



FINANCIAL ASSISTANCE MEMORANDUM 2026-01

ACTION

MEMORANDUM FOR: DEPARTMENT OF COMMERCE GRANTS COUNCIL

FROM: Olivia J. Bradley
Senior Procurement Executive and
Director for Acquisition Management

SUBJECT: Ensuring Government Use of Secure Unmanned Aircraft Systems
and Supporting United States Producers

Background

The Office of Management and Budget (OMB) released memorandum M-26-02, “Ensuring Government Use of Secure Unmanned Aircraft Systems (UAS) and Supporting United States Producers,” on November 21, 2025. This memorandum identifies that commercial UAS technology has evolved rapidly and enabled a proliferation of critical use cases across the Federal Government. Use of insecure, foreign-manufactured UAS could potentially expose critical U.S. information to data breaches of connected systems, hidden capture of UAS camera feeds, and uncontrollable UAS flight behavior.

The U.S. Government and industry rely on American suppliers to produce innovative and secure solutions, and Federal funds should be used to strengthen the domestic manufacturing base for such technologies. In addition to cybersecurity threats, reliance on foreign-made drones poses broader strategic and economic risks.

Accordingly, the memorandum requires that during use of a UAS, after use of a UAS, and otherwise throughout the information life cycle, agencies that operate or fund the procurement of UAS must apply appropriate safeguards for the protection of Federal information, including privacy data and other controlled unclassified information, that is generated by or otherwise accessible to the UAS, consistent with relevant law and policy¹. The protections applied to Federal information must be commensurate with the risk associated with unauthorized access, use, disclosure, disruption, modification, or destruction of the data.

Purpose

This Financial Assistance Memorandum provides direction to Department of Commerce (DOC) Grants Officers and Program Officers to implement the guidance within OMB Memorandum M-26-02.

¹ OMB Memorandum M-26-02, Ensuring Government Use of Secure Unmanned Aircraft Systems and Supporting United States Producers.

Policy

Pursuant to section 1852 of the American Security Drone Act of 2023 (The Act)², no Federal funds awarded through a DOC grant or cooperative agreement, or otherwise made available, may be used by a recipient or subrecipient to procure a Federal Acquisition Security Council (FASC)-prohibited unmanned aircraft system; or in connection with the operation for a FASC-prohibited unmanned aircraft system unless excepted in paragraphs (3) through (6) of OMB Memorandum M-26-02, Appendix D.

DOC Grants Officers are responsible for consulting with the appropriate Program Manager and the Federal Assistance Law Division of the DOC's Office of the General Counsel regarding the applicability of OMB Memorandum M-26-02 prior to making an award that may be considered a Federal financial assistance award providing funds for the procurement of UAS to process, store, or transmit Federal information³.

Required Actions

1. **Pre-Award:** Grants Officers are responsible for coordinating with bureau personnel responsible for managing information security risk and the bureau personnel responsible for operating or overseeing the operation of UAS to jointly conduct an impact assessment in accordance with OMB Memorandum M-26-02, Appendix B and document results in the official award file.
2. **Notices of Funding Opportunity (NOFOs):** NOFOs must include the appropriate information security requirements, found in Appendix B of OMB Memorandum M-26-02, based on the results of the pre-award impact assessment. NOFOs must require non-Federal entities to be responsive to these requirements in their application submitted in response to the NOFO. Additionally, NOFOs must include requirements for non-Federal entities to describe how they will develop a risk-based approach to applying the information security requirements to procurement solicitations to potential vendors under the subsequent award.
3. **Evaluation and Award:** Program Officers must conduct risk assessments and evaluate applications with the appropriate consideration of the non-Federal entity's proposed method to develop a risk-based approach and apply the information security requirements to procurement solicitations under the Federal award. Grants Officers must include the specific information security requirements from the NOFO in the terms and conditions of applicable Federal awards. Grants Officers and Program Officers must monitor compliance with UAS security requirements throughout performance of the award.

² American Security Drone Act (ASDA), Pub. L. No. 118-31, § 1821-32 (41 U.S.C. § 3901 note) (2023).

³ "Federal Information" is "information created, collected, processed, maintained, disseminated, disclosed, or disposed of by or for the Federal Government, in any medium or form." OMB Circular No. A-130, *Managing Information as a Strategic Resource*, at 29.

Exemptions

The Act establishes prohibitions on the acquisition or operation by Federal agencies, or using Federal funds, of UAS that were manufactured or assembled by certain foreign entities. Sections 1823, 1824, and 1825 of The Act provide a number of exemptions from those prohibitions to specific agencies under identified circumstances. When an agency relies upon one of those exemptions to take an action that would otherwise be prohibited by The Act, the agency must prepare documentation that identifies the exemption and demonstrates that it applies. The program office shall make the documentation available to OMB upon request.

In addition to exemptions, Sections 1823, 1824, and 1825 each contain a waiver provision that allows the head of an executive agency⁴ to waive the prohibition in each section on a case-by-case basis with the approval of the Director of the Office of Management and Budget ("the Director"), after consultation with the Federal Acquisition Security Council. To request OMB approval of a proposed waiver, agencies should use the waiver request template and submission instructions available at <https://community-dc.max.gov/x/fAXSng>.

Effective Date

This Policy Memorandum is effective as of May 20, 2026, and remains in effect until rescinded.

Questions

Please direct any questions regarding this Financial Assistance Memorandum to Lauren Withum at LWithum@doc.gov.

Attachments

OMB Memorandum M-26-02, Ensuring Government Use of Secure Unmanned Aircraft Systems and Supporting United States Producers

⁴ For the purposes of this memorandum, the head of the executive agency is the Secretary of the Department of Commerce, unless further delegated.