

# Calendar No. 52

116TH CONGRESS  
1ST SESSION

# S. 772

To require an annual report on the cybersecurity of the Small Business Administration, and for other purposes.

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## IN THE SENATE OF THE UNITED STATES

MARCH 13, 2019

Mr. RUBIO (for himself, Mr. CARDIN, Mr. RISCH, and Mr. HAWLEY) introduced the following bill; which was read twice and referred to the Committee on Small Business and Entrepreneurship

APRIL 1, 2019

Reported by Mr. RUBIO, with an amendment

[Strike out all after the enacting clause and insert the part printed in italic]

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## A BILL

To require an annual report on the cybersecurity of the Small Business Administration, 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 “SBA Cyber Awareness  
5 Act”.

1 **SEC. 2. CYBERSECURITY AWARENESS REPORTING.**

2 Section 10 of the Small Business Act (15 U.S.C. 639)  
3 is amended by striking subsection (b) and inserting the  
4 following:

5 “(b) **CYBERSECURITY REPORTS.**—

6 “(1) **DEFINITION.**—In this subsection, the term  
7 ‘appropriate congressional committees’ means—

8 “(A) the Committee on Small Business  
9 and Entrepreneurship of the Senate; and

10 “(B) the Committee on Small Business of  
11 the House of Representatives.

12 “(2) **ANNUAL REPORT.**—Not later than 180  
13 days after the date of enactment of the SBA Cyber  
14 Awareness Act, and every year thereafter, the Ad-  
15 ministration shall submit a report to the appropriate  
16 congressional committees that includes—

17 “(A) an assessment of the information  
18 technology and cybersecurity of the Administra-  
19 tion;

20 “(B) a strategy to increase the cybersecu-  
21 rity of the Administration;

22 “(C) a detailed account of any information  
23 technology component or system of the Admin-  
24 istration that was manufactured by a company  
25 located in the People’s Republic of China; and

1           “(D) an account of any cyber threat,  
2           breach, or cyber attack that occurred at the Ad-  
3           ministration during the 2-year period preceding  
4           the date on which the report is submitted, and  
5           any action taken by the Administration to re-  
6           spond to or remediate the cyber threat, breach,  
7           or cyber attack.

8           “(3) ADDITIONAL REPORTS.—If the Adminis-  
9           tration determines that there is a reasonable basis to  
10          conclude that a cyber threat, breach, or cyber attack  
11          occurred at the Administration, the Administration  
12          shall—

13           “(A) not later than 7 days after the date  
14           on which the Administration makes that deter-  
15           mination, notify the appropriate congressional  
16           committees of the cyber threat, breach, or cyber  
17           attack; and

18           “(B) not later than 30 days after the date  
19           on which the Administration makes that deter-  
20           mination, submit to the appropriate congres-  
21           sional committees a report that includes—

22           “(i) a summary of information about  
23           the cyber threat, breach, or cyber attack,  
24           including how the cyber threat, breach, or  
25           cyber attack occurred, based on informa-

1           tion available to the Administration as of  
 2           the date which the Administration submits  
 3           the report;

4           “(ii) an estimate of the number of in-  
 5           dividuals and small entities affected by the  
 6           cyber threat, breach, or cyber attack, in-  
 7           cluding an assessment of the risk of harm  
 8           to affected individuals and small entities  
 9           based on information available to the Ad-  
 10          ministration as of the date on which the  
 11          Administration submits the report; and

12          “(iii) an estimate of when the Admin-  
 13          istration will provide notice to affected in-  
 14          dividuals and small entities.

15          “(4) **RULE OF CONSTRUCTION.**—Nothing in  
 16          this subsection shall be construed to affect the re-  
 17          porting requirements of the Administration under  
 18          chapter 35 of title 44 United States Code, in par-  
 19          ticular the requirement to notify the Federal infor-  
 20          mation security incident center under section  
 21          3554(b)(7)(C)(ii) of such title, or any other provi-  
 22          sion of law.”.

23 **SECTION 1. SHORT TITLE.**

24          *This Act may be cited as the “SBA Cyber Awareness*  
 25 *Act”.*

1 **SEC. 2. CYBERSECURITY AWARENESS REPORTING.**

2 *Section 10 of the Small Business Act (15 U.S.C. 639)*  
3 *is amended by inserting after subsection (a) the following:*

4 “(b) *CYBERSECURITY REPORTS.*—

5 “(1) *DEFINITIONS.*—*In this subsection—*

6 “(A) *the term ‘appropriate congressional*  
7 *committees’ means—*

8 “(i) *the Committee on Small Business*  
9 *and Entrepreneurship of the Senate; and*

10 “(ii) *the Committee on Small Business*  
11 *of the House of Representatives; and*

12 “(B) *the term ‘major incident’ has the*  
13 *meaning given the term in the Office of Manage-*  
14 *ment and Budget Memorandum on Federal In-*  
15 *formation Security and Privacy Management*  
16 *Requirements, dated October 16, 2017 (M–18–*  
17 *02), or any successor memorandum.*

18 “(2) *ANNUAL REPORT.*—*Not later than 180 days*  
19 *after the date of enactment of the SBA Cyber Aware-*  
20 *ness Act, and every year thereafter, the Administra-*  
21 *tion shall submit to the appropriate congressional*  
22 *committees a report that includes—*

23 “(A) *an assessment of the information tech-*  
24 *nology and cybersecurity of the Administration;*

25 “(B) *a strategy to increase the cybersecurity*  
26 *of the Administration;*

1           “(C) a detailed account of any information  
2           technology component or system of the Adminis-  
3           tration that was manufactured by a company lo-  
4           cated in the People’s Republic of China; and

5           “(D) an account of any major incident that  
6           occurred at the Administration during the 2-  
7           year period preceding the date on which the re-  
8           port is submitted, and any action taken by the  
9           Administration to respond to or remediate the  
10          major incident.

11          “(3) *ADDITIONAL REPORTS.*—If the Administra-  
12          tion determines that there is a reasonable basis to  
13          conclude that a major incident occurred at the Ad-  
14          ministration, the Administration shall—

15                 “(A) not later than 7 days after the date on  
16                 which the Administration makes that determina-  
17                 tion, notify the appropriate congressional com-  
18                 mittees of the major incident; and

19                 “(B) not later than 30 days after the date  
20                 on which the Administration makes that deter-  
21                 mination, submit to the appropriate congress-  
22                 sional committees a report that includes—

23                         “(i) a summary of information about  
24                         the major incident, including how the major  
25                         incident occurred, based on information

1           *available to the Administration as of the*  
2           *date which the Administration submits the*  
3           *report;*

4           “(ii) *an estimate of the number of in-*  
5           *dividuals and small entities affected by the*  
6           *major incident, including an assessment of*  
7           *the risk of harm to affected individuals and*  
8           *small entities based on information avail-*  
9           *able to the Administration as of the date on*  
10          *which the Administration submits the re-*  
11          *port; and*

12          “(iii) *an estimate of when the Admin-*  
13          *istration will provide notice to affected in-*  
14          *dividuals and small entities.*

15          “(4) *RULE OF CONSTRUCTION.—Nothing in this*  
16          *subsection shall be construed to affect the reporting re-*  
17          *quirements of the Administration under chapter 35 of*  
18          *title 44 United States Code, in particular the require-*  
19          *ment to notify the Federal information security inci-*  
20          *dent center under section 3554(b)(7)(C)(ii) of such*  
21          *title, or any other provision of law.”.*

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