119th CONGRESS 1st Session

To amend the Harmonized Tariff Schedule of the United States to increase the rate of duty on unmanned aircraft imported from the People's Republic of China, and for other purposes.

IN THE SENATE OF THE UNITED STATES

Mr. SCOTT of Florida introduced the following bill; which was read twice and referred to the Committee on _____

A BILL

- To amend the Harmonized Tariff Schedule of the United States to increase the rate of duty on unmanned aircraft imported from the People's Republic of China, 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 "Drones for America5 Act".

6 SEC. 2. SENSE OF CONGRESS.

7 It is the sense of Congress that—

 $\mathbf{2}$

1 (1) the United States has a national security 2 interest in securing the supply chain for unmanned 3 aircraft in the United States; 4 (2) implementing tariffs on unmanned aircraft 5 and components for such aircraft from the People's 6 Republic of China has the effect of incentivizing 7 sourcing from the United States and allies of the 8 United States, which in turn has the effect of pro-9 moting resilient supply chains for unmanned aircraft 10 and components for such aircraft; and 11 (3) applying protective duties against foreign 12 adversary countries, such as the People's Republic of 13 China, is prudent and necessary to safeguard the do-14 mestic unmanned aircraft industry. 15 SEC. 3. DUTY INCREASE FOR IMPORTS OF UNMANNED AIR-16 CRAFT FROM THE PEOPLE'S REPUBLIC OF 17 CHINA. 18 (a) IN GENERAL.—Subchapter III of chapter 99 of 19 the Harmonized Tariff Schedule of the United States (in this Act referred to as the "HTS") is amended as follows: 20

(1) By inserting in numerical sequence the following, with the article description for heading
9903.87.01 having the same degree of indentation as
the article description for heading 9903.85.11:

" Articles that are the product of China:

9903.87.01	Unmanned aircraft, as provided for in note 31 to this subchapter (provided for in subheadings 8806.10.00, 8806.21.00, 8806.22.00, 8806.23.00, 8806.24.00, 8806.29.00, 8806.91.00, 8806.92.00, 8806.93.00, 8806.94.00, or 8806.99.00)	The rate of duty provided	The duty pro- vided in the ap-	The duty pro- vided in the ap-	
		in note 31 to	plicable sub-	plicable sub-	
		this subchapter	heading	heading	
9903.87.02	Parts of unmanned aircraft of heading 8806, as provided for in note 31 to this subchapter (pro- vided for in subheadings 8807.10.00, 8807.20.00, or				
	8807.30.00)	The rate of duty provided in note 31 to this subchapter	The duty pro- vided in the ap- plicable sub- heading	The duty pro- vided in the ap- plicable sub- heading	".

(2) By inserting in numerical sequence the fol lowing new U.S. note:

3 "31.(a) Products of China classified in headings
4 9903.87.01 and 9903.87.02 shall be subject to an ad
5 valorem rate of duty specified in subdivision (b),
6 which shall, notwithstanding U.S. note 1 to this sub7 chapter, be in addition to—

8 "(i) the rates of duty provided for such ar9 ticles in chapter 88 and this subchapter; and

10 "(ii) any other applicable duties (including
11 antidumping and countervailing duties), fees,
12 exactions, or charges.

"(b) The rates of duty specified in this subdivision and applicable with respect to products of
China classified in headings 9903.87.01 and
9903.87.02 are as follows:

17 "(i) With respect to products entered for18 consumption, or withdrawn from warehouse for

1consumption, on or after 12:01 a.m. eastern2time on the day that is 30 days after the date3of the enactment of the Drones for America Act4through 11:59 p.m. eastern time on the day5that is 1 year after such date of enactment,630%.

"(ii) With respect to products entered for
consumption, or withdrawn from warehouse for
consumption, on or after 12:01 a.m. eastern
time on the day after the day that is 1 year
after such date of enactment through 11:59
p.m. eastern time on the day that is 2 years
after such date of enactment, 35%.

"(iii) With respect to products entered for
consumption, or withdrawn from warehouse for
consumption, on or after 12:01 a.m. eastern
time on the day after the day that is 2 years
after such date of enactment through 11:59
p.m. eastern time on the day that is 3 years
after such date of enactment, 40%.

21 "(iv) With respect to products entered for
22 consumption, or withdrawn from warehouse for
23 consumption, on or after 12:01 a.m. eastern
24 time on the day after the day that is 3 years
25 after such date of enactment through 11:59

1	p.m. eastern time on the day that is 4 years
2	after such date of enactment, 45%.
3	"(v) With respect to products entered for
4	consumption, or withdrawn from warehouse for
5	consumption, on or after 12:01 a.m. eastern
6	time on the day after the day that is 4 years
7	after such date of enactment, $$100$ each +
8	50%.
9	"(c) Products of China that are classified in
10	headings $9903.87.01$ and $9903.87.02$ that are eligi-
11	ble for temporary duty exemptions or reductions
12	under subchapter II to this chapter shall be subject
13	to the rates of duty specified in subdivision (b) not-
14	withstanding such exemptions or reductions.".
15	(b) EFFECTIVE DATE.—The amendments made by
16	this section shall with respect to articles entered for con-
17	sumption, or withdrawn from warehouse for consumption,
18	on or after 12:01 a.m. eastern time on the day that is
19	30 days after the date of the enactment of this Act.
20	SEC. 4. STRENGTHENED RULES OF ORIGIN FOR ENTRIES
21	OF UNMANNED AIRCRAFT AND PARTS FOR
22	UNMANNED AIRCRAFT.
23	(a) IN GENERAL.—Notwithstanding any provision of
24	the general notes to the HTS, unmanned aircraft classi-
25	fied under heading 8806 of the HTS, and parts for such

aircraft classified under heading 8807 of the HTS, may
 not enter the customs territory of the United States un less—

4 (1)(A) in the case of an unmanned aircraft, the 5 entry of the aircraft is accompanied by a certificate 6 or other documentation required by U.S. Customs 7 and Border Protection establishing that the aircraft 8 does not contain a flight controller, radio, data 9 transmission device, camera, gimbal, permanent 10 magnets (including neodymium iron boron magnets), 11 ground control system, operating software, network 12 connectivity hardware, or data storage manufactured 13 in the People's Republic of China; and

(B) in the case of a part, the entry of the part
is accompanied by a certificate or other documentation required by U.S. Customs and Border Protection establishing that the part was not manufactured
in the People's Republic of China; and

(2) U.S. Customs and Border Protection confirms the veracity of the certificate or other documentation required by paragraph (1).

22 (b) EXEMPTION.—

(1) IN GENERAL.—Subsection (a) shall not
apply with respect to unmanned aircraft classified
under heading 8806 of the HTS that—

1	(A) the Federal Aviation Administration
2	has, before January 1, 2026—
3	(i) authorized for operations under
4	the provisions of part 135 of title 14, Code
5	of Federal Regulations; or
6	(ii) included in an air carrier's exemp-
7	tion under section 44807 of title 49,
8	United States Code; and
9	(B) are not manufactured in whole by a
10	covered foreign entity or in a foreign adversary
11	country.
12	(2) LIST.—Not later than January 1, 2026, the
13	Administrator of the Federal Aviation Administra-
14	tion shall—
15	(A) provide the Commissioner for U.S.
16	Customs and Border Protection with a list of
17	unmanned aircraft that qualify for the exemp-
18	tion under this subsection; and
19	(B) certify that the list required by sub-
20	paragraph (A) contains only unmanned aircraft
21	that are not manufactured in whole by a cov-
22	ered foreign entity or in a foreign adversary
23	country.
24	(c) Applicability.—The prohibition under sub-
25	section (a) shall apply—

1	(1) with respect to unmanned aircraft classified
2	under heading 8806 of the HTS, on and after Janu-
3	ary 1, 2028; and
4	(2) with respect to parts for such aircraft clas-
5	sified under heading 8807 of the HTS, on and after
6	January 1, 2031.
7	SEC. 5. GRANT PROGRAM TO ENSURE FIRST RESPONDERS,
8	FARMERS AND RANCHERS, AND CRITICAL IN-
9	FRASTRUCTURE PROVIDERS HAVE SECURE
10	UNMANNED AIRCRAFT SYSTEMS.
11	(a) Secure Unmanned Aircraft Systems Trust
12	Fund.—
13	(1) ESTABLISHMENT.—There is established in
14	the Treasury of the United States a fund, to be
15	known as the "Secure Unmanned Aircraft Systems
16	Trust Fund" (in this section referred to as the
17	"Trust Fund"), consisting of—
18	(A) amounts transferred to the Trust
19	Fund under paragraph (2); and
20	(B) any amounts that may be credited to
21	the Trust Fund under paragraph (3).
22	(2) TRANSFER OF AMOUNTS.—
23	(A) IN GENERAL.—The Secretary of the
24	Treasury shall transfer to the Trust Fund,
25	from the general fund of the Treasury, for fis-

1 cal year 2026 and each fiscal year thereafter, 2 an amount equivalent to the amount received 3 into the general fund during that fiscal year and attributable to duties imposed and collected 4 5 by the United States under headings 6 9903.87.01 and 9903.87.02 of the HTS and in accordance with U.S. note 31 to subchapter III 7 8 of chapter 99 of the HTS, as added by section 9 3(a). 10 (\mathbf{B}) FREQUENCY OF TRANSFERS.—The Secretary shall transfer amounts required by 11 12 subparagraph (A) to the Trust Fund not less 13 frequently than quarterly. 14 (3) INVESTMENT OF AMOUNTS.— 15 (A) INVESTMENT OF AMOUNTS.—The Sec-16 retary shall invest such portion of the Trust 17 Fund as is not required to meet current with-18 drawals in interest-bearing obligations of the 19 United States or in obligations guaranteed as to 20 both principal and interest by the United 21 States. 22 (B) INTEREST AND PROCEEDS.—The in-

(b) INTEREST AND PROCEEDS.—The interest on, and the proceeds from the sale or redemption of, any obligations held in the Trust

1	Fund shall be credited to and form a part of
2	the Trust Fund.
3	(4) Use of amounts.—
4	(A) IN GENERAL.—Amounts in the Trust
5	Fund shall be available, without further appro-
6	priation, to carry out the grant program estab-
7	lished under subsection (b).
8	(B) AVAILABILITY OF AMOUNTS.—
9	Amounts in the Trust Fund shall be available
10	for obligation and expenditure during the fiscal
11	year during which the amounts were trans-
12	ferred or credited to the Trust Fund and the
13	fiscal year thereafter.
14	(C) Reports required.—Not later than
15	1 year after the date of the enactment of this
16	Act, and annually thereafter, the Secretary
17	shall submit to Congress a report on amounts
18	disbursed from the Trust Fund in the preceding
19	year.
20	(b) Grant Program.—
21	(1) IN GENERAL.—Beginning not later than 1
22	year after the date of the enactment of this Act, the
23	Secretary of Homeland Security shall establish and
24	carry out a program to provide grants—

1	(A) to first responders, farmers and ranch-
2	ers, and providers of critical infrastructure to—
3	(i) purchase or lease secure unmanned
4	aircraft systems;
5	(ii) support operational capabilities of
6	such systems by the grant recipient; and
7	(iii) support the program management
8	capability of the grant recipient to use
9	such systems; and
10	(B) to entities that manufacture compo-
11	nents for unmanned aircraft systems in the
12	United States—
13	(i) for workforce development; and
14	(ii) to otherwise increase the capacity
15	to manufacture such components in the
16	United States.
17	(2) CONSULTATION.—In carrying out the pro-
18	gram established under paragraph (1), the Secretary
19	shall—
20	(A) consult with the Secretary of Agri-
21	culture with respect to developing criteria for
22	reviewing applications for grants submitted on
23	behalf of farmers and ranchers; and

1	(B) consult with the Secretary of Trans-
2	portation with respect to providing grants to
3	providers of critical infrastructure.
4	(3) PRIORITY FOR GRANTS.—Of the amounts in
5	the Trust Fund in any fiscal year—
6	(A) not more than 60 percent of such
7	amounts shall be made available for grants to
8	first responders under subparagraph (A) of
9	paragraph (1);
10	(B) not more than 20 percent of such
11	amounts shall be made available for grants to
12	farmers and ranchers under that subparagraph;
13	(C) not more than 20 percent of such
14	amounts shall be made available for grants to
15	providers of critical infrastructure under that
16	subparagraph; and
17	(D) not more than 10 percent of such
18	amounts shall be made available for grants to
19	entities that manufacture components for un-
20	manned aircraft systems in the United States
21	under subparagraph (B) of that paragraph.
22	(4) Review of Applications.—
23	(A) DEADLINE.—
24	(i) IN GENERAL.—Except as provided
25	in clause (iii), the Secretary shall approve

- 1or deny an application for a grant under2the program established under paragraph3(1) not later than 90 days after the date4the Secretary receives the application.
- 5 (ii) ALLOCATION TIMING.—Amounts
 6 available for providing grants under the
 7 program established under paragraph (1)
 8 shall be allocated on a first-come, first9 served basis, determined by the date the
 10 Secretary receives the application.
- 11 (iii) Additional time needed for 12 REVIEW.—If the Secretary determines 13 that, because an excessive number of appli-14 cations have been filed at one time, the 15 Secretary needs additional time to process 16 the applications, the Secretary may extend 17 the deadline under clause (i) for not more 18 than 45 days.
- (B) EFFECT OF DENIAL.—Denial of an
 application for a grant under the program established under paragraph (1) shall not preclude the applicant from resubmitting the application with additional documentation or submitting a new application at a later date.

1	(5) REPORT REQUIRED.—Not later than 1 year
2	after the date on which the program is established
3	under paragraph (1), and annually thereafter, the
4	Secretary shall submit to Congress a report on the
5	implementation of the program in the year preceding
6	submission of the report, including a description of
7	all grants provided under the program during that
8	year and the amounts of such grants.
9	SEC. 6. DEFINITIONS.
10	In this Act:
11	(1) AIR CARRIER.—The term "air carrier" has
12	the meaning given that term in section 40102 of
13	title 49, United States Code.
14	(2) COVERED FOREIGN ENTITY.—The term
15	"covered foreign entity" means a foreign entity that
16	is—
17	(A) on the Federal Government's Consoli-
18	dated Screening List;
19	(B) domiciled in the People's Republic of
20	China or subject to influence or control by the
21	Government of the People's Republic of China;
22	(C) identified by the Secretary of Defense
23	under section 1260H(a) of the William M.
24	(Mac) Thornberry National Defense Authoriza-
25	tion Act for Fiscal Year 2021 (Public Law

1	116–283; 10 U.S.C. 113 note) as a Chinese
2	military company operating directly or indi-
3	rectly in the United States;
4	(D) on the Non-SDN Chinese Military-In-
5	dustrial Complex Companies List maintained by
6	the Office of Foreign Assets Control of the De-
7	partment of the Treasury pursuant to Execu-
8	tive Order 13959 (50 U.S.C. 1701 note; relat-
9	ing to addressing the threat from securities in-
10	vestments that finance communist Chinese mili-
11	tary companies);
12	(E) on a list maintained under clause (i),
13	(ii), (iv), or (v) of section $2(d)(2)(B)$ of the Act
14	entitled "An Act to ensure that goods made
15	with forced labor in the Xinjiang Autonomous
16	Region of the People's Republic of China do not
17	enter the United States market, and for other
18	purposes", approved December 23, 2021 (Pub-
19	lic Law 117–78; 22 U.S.C. 6901 note) (com-
20	monly referred to as the "Uyghur Forced Labor
21	Prevention Act"); or
22	(F) a covered foreign entity, as defined in
23	section 1822 of the American Security Drone
24	Act of 2023 (title XVIII of Public Law 118–31;

25 137 Stat. 691; 41 U.S.C. note prec. 3901).

1 (3)CRITICAL INFRASTRUCTURE.—The term 2 "critical infrastructure" has the meaning given that 3 term in the Critical Infrastructures Protection Act 4 of 2001 (42 U.S.C. 5195c). 5 (4) CUSTOMS TERRITORY OF THE UNITED STATES.—The term "customs territory of the United 6 7 States" has the meaning given that term in general 8 note 2 of the HTS. 9 (5) FIRST RESPONDER.—The term "first re-10 sponder" has the meaning given that term in section 11 3025 of the Omnibus Crime Control and Safe 12 Streets Act of 1968 (34 U.S.C. 10705). 13 (6) FOREIGN ADVERSARY COUNTRY.—The term 14 "foreign adversary country" means a covered nation, 15 as defined in section 4872(f) of title 10, United 16 States Code. 17 (7) Secure unmanned Aircraft System. 18 The term "secure unmanned aircraft system" means 19 an unmanned aircraft system (as defined in section 20 44801 of title 49, United States Code) that is not 21 manufactured or assembled by a covered foreign en-22 tity or in a foreign adversary country.