

NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 2018  
CONFERENCE REPORT

TO ACCOMPANY

H.R. 2810  
REPORT 115-404  
11/13/2017

SBIR Highlights

actions taken by the Secretary under subsection (a)(1) and how the process described in such subsection has been improved.

**SEC. 225. SUPPORT FOR NATIONAL SECURITY INNOVATION AND ENTREPRENEURIAL EDUCATION.**

(a) **SUPPORT AUTHORIZED.**—

(1) **IN GENERAL.**—The Secretary of Defense may, acting through the Under Secretary of Defense for Research and Engineering, support national security innovation and entrepreneurial education programs.

(2) **ELEMENTS.**—Support under paragraph (1) may include the following:

(A) Materials to recruit participants, including veterans, for programs described in paragraph (1).

(B) Model curriculum for such programs.

(C) Training materials for such programs.

(D) Best practices for the conduct of such programs.

(E) Experimental learning opportunities for program participants to interact with operational forces and better understand national security challenges.

(F) Exchanges and partnerships with Department of Defense science and technology activities.

(G) Activities consistent with the Proof of Concept Commercialization Pilot Program established under section 1603 of the National Defense Authorization Act for Fiscal Year 2014 (Public Law 113–66; 10 U.S.C. 2359 note).

(b) **CONSULTATION.**—In carrying out subsection (a), the Secretary may consult with the heads of such Federal agencies, universities, and public and private entities engaged in the development of advanced technologies as the Secretary determines to be appropriate.

(c) **AUTHORITIES.**—The Secretary may—

(1) develop and maintain metrics to assess national security innovation and entrepreneurial education activities to ensure standards for programs supported under subsection (b) are consistent and being met; and

(2) ensure that any recipient of an award under the Small Business Technology Transfer program, the Small Business Innovation Research program, and science and technology programs of the Department of Defense has the option to participate in training under a national security innovation and entrepreneurial education program supported under subsection (b).

(d) **PARTICIPATION BY FEDERAL EMPLOYEES AND MEMBERS OF THE ARMED FORCES.**—The Secretary may encourage Federal employees and members of the Armed Forces to participate in a national security innovation and entrepreneurial education program supported under subsection (a) in order to gain exposure to modern innovation and entrepreneurial methodologies.

(e) **COORDINATION.**—In carrying out this section, the Secretary shall consider coordinating and partnering with activities and organizations involved in the following:

(1) Hack the Army.

(2) Hack the Air Force.

(3) Hack the Pentagon.

(4) The Army Digital Service.

(5) The Defense Digital Service.

- (6) *The Air Force Digital Service.*
- (7) *Challenge and prize competitions of the Defense Advanced Research Projects Agency (DARPA).*
- (8) *The Defense Science Study Group.*
- (9) *The Small Business Innovation Research Program (SBIR).*
- (10) *The Small Business Technology Transfer Program (STTR).*
- (11) *War colleges of the military departments.*
- (12) *Hacking for Defense.*
- (13) *The National Security Science and Engineering Faculty Fellowship (NSSEFF) program.*
- (14) *The Science, Mathematics and Research for Transformation (SMART) scholarship program.*
- (15) *The young faculty award program of the Defense Advanced Research Projects Agency.*

**SEC. 226. LIMITATION ON CANCELLATION OF DESIGNATION EXECUTIVE AGENT FOR A CERTAIN DEFENSE PRODUCTION ACT PROGRAM.**

(a) **LIMITATION ON CANCELLATION OF DESIGNATION.**—*The Secretary of Defense may not implement the decision, issued on July 1, 2017, to cancel the designation, under Department of Defense Directive 4400.1E, entitled “Defense Production Act Programs” and dated October 12, 2001, of the currently assigned Department of Defense Executive Agent for the program carried out under title III of the Defense Production Act of 1950 (50 U.S.C. 4531 et seq.) until the Secretary has—*

- (1) *completed the review and assessment required by subsection (b)(1); and*
- (2) *carried out the briefing required by subsection (c).*

(b) **REVIEW AND ASSESSMENT REQUIRED.**—

(1) **IN GENERAL.**—*The Secretary of Defense, in consultation with the Secretary of the Air Force, shall conduct a review and assessment of the program described in subsection (a).*

(2) **ELEMENTS.**—*The review and assessment required by paragraph (1) shall include the following:*

(A) *Assessment of the current management structure for the program, including analysis of the mechanisms for accountability, as well as cost and management controls currently in place.*

(B) *Analysis of alternatives for proposals to modify that management structure to increase accountability, cost and management controls. Such analysis of alternatives should consider the relative merits of centralization and decentralization, roles of other military departments in program management and contracting, as well as the different roles the Office of the Secretary of Defense might play in management, oversight and execution.*

(C) *Recommendations for improving the assessment and selection of projects in order to—*

(i) *ensure that projects selected are appropriate for use of funds appropriated to carry out title III of the Defense Production Act of 1950;*

(ii) *ensure that sufficient vetting and management controls are in place to ensure a reasonable degree of*

## **Section 864**

**OTHER TRANSACTION AUTHORITY FOR CERTAIN PROTOTYPE  
PROJECTS**

tion described in subsection (a) may not exceed \$100,000,000, in fiscal year 2017 constant dollars.

“(4) **APPLICABILITY.**—The authority provided in subsection (a) applies only to the Secretary of Defense, the Secretary of the Army, the Secretary of the Navy, and the Secretary of the Air Force.”.

(2) **CLERICAL AMENDMENT.**—The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 2302d the following new item:

“2302e. Contract authority for advanced development of initial or additional prototype units.”.

(b) **REPEAL OF OBSOLETE AUTHORITY.**—Section 819 of the National Defense Authorization Act for Fiscal Year 2010 (Public Law 111–84; 10 U.S.C. 2302 note) is hereby repealed.

**SEC. 862. METHODS FOR ENTERING INTO RESEARCH AGREEMENTS.**

Section 2358(b) of title 10, United States Code, is amended—

(1) in paragraph (3), by striking “or”;

(2) in paragraph (4), by striking the period at the end and inserting a semicolon; and

(3) by adding at the end the following new paragraphs:

“(5) by transactions (other than contracts, cooperative agreements, and grants) entered into pursuant to section 2371 or 2371b of this title; or

“(6) by purchases through procurement for experimental purposes pursuant to section 2373 of this title.”.

**SEC. 863. EDUCATION AND TRAINING FOR TRANSACTIONS OTHER THAN CONTRACTS AND GRANTS.**

Section 2371 of title 10, United States Code, is amended—

(1) by redesignating subsection (g) as subsection (h); and

(2) by inserting after subsection (f) the following new subsection:

“(g) **EDUCATION AND TRAINING.**—The Secretary of Defense shall—

“(1) ensure that management, technical, and contracting personnel of the Department of Defense involved in the award or administration of transactions under this section or other innovative forms of contracting are afforded opportunities for adequate education and training; and

“(2) establish minimum levels and requirements for continuous and experiential learning for such personnel, including levels and requirements for acquisition certification programs.”.

**SEC. 864. OTHER TRANSACTION AUTHORITY FOR CERTAIN PROTOTYPE PROJECTS.**

(a) **EXPANDED AUTHORITY FOR PROTOTYPE PROJECTS.**—Subsection (a)(2) of section 2371b of title 10, United States Code, is amended—

(1) by striking “for a prototype project” each place such term appears and inserting “for a transaction (for a prototype project)”;

(2) in subparagraph (A)—

(A) by striking “\$50,000,000” and inserting “\$100,000,000”; and

(B) by striking “\$250,000,000” and inserting “\$500,000,000”; and

(3) in subparagraph (B), by striking “\$250,000,000” and inserting “\$500,000,000”.

**(b) CLARIFICATION OF INCLUSION OF SMALL BUSINESSES PARTICIPATING IN SBIR OR STTR.**—Subparagraph (B) of section 2371b(d)(1) of title 10, United States Code, is amended by inserting “(including small businesses participating in a program described under section 9 of the Small Business Act (15 U.S.C. 638))” after “small businesses”.

**(c) MODIFICATION OF COST SHARING REQUIREMENT FOR USE OF OTHER TRANSACTION AUTHORITY.**—Subparagraph (C) of such section is amended by striking “provided by parties to the transaction” and inserting “provided by sources other than”.

**(d) USE OF OTHER TRANSACTION AUTHORITY FOR ONGOING PROTOTYPE PROJECTS.**—Subsection (f)(1) of section 2371b of title 10, United States Code, is amended by adding at the end the following: “A transaction includes all individual prototype subprojects awarded under the transaction to a consortium of United States industry and academic institutions.”.

**SEC. 865. AMENDMENT TO NONTRADITIONAL AND SMALL CONTRACTOR INNOVATION PROTOTYPING PROGRAM.**

Section 884(d) of the National Defense Authorization Act for Fiscal Year 2017 (Public Law 114–328; 130 Stat. 2318; 10 U.S.C. 2302 note) is amended—

(1) by redesignating paragraph (9) as paragraph (10); and  
 (2) by inserting after paragraph (8) the following new paragraph (9):

“(9) Unmanned ground logistics and unmanned air logistics capabilities enhancement.”.

**SEC. 866. MIDDLE TIER OF ACQUISITION FOR RAPID PROTOTYPE AND RAPID FIELDING.**

Section 804(c)(2) of the National Defense Authorization Act for Fiscal Year 2016 (Public Law 114–92; 10 U.S.C. 2302 note) is amended—

(1) by striking subparagraph (C); and  
 (2) by redesignating subparagraphs (D) and (E) as subparagraphs (C) and (D), respectively.

**SEC. 867. PREFERENCE FOR USE OF OTHER TRANSACTIONS AND EXPERIMENTAL AUTHORITY.**

In the execution of science and technology and prototyping programs, the Secretary of Defense shall establish a preference, to be applied in circumstances determined appropriate by the Secretary, for using transactions other than contracts, cooperative agreements, and grants entered into pursuant to sections 2371 and 2371b of title 10, United States Code, and authority for procurement for experimental purposes pursuant to section 2373 of title 10, United States Code.

**SEC. 868. PROTOTYPE PROJECTS TO DIGITIZE DEFENSE ACQUISITION REGULATIONS, POLICIES, AND GUIDANCE, AND EMPOWER USER TAILORING OF ACQUISITION PROCESS.**

**(a) IN GENERAL.**—The Secretary of Defense, acting through the Under Secretary of Defense for Research and Engineering, shall conduct development efforts to develop prototypes to digitize defense acquisition regulations, policies, and guidance and to develop a digital decision support tool that facilitates the ability of users to tailor

**TITLE XVII—SMALL BUSINESS PROCUREMENT AND  
INDUSTRIAL BASE MATTERS**

(b) *CERTIFICATION.*—Not later than 30 days after the date of the enactment of this Act, the service acquisition executive responsible for each covered Distributed Common Ground System shall certify to the appropriate congressional committees that the procurement process for increments of the system procured after the date of the enactment of this Act will be carried out in accordance with section 2377 of title 10, United States Code.

(c) *DEFINITIONS.*—In this section:

(1) The term “appropriate congressional committees” means—

(A) the congressional defense committees; and

(B) the Select Committee on Intelligence of the Senate and the Permanent Select Committee on Intelligence of the House of Representatives.

(2) The term “covered Distributed Common Ground System” includes the following:

(A) The Distributed Common Ground System of the Army.

(B) The Distributed Common Ground System of the Navy.

(C) The Distributed Common Ground System of the Marine Corps.

(D) The Distributed Common Ground System of the Air Force.

(E) The Distributed Common Ground System of the Special Operations Forces.

## **TITLE XVII—SMALL BUSINESS PROCUREMENT AND INDUSTRIAL BASE MATTERS**

- Sec. 1701. Amendments to HUBZone provisions of the Small Business Act.
- Sec. 1702. Uniformity in procurement terminology.
- Sec. 1703. Improving reporting on small business goals.
- Sec. 1704. Responsibilities of Business Opportunity Specialists.
- Sec. 1705. Responsibilities of commercial market representatives.
- Sec. 1706. Modification of past performance pilot program to include consideration of past performance with allies of the United States.
- Sec. 1707. Notice of cost-free Federal procurement technical assistance in connection with registration of small business concerns on procurement websites of the Department of Defense.
- Sec. 1708. Inclusion of SBIR and STTR programs in technical assistance.
- Sec. 1709. Requirements relating to competitive procedures and justification for awards under the SBIR and STTR programs.
- Sec. 1710. Pilot program for streamlined technology transition from the SBIR and STTR programs of the Department of Defense.
- Sec. 1711. Pilot program on strengthening manufacturing in the defense industrial base.
- Sec. 1712. Review regarding applicability of foreign ownership, control, or influence requirements of National Industrial Security Program to national technology and industrial base companies.
- Sec. 1713. Report on sourcing of tungsten and tungsten powders from domestic producers.
- Sec. 1714. Report on utilization of small business concerns for Federal contracts.

### **SEC. 1701. AMENDMENTS TO HUBZONE PROVISIONS OF THE SMALL BUSINESS ACT.**

(a) *TRANSFER OF HUBZONE DEFINITIONS.*—

(1) *REDESIGNATION.*—Section 31 of the Small Business Act (15 U.S.C. 657a) is amended by redesignating subsections (b), (c), and (d) as subsections (c), (d), and (e), respectively.

“(III) the Office of Small and Disadvantaged Business Utilization of a Federal agency, if the head of the Federal agency and the Administrator agree;

“(ii) the term ‘defense item’ has the meaning given that term in section 38(j)(4)(A) of the Arms Export Control Act (22 U.S.C. 2778(j)(4)(A));

“(iii) the term ‘major non-NATO ally’ means a country designated as a major non-NATO ally under section 517 of the Foreign Assistance Act of 1961 (22 U.S.C. 2321k);

“(iv) the term ‘past performance’ includes performance of a contract for a sale of defense items (under section 38 of the Arms Export Control Act (22 U.S.C. 2778)) to the government of a member nation of North Atlantic Treaty Organization, the government of a major non-NATO ally, or the government of a country with which the United States has a defense cooperation agreement (as certified by the Secretary of State); and

“(v) the term ‘small business exporter’ means a small business concern that exports defense items under section 38 of the Arms Export Control Act (22 U.S.C. 2778) to the government of a member nation of the North Atlantic Treaty Organization, the government of a major non-NATO ally, or the government of a country with which the United States has a defense cooperation agreement (as certified by the Secretary of State).”.

(b) **TECHNICAL AMENDMENT.**—Section 8(d)(17)(A) of the Small Business Act (15 U.S.C. 637(d)(17)(A)) is amended by striking “paragraph 13(A)” and inserting “paragraph (13)(A)”.

**SEC. 1707. NOTICE OF COST-FREE FEDERAL PROCUREMENT TECHNICAL ASSISTANCE IN CONNECTION WITH REGISTRATION OF SMALL BUSINESS CONCERNS ON PROCUREMENT WEBSITES OF THE DEPARTMENT OF DEFENSE.**

(a) **IN GENERAL.**—The Secretary of Defense shall establish procedures to ensure that any notice or direct communication regarding the registration of a small business concern on a website maintained by the Department of Defense relating to contracting opportunities contains information about cost-free Federal procurement technical assistance services that are available through a procurement technical assistance program established under chapter 142 of title 10, United States Code.

(b) **SMALL BUSINESS CONCERN DEFINED.**—The term “small business concern” has the meaning given such term under section 3 of the Small Business Act (15 U.S.C. 632).

**SEC. 1708. INCLUSION OF SBIR AND STTR PROGRAMS IN TECHNICAL ASSISTANCE.**

Subsection (c) of section 2418 of title 10, United States Code, is amended—

(1) by striking “issued under” and inserting the following: “issued—

“(1) under”;

(2) by striking “and on” and inserting “, and on”;

(3) by striking “requirements.” and inserting “requirements; and”;

(4) by adding at the end the following new paragraph:

“(2) under section 9 of the Small Business Act (15 U.S.C. 638), and on compliance with those requirements.”.

**SEC. 1709. REQUIREMENTS RELATING TO COMPETITIVE PROCEDURES AND JUSTIFICATION FOR AWARDS UNDER THE SBIR AND STTR PROGRAMS.**

(a) **IN GENERAL.**—Section 9(r)(4) of the Small Business Act (15 U.S.C. 638(r)(4)) is amended by striking “shall issue Phase III awards” and inserting the following: “shall—

“(A) consider an award under the SBIR program or the STTR program to satisfy the requirements under section 2304 of title 10, United States Code, and any other applicable competition requirements; and

“(B) issue, without further justification, Phase III awards”.

(b) **CONFORMING AMENDMENTS.**—

(1) **SMALL BUSINESS ACT.**—Section 9(r) of the Small Business Act (15 U.S.C. 638(r)) is amended—

(A) in the subsection heading, by inserting “, COMPETITIVE PROCEDURES, AND JUSTIFICATION FOR AWARDS” after “AGREEMENTS”; and

(B) by amending the heading for paragraph (4) to read as follows: “COMPETITIVE PROCEDURES AND JUSTIFICATION FOR AWARDS”.

(2) **TITLE 10.**—Section 2304(f) of title 10, United States Code, is amended—

(A) in paragraph (1), by inserting “and paragraph (6)” after “paragraph (2)”; and

(B) by adding at the end the following new paragraph:

“(6) The justification and approval required by paragraph (1) is not required in the case of a Phase III award made pursuant to section 9(r)(4) of the Small Business Act (15 U.S.C. 638(r)(4)).”.

**SEC. 1710. PILOT PROGRAM FOR STREAMLINED TECHNOLOGY TRANSITION FROM THE SBIR AND STTR PROGRAMS OF THE DEPARTMENT OF DEFENSE.**

(a) **DEFINITIONS.**—In this section—

(1) the terms “commercialization”, “Federal agency”, “Phase I”, “Phase II”, “Phase III”, “SBIR”, and “STTR” have the meanings given those terms in section 9(e) of the Small Business Act (15 U.S.C. 638(e));

(2) the term “covered small business concern” means—

(A) a small business concern that completed a Phase II award under the SBIR or STTR program of the Department; or

(B) a small business concern that—

(i) completed a Phase I award under the SBIR or STTR program of the Department; and

(ii) a contracting officer for the Department recommended for inclusion in a multiple award contract described in subsection (b);

(1) the term “Department” means the Department of Defense;

(2) the term “military department” has the meaning given the term in section 101 of title 10, United States Code;

(3) the term “multiple award contract” has the meaning given the term in section 3302(a) of title 41, United States Code;

(4) the term “pilot program” means the pilot program established under subsection (b); and

(5) the term “small business concern” has the meaning given the term in section 3 of the Small Business Act (15 U.S.C. 632).

(b) **ESTABLISHMENT.**—Not later than 180 days after the date of enactment of this Act, the Secretary of Defense shall establish a pilot program under which the Department shall award multiple award contracts to covered small business concerns for the purchase of technologies, supplies, or services that the covered small business concern has developed through the SBIR or STTR program.

(c) **WAIVER OF COMPETITION IN CONTRACTING ACT REQUIREMENTS.**—The Secretary of Defense may establish procedures to waive provisions of section 2304 of title 10, United States Code, for purposes of carrying out the pilot program.

(d) **USE OF CONTRACT VEHICLE.**—A multiple award contract described in subsection (b) may be used by any military department or component of the Department.

(e) **TERMINATION.**—The pilot program established under this section shall terminate on September 30, 2023.

(f) **RULE OF CONSTRUCTION.**—Nothing in this section shall be construed to prevent the commercialization of products and services produced by a small business concern under an SBIR or STTR program of a Federal agency through—

(1) direct awards for Phase III of an SBIR or STTR program; or

(2) any other contract vehicle.

**SEC. 1711. PILOT PROGRAM ON STRENGTHENING MANUFACTURING IN THE DEFENSE INDUSTRIAL BASE.**

(a) **PILOT PROGRAM REQUIRED.**—The Secretary of Defense shall carry out a pilot program to assess the feasibility and advisability of increasing the capability of the defense industrial base to support—

(1) production needs to meet military requirements; and

(2) manufacturing and production of emerging defense and commercial technologies.

(b) **AUTHORITIES.**—The Secretary shall carry out the pilot program under the following:

(1) Chapters 137 and 139 and sections 2371, 2371b, and 2373 of title 10, United States Code.

(2) Such other legal authorities as the Secretary considers applicable to carrying out the pilot program.

(c) **ACTIVITIES.**—Activities under the pilot program may include the following:

(1) Use of contracts, grants, or other transaction authorities to support manufacturing and production capabilities in small- and medium-sized manufacturers.

(2) Purchases of goods or equipment for testing and certification purposes.

(3) Incentives, including purchase commitments and cost sharing with nongovernmental sources, for the private sector to develop manufacturing and production capabilities in areas of national security interest.

## Differences House / Senate

*Responsibilities of Business Opportunity Specialists (sec. 1704)*

The House bill contained a provision (sec. 1704) that would amend section 4(g) of the Small Business Act (15 U.S.C. 633(g)) to add a job description and reporting hierarchy for business opportunity specialists of the Small Business Administration.

The Senate amendment contained no similar provision.  
The Senate recesses.

*Responsibilities of commercial market representatives (sec. 1705)*

The House bill contained a provision (sec. 1703) that would amend section 4(h) of the Small Business Act (15 U.S.C. 633(h)) to provide a clear definition of the duties and responsibilities of the commercial market representatives employed by the Small Business Administration.

The Senate amendment contained a similar provision (sec. 10801).

The House recesses.

*Modification of past performance pilot program to include consideration of past performance with allies of the United States (sec. 1706)*

The House bill contained a provision (sec. 1741) that would amend section 8(d)(17) of the Small Business Act (15 U.S.C. 637(d)(17)) to require that the past performance pilot program authorized in section 8(d) of the Small Business Act allow small businesses to submit performance of a contract for a sale of defense items to the Government of a North Atlantic Treaty Organization (NATO) ally, the Government of a major non-NATO ally, or the government of a country with which the United States has a defense cooperation agreement for consideration for a past performance rating.

The Senate amendment contained no similar provision.  
The Senate recesses.

*Notice of cost-free Federal procurement technical assistance in connection with registration of small business concerns on procurement websites of the Department of Defense (sec. 1707)*

The House bill contained a provision (sec. 867) that would require the Secretary of Defense to establish procedures to include information about cost-free services provided by a Federal procurement technical assistance program in notices or direct communications regarding the registration of a small business on a Department of Defense procurement website.

The Senate amendment contained no similar provision.  
The Senate recesses.

*Inclusion of SBIR and STTR programs in technical assistance (sec. 1708)*

The House bill contained a provision (sec. 860B) that would amend section 2418(c) of title 10 to authorize Procurement Technical Assistance Centers, established pursuant to the Procurement Technical Assistance Program administered by the Defense Logistics Agency, to assist eligible small business owners in pursuing opportunities during all phases of the Small Business Innovation Re-

search and Small Business Technology Transfer programs, which enable small businesses to engage in federal research and development that has the potential for commercialization.

The Senate amendment contained no similar provision.

The Senate recesses.

*Requirements relating to competitive procedures and justification for awards under the SBIR and STTR programs (sec. 1709)*

The Senate amendment contained a provision (sec. 897) that would amend section 9(r)(4) of the Small Business Act (15 U.S.C. 638(r)(4)). The provision would clarify that the issuance of Phase III awards should give preference to the Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) award recipients who developed the technology. This provision would also clarify that SBIR and STTR award recipients should fulfill the competition requirements under section 2304 of title 10, United States Code, for military procurement.

The House bill contained no similar provision.

The House recesses with an amendment that would make conforming amendments to the Competition in Contracting Act (Public Law 98–369).

*Pilot program for streamlined technology transition from the SBIR and STTR programs of the Department of Defense (sec. 1710)*

The Senate amendment contained a provision (sec. 898) that would require the Secretary of Defense to establish a pilot program for the commercialization of products and services produced by covered small business concerns developed through the Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) programs. This provision would encourage the Secretary of Defense to set up a multiple award contract for those products and services. The pilot program would terminate on September 30, 2023.

The House bill contained no similar provision.

The House recesses.

*Pilot program on strengthening manufacturing in the defense industrial base (sec. 1711)*

The Senate amendment contained a provision (sec. 862) that would create a pilot program that would authorize the Department of Defense to use existing authorities to support investments that enhance the ability of the defense industrial base to meet military needs. The provision would also authorize the Department to invest in the manufacture of these kinds of technologies and systems, especially through the use of contracts, loan guarantees, direct loans, and purchases of equipment to support the startup of needed production lines. Further, the provision would allow the Department to engage with private sector financing and investment instruments, including instruments that take equity stakes in concerns—so as to support needed advanced manufacturing capabilities.

The House bill contained no similar provision.

The House recesses with an amendment that would clarify the authorities to be considered under the pilot program.

*Review regarding applicability of foreign ownership, control, or influence requirements of National Industrial Security Program to national technology and industrial base companies (sec. 1712)*

The Senate amendment contained a provision (sec. 861) that would require the Secretary of Defense to review whether companies whose ownership is based in countries that are part of the national technology and industrial base (as defined by section 2500 of title 10, United States Code) should be exempted from the foreign ownership, control, or influence (FOCI) requirements of the National Security Industrial Program. This provision would also allow the Secretary of Defense, with the concurrence of the Secretary of State, to maintain a list of companies whose ownership is based in countries that are part of the national technology and industrial base that are eligible for such an exemption from FOCI.

The House bill contained no similar provision.

The House recedes with an amendment that would make technical amendments and require consultation with the Director of the Information Security Oversight Office.

*Report on sourcing of tungsten and tungsten powders from domestic producers (sec. 1713)*

The House bill contained a provision (sec. 877) that would require the Secretary of Defense to submit to the congressional defense committees a report on the procurement of tungsten and tungsten powders for military applications not later than one year after the date of the enactment of this Act.

The Senate amendment contained no similar provision.

The Senate recedes with a technical amendment.

*Report on utilization of small business concerns for Federal contracts (sec. 1714)*

The Senate amendment contained a provision (sec. 14012) that would require the Administrator of the Small Business Administration to submit to the Committee on Small Business and Entrepreneurship of the Senate and the Committee on Small Business of the House of Representatives a report on whether small business concerns are being utilized in a significant portion of the Federal market on multiple award contracts and a determination as to whether performance requirements for multiple award contracts are feasible and appropriate for small business concerns.

The House bill contained no similar provision.

The House recedes.

#### LEGISLATIVE PROVISIONS NOT ADOPTED

*Office of Women's Business Ownership*

The House bill contained a provision (sec. 1711) that would amend section 29(g) of the Small Business Act (15 U.S.C. 656(g)) to clarify the duties of the Small Business Administration's Office of Women's Business Ownership and require that the office establish an accreditation program for its grant recipients.

The Senate amendment contained no similar provision.

The House recedes.