



April 11, 2022

The Honorable Chuck Schumer
Majority Leader
U.S. Senate
Washington, D.C. 20510

The Honorable Mitch McConnell
Minority Leader
U.S. Senate
Washington, D.C. 20510

The Honorable Nancy Pelosi
Speaker
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Kevin McCarthy
Minority Leader
U.S. House of Representatives
Washington, D.C. 20515

Dear Majority Leader Schumer, Speaker Pelosi, Minority Leader McConnell, and Minority Leader McCarthy:

On behalf of the Security Industry Association (SIA), which represents over 1,200 companies that manufacture and integrate physical and cyber security solutions vital to the security and the technological leadership of the United States, we write regarding the forthcoming conference to reconcile the differences between S. 1260, the United States Innovation and Competition Act (USICA), and H.R. 4521, the America COMPETES Act. Both pieces of bipartisan legislation will bolster U.S. leadership in developing and adopting innovative emerging technologies in order for domestic companies to remain globally competitive against U.S. adversaries. As the U.S. Senate and House of Representatives convene its conference discussions on S. 1260/ H.R. 4521, we ask for the following sections be considered in the final conference report.

Support Senate National Science Foundation (NSF) Investments that Prioritize “key technology focus areas” (Sec. 2005)

USICA comprehensively invests \$190 billion in authorized federal research and development (R&D) activities to position the United States as a global leader in technological innovation. Within the authorized funding, the NSF is allocated \$29 billion to emerge as a central agency for U.S. allies and partners to concentrate research in key technology areas that impact U.S. national and economic security. Importantly, the Senate accurately enumerated a list of key technologies that would be eligible for NSF funding opportunities, partnerships with NSF, industry, and academic institutions, and programs that accelerate the deployment of thoroughly researched technologies – from lab to marketplace. Such technologies include artificial intelligence, biometrics, cybersecurity, and robotics.

Therefore, SIA supports the authorization of \$190 billion for federal R&D activities, \$29 billion in NSF funding, and the inclusion of Senate Sec. 2005 to invest in research and development, education and training, supply chain security, and the broader U.S. innovation ecosystem.

Support Senate Creation of U.S. State Department Int’l Technology Partnership Office (Sec. 3209)

It is imperative that the federal government continue to facilitate partnerships with industry and international allies to harmonize technology governance regimes that position the U.S. and its allies as global technological leaders. SIA supports the scope and authorization of an office within the U.S. State Department that focuses on how the U.S. and its allies can leverage the myriad benefits of emerging technologies; specifically, artificial intelligence, facial recognition, and security solutions. If enacted, the International Technology Partnership Office can marshal federal and international resources needed to ensure U.S. and allied-based companies remain geopolitically competitive in order to establish a standard of practice that contrasts how certain adversarial nations use emerging technologies in unconstrained ways to exacerbate pervasive mass-surveillance practices and flagrantly commit human rights’ abuses.

Therefore, SIA supports the inclusion of Senate Sec. 3209, which creates an International Technology Partnership Office to harmonize key technology governance regimes with U.S. partners, coordinate on priority research and development initiatives, and collaborate with U.S. allies to pursue such opportunities in key emerging technologies.

Support House NIST Reauthorization and Biometrics Testing (Secs. 10226-10227).

NIST’s biometrics testing programs are known globally as the gold standard for scientifically testing the quality and accuracy of biometric modalities, such as facial recognition and fingerprint. Under NIST’s Information Technology Laboratory, the Image Analysis Unit provides critical resources for law enforcement, government, and commercial entities to assess the quality of their biometric technologies. Codifying NIST’s biometrics testing programs affords NIST the direction it needs to expand its testing infrastructure to capture additional modalities and cloud-based applications, more thoroughly evaluate performance of biometrics across demographic variables, test the full range of available algorithms, and partner with agencies that deploy biometrics in the field.

However, SIA is concerned over Sec. 10226(c) which requires GAO to submit a report to Congress on the impact of biometric identification systems on historically marginalized communities. While we support the intent of this section, GAO has already conducted this level of research in past reports that examine how the federal agencies use or plan to use facial recognition and biometrics across various communities for public safety and non-public safety uses.¹

Therefore, we support the inclusion of House sections 10226-10227, and we recommend that the conferees remove Sec. 10226(c) to avoid further duplication of past GAO research.

Support House Supply Chain Resiliency Measures (Secs. 20201-20208).

SIA supports House supply chain sections that create an “Office of Manufacturing Security and Resilience” within the Department of Commerce (DOC) to address supply chain shocks and provides \$45 billion grant, loan, and loan guarantee funds to manufacturers seeking funds to assist with the production and shipment of qualified equipment. We applaud these sections’ prioritization of “key technology areas”

¹ See *Facial Recognition: CBP and TSA are Taking Steps to Implement Programs, but CBP Should Address Privacy and System Performance Issues*, <https://www.gao.gov/assets/710/709107.pdf>,
See *Facial Recognition Technology: Current and Planned Uses by Federal Agencies*, <https://www.gao.gov/assets/gao-21-526.pdf>,
See *Facial Recognition Technology: FBI Should Better Ensure Privacy and Accuracy*, <https://www.gao.gov/assets/gao-16-267.pdf>

which would allow eligible SIA members to apply for funding assistance and provide input to DOC on supply chain shortages that impact critical industries.

Therefore, SIA supports the \$45 billion DOC grant and loan program that authorizes funds to address supply chain concerns.

Support House NIST Manufacturing Extension Partnership (MEP) with HBCUs and MSIs (Sec. 10522)

SIA strongly supports language that directs NIST MEP to engage with HBCUs and MSIs to cultivate a diverse talent pipeline of individuals that are positioned to leverage MEP programs upon entering the workforce. NIST MEP must empower future workers with employment opportunities that strengthen domestic manufacturing with a representative and diverse workforce in urban and rural communities.

Therefore, SIA encourages the conferees to include House Sec. 10522 that instructs NIST MEP to further engagements with HBCUs and MSIs.

Support CHIPS Act Funding

Semiconductor chips play an essential role in the security industry's infrastructure by enabling security equipment to function, interoperate with other communication systems and augment traditional solutions to include artificial intelligence, 5G and IoT functionalities. In light of the global chip shortage – including manufacturing and shipping delays, supply chain disruptions and increased demand for semiconductor chips that impact product manufacturers – SIA supports incentivizing eligibility for CHIPS Act funding programs.

Therefore, SIA requests that the conferees robustly fund the CHIPS Act program.

Remove or Amend House Sections that Make Sweeping Changes to Antidumping and Countervailing Duty (AD/CVD) Regulations, de minimis rules, and Outbound Investment Requirements

SIA aligns with the business community's concerns over the burdensome trade and export sections noted within the COMPETES Act. In contrast to the trade and export sections of COMPETES, USICA establishes a fair Sec. 301 tariff exclusion process to provide needed relief to American households and small-to-medium-sized businesses looking to expand into new markets. Congress has an opportunity to reassert the U.S. as the leader in technology development, but this can only be accomplished by striking an appropriate balance to limit barriers to entry and export and by allowing the federal government to invest in emerging technologies that seismically shift the global technological landscape.

Therefore, we encourage the conferees reevaluate some of the sections in the COMPETES Act that affect outbound investment reviews, de minimis requirements, and antidumping and countervailing duties. The conferees should ultimately adopt USICA's bipartisan trade section.

We thank you for your consideration of our requests, and we look forward to providing additional input during the conference stages.

Sincerely,

A handwritten signature in black ink that reads "Don Erickson". The signature is written in a cursive style with a large, stylized "D" and "E".

Don Erickson, CEO
Security Industry Association

Cc: Members of the U.S. House and Senate Conference for S. 1260/H.R. 4521