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(Original Signature of Member)

119TH CONGRESS
1ST SESSION

H. R. _____

To provide for certain requirements relating to cloud, data infrastructure, and foundation model procurement.

IN THE HOUSE OF REPRESENTATIVES

Ms. JACOBS introduced the following bill; which was referred to the Committee on _____

A BILL

To provide for certain requirements relating to cloud, data infrastructure, and foundation model procurement.

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 "Protecting AI and

5 Cloud Competition in Defense Act of 2025".

6 **SEC. 2. ENSURING COMPETITION IN ARTIFICIAL INTEL-**

7   **LIGENCE PROCUREMENT.**

8   (a) DEFINITIONS.—In this section:

2

1   (1) ARTIFICIAL INTELLIGENCE; AI.—The terms
2   "artificial intelligence" and "AI" have the meaning
3   given the term "artificial intelligence" in section
4   5002 of the National Artificial Intelligence Initiative
5   Act of 2020 (15 U.S.C. 9401).

6   (2) CLOUD COMPUTING.—The term "cloud
7   computing" has the meaning given the term in Spe-
8   cial Publication 800–145 of the National Institute of
9   Standards and Technology, or any successor docu-
10   ment.

11   (3) CLOUD PROVIDER.—The term "cloud pro-
12   vider" means any company engaged in the provision,
13   sale, or licensing of cloud computing to customers,
14   including individuals and businesses.

15   (4) CONGRESSIONAL DEFENSE COMMITTEES.—
16   The term "congressional defense committees" has
17   the meaning given the term in section 101(a) of title
18   10, United States Code.

19   (5) COVERED PROVIDER.—The term "covered
20   provider" means any cloud provider, data infrastruc-
21   ture provider, or foundation model provider that has
22   entered into contracts with the Department of De-
23   fense totaling at least $50,000,000 in any of the 5
24   previous fiscal years.

3

1   (6) DATA INFRASTRUCTURE.—The term "data

2 infrastructure" means the underlying computer, net-

3 work, and software systems that enable the collec-

4 tion, storage, processing, and analysis of data, in-

5 cluding the ability to record, transmit, transform,

6 categorize, integrate, and otherwise process data

7 generated by digital data systems.

8   (7) DATA INFRASTRUCTURE PROVIDER.—The

9 term "data infrastructure provider" means any com-

10 pany engaged in the provision, sale, or licensing of

11 data infrastructure to customers, including individ-

12 uals and businesses.

13   (8) FOUNDATION MODEL.—The term "founda-

14 tion model" means an artificial intelligence model

15 that—

16   (A)(i) generally uses self-supervision;

17   (ii) contains at least 1,000,000,000 param-

18 eters; and

19   (iii) is applicable across a wide range of

20 contexts; or

21   (B) exhibits, or could be easily modified to

22 exhibit, high levels of performance at tasks that

23 pose a serious risk to security, national eco-

24 nomic security, national public health, or safety.

4

1 (9) FOUNDATION MODEL PROVIDER.—The term
2 "foundation model provider" means any company
3 engaged in the provision, sale, or licensing of foun-
4 dation models to customers, including individuals
5 and businesses.

6 (10) MULTI-CLOUD TECHNOLOGY.—The term
7 "multi-cloud technology" means architecture and
8 services that allow for data, application, and pro-
9 gram portability, usability, and interoperability be-
10 tween infrastructure, platforms, and hosted applica-
11 tions of multiple cloud providers and between public,
12 private, and edge cloud environments in a manner
13 that securely delivers operational and management
14 consistency, comprehensive visibility, and resiliency.

15 (b) CLOUD, DATA INFRASTRUCTURE, AND FOUNDA-
16 TION MODEL PROCUREMENT REQUIREMENTS.—The Sec-
17 retary of Defense shall, in contracting provisions with
18 cloud providers, foundation model providers, and data in-
19 frastructure providers—

20 (1) promote security, resiliency, and competi-
21 tion in the procurement of such solutions by requir-
22 ing a competitive award process for each procure-
23 ment of cloud computing, data infrastructure, or
24 foundation model solutions;

1 (2) ensure that the Government maintains ex-

2 clusive rights to access and use of all Government

3 data; and

4 (3) ensure that the competitive process—

5 (A) prioritizes the appropriate role for the

6 Government with respect to intellectual prop-

7 erty and data rights and security, interoper-

8 ability, and auditability requirements;

9 (B) includes modular open systems ap-

10 proaches and appropriate work allocation and

11 technical boundaries;

12 (C) mitigates barriers to entry faced by

13 small businesses and nontraditional contractors;

14 and

15 (D) prioritizes multi-cloud technology un-

16 less doing so is infeasible or presents a substan-

17 tial danger to national security.

18 (c) DATA TRAINING AND USE PROTECTION.—The

19 Secretary of Defense shall direct the Chief Digital and Ar-

20 tificial Intelligence Office to update or promulgate provi-

21 sions of the Defense Federal Acquisition Regulation Sup-

22 plement (DFARS) to ensure that—

23 (1) Government-furnished data, provided for

24 purposes of development and operation of AI prod-

25 ucts and services to the Department of Defense, is

1 not disclosed or used without proper authorization
2 by the Department of Defense, including that such
3 data cannot be used to train or improve the
4 functionality of commercial products offered by a
5 covered provider without express authorization by
6 the Department of Defense;

7 (2) Government-furnished data stored on ven-
8 dor systems, provided for purposes of development
9 and operation of AI products and services to the De-
10 partment of Defense, is appropriately protected from
11 other data on such systems, and is treated in ac-
12 cordance with Department of Defense data decrees
13 and Creating Data Advantage (Open DAGIR) prin-
14 ciples;

15 (3) violation of these provisions shall be subject
16 to specific penalties, including fines and contract ter-
17 mination; and

18 (4) component acquisition executives may issue
19 exemptions upon—

20 (A) determining that issuing an exemption
21 is necessary for national security; and

22 (B) notifying the Chief Digital and Artifi-
23 cial Intelligence Officer of the specific provi-
24 sions exempted, the vendor and program being

7

1   issued the exemption, and the justification for

2   the exemption.

3   (d) REPORTING.—

4   (1) IN GENERAL.—Not later than January 15,

5 2027, and annually thereafter for four years, the

6 Chairman of the Joint Chiefs of Staff, in coordina-

7 tion with the Under Secretary of Defense for Acqui-

8 sition and Sustainment, shall submit to the congres-

9 sional defense committees a report assessing the

10 competition, innovation, barriers to entry, and con-

11 centrations of market power or market share in the

12 AI space for each period covered by the report. The

13 report shall also include a list of the exemptions

14 granted under subsection (c)(4)(A), including the

15 date and purpose of the exemption. The report shall

16 also include recommendations of appropriate legisla-

17 tive and administrative action.

18   (2) PUBLICATION.—The Secretary of Defense,

19 acting through the Assistant to the Secretary of De-

20 fense for Public Affairs, shall ensure that the report

21 is made available to the public by—

22   (A) posting a publicly releasable version of

23   the report on a website of the Department of

24   Defense; and

8

1   (B) upon request, transmitting the report

2   by other means, as long as such transmission is

3   at no cost to the Department.