

# National Defense Authorization Act (NDAA) formerly known as HR5515

## Frequently Asked Questions

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NOTE: As the US House Armed Forces Services Committee provides additional clarity around NDAA, this document will be updated accordingly.

This document was last updated on: November 12, 2018.

**Q1: What is the driving issue behind the National Defense Authorization Act (NDAA), formerly known as HR5515?**

A: Cybersecurity concerns. In particular, cybersecurity of telecommunications and video surveillance products from specific companies that have deep relationships with a “covered foreign country” government, the People’s Republic of China.

**Q2: US Government agencies and military must procure video surveillance products under the provisions of the NDAA. Are all Pelco products on the US Government GSA Schedule NDAA-compliant?**

A: Yes. Pelco’s products listed on the US Government GSA schedule are NDAA-compliant. This includes all products within the VideoXpert, Sarix, Spectra, Optera, Esprit, EVO, and ExSite product families.

- All Pelco products listed on the Pelco portion of the GSA schedule are NDAA-compliant.
- Pelco is proud to be a long-term supplier to the US Government and many other governments across the world.
- Pelco will post and maintain a list of all Pelco NDAA-Compliant Cameras and Software on the Pelco.com website. Additionally, Pelco will include a section that will identify all Pelco products that are not compliant

o Note: Based on currently available information, Pelco believes the three models of the GFC Pro 4K (IMV831-1ERS, IMV831-1RS and IBV831-1ER), which will commence shipment in mid to late November 2018, are not NDAA-compliant due to the use of a HiSilicon System on a Chip (SoC). Pelco is attempting to obtain clarification from the US Government on SoC compliance. Until such time, Pelco will not include these models on the US GSA schedule.

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Q3: Has Pelco sold its products to the US Government (agencies and military) in the past?

A: Pelco is proud to state that it has been a trusted video surveillance product and system vendor to various United States Government Agencies and Military bases for many years. You will see Pelco's cameras in many different US Government offices, facilities, installations, and very famous landmarks that are operated by the US Department of Interior.

Q4: Who is banned from US Government Agency and Military procurements and deployments related to video surveillance installations?

A: NDAA section 889 specifically bans the procurement and use of video surveillance and telecommunications products as well as "essential components" and "critical technology" from the following vendors as well as "any subsidiary or affiliate of such entities":

- Hangzhou Hikvision Digital Technology Company
- Dahua Technology Company
- Hytera Communications Corporation
- Huawei Technologies Company
- ZTE Corporation

Q5: The named companies that are banned by the NDAA are based in China. Does the NDAA ban all video surveillance and telecommunications products and components made in China?

A: No. The NDAA does not ban all products and components that are designed or manufactured in China.

As per NDAA Section 889, f – definitions, 3 – Covered Telecommunications [and Video Surveillance] Equipment or Services, items A through D calls out specifically-named companies "that the Secretary of Defense, in consultation with the Director of the National Intelligence or the Director of the Federal Bureau of Investigation, believes to be an entity owned or controlled by, or otherwise connected to, the government of a covered foreign country [The People's Republic of China]".

Hence, the NDAA does not ban products manufactured in China by companies that are headquartered and owned by entities that are not based in China.

Q6: Pelco, Inc. has its headquarters in Fresno, California. Where are Pelco's design and manufacturing partners located?

A: Pelco's manufacturing partner headquarters are in the United Kingdom, Germany, and Taiwan. None of these countries are considered by the United States Government to be part of the People's Republic of China and therefore, are not subject to the NDAA ban.

Design of Pelco cameras is done jointly with Pelco engineers and Pelco's manufacturing partners (JDM), with Enhanced and some Pro class products typically using Pelco-architected and coded firmware. Other products may be designed under OEM or ODM relationships with Pelco's manufacturing partners whose headquarters locations are previously named in this document.



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Q7: When does the NDAA ban go into effect, officially and otherwise?

A: Officially, the effective date, per NDAA Section 889, 3, C states the ban on procuring will be August 13, 2019. NDAA Section 889, 3, C also states the effective date for using and/or deploying banned products will be not go beyond August 13, 2020 with a waiver in place.

It should be expected that the US Government Agencies and Military will immediately stop procuring banned products. It would be illogical and costly for an agency or the military to buy and deploy banned products that they know would have to be replaced by August 3, 2020.

Q8. Are Pelco products on the United States Government's GSA schedules? What are the US Government's GSA requirements?

A: Yes, Pelco is on the United States GSA schedule and is committed to the GSA's requirements which include:

- Regulatory Compliance
- Fair and Reasonable Pricing
- Fast Order Placement
- Full Product and Broad Service Offerings

Q9. What are the requirements for Pelco products to be listed on the GSA Schedule?

A: The GSA states the following as requirements for vendors to be listed on the GSA Schedule:

*“GSA evaluates each offeror to determine they are responsible contractors, according to FAR Subpart 9.1. This means you can be assured that contractors:*

*Have adequate financial resources to perform the work anticipated by the schedule*

*Can meet the delivery/performance requirements*

*Have a satisfactory performance record*

*Have a satisfactory record of integrity and business ethics*

*Have the corporate facilities, resources, equipment, skills and controls to do the work*

*Are otherwise qualified and eligible to receive a contract award under federal laws and regulations*

*In addition, offerors are generally evaluated against these evaluation factors:*

*Corporate Experience*

*Past Performance*

*Quality Control”*



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Q10. The NDAA includes a ban on vendor's products using essential components and critical technology that is provided by the named companies. Does Pelco use essential components or critical technology from any of these named companies?

A: With the exception of three models in the Pelco GFC Pro 4K family which were in development prior to the NDAA, Pelco does not use essential components or critical technology from NDAA banned vendors, their subsidiaries, or affiliates. If a Pelco camera does incorporate a component or technology believed to be targeted by the NDAA, Pelco will identify that camera as non-compliant and it will not be offered as part of the Pelco's GSA offering.

While there has been some speculation on what the terms "critical technology" and "essential components" means, Pelco believes these phrases cover, but are not limited to, the System on a Chip (SoC) components that are frequently used in video cameras, phones, and many other smart devices.

There are several vendors offering SoCs for use in video surveillance cameras. Pelco believes one SoC vendor is subject to the NDAA ban: HiSilicon, which is wholly-owned by Hauwei, is identified in the NDAA as a banned vendor.

Q11. What should a customer do if they are unsure if a video surveillance product may be affected by the NDAA ban?

A: Ask your Pelco representative to confirm the Pelco products conformance to the NDAA. Additionally, check the Pelco NDAA webpage (below); an up-to-date list of all Pelco products NDAA compliance status will be maintained.

Many video surveillance product vendors may have OEM, ODM, or JDM relationships with other vendors. Only those products resulting from relationships with NDAA have specifically identified companies that are of concern based on NDAA section 889. Pelco encourages all customers that are concerned with NDAA-compliant products to ask video surveillance product vendors for a list of their NDAA-compliant products

Q12. Where can I find more information on Pelco and its NDAA Compliance and Pelco's Cybersecurity initiatives?

A: Please visit:

<https://www.pelco.com/ndaa>

<https://www.pelco.com/cybersecurity>

