

116TH CONGRESS  
1ST SESSION

# H. R. 1648

To amend the Small Business Act to provide for the establishment of an enhanced cybersecurity assistance and protections for small businesses, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

MARCH 8, 2019

Mr. CHABOT (for himself and Ms. VELÁZQUEZ) introduced the following bill; which was referred to the Committee on Small Business

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## A BILL

To amend the Small Business Act to provide for the establishment of an enhanced cybersecurity assistance and protections for small businesses, 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 “Small Business Ad-  
5 vanced Cybersecurity Enhancements Act of 2019”.

6 **SEC. 2. FINDINGS.**

7 Congress finds the following:

8 (1) Small businesses represent more than 97  
9 percent of total businesses in the United States and

1 make up an essential part of the supply chain to  
2 some of the largest companies, many of which are in  
3 critical infrastructure sectors, from financial and  
4 transportation organizations to power, water, and  
5 healthcare suppliers.

6 (2) Many small businesses do not have dedi-  
7 cated information technology (“IT”) departments  
8 and must outsource IT functions or assign these du-  
9 ties to an employee as a secondary function.

10 (3) The Internet Crime Complaint Center with-  
11 in the United States Department of Justice recorded  
12 298,728 cybersecurity-related complaints in its 2016  
13 report.

14 (4) There has been steady increases of cyberse-  
15 curity-related complaints year over year since the  
16 year 2000, totaling 3,762,348.

17 (5) Seventy-one percent of cyber attacks oc-  
18 curred in businesses with fewer than 100 employees.

19 (6) Only 14 percent of small- and medium-sized  
20 businesses believe they have the ability to effectively  
21 mitigate cyber risks and vulnerabilities.

22 (7) Small businesses risk theft and manipula-  
23 tion of sensitive data if they lack adequate cyberse-  
24 curity measures.

1           (8) The Better Business Bureau found that  
2 half of small businesses could remain profitable for  
3 only one month if they lost essential data.

4           (9) Cyber crime is growing rapidly and the an-  
5 nual costs to the global economy are estimated to  
6 reach over \$2,000,000,000,000 by 2019.

7           (10) Cybersecurity is a global challenge where  
8 the security threat, attacks, and techniques contin-  
9 ually evolve and no company, individual, or Federal  
10 agency is immune from these threats.

11           (11) Strong collaboration between the public  
12 and private sector is essential in the fight against  
13 cyber crime.

14           (12) There is a reluctance among small busi-  
15 nesses to voluntarily share information with govern-  
16 ment entities, and the Federal Government should  
17 work proactively to incentivize and encourage vol-  
18 untary information sharing to improve the Nation's  
19 cybersecurity posture.

20 **SEC. 3. ENHANCED CYBERSECURITY ASSISTANCE AND PRO-**  
21 **TECTIONS FOR SMALL BUSINESSES.**

22           Section 21(a) of the Small Business Act (15 U.S.C.  
23 648(a)) is amended by adding at the end the following  
24 new paragraph:

1           “(9) SMALL BUSINESS CYBERSECURITY ASSIST-  
2 ANCE AND PROTECTIONS.—

3           “(A) ESTABLISHMENT OF SMALL BUSI-  
4 NESS CYBERSECURITY ASSISTANCE UNITS.—

5           The Administrator of the Small Business Ad-  
6 ministration, in coordination with the Secretary  
7 of Commerce, and in consultation with the Sec-  
8 retary of Homeland Security and the Attorney  
9 General, shall establish—

10           “(i) in the Administration, a central  
11 small business cybersecurity assistance  
12 unit; and

13           “(ii) within each small business devel-  
14 opment center, a regional small business  
15 cybersecurity assistance unit.

16           “(B) DUTIES OF THE CENTRAL SMALL  
17 BUSINESS CYBERSECURITY ASSISTANCE UNIT.—

18           “(i) IN GENERAL.—The central small  
19 business cybersecurity assistance unit es-  
20 tablished under subparagraph (A)(i) shall  
21 serve as the primary interface for small  
22 business concerns to receive and share  
23 cyber threat indicators and defensive meas-  
24 ures with the Federal Government.

1           “(ii) USE OF CAPABILITY AND PROC-  
2           ESSES.—The central small business cyber-  
3           security assistance unit shall use the capa-  
4           bility and process certified pursuant to sec-  
5           tion 105(c)(2)(A) of the Cybersecurity In-  
6           formation Sharing Act of 2015 (6 U.S.C.  
7           1504(c)(2)(A)) to receive cyber threat indi-  
8           cators or defensive measures from small  
9           business concerns.

10           “(iii) APPLICATION OF CISA.—A small  
11           business concern that receives or shares  
12           cyber threat indicators and defensive meas-  
13           ures with the Federal Government through  
14           the central small business cybersecurity as-  
15           sistance unit established under subpara-  
16           graph (A)(i), or with any appropriate enti-  
17           ty pursuant to section 103(c) of the Cyber-  
18           security Information Sharing Act of 2015  
19           (6 U.S.C. 1503(c)), shall receive the pro-  
20           tections and exemptions provided in such  
21           Act and this paragraph.

22           “(C) RELATION TO NCCIC.—

23           “(i) CENTRAL SMALL BUSINESS CY-  
24           BERSECURITY ASSISTANCE UNIT.—The  
25           central small business cybersecurity assist-

1           ance unit established under subparagraph  
2           (A)(i) shall be collocated with the national  
3           cybersecurity and communications integra-  
4           tion center.

5           “(ii) ACCESS TO INFORMATION.—The  
6           national cybersecurity and communications  
7           integration center shall have access to all  
8           cyber threat indicators or defensive meas-  
9           ures shared with the central small cyberse-  
10          curity assistance unit established under  
11          subparagraph (A)(i) through the use of the  
12          capability and process described in sub-  
13          paragraph (B)(ii).

14          “(D) CYBERSECURITY ASSISTANCE FOR  
15          SMALL BUSINESSES.—The central small busi-  
16          ness cybersecurity assistance unit established  
17          under subparagraph (A)(i) shall—

18                 “(i) work with each regional small  
19                 business cybersecurity assistance unit es-  
20                 tablished under subparagraph (A)(ii) to  
21                 provide cybersecurity assistance to small  
22                 business concerns;

23                 “(ii) leverage resources from the Ad-  
24                 ministration, the Department of Com-  
25                 merce, the Department of Homeland Secu-

1           rity, the Department of Justice, the De-  
2           partment of the Treasury, the Department  
3           of State, and any other Federal depart-  
4           ment or agency the Administrator deter-  
5           mines appropriate, in order to help im-  
6           prove the cybersecurity posture of small  
7           business concerns;

8           “(iii) coordinate with the Department  
9           of Homeland Security to identify and dis-  
10          seminate information to small business  
11          concerns in a form that is accessible and  
12          actionable by small business concerns;

13          “(iv) coordinate with the National In-  
14          stitute of Standards and Technology to  
15          identify and disseminate information to  
16          small business concerns on the most cost-  
17          effective methods for implementing ele-  
18          ments of the cybersecurity framework of  
19          the National Institute of Standards and  
20          Technology applicable to improving the cy-  
21          bersecurity posture of small business con-  
22          cerns;

23          “(v) seek input from the Office of Ad-  
24          vocacy of the Administration to ensure  
25          that any policies or procedures adopted by

1 any department, agency, or instrumentality  
2 of the Federal Government do not unduly  
3 add regulatory burdens to small business  
4 concerns in a manner that will hamper the  
5 improvement of the cybersecurity posture  
6 of such small business concerns; and

7 “(vi) leverage resources and relation-  
8 ships with representatives and entities in-  
9 volved in the national cybersecurity and  
10 communications integration center to pub-  
11 licize the capacity of the Federal Govern-  
12 ment to assist small business concerns in  
13 improving cybersecurity practices.

14 “(E) ENHANCED CYBERSECURITY PROTEC-  
15 TIONS FOR SMALL BUSINESSES.—

16 “(i) IN GENERAL.—Notwithstanding  
17 any other provision of law, no cause of ac-  
18 tion shall lie or be maintained in any court  
19 against any small business concern, and  
20 such action shall be promptly dismissed, if  
21 such action related to or arises out of—

22 “(I) any activity authorized  
23 under this paragraph or the Cyberse-  
24 curity Information Sharing Act of  
25 2015 (6 U.S.C. 1501 et seq.); or



1                   “(II) any action or inaction in re-  
2                   sponse to any cyber threat indicator,  
3                   defensive measure, or other informa-  
4                   tion shared or received pursuant to  
5                   this paragraph or the Cybersecurity  
6                   Information Sharing Act of 2015 (6  
7                   U.S.C. 1501 et seq.).

8                   “(ii) APPLICATION.—The exception  
9                   provided in section 105(d)(5)(D)(ii)(I) of  
10                  the Cybersecurity Information Sharing Act  
11                  of 2015 (6 U.S.C. 1504(d)(5)(D)(ii)(I))  
12                  shall not apply to any cyber threat indi-  
13                  cator or defensive measure shared or re-  
14                  ceived by small business concerns pursuant  
15                  to this paragraph or the Cybersecurity In-  
16                  formation Sharing Act of 2015 (6 U.S.C.  
17                  1501 et seq.).

18                  “(iii) RULE OF CONSTRUCTION.—  
19                  Nothing in this subparagraph shall be con-  
20                  strued to affect the applicability or merits  
21                  of any defense, motion, or argument in any  
22                  cause of action in a court brought against  
23                  an entity that is not a small business con-  
24                  cern.

25                  “(F) DEFINITIONS.—In this paragraph:

1           “(i) CISA DEFINITIONS.—The terms  
2           ‘cyber threat indicator’ and ‘defensive  
3           measure’ have the meanings given such  
4           terms in section 102 of the Cybersecurity  
5           Information Sharing Act of 2015 (6  
6           U.S.C. 1501).

7           “(ii) NATIONAL CYBERSECURITY AND  
8           COMMUNICATIONS INTEGRATION CEN-  
9           TER.—The term ‘national cybersecurity  
10          and communications integration center’  
11          means the national cybersecurity and com-  
12          munications integration center established  
13          under section 227 of the Homeland Secu-  
14          rity Act of 2002 (6 U.S.C. 148).”.

15 **SEC. 4. PROHIBITION ON NEW APPROPRIATIONS.**

16          (a) IN GENERAL.—No additional funds are author-  
17          ized to be appropriated to carry out this Act and the  
18          amendments made by this Act.

19          (b) EXISTING FUNDING.—This Act and the amend-  
20          ments made by this Act shall be carried out using amounts  
21          made available under section 21(a)(4)(C)(viii) of the Small  
22          Business Act (15 U.S.C. 648(a)(4)(viii)).

23          (c) TECHNICAL AND CONFORMING AMENDMENT.—  
24          Section 21(a)(4)(C)(viii) of the Small Business Act (15  
25          U.S.C.648(a)(4)(C)(viii)) is amended to read as follows:

1 “(viii) LIMITATION.—

2 “(I) CYBERSECURITY ASSIST-  
3 ANCE.—From the funds appropriated  
4 pursuant to clause (vii), the Adminis-  
5 tration shall reserve not less than  
6 \$1,000,000 in each fiscal year to de-  
7 velop cybersecurity assistance units at  
8 small business development centers  
9 under paragraph (9).

10 “(II) PORTABLE ASSISTANCE.—

11 “(aa) IN GENERAL.—Any  
12 funds appropriated pursuant to  
13 clause (vii) that are remaining  
14 after reserving amounts under  
15 subclause (I) may be used for  
16 portable assistance for startup  
17 and sustainability non-matching  
18 grant programs to be conducted  
19 by eligible small business develop-  
20 ment centers in communities that  
21 are economically challenged as a  
22 result of a business or govern-  
23 ment facility down sizing or clos-  
24 ing, which has resulted in the

1 loss of jobs or small business in-  
2 stability.  
3 “(bb) GRANT AMOUNT AND  
4 USE.—A non-matching grant  
5 under this subclause shall not ex-  
6 ceed \$100,000, and shall be used  
7 for small business development  
8 center personnel expenses and re-  
9 lated small business programs  
10 and services.”.

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