	not estimated
Statutory pay-as-you-go procedures apply?	Yes	Mandate Effects	
Increases on-budget deficits in any of the four consecutive 10-year periods beginning in 2031?	No	Contains intergovernmental mandate?	No
		Contains private-sector mandate?	No
* = between -\$500,000 and \$500,000.			

The bill would:

- Require the Department of State to modernize its visa application system and to share visa application information with law enforcement agencies
- Expand the Department of State's authority to deny visas to foreign nationals who are deemed a threat to national security
- Require the Office of Management and Budget to establish the Federal Research Security Council to standardize the process for making federal research and development grants
- Impose penalties on grant applicants that intentionally fail to disclose sources of foreign compensation
- Require certain federal grant recipients to disclose financial relationships with foreign entities

Estimated budgetary effects would primarily stem from:

- Implementing new federal grant-making processes
- Operating the Federal Research Security Council

Areas of significant uncertainty include:

- Estimating the amount that the government would collect in fines and other penalties under the bill

Bill summary: S. 3997 would require the Department of State to modernize its visa application process and expand the list of reasons for denying visas to foreign researchers.

The bill also would establish the Federal Research Security Council within the Office of Management and Budget. The Council would be responsible for standardizing the federal process for grant applications and approvals for U.S. universities. In addition, the bill would prohibit applicants for federal grants from submitting applications that do not disclose known foreign sources of financial compensation, and it would lower the dollar value of foreign gifts that postsecondary institutions must report to the government.

S. 3997 would provide new oversight and enforcement powers for federal agencies involved in securing U.S. intellectual property from foreign adversaries. Federal agencies would be required to col-

lect information on sensitive technology or data that foreign grantees might access.

Estimated Federal cost: The estimated budgetary effects of S. 3997 are shown in Table 1. The costs of the legislation fall within budget functions 150 (international affairs), 500 (education, training, employment, and social services), and 800 (general government).

TABLE 1.—ESTIMATED BUDGETARY EFFECTS OF S. 3997

	By fiscal year, millions of dollars—					
	2021	2022	2023	2024	2025	2021–2025
Increases in Spending Subject to Appropriation						
Department of State Implementation Costs:						
Estimated Authorization .....	15	0	0	0	0	15
Estimated Outlays .....	8	7	0	0	0	15
Federal Research Security Council:						
Estimated Authorization .....	1	2	2	2	3	10
Estimated Outlays .....	1	2	2	2	3	10
Total Changes:						
Estimated Authorization .....	16	2	2	2	3	25
Estimated Outlays .....	9	9	2	2	3	25

In addition to the budgetary effects shown above, CBO estimates that enacting S. 3997 would have insignificant effects on direct spending and revenues over the 2021–2030 period.

**Basis of estimate:** For this estimate, CBO assumes that the legislation will be enacted early in fiscal year 2021 and that the estimated amounts will be appropriated each fiscal year.

**Spending subject to appropriation:** CBO estimates that implementing S. 3997 would cost \$25 million over the 2021–2025 period; such spending would be subject to the availability of appropriations.

*Department of State Implementation Costs.* Section 5 would require the Department of State to modernize its visa application system and to electronically share application forms and supporting documents with law enforcement agencies. Using information from the department, CBO estimates that it would cost \$15 million to implement a visa application system that produces and uses machine-readable documents.

*Federal Research Security Council.* Section 3 would standardize federal grant-making policy by establishing a new interagency council in the Office of Management and Budget (OMB). That council would develop uniform policies and procedures for federal agencies that make research and development grants, and it would share information with U.S. research institutions regarding foreign threats to sensitive technology and data. Using information from OMB about costs for similar activities, CBO estimates that staff salaries, travel costs, and other expenses would total \$2 million annually, or \$10 million over the 2021–2025 period.

*Department of Education Implementation Costs.* Section 7 would require the Department of Education to issue regulations and reports on foreign gifts provided to U.S. research institutions. Using information about similar activities, CBO estimates that provision would cost less than \$500,000 over the 2021–2025 period.

**Direct spending and revenues:** CBO estimates that implementing S. 3997 would have insignificant effects on direct spending and revenues over the 2021–2030 period.

*Grant Application Fraud.* Section 4 would allow the federal government to bring charges against federal grant applicants for non-disclosure of compensation from foreign entities. Those prosecuted and convicted under S. 3997 could be subject to civil and criminal fines. Civil fines are recorded in the budget as revenues. Criminal fines are recorded as revenues, deposited into the Crime Victims Fund, and can be spent without further appropriation. CBO expects that the direct spending and revenues associated with those penalties would be insignificant in any year and over the 2021–2030 period because of the relatively small number of cases likely to be affected.

*Denial of Visas.* Section 5 would authorize the Department of State to deny visas to the United States to people suspected of threatening U.S. national security by illicitly acquiring sensitive goods, technologies, or data. CBO estimates that enacting the bill would increase the number of people who are denied visas. Most visa fees are retained by the department and spent without further appropriation, but some amounts are deposited into the Treasury as revenues. Denying foreign nationals entry into the United States also would reduce direct spending on certain federal benefits for which they are eligible, such as emergency Medicaid or federal subsidies for health insurance.

Using information from the department, CBO estimates that few people would be affected; thus, enacting the bill would have insignificant effects on direct spending and revenues and would, on net, reduce the deficit by insignificant amounts.

*Fines for Nondisclosure.* Section 7 would lower the dollar amount in foreign gifts that postsecondary institutions must report to the government. The bill would authorize the Department of Education to fine U.S. research institutions that do not file the appropriate disclosure reports. CBO estimates that imposing new fines would have an insignificant effect on revenues over the 2021–2030 period.

*Uncertainty:* The budgetary effects of the bill would depend to some extent on the number and amount of fines imposed under the bill's provisions. If more was collected in fines than CBO expects, revenues would be higher than estimated.

*Pay-As-You-Go considerations:* The Statutory Pay-As-You-Go Act of 2010 establishes budget-reporting and enforcement procedures for legislation affecting direct spending or revenues. CBO estimates that enacting S. 3997 would have insignificant effects on direct spending and revenues and would, on net, reduce the deficit by insignificant amounts.

Increase in long-term deficits: None.

Mandates: None.

Estimate prepared by: Federal Costs: Aldo Prosperi (federal grant policy), Sunita D'Monte (Department of State), David Rafferty (immigration), Justin Humphrey (Department of Education); Mandates: Andrew Laughlin.

Estimate reviewed by: David Newman, Chief, Defense, International Affairs, and Veterans' Affairs Cost Estimates Unit; Leo Lex, Deputy Director of Budget Analysis; Theresa Gullo, Director of Budget Analysis.

VII. CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

**UNITED STATES CODE**

\* \* \* \* \*

**TITLE 2—EDUCATION**

\* \* \* \* \*

**CHAPTER 28—HIGHER EDUCATION RESOURCES AND STUDENT ASSISTANCE**

\* \* \* \* \*

**Subchapter I—General Provisions**

\* \* \* \* \*

**PART B—ADDITIONAL GENERAL PROVISIONS**

\* \* \* \* \*

**SEC. 1011F. DISCLOSURES OF FOREIGN GIFTS**

(a) **DISCLOSURE REPORT.**—

(1) *IN GENERAL.*—*An institution shall file a disclosure report with the Secretary not later than March 31 occurring after—*

(A) *the calendar year in which a foreign source gains ownership of, or control over, the institution; or*

(B) *the calendar year in which the institution receives a gift from, or enters into a contract with, a foreign source, the value of which is \$50,000 or more, considered alone or in combination with all other gifts from or contracts with that foreign source within a calendar year.*

(2) *REVISIONS; UPDATES.*—*The Secretary shall permit institutions to revise and update disclosure reports previously filed to ensure accuracy, compliance, and the ability to cure.*

**【Whenever any institution is owned or controlled by a foreign source or receives a gift from or enters into a contract with a foreign source, the value of which is \$250,000 or more, considered alone or in combination with all other gifts from or contracts with that foreign source within a calendar year, the institution shall file a disclosure report with the Secretary on January 31 or July 31, whichever is sooner.】**

(b) **CONTENTS OF REPORT.**—Each report to the Secretary required by this section shall contain the following:

(1) For gifts received from or contracts entered into with a foreign source other than a foreign government, the aggregate dollar amount of such gifts and contracts attributable to a particular country *and the legal or formal name of the foreign source*. The country to which a gift is attributable is the country of citizenship, or if unknown, the principal residence for a foreign source who is a natural person, and the country of incorporation, or if unknown, the principal place of business, for a foreign source which is a legal entity.

(2) \* \* \*

(3) \* \* \*

(4) *An assurance that the institution will maintain true copies of gift and contract agreements subject to the disclosure requirements under this section for at least the duration of the agreement.*

(5) *An assurance that the institution will produce true copies of gift and contract agreements subject to the disclosure requirements under this section upon request of the Secretary during a compliance audit or other institutional investigation.*

\* \* \* \* \*

(e) **PUBLIC INSPECTION.**—*Not later than 30 days after receiving a disclosure report under this section, the Secretary shall make such report electronically available to the public for downloading on a searchable database under which institutions can be individually identified and compared.*

**[All disclosure reports required by this section shall be public records open to inspection and copying during business hours.]**

(f) **ENFORCEMENT.**—

(1) **COURT ORDERS.**—*Whenever it appears that an institution has failed to comply with the requirements of this section, including any rule or regulation promulgated under this section, a civil action may be brought by the Attorney General, at the request of the Secretary, in an appropriate district court of the United States, or the appropriate United States court of any territory or other place subject to the jurisdiction of the United States, to request such court to compel compliance with the requirements of this section.*

(2) **COSTS.**—*For knowing or willful failure to comply with the requirements of this section, including any rule or regulation promulgated thereunder, an institution shall pay to the Treasury of the United States the full costs to the United States of obtaining compliance, including all associated costs of investigation and enforcement.*

(3) **FINES.**—

(A) **IN GENERAL.**—*The Secretary may impose a fine on any institution that repeatedly fails to file a disclosure report for a receipt of a gift from or contract with a foreign source in accordance with subsection (a) in an amount that is not more than 3 times the amount of the gift or contract with the foreign source.*

(B) **DEFINITION OF REPEATEDLY FAILS.**—*In this paragraph, the term “repeatedly fails” means that the institution failed to file a disclosure report for a receipt of a gift from or contract with a foreign source in 3 consecutive years.*

(g) **[Regulations] RULEMAKING.**—

(1) **IN GENERAL.**—*Not later than 1 year after the date of enactment of the Safeguarding American Innovation Act, the Secretary shall issue regulations to carry out this section using the negotiated rulemaking procedure set forth in section 492(b).*

(2) **ELEMENTS.**—*Regulations issued pursuant to paragraph (1) shall—*

(A) *incorporate instructions for—*

(i) *reporting structured gifts and contracts; and*

- (ii) reporting contracts that balances the need for transparency, while protecting the proprietary information of institutes of higher education; and
- (B) clarify the definition of 'subunit' for purposes of subsection (i)(4)(C).

【The Secretary may promulgate regulations to carry out this section.】

(h) TREATMENT OF TUITION PAYMENT.—A tuition and related fees and expenses payment to an institution by, or a scholarship from, a foreign source made on behalf of a student enrolled at such institution shall not be considered a gift from or contract with a foreign source under this section.

(i) 【(h)】 DEFINITIONS

For the purpose of this section—

- (1) \* \* \*
- (2) \* \* \*
- (3) the term “gift” means any gift of money, property, human resources, or staff, including staff salaries 【or property】;
- (4) \* \* \*
- (5) the term “restricted or conditional gift or contract” means any endowment, gift, grant, contract, award, present, or property of any kind which includes provisions regarding—
  - (A) the employment, assignment, or termination of faculty;
  - (B) the establishment of departments, centers, institutes, instructional programs, research or lecture programs, or new faculty positions;

\* \* \* \* \*

**TITLE 8—ALIENS AND NATIONALITY**

\* \* \* \* \*

**CHAPTER 12—IMMIGRATION AND NATIONALITY**

\* \* \* \* \*

**Subchapter II—Immigration**

\* \* \* \* \*

**PART II—ADMISSION QUALIFICATIONS FOR ALIENS;  
TRAVEL CONTROL OF CITIZENS AND ALIENS**

\* \* \* \* \*

**SEC. 1182. INADMISSIBLE ALIENS**

(a) \* \* \*

- (1) \* \* \*
- (2) \* \* \*
- (3) SECURITY AND RELATED GROUNDS.—

(A) IN GENERAL.—Any alien who a consular officer or the Attorney General knows, or has reasonable ground to believe, seeks to enter the United States to engage solely, principally, or incidentally in—

- (i) any activity—

(I) to violate any law of the United States relating to espionage or sabotage; [or]

(II) to violate or evade any law prohibiting the export from the United States of goods, technology, or sensitive information[.,];

(III) to acquire export-controlled goods, technologies, or sensitive information (notwithstanding any exclusions for items not normally subject to export controls) if the Secretary of State has determined that the acquisition of those goods, technologies, or sensitive information by a category of aliens that includes such alien would be contrary to an articulable national security (including economic security) interest of the United States;

\* \* \* \* \*

**TITLE 18—CRIMES AND CRIMINAL PROCEDURE**

\* \* \* \* \*

**PART 1—CRIMES**

\* \* \* \* \*

**CHAPTER 47—FRAUD AND FALSE STATEMENTS**

\* \* \* \* \*

Sec.  
1001. Statements or entries generally.

\* \* \* \* \*

1041. Federal grant application fraud.

\* \* \* \* \*

**SEC. 1041. FEDERAL GRANT APPLICATION FRAUD**

(a) *DEFINITIONS.*—*In this section:*

(1) *FEDERAL AGENCY.*—*The term “Federal agency” has the meaning given the term “agency” in section 551 of title 5, United States Code.*

(2) *FEDERAL GRANT.*—*The term “Federal grant”—*  
*(A) means a grant awarded by a Federal agency;*  
*(B) includes a subgrant awarded by a non-Federal entity to carry out a Federal grant program; and*  
*(C) does not include—*  
*(i) direct United States Government cash assistance to an individual;*  
*(ii) a subsidy;*  
*(iii) a loan;*  
*(iv) a loan guarantee; or*  
*(v) insurance.*

(3) *FEDERAL GRANT APPLICATION.*—*The term “Federal grant application” means an application for a Federal grant.*

(4) *FOREIGN COMPENSATION.*—*The term “foreign compensation” means a title, monetary compensation, access to a laboratory or other resource, or other benefit received from—*

- (A) a foreign government;
- (B) a foreign government institution; or
- (C) a foreign public enterprise.

(5) **FOREIGN GOVERNMENT.**—The term “foreign government” includes a person acting or purporting to act on behalf of—

(A) a faction, party, department, agency, bureau, sub-national administrative entity, or military of a foreign country; or

(B) a foreign government or a person purporting to act as a foreign government, regardless of whether the United States recognizes the government.

(6) **FOREIGN GOVERNMENT INSTITUTION.**—The term “foreign government institution” means a foreign entity owned by, subject to the control of, or subject to regulation by a foreign government.

(7) **FOREIGN PUBLIC ENTERPRISE.**—The term “foreign public enterprise” means an enterprise over which a foreign government directly or indirectly exercises a dominant influence.

(8) **LAW ENFORCEMENT AGENCY.**—The term “law enforcement agency”—

(A) means a Federal, State, local, or Tribal law enforcement agency; and (B) includes—

(i) the Office of Inspector General of an establishment (as defined in section 12 of the Inspector General Act of 1978 (5 U.S.C. App.)) or a designated Federal entity (as defined in section 8G(a) of the Inspector General Act of 1978 (5 U.S.C. App.)); and

(ii) the Office of Inspector General, or similar office, of a State or unit of local government.

(9) **OUTSIDE COMPENSATION.**—The term “outside compensation” means any compensation, resource, or support regardless of monetary value made available to the applicant in support of or related to any research endeavor, including, but not limited to, a title, research grant, cooperative agreement, contract, institutional award, access to a laboratory, or other resource, including, but not limited to, materials, travel compensation, or work incentives.

(b) **PROHIBITION.**—It shall be unlawful for any individual to knowingly—

(1) prepare or submit a Federal grant application that fails to disclose the receipt of any outside compensation, including foreign compensation, by the individual;

(2) forge, counterfeit, or otherwise falsify a document for the purpose of obtaining a Federal grant; or

(3) prepare, submit, or assist in the preparation or submission of a Federal grant application or document in connection with a Federal grant application that—

- (A) contains a false statement;
- (B) contains a material misrepresentation;
- (C) has no basis in law or fact; or
- (D) fails to disclose a material fact.

(c) **EXCEPTION.**—Subsection (b) does not apply to an activity—

(1) carried out in connection with a lawfully authorized investigative, protective, or intelligence activity of—

- (A) a law enforcement agency; or



- (B) a Federal intelligence agency; or
- (2) authorized under chapter 224.
- (d) PENALTY.—Any individual who violates subsection (b)—
  - (1) shall be fined in accordance with this title, imprisoned for not more than 5 years, or both; and
  - (2) shall be prohibited from receiving a Federal grant during the 5-year period beginning on the date on which a sentence is imposed on the individual under paragraph (1).

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**TITLE 22—FOREIGN RELATIONS AND INTERCOURSE**

\* \* \* \* \*

**CHAPTER 33—MUTUAL EDUCATIONAL AND CULTUREAL EXCHANGE PROGRAM**

\* \* \* \* \*

**Subchapter II—Immigration**

\* \* \* \* \*

**PART II—ADMISSION QUALIFICATIONS FOR ALIENS; TRAVEL CONTROL OF CITIZENS AND ALIENS**

\* \* \* \* \*

**SEC. 2452. AUTHORIZATION OF ACTIVITIES.**

(a) \* \* \*

(b) \* \* \*

(1) \* \* \*

\* \* \* \* \*

(5) promoting and supporting medical, scientific, cultural, and educational research and development[;] by developing exchange programs for foreign researchers and scientists, while protecting technologies regulated by export control laws important to the national security and economic interests of the United States, including requiring sponsors—

(A) to disclose to the Department of State whether an exchange visitor, as a primary part of his or her exchange program, will have released to them controlled technology or technical data regulated by export control laws at sponsor organizations through research activities, lectures, course work, sponsor employees, officers, agents, third parties at which the sponsor places the exchange visitor, volunteers, or other individuals or entities associated with a sponsor's administration of the exchange visitor program;

(B) to provide a plan to the Department of State that establishes appropriate program safeguards to prevent the unauthorized release of controlled technology or technical data regulated by export control laws at sponsor organizations or through their employees, officers, agents, third parties, volunteers, or other individuals or entities associated

*with a sponsor's administration of the exchange visitor program; and*

*(C) to demonstrate, to the satisfaction of the Secretary of State, that programs that will release controlled technology or technical data to an exchange visitor at the sponsor organization through exchange visitor programs have received appropriate authorization from the Department of State, the Department of Commerce, other cognizant Federal agency before the sponsor releases controlled technology or technical data;*

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**TITLE 31—MONEY AND FINANCE**

\* \* \* \* \*

**Subtitle V—General Assistance Administration**

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**CHAPTER 79—FEDERAL RESEARCH SECURITY COUNCIL**

*Sec.*

- 7901. *Definitions.*
- 7902. *Federal Research Security Council establishment and membership.*
- 7903. *Functions and authorities.*
- 7904. *Strategic plan.*
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**SEC. 7901. DEFINITIONS**

*In this chapter:*

(1) **APPROPRIATE CONGRESSIONAL COMMITTEES.**—*The term “appropriate congressional committees” means—*

- (A) *the Committee on Homeland Security and Governmental Affairs of the Senate;*
- (B) *the Committee on Commerce, Science, and Transportation of the Senate;*
- (C) *the Select Committee on Intelligence of the Senate;*
- (D) *the Committee on Foreign Relations of the Senate;*
- (E) *the Committee on Armed Services of the Senate;*
- (F) *the Committee on Health, Education, Labor, and Pensions of the Senate;*
- (G) *the Committee on Oversight and Reform of the House of Representatives;*

(H) the Committee on Homeland Security of the House of Representatives;

(I) the Committee on Energy and Commerce of the House of Representatives;

(J) the Permanent Select Committee on Intelligence of the House of Representatives;

(K) the Committee on Foreign Affairs of the House of Representatives;

(L) the Committee on Armed Services of the House of Representatives; and

(M) the Committee on Education and Labor of the House of Representatives.

(2) COUNCIL.—The term “Council” means the Federal Research Security Council established under section 7902(a).

(3) EXECUTIVE AGENCY.—The term “Executive agency” has the meaning given that term in section 105 of title 5.

(4) FEDERAL RESEARCH SECURITY RISK.—The term “Federal research security risk” means the risk posed by malign state actors and other persons to the security and integrity of research and development conducted using grants awarded by Executive agencies.

(5) INSIDER.—The term “insider” means any person with authorized access to any United States Government resource, including personnel, facilities, information, research, equipment, networks, or systems.

(6) INSIDER THREAT.—The term “insider threat” means the threat that an insider will use his or her authorized access (wittingly or unwittingly) to harm the national and economic security of the United States or negatively affect the integrity of a Federal agency’s normal processes, including damaging the United States through espionage, sabotage, unauthorized disclosure of national security information or non-public information, or through the loss or degradation of departmental resources, capabilities, and functions.

(7) RESEARCH AND DEVELOPMENT.—

(A) IN GENERAL.—The term “research and development” means all research activities, both basic and applied, and all development activities.

(B) DEVELOPMENT.—The term “development” means experimental development.

(C) EXPERIMENTAL DEVELOPMENT.—The term “experimental development” means creative and systematic work, drawing upon knowledge gained from research and practical experience, which—

(i) is directed toward the production of new products or processes or improving existing products or processes; and (ii) like research, will result in gaining additional knowledge.

(D) RESEARCH.—The term “research”—

(i) means a systematic study directed toward fuller scientific knowledge or understanding of the subject studied; and

(ii) includes activities involving the training of individuals in research techniques if such activities—

- (I) utilize the same facilities as other research and development activities; and  
 (II) are not included in the instruction function.
- (8) **UNITED STATES RESEARCH COMMUNITY.**—The term “United States research community” means—
- (A) research and development centers of Executive agencies;
- (B) private research and development centers in the United States, including for-profit and nonprofit research institutes;
- (C) research and development centers at institutions of higher education (as defined in section 101(a) of the Higher Education Act of 1965 (20 U.S.C. 1001(a)));
- (D) research and development centers of States, United States territories, Indian tribes, and municipalities;
- (E) government-owned, contractor-operated United States Government research and development centers; and
- (F) any person conducting federally funded research or receiving Federal research grant funding.

**SEC. 7902. FEDERAL RESEARCH SECURITY COUNCIL ESTABLISHMENT AND MEMBERSHIP**

(a) **ESTABLISHMENT.**—There is established, in the Office of Management and Budget, a Federal Research Security Council, which shall develop federally funded research and development grant making policy and management guidance to protect the national and economic security interests of the United States.

(b) **MEMBERSHIP.**—

(1) **IN GENERAL.**—The following agencies shall be represented on the Council:

- (A) The Office of Management and Budget.
- (B) The Office of Science and Technology Policy.
- (C) The Department of Defense.
- (D) The Department of Homeland Security.
- (E) The Office of the Director of National Intelligence, including the National Counterintelligence and Security Center.
- (F) The Department of Justice, including the Federal Bureau of Investigation.
- (G) The Department of Energy.
- (H) The Department of Commerce, including the National Institute of Standards and Technology.
- (I) The Department of Health and Human Services, including the National Institutes of Health.
- (J) The Department of State.
- (K) The Department of Transportation.
- (L) The National Aeronautics and Space Administration.
- (M) The National Science Foundation.
- (N) The Department of Education.
- (O) The Small Business Administration.
- (P) The Council of Inspectors General on Integrity and Efficiency.
- (Q) Other Executive agencies, as determined by the Chairperson of the Council.

(2) **LEAD REPRESENTATIVES.**—

(A) *DESIGNATION.*—Not later than 45 days after the date of the enactment of this chapter, the head of each agency represented on the Council shall designate a representative of that agency as the lead representative of the agency on the Council.

(B) *FUNCTIONS.*—The lead representative of an agency designated under subparagraph (A) shall ensure that appropriate personnel, including leadership and subject matter experts of the agency, are aware of the business of the Council.

(c) *CHAIRPERSON.*—

(1) *DESIGNATION.*—Not later than 45 days after the date of the enactment of this chapter, the Director of the Office of Management and Budget shall designate a senior-level official from the Office of Management and Budget to serve as the Chairperson of the Council.

(2) *FUNCTIONS.*—The Chairperson shall perform functions that include—

(A) subject to subsection (d), developing a schedule for meetings of the Council;

(B) designating Executive agencies to be represented on the Council under subsection (b)(1)(Q);

(C) in consultation with the lead representative of each agency represented on the Council, developing a charter for the Council; and

(D) not later than 7 days after completion of the charter, submitting the charter to the appropriate congressional committees.

(3) *Lead science advisor.*The Director of the Office of Science and Technology Policy shall be the lead science advisor to the Chairperson for purposes of this chapter.

(4) *Lead Security Advisor.*—The Director of the National Counterintelligence and Security Center shall be the lead security advisor to the Chairperson for purposes of this chapter.

(d) *Meetings.*—The Council shall meet not later than 60 days after the date of the enactment of this chapter and not less frequently than quarterly thereafter.

### **SEC. 7903. FUNCTIONS AND AUTHORITIES**

(a) *IN GENERAL.*—The Chairperson of the Council shall consider the missions and responsibilities of Council members in determining the lead agencies for Council functions. The Council shall perform the following functions:

(1) Developing and implementing, across all Executive agencies that award research and development grants, a uniform application process for grants in accordance with subsection (b).

(2) Developing and implementing a uniform and regular reporting process for identifying persons participating in federally funded research and development or that have access to non-public federally funded information, data, research findings, and research and development grant proposals.

(3) Identifying or developing criteria, in accordance with subsection (c), for sharing and receiving information with respect to Federal research security risks in order to mitigate such risks with—

- (A) *members of the United States research community; and*
- (B) *other persons participating in federally funded research and development.*
- (4) *Identifying an appropriate Executive agency—*
- (A) *to accept and protect information submitted by Executive agencies and non-Federal entities based on the processes established under paragraphs (1) and (2); and*
- (B) *to facilitate the sharing of information received under subparagraph (A) to support, as necessary and appropriate—*
- (i) *oversight of federally funded research and development;*
- (ii) *criminal and civil investigations of misappropriated Federal funds, resources, and information; and*
- (iii) *counterintelligence investigations.*
- (5) *Identifying, as appropriate, Executive agencies to provide—*
- (A) *shared services, such as support for conducting Federal research security risk assessments, activities to mitigate such risks, and oversight and investigations with respect to grants awarded by Executive agencies; and*
- (B) *common contract solutions to support enhanced information collection and sharing and the verification of the identities of persons participating in federally funded research and development.*
- (6) *Identifying and issuing guidance, in accordance with subsection (d) and in coordination with the National Insider Threat Task Force established by Executive Order 13587 (50 U.S.C. 3161 note) for developing and implementing insider threat programs for Executive agencies to deter, detect, and mitigate insider threats, including the safeguarding of sensitive information from exploitation, compromise, or other unauthorized disclosure, taking into account risk levels and the distinct needs, missions, and systems of each such agency.*
- (7) *Identifying and issuing guidance for developing compliance and oversight programs for Executive agencies to ensure that research and development grant recipients accurately report conflicts of interest and conflicts of commitment in accordance with subsection (b)(1). Such programs shall include an assessment of—*
- (A) *a grantee's support from foreign sources and affiliations with foreign funding institutions or laboratories; and*
- (B) *the impact of such support and affiliations on United States national security and economic interests.*
- (8) *Assessing and making recommendations with respect to whether openly sharing certain types of federally funded research and development is in the economic and national security interests of the United States.*
- (9) *Identifying and issuing guidance to the United States research community, and other recipients of Federal research and development funding, to ensure that such institutions and recipients adopt existing best practices to reduce the risk of misappropriation of research data.*

(10) *Identifying and issuing guidance on additional steps that may be necessary to address Federal research security risks arising in the course of Executive agencies providing shared services and common contract solutions under paragraph (5)(B).*

(11) *Engaging with the United States research community in performing the functions described in paragraphs (1), (2), and (3) and with respect to issues relating to Federal research security risks.*

(12) *Carrying out such other functions, as determined by the Council, that are necessary to reduce Federal research security risks.*

(b) **REQUIREMENTS FOR UNIFORM GRANT APPLICATION PROCESS.**—*In developing the uniform application process for Federal research and development grants required under subsection (a)(1), the Council shall—*

(1) *ensure that the process—*

(A) *requires principal investigators, co-principal investigators, and senior personnel associated with the proposed Federal research or development grant project—*

(i) *to disclose biographical information, all affiliations, including any foreign military, foreign government-related organizations, and foreign-funded institutions, and all current and pending support, including from foreign institutions, foreign governments, or foreign laboratories, and all support received from foreign sources; and*

(ii) *to certify the accuracy of the required disclosures under penalty of perjury; and*

(B) *uses a machine-readable application form to assist in identifying fraud and ensuring the eligibility of applicants;*

(2) *design the process—*

(A) *to reduce the administrative burden on persons applying for Federal research and development funding; and*

(B) *to promote information sharing across the United States research community, while safeguarding sensitive information; and*

(3) *complete the process not later than 1 year after the date of the enactment of the Safeguarding American Innovation Act.*

(c) **REQUIREMENTS FOR INFORMATION SHARING CRITERIA.**—*In identifying or developing criteria and procedures for sharing information with respect to Federal research security risks under subsection (a)(3), the Council shall ensure that such criteria address, at a minimum—*

(1) *the information to be shared;*

(2) *the circumstances under which sharing is mandated or voluntary;*

(3) *the circumstances under which it is appropriate for an Executive agency to rely on information made available through such sharing in exercising the responsibilities and authorities of the agency under applicable laws relating to the award of grants;*

(4) *the procedures for protecting intellectual capital that may be present in such information; and*

(5) appropriate privacy protections for persons involved in Federal research and development.

(d) **REQUIREMENTS FOR INSIDER THREAT PROGRAM GUIDANCE.**—In identifying or developing guidance with respect to insider threat programs under subsection (a)(6), the Council shall ensure that such guidance provides for, at a minimum—

(1) such programs—

(A) to deter, detect, and mitigate insider threats; and

(B) to leverage counterintelligence, security, information assurance, and other relevant functions and resources to identify and counter insider threats;

(2) the development of an integrated capability to monitor and audit information for the detection and mitigation of insider threats, including through—

(A) monitoring user activity on computer networks controlled by Executive agencies;

(B) providing employees of Executive agencies with awareness training with respect to insider threats and the responsibilities of employees to report such threats;

(C) gathering information for a centralized analysis, reporting, and response capability; and

(D) information sharing to aid in tracking the risk individuals may pose while moving across programs and affiliations;

(3) the development and implementation of policies and procedures under which the insider threat program of an Executive agency accesses, shares, and integrates information and data derived from offices within the agency;

(4) the designation of senior officials with authority to provide management, accountability, and oversight of the insider threat program of an Executive agency and to make resource recommendations to the appropriate officials; and

(5) such additional guidance as is necessary to reflect the distinct needs, missions, and systems of each Executive agency.

(e) **ISSUANCE OF WARNINGS RELATING TO RISKS AND VULNERABILITIES IN INTERNATIONAL SCIENTIFIC COOPERATION.**—

(1) **IN GENERAL.**—The Council, in conjunction with the lead security advisor under section 7902(c)(4), shall establish a process for informing members of the United States research community and the public, through the issuance of warnings described in paragraph (2), of potential risks and vulnerabilities in international scientific cooperation that may undermine the integrity and security of the United States research community or place at risk any federally funded research and development.

(2) **CONTENT.**—A warning described in this paragraph shall include, to the extent the Council considers appropriate, a description of—

(A) activities by the national government, local governments, research institutions, or universities of a foreign country—

(i) to exploit, interfere, or undermine research and development by the United States research community; or

(ii) to misappropriate scientific knowledge resulting from federally funded research and development;



(B) efforts by strategic competitors to exploit the research enterprise of a foreign country that may place at risk—

(i) the science and technology of that foreign country;

or

(ii) federally funded research and development; and

(C) practices within the research enterprise of a foreign country that do not adhere to the United States scientific values of openness, transparency, reciprocity, integrity, and merit-based competition.

(f) **PROGRAM OFFICE AND COMMITTEES.**—The interagency working group established under section 1746 of the National Defense Authorization Act for Fiscal Year 2020 (Public Law 116—92) shall be a working group under the Council performing duties authorized under such section and as directed by the Council. The Council shall use any findings or work product, existing or forthcoming, by such working group. The Council may also establish a program office and any committees, working groups, or other constituent bodies the Council deems appropriate, in its sole and unreviewable discretion, to carry out its functions.

(g) **EXCLUSION ORDERS.**—To reduce Federal research security risk, the Interagency Suspension and Debarment Committee shall provide quarterly reports to the Council that detail—

(1) the number of ongoing investigations by Council Members related to Federal research security that may result, or have resulted, in agency pre-notice letters, suspensions, proposed debarments, and debarments;

(2) Federal agencies' performance and compliance with interagency suspensions and debarments;

(3) efforts by the Interagency Suspension and Debarment Committee to mitigate Federal research security risk;

(4) proposals for developing a unified Federal policy on suspensions and debarments; and

(5) other current suspension and debarment related issues.

#### **SEC. 7904. STRATEGIC PLAN**

(a) **IN GENERAL.**—Not later than 180 days after the date of the enactment of this chapter, the Council shall develop a strategic plan for addressing Federal research security risks and for managing such risks, that includes—

(1) the criteria and processes required under section 7903(a), including a threshold and requirements for sharing relevant information about such risks with all Executive agencies and, as appropriate, with other Federal entities, foreign governments, and non-Federal entities;

(2) an identification of existing authorities for addressing such risks;

(3) an identification and promulgation of best practices and procedures, and an identification of available resources, for Executive agencies to assess and mitigate such risks;

(4) recommendations for any legislative, regulatory, or other policy changes to improve efforts to address such risks;

(5) recommendations for any legislative, regulatory, or other policy changes to incentivize the adoption of best practices for avoiding and mitigating Federal research security risks by the United States research community and key United States foreign research partners;

(6) an evaluation of the effect of implementing new policies or procedures on existing Federal grant processes, regulations, and disclosures of conflicts of interest and conflicts of commitment;

(7) a plan for engaging with Executive agencies, the private sector, and other nongovernmental stakeholders to address such risks and share information between Executive agencies, the private sector, and nongovernmental stakeholders; and

(8) a plan for identification, assessment, mitigation, and vetting of Federal research security risks.

(b) *SUBMISSION TO CONGRESS.*—Not later than 7 calendar days after completion of the strategic plan required by subsection (a), the Chairperson of the Council shall submit the plan to the appropriate congressional committees.

**SEC. 7905. ANNUAL REPORT**

Not later than December 15 of each year, the Chairperson of the Council shall submit a report to the appropriate congressional committees that describes—

(1) the activities of the Council during the preceding fiscal year; and

(2) the progress made toward implementing the strategic plan required under section 7904 after such plan has been submitted to Congress.

**SEC. 7906. REQUIREMENTS FOR EXECUTIVE AGENCIES**

(a) *IN GENERAL.*—The head of each Executive agency on the Council shall be responsible for—

(1) assessing Federal research security risks posed by persons participating in federally funded research and development;

(2) avoiding or mitigating such risks, as appropriate and consistent with the standards, guidelines, requirements, and practices identified by the Council under section 7903(a);

(3) prioritizing Federal research security risk assessments conducted under paragraph (1) based on the applicability and relevance of the research and development to the national security and economic competitiveness of the United States; and

(4) ensuring that all agency initiatives impacting federally funded research grant making policy and management to protect the national and economic security interests of the United States are integrated with the activities of the Council.

(b) *INCLUSIONS.*—The responsibility of the head of an Executive agency for assessing Federal research security risk described in subsection (a) includes—

(1) developing an overall Federal research security risk management strategy and implementation plan and policies and processes to guide and govern Federal research security risk management activities by the Executive agency;

(2) integrating Federal research security risk management practices throughout the lifecycle of the grant programs of the Executive agency;

(3) sharing relevant information with other Executive agencies, as determined appropriate by the Council in a manner consistent with section 7903; and

(4) reporting on the effectiveness of the Federal research security risk management strategy of the Executive agency con-

*sistent with guidance issued by the Office of Management and  
Budget and the Council.*

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