

Amendment to the Chairman's Mark

Offered by Representatives Lieu, Van Hollen, Yarmuth, McDermott, Lee, Pocan, Norcross, and Moulton

Prevent Cyber Attacks

1. Increase mandatory budget authority and outlays for Function 800 by the following amounts in billions of dollars to establish the Information Technology Modernization Fund at the General Services Administration.

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
BA	3.000									
Outlays	1.500	0.600	0.750							

2. Adjust the aggregate levels of revenue by amounts equal to the foregoing outlay changes in paragraph 1, reflecting the reduction of tax expenditures for the top one percent of income earners, or unjustified corporate tax breaks, including special depreciation for corporate jets, loopholes that allow inversions and encourage firms to ship jobs and capital overseas and shelter their profits in foreign tax havens, the “carried interest” loophole that allows hedge fund managers to disguise their compensation as capital gains, tax subsidies for the major integrated oil companies, or corporate deductions for CEO bonuses and other excessive executive compensation exceeding \$1 million per year.
3. Make all necessary and conforming changes to the Chairman's mark.
4. Amend the committee report to reflect the following policy assumptions:

The resolution provides \$3 billion in mandatory funding for the President's proposal to help protect government computer systems and records from cyber attack. Cyber risks have grown in severity in recent years. Sensitive national security information, the personal information of government employees, as well as proprietary data of private industry doing business with the federal government have been increasingly vulnerable to theft.

The resolution funds the President's proposal to establish a revolving fund – the Information Technology (IT) Modernization Fund – to retire, replace or upgrade hard-to-secure legacy information technology systems and transition to new, more secure, efficient, and modern IT systems. The fund at the General Services Administration will

also serve as a long-term mechanism for agencies to regularly refresh their networks and systems based on up-to-date technologies and best practices.

Two of the main challenges facing the government in securing its IT systems include the widespread use of legacy systems that are technically difficult and costly to defend, and fragmented management structures that are unable to effectively coordinate cybersecurity across the Federal government. Establishment of a revolving fund, such as the Information Technology Modernization Fund, will help overcome these two challenges. It will provide the initial seed capital to jumpstart the recapitalization of IT systems and it will provide centralized management to better coordinate cybersecurity across agencies. The revolving fund will be self-sustaining by requiring agencies to repay the initial investments through efficiencies gained from modernization, ensuring the fund can continue to support projects well beyond the initial infusion of capital. Seed funding of \$3 billion would address an estimated \$12 billion worth of modernization projects over 10 years.

The resolution accommodates this necessary level of cybersecurity funding by reducing tax expenditures for the top one percent of income earners, or by reducing unjustified corporate tax breaks, including special depreciation for corporate jets, loopholes that allow inversions and encourage firms to ship jobs and capital overseas and shelter their profits in foreign tax havens, the “carried interest” loophole that allows hedge fund managers to disguise their compensation as capital gains, tax subsidies for the major integrated oil companies, or corporate deductions for CEO bonuses and other excessive executive compensation exceeding \$1 million per year.