

## Union Calendar No. 502

115<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

# H. R. 4668

[Report No. 115-654]

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

DECEMBER 18, 2017

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

APRIL 25, 2018

Additional sponsors: Mr. KING of Iowa, Mrs. RADEWAGEN, Miss GONZÁLEZ-COLÓN of Puerto Rico, Mr. NORMAN, Mr. CURTIS, Ms. CLARKE of New York, Mr. LAWSON of Florida, Mr. EVANS, and Ms. ROSEN

APRIL 25, 2018

Reported with an amendment, committed to the Committee of the Whole  
House on the State of the Union, and ordered to be printed

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

[For text of introduced bill, see copy of bill as introduced on December 18, 2017]

# **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 2017”.*

6 **SEC. 2. FINDINGS.**

7 *Congress finds the following:*

8 *(1) Small businesses represent more than 97 per-*  
9 *cent of total businesses in the United States and make*  
10 *up an essential part of the supply chain to some of*  
11 *the largest companies, many of which are in critical*  
12 *infrastructure sectors, from financial and transpor-*  
13 *tation organizations to power, water, and healthcare*  
14 *suppliers.*

15 *(2) Many small businesses do not have dedicated*  
16 *information technology (“IT”) departments and must*  
17 *outsource IT functions or assign these duties to an*  
18 *employee as a secondary function.*

19 *(3) The Internet Crime Complaint Center within*  
20 *the United States Department of Justice recorded*  
21 *298,728 cybersecurity-related complaints in its 2016*  
22 *report.*

23 *(4) There has been steady increases of cybersecu-*  
24 *rity-related complaints year over year since the year*  
25 *2000, totaling 3,762,348.*

1           (5) *Seventy-one percent of cyber attacks occurred*  
2           *in businesses with fewer than 100 employees.*

3           (6) *Only 14 percent of small- and medium-sized*  
4           *businesses believe they have the ability to effectively*  
5           *mitigate cyber risks and vulnerabilities.*

6           (7) *Small businesses risk theft and manipulation*  
7           *of sensitive data if they lack adequate cybersecurity*  
8           *measures.*

9           (8) *The Better Business Bureau found that half*  
10          *of small businesses could remain profitable for only*  
11          *one month if they lost essential data.*

12          (9) *Cyber crime is growing rapidly and the an-*  
13          *nuual costs to the global economy are estimated to*  
14          *reach over \$2,000,000,000,000 by 2019.*

15          (10) *Cybersecurity is a global challenge where*  
16          *the security threat, attacks, and techniques contin-*  
17          *ually evolve and no company, individual, or Federal*  
18          *agency is immune from these threats.*

19          (11) *Strong collaboration between the public and*  
20          *private sector is essential in the fight against cyber*  
21          *crime.*

22          (12) *There is a reluctance among small busi-*  
23          *nesses to voluntarily share information with govern-*  
24          *ment entities, and the Federal Government should*  
25          *work proactively to incentivize and encourage vol-*

1        *untary information sharing to improve the Nation’s*  
2        *cybersecurity posture.*

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

5        *Section 21(a) of the Small Business Act (15 U.S.C.*  
6        *648(a)) is amended by adding at the end the following new*  
7        *paragraph:*

8                *“(9) SMALL BUSINESS CYBERSECURITY ASSIST-*  
9                *ANCE AND PROTECTIONS.—*

10                *“(A) ESTABLISHMENT OF SMALL BUSINESS*  
11                *CYBERSECURITY ASSISTANCE UNITS.—The Ad-*  
12                *ministrator of the Small Business Administra-*  
13                *tion, in coordination with the Secretary of Com-*  
14                *merce, and in consultation with the Secretary of*  
15                *Homeland Security and the Attorney General,*  
16                *shall establish—*

17                        *“(i) in the Administration, a central*  
18                        *small business cybersecurity assistance unit;*  
19                        *and*

20                        *“(ii) within each small business devel-*  
21                        *opment center, a regional small business cy-*  
22                        *bersecurity assistance unit.*

23                *“(B) DUTIES OF THE CENTRAL SMALL*  
24                *BUSINESS CYBERSECURITY ASSISTANCE UNIT.—*

1           “(i) *IN GENERAL.*—*The central small*  
2           *business cybersecurity assistance unit estab-*  
3           *lished under subparagraph (A)(i) shall serve*  
4           *as the primary interface for small business*  
5           *concerns to receive and share cyber threat*  
6           *indicators and defensive measures with the*  
7           *Federal Government.*

8           “(ii) *USE OF CAPABILITY AND PROC-*  
9           *ESSES.*—*The central small business cyberse-*  
10          *curity assistance unit shall use the capa-*  
11          *bility and process certified pursuant to sec-*  
12          *tion 105(c)(2)(A) of the Cybersecurity Infor-*  
13          *mation Sharing Act of 2015 (6 U.S.C.*  
14          *1504(c)(2)(A)) to receive cyber threat indi-*  
15          *cators or defensive measures from small*  
16          *business concerns.*

17          “(iii) *APPLICATION OF CISA.*—*A small*  
18          *business concern that receives or shares*  
19          *cyber threat indicators and defensive meas-*  
20          *ures with the Federal Government through*  
21          *the central small business cybersecurity as-*  
22          *sistance unit established under subpara-*  
23          *graph (A)(i), or with any appropriate enti-*  
24          *ty pursuant to section 103(c) of the Cyberse-*  
25          *curity Information Sharing Act of 2015 (6*

1           *U.S.C. 1503(c)*), shall receive the protections  
2           and exemptions provided in such Act and  
3           this paragraph.

4           “(C) *RELATION TO NCCIC.*—

5                   “(i) *CENTRAL SMALL BUSINESS CYBER-*  
6                   *SECURITY ASSISTANCE UNIT.*—The central  
7                   small business cybersecurity assistance unit  
8                   established under subparagraph (A)(i) shall  
9                   be collocated with the national cybersecurity  
10                  and communications integration center.

11                  “(ii) *ACCESS TO INFORMATION.*—The  
12                  national cybersecurity and communications  
13                  integration center shall have access to all  
14                  cyber threat indicators or defensive meas-  
15                  ures shared with the central small cyberse-  
16                  curity assistance unit established under sub-  
17                  paragraph (A)(i) through the use of the ca-  
18                  pability and process described in subpara-  
19                  graph (B)(ii).

20           “(D) *CYBERSECURITY ASSISTANCE FOR*  
21           *SMALL BUSINESSES.*—The central small business  
22           cybersecurity assistance unit established under  
23           subparagraph (A)(i) shall—

24                   “(i) work with each regional small  
25                   business cybersecurity assistance unit estab-

1           lished under subparagraph (A)(ii) to pro-  
2           vide cybersecurity assistance to small busi-  
3           ness concerns;

4           “(ii) leverage resources from the Ad-  
5           ministration, the Department of Commerce,  
6           the Department of Homeland Security, the  
7           Department of Justice, the Department of  
8           the Treasury, the Department of State, and  
9           any other Federal department or agency the  
10          Administrator determines appropriate, in  
11          order to help improve the cybersecurity pos-  
12          ture of small business concerns;

13          “(iii) coordinate with the Department  
14          of Homeland Security to identify and dis-  
15          seminate information to small business con-  
16          cerns in a form that is accessible and ac-  
17          tionable by small business concerns;

18          “(iv) coordinate with the National In-  
19          stitute of Standards and Technology to  
20          identify and disseminate information to  
21          small business concerns on the most cost-ef-  
22          fective methods for implementing elements  
23          of the cybersecurity framework of the Na-  
24          tional Institute of Standards and Tech-



1            *nology applicable to improving the cyberse-*  
2            *curity posture of small business concerns;*

3            *“(v) seek input from the Office of Ad-*  
4            *vocacy of the Administration to ensure that*  
5            *any policies or procedures adopted by any*  
6            *department, agency, or instrumentality of*  
7            *the Federal Government do not unduly add*  
8            *regulatory burdens to small business con-*  
9            *cerns in a manner that will hamper the im-*  
10           *provement of the cybersecurity posture of*  
11           *such small business concerns; and*

12           *“(vi) leverage resources and relation-*  
13           *ships with representatives and entities in-*  
14           *volved in the national cybersecurity and*  
15           *communications integration center to pub-*  
16           *licize the capacity of the Federal Govern-*  
17           *ment to assist small business concerns in*  
18           *improving cybersecurity practices.*

19           *“(E) ENHANCED CYBERSECURITY PROTEC-*  
20           *TIONS FOR SMALL BUSINESSES.—*

21           *“(i) IN GENERAL.—Notwithstanding*  
22           *any other provision of law, no cause of ac-*  
23           *tion shall lie or be maintained in any court*  
24           *against any small business concern, and*

1           *such action shall be promptly dismissed, if*  
2           *such action related to or arises out of—*

3                     “(I) any activity authorized  
4                     under this paragraph or the Cybersecu-  
5                     rity Information Sharing Act of 2015  
6                     (6 U.S.C. 1501 et seq.); or

7                     “(II) any action or inaction in  
8                     response to any cyber threat indicator,  
9                     defensive measure, or other information  
10                    shared or received pursuant to this  
11                    paragraph or the Cybersecurity Infor-  
12                    mation Sharing Act of 2015 (6 U.S.C.  
13                    1501 et seq.).

14                    “(ii) APPLICATION.—The exception  
15                    provided in section 105(d)(5)(D)(ii)(I) of  
16                    the Cybersecurity Information Sharing Act  
17                    of 2015 (6 U.S.C. 1504(d)(5)(D)(ii)(I))  
18                    shall not apply to any cyber threat indi-  
19                    cator or defensive measure shared or re-  
20                    ceived by small business concerns pursuant  
21                    to this paragraph or the Cybersecurity In-  
22                    formation Sharing Act of 2015 (6 U.S.C.  
23                    1501 et seq.).

24                    “(iii) RULE OF CONSTRUCTION.—Noth-  
25                    ing in this subparagraph shall be construed

1           to affect the applicability or merits of any  
2           defense, motion, or argument in any cause  
3           of action in a court brought against an en-  
4           tity that is not a small business concern.

5           “(F) *DEFINITIONS.*—*In this paragraph:*

6                   “(i) *CISA DEFINITIONS.*—*The terms*  
7                   ‘*cyber threat indicator*’ and ‘*defensive meas-*  
8                   ‘*ure*’ have the meanings given such terms in  
9                   section 102 of the *Cybersecurity Informa-*  
10                  ‘*tion Sharing Act of 2015* (6 U.S.C. 1501).

11                   “(ii) *NATIONAL CYBERSECURITY AND*  
12                   ‘*COMMUNICATIONS INTEGRATION CENTER.*—  
13                   ‘*The term ‘national cybersecurity and com-*  
14                   ‘*munications integration center*’ means the  
15                   ‘*national cybersecurity and communications*  
16                   ‘*integration center established under section*  
17                   ‘*227 of the Homeland Security Act of 2002*  
18                   ‘*(6 U.S.C. 148).*”.

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

20           (a) *IN GENERAL.*—*No additional funds are authorized*  
21           ‘*to be appropriated to carry out this Act and the amend-*  
22           ‘*ments made by this Act.*

23           (b) *EXISTING FUNDING.*—*This Act and the amend-*  
24           ‘*ments made by this Act shall be carried out using amounts*

1 *made available under section 21(a)(4)(C)(viii) of the Small*  
2 *Business Act (15 U.S.C. 648(a)(4)(viii)).*

3 (c) *TECHNICAL AND CONFORMING AMENDMENT.—Sec-*  
4 *tion 21(a)(4)(C)(viii) of the Small Business Act (15*  
5 *U.S.C.648(a)(4)(C)(viii)) is amended to read as follows:*

6 “(viii) *LIMITATION.—*

7 “(I) *CYBERSECURITY ASSIST-*  
8 *ANCE.—From the funds appropriated*  
9 *pursuant to clause (vii), the Adminis-*  
10 *tration shall reserve not less than*  
11 *\$1,000,000 in each fiscal year to de-*  
12 *velop cybersecurity assistance units at*  
13 *small business development centers*  
14 *under paragraph (9).*

15 “(II) *PORTABLE ASSISTANCE.—*

16 “(aa) *IN GENERAL.—Any*  
17 *funds appropriated pursuant to*  
18 *clause (vii) that are remaining*  
19 *after reserving amounts under*  
20 *subclause (I) may be used for*  
21 *portable assistance for startup*  
22 *and sustainability non-matching*  
23 *grant programs to be conducted*  
24 *by eligible small business develop-*  
25 *ment centers in communities that*

1                    *are economically challenged as a*  
2                    *result of a business or government*  
3                    *facility down sizing or closing,*  
4                    *which has resulted in the loss of*  
5                    *jobs or small business instability.*

6                    *“(bb) GRANT AMOUNT AND*  
7                    *USE.—A non-matching grant*  
8                    *under this subclause shall not ex-*  
9                    *ceed \$100,000, and shall be used*  
10                   *for small business development*  
11                   *center personnel expenses and re-*  
12                   *lated small business programs and*  
13                   *services.”.*

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2<sup>D</sup> SESSION

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**A BILL**

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