

AMENDMENT NO. \_\_\_\_\_ Calendar No. \_\_\_\_\_

Purpose: To provide a complete substitute.

**IN THE HOUSE OF REPRESENTATIVES—109th Cong., 2d Sess.**

**H. R. 4954**

To improve maritime and cargo security through enhanced layered defenses, and for other purposes.

Referred to the Committee on \_\_\_\_\_  
and ordered to be printed

Ordered to lie on the table and to be printed

AMENDMENT intended to be proposed by Mr. FRIST (for himself, Ms. COLLINS, Mr. LIEBERMAN, Mr. STEVENS, Mr. INOUE, Mr. GRASSLEY, Mr. BAUCUS, Mrs. MURRAY, Mr. COLEMAN, and Mr. ALLEN)

Viz:

1 Strike all after the enacting clause and insert the fol-

2 lowing:

3 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the  
5 “Port Security Improvement Act of 2006”.

6 (b) TABLE OF CONTENTS.—The table of contents for  
7 this Act is as follows:

Sec. 1. Short title; table of contents.

Sec. 2. Definitions.

## 2

## Subtitle A—General Provisions

- Sec. 101. Area Maritime Transportation Security Plan to include salvage response plan.
- Sec. 102. Requirements relating to maritime facility security plans.
- Sec. 103. Unannounced inspections of maritime facilities.
- Sec. 104. Transportation security card.
- Sec. 105. Long-range vessel tracking.
- Sec. 106. Establishment of interagency operational centers for port security.

## Subtitle B—Port Security Grants; Training and Exercise Programs

- Sec. 111. Port security grants.
- Sec. 112. Port Security Training Program.
- Sec. 113. Port Security Exercise Program.

## Subtitle C—Port Operations

- Sec. 121. Domestic radiation detection and imaging.
- Sec. 122. Port security user fee study.
- Sec. 123. Inspection of car ferries entering from Canada.
- Sec. 124. Random searches of containers.
- Sec. 125. Work stoppages and employee-employer disputes.

## TITLE II—SECURITY OF THE INTERNATIONAL SUPPLY CHAIN

## Subtitle A—General Provisions

- Sec. 201. Strategic plan to enhance the security of the international supply chain.
- Sec. 202. Post incident resumption of trade.
- Sec. 203. Automated Targeting System.
- Sec. 204. Container security standards and procedures.
- Sec. 205. Container Security Initiative.

## Subtitle B—Customs-Trade Partnership Against Terrorism

- Sec. 211. Establishment.
- Sec. 212. Eligible entities.
- Sec. 213. Minimum requirements.
- Sec. 214. Tier 1 participants in C-TPAT.
- Sec. 215. Tier 2 participants in C-TPAT.
- Sec. 216. Tier 3 participants in C-TPAT.
- Sec. 217. Consequences for lack of compliance.
- Sec. 218. Revalidation.
- Sec. 219. Noncontainerized cargo.
- Sec. 220. C-TPAT Program management.
- Sec. 221. Resource management staffing plan.
- Sec. 222. Additional personnel.
- Sec. 223. Authorization of appropriations.
- Sec. 224. Report to Congress.

## Subtitle C—Miscellaneous Provisions

- Sec. 231. Pilot integrated scanning system.
- Sec. 232. International cooperation and coordination.

## TITLE III—ADMINISTRATION

Sec. 301. Office of Cargo Security Policy.

Sec. 302. Reauthorization of Homeland Security Science and Technology Advisory Committee.

Sec. 303. Research, development, test, and evaluation efforts in furtherance of maritime and cargo security.

#### TITLE IV—AGENCY RESOURCES AND OVERSIGHT

Sec. 401. Office of International Trade.

Sec. 402. Resources.

Sec. 403. Negotiations.

Sec. 404. International Trade Data System.

Sec. 405. In-bond cargo.

Sec. 406. Sense of the Senate.

### 1 **SEC. 2. DEFINITIONS.**

2 In this Act:

3 (1) APPROPRIATE CONGRESSIONAL COMMIT-  
4 TEES.—Except as otherwise defined, the term “ap-  
5 propriate congressional committees” means—

6 (A) the Committee on Appropriations of  
7 the Senate;

8 (B) the Committee on Commerce, Science,  
9 and Transportation of the Senate;

10 (C) the Committee on Finance of the Sen-  
11 ate;

12 (D) the Committee on Homeland Security  
13 and Governmental Affairs of the Senate;

14 (E) the Committee on Appropriations of  
15 the House of Representatives;

16 (F) the Committee on Homeland Security  
17 of the House of Representatives;

1 (G) the Committee on Transportation and  
2 Infrastructure of the House of Representatives;  
3 and

4 (H) the Committee on Ways and Means of  
5 the House of Representatives.

6 (2) COMMERCIAL SEAPORT PERSONNEL.—The  
7 term “commercial seaport personnel” means any  
8 person engaged in an activity relating to the loading  
9 or unloading of cargo, the movement or tracking of  
10 cargo, the maintenance and repair of intermodal  
11 equipment, the operation of cargo-related equipment  
12 (whether or not integral to the vessel), and the han-  
13 dling of mooring lines on the dock when a vessel is  
14 made fast or let go, in the United States or the  
15 coastal waters of the United States.

16 (3) COMMISSIONER.—The term “Commis-  
17 sioner” means the Commissioner responsible for the  
18 United States Customs and Border Protection in the  
19 Department of Homeland Security.

20 (4) CONTAINER.—The term “container” has  
21 the meaning given the term in the International  
22 Convention for Safe Containers, with annexes, done  
23 at Geneva, December 2, 1972 (29 UST 3707).

24 (5) CONTAINER SECURITY DEVICE.—The term  
25 “container security device” means a device or system

1       designed, at a minimum, to detect the unauthorized  
2       intrusion of a container and secure containers  
3       against tampering or compromise throughout the  
4       international supply chain.

5           (6) DEPARTMENT.—The term “Department”  
6       means the Department of Homeland Security.

7           (7) EXAMINATION.—The term “examination”  
8       means an inspection of cargo to detect the presence  
9       of misdeclared, restricted, or prohibited items that  
10      utilizes nonintrusive imaging and detection tech-  
11      nology.

12          (8) INSPECTION.—The term “inspection”  
13      means the comprehensive process used by the United  
14      States Customs and Border Protection to assess  
15      goods entering the United States to appraise them  
16      for duty purposes, to detect the presence of re-  
17      stricted or prohibited items, and to ensure compli-  
18      ance with all applicable laws. The process may in-  
19      clude screening, conducting an examination, or con-  
20      ducting a search.

21          (9) INTERNATIONAL SUPPLY CHAIN.—The term  
22      “international supply chain” means the end-to-end  
23      process for shipping goods to or from the United  
24      States from a point of origin (including manufac-

1 turer, supplier, or vendor) through a point of dis-  
2 tribution.

3 (10) RADIATION DETECTION EQUIPMENT.—The  
4 term “radiation detection equipment” means any  
5 technology that is capable of detecting or identifying  
6 nuclear and radiological material or nuclear and ra-  
7 diological explosive devices.

8 (11) SCAN.—The term “scan” means utilizing  
9 nonintrusive imaging equipment, radiation detection  
10 equipment, or both, to capture data, including im-  
11 ages of a container.

12 (12) SCREENING.—The term “screening”  
13 means a visual or automated review of information  
14 about goods, including manifest or entry documenta-  
15 tion accompanying a shipment being imported into  
16 the United States, to determine the presence of  
17 misdeclared, restricted, or prohibited items and as-  
18 sess the level of threat posed by such cargo.

19 (13) SEARCH.—The term “search” means an  
20 intrusive examination in which a container is opened  
21 and its contents are devanned and visually inspected  
22 for the presence of misdeclared, restricted, or pro-  
23 hibited items.

24 (14) SECRETARY.—The term “Secretary”  
25 means the Secretary of Homeland Security.

1           (15)   TRANSPORTATION    DISRUPTION.—The  
2           term “transportation disruption” means any signifi-  
3           cant delay, interruption, or stoppage in the flow of  
4           trade caused by a natural disaster, labor dispute,  
5           heightened threat level, an act of terrorism, or any  
6           transportation security incident defined in section  
7           70101(6) of title 46, United States Code.

8           (16)   TRANSPORTATION    SECURITY INCIDENT.—  
9           The term “transportation security incident” has the  
10          meaning given the term in section 70101(6) of title  
11          46, United States Code.

12       **TITLE I—SECURITY OF UNITED**  
13       **STATES SEAPORTS**

14       **Subtitle A—General Provisions**

15       **SEC. 101. AREA MARITIME TRANSPORTATION SECURITY**  
16                   **PLAN TO INCLUDE SALVAGE RESPONSE**  
17                   **PLAN.**

18          Section 70103(b)(2) of title 46, United States Code,  
19       is amended—

20           (1) in subparagraph (E), by striking “and”  
21           after the semicolon;

22           (2) by redesignating subparagraph (F) as sub-  
23           paragraph (G); and

24           (3) by inserting after subparagraph (E) the fol-  
25           lowing:

1           “(F) include a salvage response plan—  
2                 “(i) to identify salvage equipment capable  
3 of restoring operational trade capacity; and  
4                 “(ii) to ensure that the waterways are  
5 cleared and the flow of commerce through  
6 United States ports is reestablished as effi-  
7 ciently and quickly as possible after a maritime  
8 transportation security incident.”.

9 **SEC. 102. REQUIREMENTS RELATING TO MARITIME FACIL-**  
10 **ITY SECURITY PLANS.**

11           Section 70103(c) of title 46, United States Code, is  
12 amended—

13           (1) in paragraph (3)—

14                 (A) in subparagraph (C)(ii), by striking  
15 “facility” and inserting “facility, including ac-  
16 cess by individuals engaged in the surface  
17 transportation of intermodal containers in or  
18 out of a port facility”;

19                 (B) in subparagraph (F), by striking  
20 “and” at the end;

21                 (C) in subparagraph (G), by striking the  
22 period at the end and inserting “; and”; and

23                 (D) by adding at the end the following:

24                 “(H) in the case of a security plan for a facil-  
25 ity, be resubmitted for approval of each change in

1 the ownership or operator of the facility that may  
2 substantially affect the security of the facility.”; and

3 (2) by adding at the end the following:

4 “(8)(A) The Secretary shall require that the qualified  
5 individual having full authority to implement security ac-  
6 tions for a facility described in paragraph (2) shall be a  
7 citizen of the United States.

8 “(B) The Secretary may waive the requirement of  
9 subparagraph (A) with respect to an individual if the Sec-  
10 retary determines that it is appropriate to do so based on  
11 a complete background check of the individual and a re-  
12 view of all terrorist watch lists to ensure that the indi-  
13 vidual is not identified on any such terrorist watch list.”.

14 **SEC. 103. UNANNOUNCED INSPECTIONS OF MARITIME FA-**  
15 **CILITIES.**

16 Section 70103(c)(4)(D) of title 46, United States  
17 Code, is amended to read as follows:

18 “(D) subject to the availability of appropria-  
19 tions, verify the effectiveness of each such facility se-  
20 curity plan periodically, but not less than twice an-  
21 nually, at least 1 of which shall be an inspection of  
22 the facility that is conducted without notice to the  
23 facility.”.

1 **SEC. 104. TRANSPORTATION SECURITY CARD.**

2 (a) IN GENERAL.—Section 70105 of title 46, United  
3 States, Code is amended by adding at the end the fol-  
4 lowing:

5 “(g) APPLICATIONS FOR MERCHANT MARINER’S  
6 DOCUMENTS.—The Assistant Secretary of Homeland Se-  
7 curity for the Transportation Security Administration and  
8 the Commandant of the Coast Guard shall concurrently  
9 process an application from an individual for merchant  
10 mariner’s documents under chapter 73 of title 46, United  
11 States Code, and an application from that individual for  
12 a transportation security card under this section.

13 “(h) FEES.—The Secretary shall ensure that the fees  
14 charged each individual obtaining a transportation secu-  
15 rity card under this section who has passed a background  
16 check under section 5103a of title 49, United States Code,  
17 and who has a current and valid hazardous materials en-  
18 dorsement in accordance with section 1572 of title 49,  
19 Code of Federal Regulations, and each individual with a  
20 current and valid Merchant Mariner Document—

21 “(1) are for costs associated with the issuance,  
22 production, and management of the transportation  
23 security card, as determined by the Secretary; and

24 “(2) do not include costs associated with per-  
25 forming a background check for that individual, un-  
26 less the scope of said background checks diverge.

1       “(i) IMPLEMENTATION SCHEDULE.—In imple-  
2       menting the transportation security card program under  
3       this section, the Secretary shall—

4               “(1) conduct a strategic risk analysis and es-  
5       tablish a priority for each United States port based  
6       on risk; and

7               “(2) implement the program, based upon risk  
8       and other factors as determined by the Secretary, at  
9       all facilities regulated under this chapter at—

10               “(A) the 10 United States ports that are  
11       deemed top priority by the Secretary not later  
12       than July 1, 2007;

13               “(B) the 40 United States ports that are  
14       next in order of priority to the ports described  
15       in subparagraph (A) not later than January 1,  
16       2008; and

17               “(C) all other United States ports not later  
18       than January 1, 2009.

19       “(j) TRANSPORTATION SECURITY CARD PROCESSING  
20       DEADLINE.—Not later than January 1, 2009, the Sec-  
21       retary shall process and issue or deny each application for  
22       a transportation security card under this section for indi-  
23       viduals with current and valid merchant mariner’s docu-  
24       ments on the date of enactment of the Port Security Im-  
25       provement Act of 2006.

1           “(k) VESSEL AND FACILITY CARD READER ASSESS-  
2 MENTS.—

3           “(1) PILOT PROGRAMS.—

4                   “(A) VESSEL PILOT PROGRAM.—The Sec-  
5 retary shall conduct a pilot program in 3 dis-  
6 tinct geographic locations to assess the feasi-  
7 bility of implementing card readers at secure  
8 areas of a vessel in accordance with the Notice  
9 of Proposed Rulemaking released on May 22,  
10 2006, (TSA-2006-24191; USCG-2006-  
11 24196).

12                   “(B) FACILITIES PILOT PROGRAM.—In ad-  
13 dition to the pilot program described in sub-  
14 paragraph (A), the Secretary shall conduct a  
15 pilot program in 3 distinct geographic locations  
16 to assess the feasibility of implementing card  
17 readers at secure areas of facilities in a variety  
18 of environmental settings.

19                   “(C) COORDINATION WITH TRANSPOR-  
20 TATION SECURITY CARDS.—The pilot programs  
21 described in subparagraphs (A) and (B) shall  
22 be conducted concurrently with the issuance of  
23 the transportation security cards as described  
24 in subsection (b), of this section to ensure card  
25 and card reader interoperability.

1           “(2) DURATION.—The pilot program described  
2           in paragraph (1) shall commence not later than 180  
3           days after the date of the enactment of the Port Se-  
4           curity Improvement Act of 2006 and shall terminate  
5           1 year after commencement.

6           “(3) REPORT.—Not later than 90 days after  
7           the termination of the pilot program described under  
8           subparagraph (1), the Secretary shall submit a com-  
9           prehensive report to the appropriate congressional  
10          committees (as defined in section 2(2) of the Home-  
11          land Security Act of 2002 (6 U.S.C. 101(2)) that in-  
12          cludes—

13                 “(A) the actions that may be necessary to  
14                 ensure that all vessels and facilities to which  
15                 this section applies are able to comply with the  
16                 regulations promulgated under subsection (a);

17                 “(B) recommendations concerning fees and  
18                 a statement of policy considerations for alter-  
19                 native security plans; and

20                 “(C) an analysis of the viability of equip-  
21                 ment under the extreme weather conditions of  
22                 the marine environment.

23          “(1) PROGRESS REPORTS.—Not later than 6 months  
24          after the date of the enactment of the Port Security Im-  
25          provement Act 2006 and every 6 months thereafter until

1 the requirements under this section are fully implemented,  
2 the Secretary shall submit a report on progress being  
3 made in implementing such requirements to the appro-  
4 priate congressional committees (as defined in section 2(2)  
5 of the Homeland Security Act of 2002 (6 U.S.C.  
6 101(2)).”.

7 (b) CLARIFICATION OF ELIGIBILITY FOR TRANSPOR-  
8 TATION SECURITY CARDS.—Section 70105(b)(2) of title  
9 46, United States Code, is amended—

10 (1) by striking “and” after the semicolon in  
11 subparagraph (E);

12 (2) by striking “Secretary.” in subparagraph  
13 (F) and inserting “Secretary; and”; and

14 (3) by adding at the end the following:

15 “(G) other individuals as determined ap-  
16 propriate by the Secretary including individuals  
17 employed at a port not otherwise covered by  
18 this subsection.”.

19 (c) DEADLINE FOR SECTION 70105 REGULATIONS.—  
20 The Secretary shall promulgate final regulations imple-  
21 menting section 70105 of title 46, United States Code,  
22 no later than January 1, 2007.

23 **SEC. 105. LONG-RANGE VESSEL TRACKING.**

24 (a) REGULATIONS.—Section 70115 of title 46,  
25 United States Code, is amended in the first sentence by

1 striking “The Secretary” and inserting “Not later than  
2 April 1, 2007, the Secretary”.

3 (b) VOLUNTARY PROGRAM.—The Secretary may  
4 issue regulations to establish a voluntary long-range auto-  
5 mated vessel tracking system for vessels described in sec-  
6 tion 70115 of title 46, United States Code, during the pe-  
7 riod before regulations are issued under such section.

8 **SEC. 106. ESTABLISHMENT OF INTERAGENCY OPER-**  
9 **ATIONAL CENTERS FOR PORT SECURITY.**

10 (a) IN GENERAL.—Chapter 701 of title 46, United  
11 States Code, is amended by inserting after section 70107  
12 the following:

13 **“§ 70107A. Interagency operational centers for port**  
14 **security**

15 “(a) IN GENERAL.—The Secretary shall establish  
16 interagency operational centers for port security at all  
17 high-priority ports not later than 3 years after the date  
18 of the enactment of the Port Security Improvement Act  
19 of 2006.

20 “(b) CHARACTERISTICS.—The interagency oper-  
21 ational centers established under this section shall—

22 “(1) utilize, as appropriate, the compositional  
23 and operational characteristics of centers, includ-  
24 ing—

1           “(A) the pilot project interagency oper-  
2           ational centers for port security in Miami, Flor-  
3           ida; Norfolk/Hampton Roads, Virginia; Charles-  
4           ton, South Carolina; San Diego, California; and

5           “(B) the virtual operation center of the  
6           Port of New York and New Jersey;

7           “(2) be organized to fit the security needs, re-  
8           quirements, and resources of the individual port area  
9           at which each is operating;

10          “(3) provide, as the Secretary determines ap-  
11          propriate, for participation by representatives of the  
12          United States Customs and Border Protection, the  
13          Transportation Security Administration, the Depart-  
14          ment of Justice, the Department of Defense, and  
15          other Federal agencies, and State and local law en-  
16          forcement or port security personnel, members of  
17          the Area Maritime Security Committee, and other  
18          public and private sector stakeholders; and

19          “(4) be incorporated in the implementation and  
20          administration of—

21                 “(A) maritime transportation security  
22                 plans developed under section 70103;

23                 “(B) maritime intelligence activities under  
24                 section 70113 and information sharing activi-  
25                 ties consistent with section 1016 of the Na-

1           tional Security Intelligence Reform Act of 2004  
2           (6 U.S.C. 485) and the Homeland Security In-  
3           formation Sharing Act (6 U.S.C. 481 et seq.);

4           “(C) short and long range vessel tracking  
5           under sections 70114 and 70115;

6           “(D) protocols under section 201(b)(10) of  
7           the Port Security Improvement Act of 2006;

8           “(E) the transportation security incident  
9           response plans required by section 70104; and

10           “(F) other activities, as determined by the  
11           Secretary.

12           “(c) SECURITY CLEARANCES.—The Secretary shall  
13           sponsor and expedite individuals participating in inter-  
14           agency operational centers in gaining or maintaining their  
15           security clearances. Through the Captain of the Port, the  
16           Secretary may identify key individuals who should partici-  
17           pate. The port or other entities may appeal to the Captain  
18           of the Port for sponsorship.”.

19           (b) 2005 ACT REPORT REQUIREMENT.—Nothing in  
20           this section or the amendments made by this section re-  
21           lieves the Commandant of the Coast Guard from com-  
22           plying with the requirements of section 807 of the Coast  
23           Guard and Maritime Transportation Act of 2004 (118  
24           Stat. 1082). The Commandant shall utilize the informa-

1 tion developed in making the report required by that sec-  
2 tion in carrying out the requirements of this section.

3 (c) BUDGET AND COST-SHARING ANALYSIS.—Not  
4 later than 180 days after the date of the enactment of  
5 this Act, the Secretary shall submit to the appropriate  
6 congressional committees a proposed budget analysis for  
7 implementing section 70107A of title 46, United States  
8 Code, as added by subsection (a), including cost-sharing  
9 arrangements with other Federal departments and agen-  
10 cies involved in the interagency operation of the centers  
11 to be established under such section.

12 (d) CLERICAL AMENDMENT.—The chapter analysis  
13 for chapter 701 of title 46, United States Code, is amend-  
14 ed by inserting after the item relating to section 70107  
15 the following:

“70107A. Interagency operational centers for port security.”.

16 **Subtitle B—Port Security Grants;**  
17 **Training and Exercise Programs**

18 **SEC. 111. PORT SECURITY GRANTS.**

19 (a) BASIS FOR GRANTS.—Section 70107(a) of title  
20 46, United States Code, is amended by striking “for mak-  
21 ing a fair and equitable allocation of funds” and inserting  
22 “for the allocation of funds based on risk”.

23 (b) MULTIPLE-YEAR PROJECTS, ETC.—Section  
24 70107 of title 46, United States Code, is amended by re-  
25 designating subsections (e), (f), (g), (h), and (i) as sub-

1 sections (i), (j), (k), (l), and (m), respectively, and by in-  
2 serting after subsection (d) the following:

3 “(e) MULTIPLE-YEAR PROJECTS.—

4 “(1) LETTERS OF INTENT.—The Secretary may  
5 execute letters of intent to commit funding to such  
6 authorities, operators, and agencies.

7 “(2) LIMITATION.—Not more than 20 percent  
8 of the grant funds awarded under this subsection in  
9 any fiscal year may be awarded for projects that  
10 span multiple years.

11 “(f) CONSISTENCY WITH PLANS.—The Secretary  
12 shall ensure that each grant awarded under subsection  
13 (e)—

14 “(1) is used to supplement and support, in a  
15 consistent and coordinated manner, the applicable  
16 Area Maritime Transportation Security Plan; and

17 “(2) is coordinated with any applicable State or  
18 Urban Area Homeland Security Plan.

19 “(g) APPLICATIONS.—Any entity subject to an Area  
20 Maritime Transportation Security Plan may submit an ap-  
21 plication for a grant under this subsection, at such time,  
22 in such form, and containing such information and assur-  
23 ances as the Secretary, working through the Directorate  
24 for Preparedness, may require.”.

1           (c) AUTHORIZATION OF APPROPRIATIONS.—Sub-  
2 section (l) of section 70107 of title 46, United States  
3 Code, as redesignated by subsection (b) is amended to  
4 read as follows:

5           “(l) AUTHORIZATION OF APPROPRIATIONS.—There  
6 are authorized to be appropriated \$400,000,000 for each  
7 of the fiscal years 2007 through 2011 to carry out this  
8 section.”.

9 **SEC. 112. PORT SECURITY TRAINING PROGRAM.**

10          (a) IN GENERAL.—The Secretary, acting through the  
11 Under Secretary for Preparedness and in coordination  
12 with the Commandant of the Coast Guard, may establish  
13 a Port Security Training Program (referred to in this sec-  
14 tion as the “Program”) for the purpose of enhancing the  
15 capabilities of each of the Nation’s commercial seaports  
16 to prevent, prepare for, respond to, mitigate against, and  
17 recover from threatened or actual acts of terrorism, nat-  
18 ural disasters, and other emergencies.

19          (b) REQUIREMENTS.—The Program shall provide  
20 validated training that—

21               (1) reaches multiple disciplines, including Fed-  
22 eral, State, and local government officials, commer-  
23 cial seaport personnel and management, and govern-  
24 mental and nongovernmental emergency response  
25 providers;

1           (2) provides training at the awareness, perform-  
2           ance, and management and planning levels;

3           (3) utilizes multiple training mediums and  
4           methods;

5           (4) addresses port security topics, including—

6                 (A) seaport security plans and procedures,  
7                 including how security plans and procedures are  
8                 adjusted when threat levels increase;

9                 (B) seaport security force operations and  
10                management;

11               (C) physical security and access control at  
12                seaports;

13               (D) methods of security for preventing and  
14                countering cargo theft;

15               (E) container security;

16               (F) recognition and detection of weapons,  
17                dangerous substances, and devices;

18               (G) operation and maintenance of security  
19                equipment and systems;

20               (H) security threats and patterns;

21               (I) security incident procedures, including  
22                procedures for communicating with govern-  
23                mental and nongovernmental emergency re-  
24                sponse providers; and

25                (J) evacuation procedures;

1           (5) is consistent with, and supports implemen-  
2           tation of, the National Incident Management Sys-  
3           tem, the National Response Plan, the National In-  
4           frastructure Protection Plan, the National Prepared-  
5           ness Guidance, the National Preparedness Goal, the  
6           National Maritime Transportation Security Plan,  
7           and other such national initiatives;

8           (6) is evaluated against clear and consistent  
9           performance measures;

10          (7) addresses security requirements under facil-  
11          ity security plans; and

12          (8) educates, trains, and involves populations of  
13          at-risk neighborhoods around ports, including train-  
14          ing on an annual basis for neighborhoods to learn  
15          what to be watchful for in order to be a “citizen  
16          corps”, if necessary.

17 **SEC. 113. PORT SECURITY EXERCISE PROGRAM.**

18          (a) IN GENERAL.—The Secretary, acting through the  
19          Under Secretary for Preparedness and in coordination  
20          with the Commandant of the Coast Guard, may establish  
21          a Port Security Exercise Program (referred to in this sec-  
22          tion as the “Program”) for the purpose of testing and  
23          evaluating the capabilities of Federal, State, local, and for-  
24          eign governments, commercial seaport personnel and man-  
25          agement, governmental and nongovernmental emergency

1 response providers, the private sector, or any other organi-  
2 zation or entity, as the Secretary determines to be appro-  
3 priate, to prevent, prepare for, mitigate against, respond  
4 to, and recover from acts of terrorism, natural disasters,  
5 and other emergencies at commercial seaports.

6 (b) REQUIREMENTS.—The Secretary shall ensure  
7 that the Program—

8 (1) conducts, on a periodic basis, port security  
9 exercises at commercial seaports that are—

10 (A) scaled and tailored to the needs of  
11 each port;

12 (B) live, in the case of the most at-risk  
13 ports;

14 (C) as realistic as practicable and based on  
15 current risk assessments, including credible  
16 threats, vulnerabilities, and consequences;

17 (D) consistent with the National Incident  
18 Management System, the National Response  
19 Plan, the National Infrastructure Protection  
20 Plan, the National Preparedness Guidance, the  
21 National Preparedness Goal, the National Mari-  
22 time Transportation Security Plan, and other  
23 such national initiatives;

24 (E) evaluated against clear and consistent  
25 performance measures;

1 (F) assessed to learn best practices, which  
2 shall be shared with appropriate Federal, State,  
3 and local officials, seaport personnel and man-  
4 agement; governmental and nongovernmental  
5 emergency response providers, and the private  
6 sector; and

7 (G) followed by remedial action in response  
8 to lessons learned; and

9 (2) assists State and local governments and  
10 commercial seaports in designing, implementing, and  
11 evaluating exercises that—

12 (A) conform to the requirements of para-  
13 graph (2); and

14 (B) are consistent with any applicable Area  
15 Maritime Transportation Security Plan and  
16 State or Urban Area Homeland Security Plan.

17 (c) IMPROVEMENT PLAN.—The Secretary shall estab-  
18 lish a port security improvement plan process to—

19 (1) identify and analyze each port security exer-  
20 cise for lessons learned and best practices;

21 (2) disseminate lessons learned and best prac-  
22 tices to participants in the Program;

23 (3) monitor the implementation of lessons  
24 learned and best practices by participants in the  
25 Program; and

1           (4) conduct remedial action tracking and long-  
2 term trend analysis.

### 3           **Subtitle C—Port Operations**

#### 4   **SEC. 121. DOMESTIC RADIATION DETECTION AND IMAGING.**

5           (a) EXAMINING CONTAINERS.—Not later than De-  
6 cember 31, 2007, all containers entering the United States  
7 through the busiest 22 seaports of entry shall be examined  
8 for radiation.

9           (b) STRATEGY.—The Secretary shall develop a strat-  
10 egy for the deployment of radiation detection capabilities  
11 that includes—

12           (1) a risk-based prioritization of ports of entry  
13 at which radiation detection equipment will be de-  
14 ployed;

15           (2) a proposed timeline of when radiation detec-  
16 tion equipment will be deployed at each port of entry  
17 identified under paragraph (1);

18           (3) the type of equipment to be used at each  
19 port of entry identified under paragraph (1), includ-  
20 ing the joint deployment and utilization of radiation  
21 detection equipment and nonintrusive imaging equip-  
22 ment;

23           (4) standard operating procedures for exam-  
24 ining containers with such equipment, including sen-

1 sor alarming, networking, and communications and  
2 response protocols;

3 (5) operator training plans;

4 (6) an evaluation of the environmental health  
5 and safety impacts of nonintrusive imaging tech-  
6 nology;

7 (7) the policy of the Department for using non-  
8 intrusive imagining equipment in tandem with radi-  
9 ation detection equipment; and

10 (8) a classified annex that—

11 (A) details plans for covert testing; and

12 (B) outlines the risk-based prioritization of  
13 ports of entry identified under paragraph (1).

14 (c) REPORT.—Not later than 90 days after the date  
15 of the enactment of this Act, the Secretary shall submit  
16 the strategy developed under subsection (b) to the appro-  
17 priate congressional committees.

18 (d) UPDATE.—Not later than 180 days after the date  
19 of the enactment of this Act, the Secretary may update  
20 the strategy submitted under subsection (c) to provide a  
21 more complete evaluation under subsection (b)(6).

22 (e) OTHER WEAPONS OF MASS DESTRUCTION  
23 THREATS.—Not later than 180 days after the date of the  
24 enactment of this Act, the Secretary shall submit a strat-  
25 egy for the development of equipment to detect chemical,

1 biological, and other weapons of mass destruction at all  
2 ports of entry into the United States to the appropriate  
3 congressional committees.

4 (f) STANDARDS.—The Secretary, in conjunction with  
5 the National Institute of Standards and Technology, shall  
6 publish technical capability standards and recommended  
7 standard operating procedures for the use of nonintrusive  
8 imaging and radiation detection equipment in the United  
9 States. Such standards and procedures—

10 (1) should take into account relevant standards  
11 and procedures utilized by other Federal depart-  
12 ments or agencies as well as those developed by  
13 international bodies; and

14 (2) shall not be designed so as to endorse spe-  
15 cific companies or create sovereignty conflicts with  
16 participating countries.

17 (g) IMPLEMENTATION.—Not later than 3 years after  
18 the date of the enactment of this Act, the Secretary shall  
19 fully implement the strategy developed under subsection  
20 (b).

21 **SEC. 122. PORT SECURITY USER FEE STUDY.**

22 The Secretary shall conduct a study of the need for,  
23 and feasibility of, establishing a system of ocean-borne and  
24 port-related transportation user fees that may be imposed  
25 and collected as a dedicated revenue source, on a tem-

1 porary or continuing basis, to provide necessary funding  
2 for legitimate improvements to, and maintenance of, port  
3 security. Not later than 1 year after the date of the enact-  
4 ment of this Act, the Secretary shall submit a report to  
5 the appropriate congressional committees that contains—

6 (1) the results of the study;

7 (2) an assessment of the annual amount of cus-  
8 toms fees and duties collected through ocean-borne  
9 and port-related transportation and the amount and  
10 percentage of such fees and duties that are dedi-  
11 cated to improve and maintain security;

12 (3)(A) an assessment of the fees, charges, and  
13 standards imposed on United States ports, port ter-  
14 minal operators, shippers, and persons who use  
15 United States ports, compared with the fees and  
16 charges imposed on ports and port terminal opera-  
17 tors in Canada and Mexico and persons who use  
18 those foreign ports; and

19 (B) an assessment of the impact on the com-  
20 petitiveness of United States ports, port terminal op-  
21 erators, and shippers; and

22 (4) the Secretary's recommendations based  
23 upon the study, and an assessment of the consist-  
24 ency of such recommendations with the international  
25 obligations and commitments of the United States.

1 **SEC. 123. INSPECTION OF CAR FERRIES ENTERING FROM**  
2 **ABROAD.**

3 Not later than 120 days after the date of the enact-  
4 ment of this Act, the Secretary, acting through the Com-  
5 missioner, and in coordination with the Secretary of State,  
6 and in cooperation with appropriate foreign government  
7 officials, shall seek to develop a plan for the inspection  
8 of passengers and vehicles before such passengers board,  
9 or such vehicles are loaded onto, a ferry bound for a  
10 United States seaport.

11 **SEC. 124. RANDOM SEARCHES OF CONTAINERS.**

12 Not later than 1 year after the date of the enactment  
13 of this Act, the Secretary, acting through the Commis-  
14 sioner, shall develop and implement a plan, utilizing best  
15 practices for empirical scientific research design and ran-  
16 dom sampling, to conduct random searches of containers  
17 in addition to any targeted or preshipment inspection of  
18 such containers required by law or regulation or conducted  
19 under any other program conducted by the Secretary.  
20 Nothing in this section shall be construed to mean that  
21 implementation of the random sampling plan precludes  
22 additional searches of containers not inspected pursuant  
23 to the plan.

1 **SEC. 125. WORK STOPPAGES AND EMPLOYEE-EMPLOYER**  
2 **DISPUTES.**

3 Section 70101(6) of title 46, United States Code, is  
4 amended by adding at the end the following: “In this para-  
5 graph, the term ‘economic disruption’ does not include a  
6 work stoppage or other nonviolent employee-related action  
7 not related to terrorism and resulting from an employee-  
8 employer dispute.”.

9 **TITLE II—SECURITY OF THE**  
10 **INTERNATIONAL SUPPLY CHAIN**  
11 **Subtitle A—General Provisions**

12 **SEC. 201. STRATEGIC PLAN TO ENHANCE THE SECURITY OF**  
13 **THE INTERNATIONAL SUPPLY CHAIN.**

14 (a) STRATEGIC PLAN.—The Secretary, in consulta-  
15 tion with appropriate Federal, State, local, and tribal gov-  
16 ernment agencies and private-sector stakeholders respon-  
17 sible for security matters that affect or relate to the move-  
18 ment of containers through the international supply chain,  
19 shall develop, implement, and update, as appropriate, a  
20 strategic plan to enhance the security of the international  
21 supply chain.

22 (b) REQUIREMENTS.—The strategic plan required  
23 under subsection (a) shall—

24 (1) describe the roles, responsibilities, and au-  
25 thorities of Federal, State, local, and tribal govern-  
26 ment agencies and private-sector stakeholders that

1 relate to the security of the movement of containers  
2 through the international supply chain;

3 (2) identify and address gaps and unnecessary  
4 overlaps in the roles, responsibilities, or authorities  
5 described in paragraph (1);

6 (3) identify and make recommendations regard-  
7 ing legislative, regulatory, and organizational  
8 changes necessary to improve coordination among  
9 the entities or to enhance the security of the inter-  
10 national supply chain;

11 (4) provide measurable goals, including objec-  
12 tives, mechanisms, and a schedule, for furthering the  
13 security of commercial operations from point of ori-  
14 gin to point of destination;

15 (5) build on available resources and consider  
16 costs and benefits;

17 (6) provide incentives for additional voluntary  
18 measures to enhance cargo security, as determined  
19 by the Commissioner;

20 (7) consider the impact of supply chain security  
21 requirements on small and medium size companies;

22 (8) include a process for sharing intelligence  
23 and information with private-sector stakeholders to  
24 assist in their security efforts;

1           (9) identify a framework for prudent and meas-  
2           ured response in the event of a transportation secu-  
3           rity incident involving the international supply chain;

4           (10) provide protocols for the expeditious re-  
5           sumption of the flow of trade in accordance with sec-  
6           tion 202, including—

7                   (A) the identification of the appropriate  
8                   initial incident commander, if the Commandant  
9                   of the Coast Guard is not the appropriate ini-  
10                  tial incident commander, and lead departments,  
11                  agencies, or offices to execute such protocols;

12                  (B) a plan to redeploy resources and per-  
13                  sonnel, as necessary, to reestablish the flow of  
14                  trade in the event of a transportation interrup-  
15                  tion; and

16                  (C) a plan to provide training for the peri-  
17                  odic instruction of personnel of the United  
18                  States Customs and Border Protection in trade  
19                  resumption functions and responsibilities fol-  
20                  lowing a transportation disruption;

21           (11) consider the linkages between supply chain  
22           security and security programs within other systems  
23           of movement, including travel security and terrorism  
24           finance programs; and

1           (12) expand upon and relate to existing strate-  
2           gies and plans, including the National Response  
3           Plan, National Maritime Transportation Security  
4           Plan, and the 8 supporting plans of the Strategy, as  
5           required by Homeland Security Presidential Direc-  
6           tive 13.

7           (c) CONSULTATION.—In developing protocols under  
8           subsection (b)(10), the Secretary shall consult with Fed-  
9           eral, State, local, and private sector stakeholders, includ-  
10          ing the National Maritime Security Advisory Committee  
11          and the Commercial Operations Advisory Committee.

12          (d) COMMUNICATION.—To the extent practicable, the  
13          strategic plan developed under subsection (a) shall provide  
14          for coordination with, and lines of communication among,  
15          appropriate Federal, State, local, and private-sector stake-  
16          holders on law enforcement actions, intermodal rerouting  
17          plans, and other strategic infrastructure issues.

18          (e) UTILIZATION OF ADVISORY COMMITTEES.—As  
19          part of the consultations described in subsection (a), the  
20          Secretary shall, to the extent practicable, utilize the  
21          Homeland Security Advisory Committee, the National  
22          Maritime Security Advisory Committee, and the Commer-  
23          cial Operations Advisory Committee to review, as nec-  
24          essary, the draft strategic plan and any subsequent up-  
25          dates to the strategic plan.

1 (f) INTERNATIONAL STANDARDS AND PRACTICES.—

2 In furtherance of the strategic plan required under sub-  
3 section (a), the Secretary is encouraged to consider pro-  
4 posed or established standards and practices of foreign  
5 governments and international organizations, including  
6 the International Maritime Organization, the World Cus-  
7 toms Organization, and the International Organization for  
8 Standardization, as appropriate, to establish standards  
9 and best practices for the security of containers moving  
10 through the international supply chain.

11 (g) REPORT.—

12 (1) INITIAL REPORT.—Not later than 180 days  
13 after the date of the enactment of this Act, the Sec-  
14 retary shall submit to the appropriate congressional  
15 committees a report that contains the strategic plan  
16 required by subsection (a).

17 (2) FINAL REPORT.—Not later than 3 years  
18 after the date on which the strategic plan is sub-  
19 mitted under paragraph (1), the Secretary shall sub-  
20 mit a report to the appropriate congressional com-  
21 mittees that contains an update of the strategic  
22 plan.

23 **SEC. 202. POST INCIDENT RESUMPTION OF TRADE.**

24 (a) IN GENERAL.—Except as otherwise determined  
25 by the Secretary, in the event of a maritime transportation

1 disruption or a maritime transportation security incident,  
2 the initial incident commander and the lead department,  
3 agency, or office for carrying out the strategic plan re-  
4 quired under section 201 shall be determined by the proto-  
5 cols required under section 201(b)(10).

6 (b) VESSELS.—The Commandant of the Coast Guard  
7 shall, to the extent practicable and consistent with the pro-  
8 tocols and plans required under paragraphs (10) and (12)  
9 of section 201(b), ensure the safe and secure transit of  
10 vessels to ports in the United States after a maritime  
11 transportation security incident, with priority given to ves-  
12 sels carrying cargo determined by the President to be crit-  
13 ical for response and recovery from such a disruption or  
14 incident, and to vessels that—

15 (1) have either a vessel security plan approved  
16 under section 70103(e) of title 46, United States  
17 Code, or a valid international ship security certifi-  
18 cate, as provided under part 104 of title 33, Code  
19 of Federal Regulations;

20 (2) are manned by individuals who are de-  
21 scribed in section 70105(b)(2)(B) of title 46, United  
22 States Code, and who—

23 (A) have undergone a background records  
24 check under section 70105(d) of title 46,  
25 United States Code; or

1 (B) hold a transportation security card  
2 issued under section 70105 of title 46, United  
3 States Code; and

4 (3) are operated by validated participants in the  
5 Customs-Trade Partnership Against Terrorism pro-  
6 gram.

7 (c) CARGO.—Consistent with the protocols and plans  
8 required under paragraphs (10) and (12) of section  
9 201(b), the Commissioner shall give preference to cargo—

10 (1) entering a port of entry directly from a for-  
11 eign seaport designated under Container Security  
12 Initiative;

13 (2) determined by the President to be critical  
14 for response and recovery;

15 (3) that has been handled by a validated C-  
16 TPAT participant; or

17 (4) that has undergone (A) a nuclear or radio-  
18 logical detection scan, (B) an x-ray, density or other  
19 imaging scan, and (C) an optical recognition scan, at  
20 the last port of departure prior to arrival in the  
21 United States, which data has been evaluated and  
22 analyzed by United States Customs and Border Pro-  
23 tection personnel.

24 (d) COORDINATION.—The Secretary shall ensure that  
25 there is appropriate coordination among the Commandant

1 of the Coast Guard, the Commissioner, and other Federal  
2 officials following a maritime disruption or maritime  
3 transportation security incident in order to provide for the  
4 resumption of trade.

5 (e) COMMUNICATION.—Consistent with section 201  
6 of this Act, the Commandant of the Coast Guard, Com-  
7 missioner, and other appropriate Federal officials, shall  
8 promptly communicate any revised procedures or instruc-  
9 tions intended for the private sector following a maritime  
10 disruption or maritime transportation security incident.

11 **SEC. 203. AUTOMATED TARGETING SYSTEM.**

12 (a) IN GENERAL.—The Secretary, acting through the  
13 Commissioner, shall—

14 (1) identify and seek the submission of data re-  
15 lated to the movement of a shipment of cargo  
16 through the international supply chain; and

17 (2) analyze the data described in paragraph (1)  
18 to identify high-risk cargo for inspection.

19 (b) CONSIDERATION.—The Secretary, acting through  
20 the Commissioner, shall—

21 (1) consider the cost, benefit, and feasibility  
22 of—

23 (A) requiring additional nonmanifest docu-  
24 mentation;

1 (B) reducing the time period allowed by  
2 law for revisions to a container cargo manifest;

3 (C) reducing the time period allowed by  
4 law for submission of certain elements of entry  
5 data, for vessel or cargo; and

6 (D) such other actions the Secretary con-  
7 siders beneficial for improving the information  
8 relied upon for the Automated Targeting Sys-  
9 tem and any successor targeting system in fur-  
10 thering the security and integrity of the inter-  
11 national supply chain; and

12 (2) consult with stakeholders, including the  
13 Commercial Operations Advisory Committee, and  
14 identify to them the need for such information, and  
15 the appropriate timing of its submission.

16 (c) DETERMINATION.—Upon the completion of the  
17 process under subsection (b), the Secretary, acting  
18 through the Commissioner, may require importers to sub-  
19 mit certain elements of non-manifest or other data about  
20 a shipment bound for the United States not later than  
21 24 hours before loading a container on a vessel at a for-  
22 eign port bound for the United States.

23 (d) SYSTEM IMPROVEMENTS.—The Secretary, acting  
24 through the Commissioner, shall—

1           (1) conduct, through an independent panel, a  
2 review of the effectiveness and capabilities of the  
3 Automated Targeting System;

4           (2) consider future iterations of the Automated  
5 Targeting System;

6           (3) ensure that the Automated Targeting Sys-  
7 tem has the capability to electronically compare  
8 manifest and other available data for cargo entered  
9 into or bound for the United States to detect any  
10 significant anomalies between such data and facili-  
11 tate the resolution of such anomalies; and

12           (4) ensure that the Automated Targeting Sys-  
13 tem has the capability to electronically identify, com-  
14 pile, and compare select data elements for cargo en-  
15 tered into or bound for the United States following  
16 a maritime transportation security incident, in order  
17 to efficiently identify cargo for increased inspection  
18 or expeditious release.

19 (e) AUTHORIZATION OF APPROPRIATIONS.—

20           (1) IN GENERAL.—There are authorized to be  
21 appropriated to the United States Customs and Bor-  
22 der Protection in the Department of Homeland Se-  
23 curity to carry out the Automated Targeting System  
24 for identifying high-risk ocean-borne container cargo  
25 for inspection—

- 1 (A) \$33,200,000 for fiscal year 2008;  
2 (B) \$35,700,000 for fiscal year 2009; and  
3 (C) \$37,485,000 for fiscal year 2010.

4 (2) SUPPLEMENT FOR OTHER FUNDS.—The  
5 amounts authorized by this subsection shall be in  
6 addition to any other amount authorized to be ap-  
7 propriated to carry out the Automated Targeting  
8 System.

9 **SEC. 204. CONTAINER SECURITY STANDARDS AND PROCE-**  
10 **DURES.**

11 (a) ESTABLISHMENT.—

12 (1) IN GENERAL.—Not later than 60 days after  
13 the date of the enactment of this Act, the Secretary  
14 shall initiate a rulemaking proceeding to establish  
15 minimum standards and procedures for securing  
16 containers in transit to an importer in the United  
17 States.

18 (2) INTERIM RULE.—Not later than 180 days  
19 after the date of the enactment of this Act, the Sec-  
20 retary shall issue an interim final rule pursuant to  
21 the proceeding described in paragraph (1).

22 (3) MISSED DEADLINE.—If the Secretary is un-  
23 able to meet the deadline established pursuant to  
24 paragraph (2), the Secretary shall transmit a letter  
25 to the appropriate congressional committees explain-

1       ing why the Secretary is unable to meet that dead-  
2       line and describing what must be done before such  
3       minimum standards and procedures can be estab-  
4       lished.

5       (b) REVIEW AND ENHANCEMENT.—The Secretary  
6       shall regularly review and enhance the standards and pro-  
7       cedures established pursuant to subsection (a).

8       (c) INTERNATIONAL CARGO SECURITY STAND-  
9       ARDS.—The Secretary, in consultation with the Secretary  
10      of State, the Secretary of Energy, and other government  
11      officials, as appropriate, and with the Commercial Oper-  
12      ations Advisory Committee, the Homeland Security Advi-  
13      sory Committee, and the National Maritime Security Advi-  
14      sory Committee, is encouraged to promote and establish  
15      international standards for the security of containers mov-  
16      ing through the international supply chain with foreign  
17      governments and international organizations, including  
18      the International Maritime Organization and the World  
19      Customs Organization.

20   **SEC. 205. CONTAINER SECURITY INITIATIVE.**

21      (a) ESTABLISHMENT.—The Secretary, acting  
22      through the Commissioner, shall establish and implement  
23      a program (referred to in this section as the “Container  
24      Security Initiative”) to identify and examine or search  
25      maritime containers that pose a security risk before load-

1 ing such containers in a foreign port for shipment to the  
2 United States, either directly or through a foreign port.

3 (b) ASSESSMENT.—The Secretary, acting through  
4 the Commissioner, may designate foreign seaports to par-  
5 ticipate in the Container Security Initiative after the Sec-  
6 retary has assessed the costs, benefits, and other factors  
7 associated with such designation, including—

8 (1) the level of risk for the potential com-  
9 promise of containers by terrorists, or other threats  
10 as determined by the Secretary;

11 (2) the volume and value of cargo being im-  
12 ported to the United States directly from, or being  
13 transshipped through, the foreign seaport;

14 (3) the results of the Coast Guard assessments  
15 conducted pursuant to section 70108 of title 46,  
16 United States Code;

17 (4) the commitment of the government of the  
18 country in which the foreign seaport is located to co-  
19 operate with the Department to carry out the Con-  
20 tainer Security Initiative; and

21 (5) the potential for validation of security prac-  
22 tices at the foreign seaport by the Department.

23 (c) NOTIFICATION.—The Secretary shall notify the  
24 appropriate congressional committees of the designation  
25 of a foreign port under the Container Security Initiative

1 or the revocation of such a designation before notifying  
2 the public of such designation or revocation.

3 (d) NEGOTIATIONS.—The Secretary, in cooperation  
4 with the Secretary of State and in consultation with the  
5 United States Trade Representative, may enter into nego-  
6 tiations with the government of each foreign nation in  
7 which a seaport is designated under the Container Secu-  
8 rity Initiative to ensure full compliance with the require-  
9 ments under the Container Security Initiative.

10 (e) OVERSEAS INSPECTIONS.—The Secretary shall  
11 establish minimum technical capability criteria and stand-  
12 ard operating procedures for the use of nonintrusive imag-  
13 ing and radiation detection equipment in conjunction with  
14 the Container Security Initiative and shall monitor oper-  
15 ations at foreign seaports designated under the Container  
16 Security Initiative to ensure the use of such criteria and  
17 procedures. Such criteria and procedures—

18 (1) shall be consistent with relevant standards  
19 and procedures utilized by other Federal depart-  
20 ments or agencies, or developed by international  
21 bodies if the United States consents to such stand-  
22 ards and procedures;

23 (2) shall not apply to activities conducted under  
24 the Megaports Initiative of the Department of En-  
25 ergy;

1           (3) shall not be designed to endorse the product  
2           or technology of any specific company or to conflict  
3           with the sovereignty of a country in which a foreign  
4           seaport designated under the Container Security Ini-  
5           tiative is located; and

6           (4) shall be applied to the equipment operated  
7           at each foreign seaport designated under the Con-  
8           tainer Security Initiative, except as provided under  
9           paragraph (2).

10          (f) SAVINGS PROVISION.—The authority of the Sec-  
11         retary under this section shall not affect any authority or  
12         duplicate any efforts or responsibilities of the Federal  
13         Government with respect to the deployment of radiation  
14         detection equipment outside of the United States under  
15         any program administered by the Department.

16          (g) COORDINATION.—The Secretary shall coordinate  
17         with the Secretary of Energy to—

18                 (1) provide radiation detection equipment re-  
19                 quired to support the Container Security Initiative  
20                 through the Department of Energy’s Second Line of  
21                 Defense and Megaports programs; or

22                 (2) work with the private sector to obtain radi-  
23                 ation detection equipment that meets the Depart-  
24                 ment’s technical specifications for such equipment.

1           (h) STAFFING.—The Secretary shall develop a human  
2 capital management plan to determine adequate staffing  
3 levels in the United States and in foreign seaports includ-  
4 ing, as appropriate, the remote location of personnel in  
5 countries in which foreign seaports are designated under  
6 the Container Security Initiative.

7           (i) ANNUAL DISCUSSIONS.—The Secretary, in coordi-  
8 nation with the appropriate Federal officials, shall hold  
9 annual discussions with foreign governments of countries  
10 in which foreign seaports designated under the Container  
11 Security Initiative are located regarding best practices,  
12 technical assistance, training needs, and technological de-  
13 velopments that will assist in ensuring the efficient and  
14 secure movement of international cargo.

15           (j) LESSER RISK PORT.—The Secretary, acting  
16 through the Commissioner, may treat cargo loaded in a  
17 foreign seaport designated under the Container Security  
18 Initiative as presenting a lesser risk than similar cargo  
19 loaded in a foreign seaport that is not designated under  
20 the Container Security Initiative, for the purpose of clear-  
21 ing such cargo into the United States.

22           (k) REPORT.—

23               (1) IN GENERAL.—Not later than September  
24 30, 2007, the Secretary, acting through the Com-  
25 missioner, shall, in consultation with other appro-

1        appropriate government officials and the Commercial Op-  
2        erations Advisory Committee, submit a report to the  
3        appropriate congressional committee on the effective-  
4        ness of, and the need for any improvements to, the  
5        Container Security Initiative. The report shall in-  
6        clude—

7                    (A) a description of the technical assist-  
8                    ance delivered to, as well as needed at, each  
9                    designated seaport;

10                   (B) a description of the human capital  
11                   management plan at each designated seaport;

12                   (C) a summary of the requests made by  
13                   the United States to foreign governments to  
14                   conduct physical or nonintrusive inspections of  
15                   cargo at designated seaports, and whether each  
16                   such request was granted or denied by the for-  
17                   eign government;

18                   (D) an assessment of the effectiveness of  
19                   screening, scanning, and inspection protocols  
20                   and technologies utilized at designated seaports  
21                   and the effect on the flow of commerce at such  
22                   seaports, as well as any recommendations for  
23                   improving the effectiveness of screening, scan-  
24                   ning, and inspection protocols and technologies  
25                   utilized at designated seaports;

1           (E) a description and assessment of the  
2           outcome of any security incident involving a for-  
3           eign seaport designated under the Container  
4           Security Initiative; and

5           (F) a summary and assessment of the ag-  
6           gregate number and extent of trade compliance  
7           lapses at each seaport designated under the  
8           Container Security Initiative.

9           (2) UPDATED REPORT.—Not later than Sep-  
10          tember 30, 2010, the Secretary, acting through the  
11          Commissioner, shall, in consultation with other ap-  
12          propriate government officials and the Commercial  
13          Operations Advisory Committee, submit an updated  
14          report to the appropriate congressional committees  
15          on the effectiveness of, and the need for any im-  
16          provements to, the Container Security Initiative. The  
17          updated report shall address each of the elements re-  
18          quired to be included in the report provided for  
19          under paragraph (1).

20          (1) AUTHORIZATION OF APPROPRIATIONS.—There  
21          are authorized to be appropriated to the United States  
22          Customs and Border Protection in the Department of  
23          Homeland Security to carry out the provisions of this sec-  
24          tion—

25                 (1) \$144,000,000 for fiscal year 2008;

1 (2) \$146,000,000 for fiscal year 2009; and

2 (3) \$153,300,000 for fiscal year 2010.

3 **Subtitle B—Customs-Trade**  
4 **Partnership Against Terrorism**

5 **SEC. 211. ESTABLISHMENT.**

6 (a) ESTABLISHMENT.—The Secretary, acting  
7 through the Commissioner is authorized to establish a vol-  
8 untary government-private sector program (to be known  
9 as the “Customs-Trade Partnership Against Terrorism”  
10 or “C-TPAT”) to strengthen and improve the overall se-  
11 curity of the international supply chain and United States  
12 border security, and to facilitate the movement of secure  
13 cargo through the international supply chain, by providing  
14 benefits to participants meeting or exceeding the program  
15 requirements. Participants in C-TPAT shall include tier  
16 1 participants, tier 2 participants, and tier 3 participants.

17 (b) MINIMUM SECURITY REQUIREMENTS.—The Sec-  
18 retary, acting through the Commissioner, shall review the  
19 minimum security requirements of C-TPAT at least once  
20 every year and update such requirements as necessary.

21 **SEC. 212. ELIGIBLE ENTITIES.**

22 Importers, customs brokers, forwarders, air, sea, land  
23 carriers, contract logistics providers, and other entities in  
24 the international supply chain and intermodal transpor-

1 tation system are eligible to apply to voluntarily enter into  
2 partnerships with the Department under C-TPAT.

3 **SEC. 213. MINIMUM REQUIREMENTS.**

4 An applicant seeking to participate in C-TPAT  
5 shall—

6 (1) demonstrate a history of moving cargo in  
7 the international supply chain;

8 (2) conduct an assessment of its supply chain  
9 based upon security criteria established by the Sec-  
10 retary, acting through the Commissioner, includ-  
11 ing—

12 (A) business partner requirements;

13 (B) container security;

14 (C) physical security and access controls;

15 (D) personnel security;

16 (E) procedural security;

17 (F) security training and threat awareness;

18 and

19 (G) information technology security;

20 (3) implement and maintain security measures  
21 and supply chain security practices meeting security  
22 criteria established by the Commissioner; and

23 (4) meet all other requirements established by  
24 the Commissioner in consultation with the Commer-  
25 cial Operations Advisory Committee.

1 **SEC. 214. TIER 1 PARTICIPANTS IN C-TPAT.**

2 (a) **BENEFITS.**—The Secretary, acting through the  
3 Commissioner, shall offer limited benefits to a tier 1 par-  
4 ticipant who has been certified in accordance with the  
5 guidelines referred to in subsection (b). Such benefits may  
6 include a reduction in the score assigned pursuant to the  
7 Automated Targeting System of not greater than 20 per-  
8 cent of the high risk threshold established by the Sec-  
9 retary.

10 (b) **GUIDELINES.**—Not later than 180 days after the  
11 date of the enactment of this Act, the Secretary, acting  
12 through the Commissioner, shall update the guidelines for  
13 certifying a C-TPAT participant's security measures and  
14 supply chain security practices under this section. Such  
15 guidelines shall include a background investigation and ex-  
16 tensive documentation review.

17 (c) **TIME FRAME.**—To the extent practicable, the  
18 Secretary, acting through the Commissioner, shall com-  
19 plete the tier 1 certification process within 90 days of re-  
20 ceipt of an application for participation in C-TPAT.

21 **SEC. 215. TIER 2 PARTICIPANTS IN C-TPAT.**

22 (a) **VALIDATION.**—The Secretary, acting through the  
23 Commissioner, shall validate the security measures and  
24 supply chain security practices of a tier 1 participant in  
25 accordance with the guidelines referred to in subsection  
26 (c). Such validation shall include on-site assessments at

1 appropriate foreign locations utilized by the tier 1 partici-  
2 pant in its supply chain and shall, to the extent prac-  
3 ticable, be completed not later than 1 year after certifi-  
4 cation as a tier 1 participant.

5 (b) BENEFITS.—The Secretary, acting through the  
6 Commissioner, shall extend benefits to each C-TPAT par-  
7 ticipant that has been validated as a tier 2 participant  
8 under this section, which may include—

9 (1) reduced scores in the Automated Targeting  
10 System;

11 (2) reduced examinations of cargo; and

12 (3) priority searches of cargo.

13 (c) GUIDELINES.—Not later than 180 days after the  
14 date of the enactment of this Act, the Secretary, acting  
15 through the Commissioner, shall develop a schedule and  
16 update the guidelines for validating a participant's secu-  
17 rity measures and supply chain security practices under  
18 this section.

19 **SEC. 216. TIER 3 PARTICIPANTS IN C-TPAT.**

20 (a) IN GENERAL.—The Secretary, acting through the  
21 Commissioner, shall establish a third tier of C-TPAT par-  
22 ticipation that offers additional benefits to participants  
23 who demonstrate a sustained commitment to maintaining  
24 security measures and supply chain security practices that

1 exceed the guidelines established for validation as a tier  
2 2 participant in C-TPAT under section 215 of this Act.

3 (b) CRITERIA.—The Secretary, acting through the  
4 Commissioner, shall designate criteria for validating a C-  
5 TPAT participant as a tier 3 participant under this sec-  
6 tion. Such criteria may include—

7 (1) compliance with any additional guidelines  
8 established by the Secretary that exceed the guide-  
9 lines established pursuant to section 215 of this Act  
10 for validating a C-TPAT participant as a tier 2 par-  
11 ticipant, particularly with respect to controls over  
12 access to cargo throughout the supply chain;

13 (2) voluntary submission of additional informa-  
14 tion regarding cargo prior to loading, as determined  
15 by the Secretary;

16 (3) utilization of container security devices and  
17 technologies that meet standards and criteria estab-  
18 lished by the Secretary; and

19 (4) compliance with any other cargo require-  
20 ments established by the Secretary.

21 (c) BENEFITS.—The Secretary, acting through the  
22 Commissioner, in consultation with the Commercial Oper-  
23 ations Advisory Committee and the National Maritime Se-  
24 curity Advisory Committee, shall extend benefits to each

1 C-TPAT participant that has been validated as a tier 3  
2 participant under this section, which may include—

3 (1) the expedited release of a tier 3 partici-  
4 pant's cargo in destination ports within the United  
5 States during all threat levels designated by the Sec-  
6 retary;

7 (2) in addition to the benefits available to tier  
8 2 participants—

9 (A) further reduction in examinations of  
10 cargo;

11 (B) priority for examinations of cargo; and

12 (C) further reduction in the risk score as-  
13 signed pursuant to the Automated Targeting  
14 System;

15 (3) notification of specific alerts and post-inci-  
16 dent procedures to the extent such notification does  
17 not compromise the security interests of the United  
18 States; and

19 (4) inclusion in joint incident management exer-  
20 cises, as appropriate.

21 (d) DEADLINE.—Not later than 2 years after the  
22 date of the enactment of this Act, the Secretary, acting  
23 through the Commissioner, shall designate appropriate  
24 criteria pursuant to subsection (b) and provide benefits  
25 to validated tier 3 participants pursuant to subsection (c).

1 **SEC. 217. CONSEQUENCES FOR LACK OF COMPLIANCE.**

2 (a) IN GENERAL.—If at any time a C-TPAT partici-  
3 pant's security measures and supply chain security prac-  
4 tices fail to meet any of the requirements under this sub-  
5 title, the Commissioner may deny the participant benefits  
6 otherwise available under this subtitle, in whole or in part.

7 (b) FALSE OR MISLEADING INFORMATION.—If a C-  
8 TPAT participant knowingly provides false or misleading  
9 information to the Commissioner during the validation  
10 process provided for under this subtitle, the Commissioner  
11 shall suspend or expel the participant from C-TPAT for  
12 an appropriate period of time. The Commissioner may  
13 publish in the Federal Register a list of participants who  
14 have been suspended or expelled from C-TPAT pursuant  
15 to this subsection, and may make such list available to  
16 C-TPAT participants.

17 (c) RIGHT OF APPEAL.—

18 (1) IN GENERAL.—A C-TPAT participant may  
19 appeal a decision of the Commissioner pursuant to  
20 subsection (a). Such appeal shall be filed with the  
21 Secretary not later than 90 days after the date of  
22 the decision, and the Secretary shall issue a deter-  
23 mination not later than 180 days after the appeal is  
24 filed.

25 (2) APPEALS OF OTHER DECISIONS.—A C-  
26 TPAT participant may appeal a decision of the

1 Commissioner pursuant to subsection (b). Such ap-  
2 peal shall be filed with the Secretary not later than  
3 30 days after the date of the decision, and the Sec-  
4 retary shall issue a determination not later than 180  
5 days after the appeal is filed.

6 **SEC. 218. REVALIDATION.**

7 The Secretary, acting through the Commissioner,  
8 shall develop and implement—

9 (1) a revalidation process for tier 2 and tier 3  
10 participants;

11 (2) a framework based upon objective criteria  
12 for identifying participants for periodic revalidation  
13 not less frequently than once during each 5-year pe-  
14 riod following the initial validation; and

15 (3) an annual plan for revalidation that in-  
16 cludes—

17 (A) performance measures;

18 (B) an assessment of the personnel needed  
19 to perform the revalidations; and

20 (C) the number of participants that will be  
21 revalidated during the following year.

22 **SEC. 219. NONCONTAINERIZED CARGO.**

23 The Secretary, acting through the Commissioner,  
24 shall consider the potential for participation in C-TPAT

1 by importers of noncontainerized cargoes that otherwise  
2 meet the requirements under this subtitle.

3 **SEC. 220. C-TPAT PROGRAM MANAGEMENT.**

4 (a) IN GENERAL.—The Secretary, acting through the  
5 Commissioner, shall establish sufficient internal quality  
6 controls and record management to support the manage-  
7 ment systems of C-TPAT. In managing the program, the  
8 Secretary shall ensure that the program includes:

9 (1) STRATEGIC PLAN.—A 5-year plan to iden-  
10 tify outcome-based goals and performance measures  
11 of the program.

12 (2) ANNUAL PLAN.—An annual plan for each  
13 fiscal year designed to match available resources to  
14 the projected workload.

15 (3) STANDARDIZED WORK PROGRAM.—A stand-  
16 ardized work program to be used by agency per-  
17 sonnel to carry out the certifications, validations,  
18 and revalidations of participants. The Secretary  
19 shall keep records and monitor staff hours associ-  
20 ated with the completion of each such review.

21 (b) DOCUMENTATION OF REVIEWS.—The Secretary,  
22 acting through the Commissioner, shall maintain a record  
23 management system to document determinations on the  
24 reviews of each C-TPAT participant, including certifi-  
25 cations, validations, and revalidations.

1 (c) CONFIDENTIAL INFORMATION SAFEGUARDS.—In  
2 consultation with the Commercial Operations Advisory  
3 Committee, the Secretary, acting through the Commis-  
4 sioner, shall develop and implement procedures to ensure  
5 the protection of confidential data collected, stored, or  
6 shared with government agencies or as part of the applica-  
7 tion, certification, validation, and revalidation processes.

8 **SEC. 221. RESOURCE MANAGEMENT STAFFING PLAN.**

9 The Secretary, acting through the Commissioner,  
10 shall—

11 (1) develop a staffing plan to recruit and train  
12 staff (including a formalized training program) to  
13 meet the objectives identified in the strategic plan of  
14 the C-TPAT program; and

15 (2) provide cross-training in post-incident trade  
16 resumption for personnel who administer the C-  
17 TPAT program.

18 **SEC. 222. ADDITIONAL PERSONNEL.**

19 In each of the fiscal years 2007 through 2009, the  
20 Commissioner shall increase by not less than 50 the num-  
21 ber of full-time personnel engaged in the validation and  
22 revalidation of C-TPAT participants (over the number of  
23 such personnel on the last day of the previous fiscal year),  
24 and shall provide appropriate training and support to such  
25 additional personnel.

1 **SEC. 223. AUTHORIZATION OF APPROPRIATIONS.**

2 (a) C-TPAT.—There are authorized to be appro-  
3 priated to the United States Customs and Border Protec-  
4 tion in the Department of Homeland Security to carry out  
5 the provisions of sections 211 through 221 to remain  
6 available until expended—

7 (1) \$65,000,000 for fiscal year 2008;

8 (2) \$72,000,000 for fiscal year 2009; and

9 (3) \$75,600,000 for fiscal year 2010.

10 (b) ADDITIONAL PERSONNEL.—In addition to any  
11 monies hereafter appropriated to the United States Cus-  
12 toms and Border Protection in the Department of Home-  
13 land Security, there are authorized to be appropriated for  
14 the purpose of meeting the staffing requirement provided  
15 for in section 222, to remain available until expended—

16 (1) \$8,500,000 for fiscal year 2007;

17 (2) \$17,600,000 for fiscal year 2008;

18 (3) \$27,300,000 for fiscal year 2009;

19 (4) \$28,300,000 for fiscal year 2010; and

20 (5) \$29,200,000 for fiscal year 2011.

21 **SEC. 224. REPORT TO CONGRESS.**

22 In connection with the President's annual budget  
23 submission for the Department of Homeland Security, the  
24 Secretary shall report to the appropriate congressional  
25 committees on the progress made by the Commissioner to  
26 certify, validate, and revalidate C-TPAT participants.

1 Such report shall be due on the same date that the Presi-  
2 dent's budget is submitted to the Congress.

3 **Subtitle C—Miscellaneous**  
4 **Provisions**

5 **SEC. 231. PILOT INTEGRATED SCANNING SYSTEM.**

6 (a) DESIGNATIONS.—Not later than 90 days after  
7 the date of the enactment of this Act, the Secretary shall  
8 designate 3 foreign seaports through which containers  
9 pass or are transshipped to the United States for the es-  
10 tablishment of pilot integrated scanning systems that cou-  
11 ple nonintrusive imaging equipment and radiation detec-  
12 tion equipment. The equipment may be provided by the  
13 Megaports Initiative of the Department of Energy. In  
14 making the designations under this paragraph, the Sec-  
15 retary shall consider 3 distinct ports with unique features  
16 and differing levels of trade volume.

17 (b) COLLABORATION AND COOPERATION.—The Sec-  
18 retary shall collaborate with the Secretary of Energy and  
19 cooperate with the private sector and the foreign govern-  
20 ment of each country in which a foreign seaport is des-  
21 ignated pursuant to subsection (a) to implement the pilot  
22 systems.

23 (c) IMPLEMENTATION.—Not later than 1 year after  
24 the date of the enactment of this Act, the Secretary shall

1 achieve a full-scale implementation of the pilot integrated  
2 screening system, which shall—

3 (1) scan all containers destined for the United  
4 States that transit through the port;

5 (2) electronically transmit the images and infor-  
6 mation to the container security initiative personnel  
7 in the host country and customs personnel in the  
8 United States for evaluation and analysis;

9 (3) resolve every radiation alarm according to  
10 established Department procedures;

11 (4) utilize the information collected to enhance  
12 the Automated Targeting System or other relevant  
13 programs; and

14 (5) store the information for later retrieval and  
15 analysis.

16 (d) REPORT.—Not later than 120 days after achiev-  
17 ing full-scale implementation under subsection (c), the  
18 Secretary, in consultation with the Secretary of Energy  
19 and the Secretary of State, shall submit a report to the  
20 appropriate congressional committees, that includes—

21 (1) an evaluation of the lessons derived from  
22 the pilot system implemented under this subsection;

23 (2) an analysis of the efficacy of the Automated  
24 Targeting System or other relevant programs in uti-

1 lizing the images captured to examine high-risk con-  
2 tainers;

3 (3) an evaluation of software that is capable of  
4 automatically identifying potential anomalies in  
5 scanned containers;

6 (4) an analysis of the need and feasibility of ex-  
7 panding the integrated scanning system to other  
8 container security initiative ports, including—

9 (A) an analysis of the infrastructure re-  
10 quirements;

11 (B) a projection of the effect on current  
12 average processing speed of containerized cargo;

13 (C) an evaluation of the scalability of the  
14 system to meet both current and future fore-  
15 casted trade flows;

16 (D) the ability of the system to automati-  
17 cally maintain and catalog appropriate data for  
18 reference and analysis in the event of a trans-  
19 portation disruption;

20 (E) an analysis of requirements to install  
21 and maintain an integrated scanning system;

22 (F) the ability of administering personnel  
23 to efficiently manage and utilize the data pro-  
24 duced by a non-intrusive scanning system;

1 (G) the ability to safeguard commercial  
2 data generated by, or submitted to, a non-intru-  
3 sive scanning system; and

4 (H) an assessment of the reliability of cur-  
5 rently available technology to implement an in-  
6 tegrated scanning system.

7 (e) IMPLEMENTATION.—As soon as practicable and  
8 possible after the date of enactment of this Act, an inte-  
9 grated scanning system shall be implemented to scan all  
10 containers entering the United States prior to arrival in  
11 the United States.

12 **SEC. 232. INTERNATIONAL COOPERATION AND COORDINA-**  
13 **TION.**

14 (a) INSPECTION TECHNOLOGY AND TRAINING.—

15 (1) IN GENERAL.—The Secretary, in coordina-  
16 tion with the Secretary of State, the Secretary of  
17 Energy, and appropriate representatives of other  
18 Federal agencies, may provide technical assistance,  
19 equipment, and training to facilitate the implemen-  
20 tation of supply chain security measures at ports  
21 designated under the Container Security Initiative  
22 and at other foreign ports, as appropriate.

23 (2) ACQUISITION AND TRAINING.—Unless oth-  
24 erwise prohibited by law, the Secretary may—

1 (A) lease, loan, provide, or otherwise assist  
2 in the deployment of nonintrusive inspection  
3 and handheld radiation detection equipment at  
4 foreign land and sea ports under such terms  
5 and conditions as the Secretary prescribes, in-  
6 cluding nonreimbursable loans or the transfer  
7 of ownership of equipment; and

8 (B) provide training and technical assist-  
9 ance for domestic or foreign personnel respon-  
10 sible for operating or maintaining such equip-  
11 ment.

12 (b) ACTIONS AND ASSISTANCE FOR FOREIGN  
13 PORTS.—Section 70110 of title 46, United States Code,  
14 is amended—

15 (1) by striking the section header and inserting  
16 the following:

17 **“§ 70110. Actions and assistance for foreign ports”**

18 ; and

19 (2) by adding at the end the following:

20 **“(e) ASSISTANCE FOR FOREIGN PORTS.—**

21 **“(1) IN GENERAL.—**The Secretary, in consulta-  
22 tion with the Secretary of Transportation, the Sec-  
23 retary of State, and the Secretary of Energy, shall  
24 identify foreign assistance programs that could fa-  
25 cilitate implementation of port security antiterrorism

1 measures in foreign countries. The Secretary shall  
2 establish a program to utilize the programs that are  
3 capable of implementing port security antiterrorism  
4 measures at ports in foreign countries that the Sec-  
5 retary finds, under section 70108, to lack effective  
6 antiterrorism measures.

7 “(2) CARIBBEAN BASIN.—The Secretary, in co-  
8 ordination with the Secretary of State and in con-  
9 sultation with the Organization of American States  
10 and the Commandant of the Coast Guard, shall  
11 place particular emphasis on utilizing programs to  
12 facilitate the implementation of port security  
13 antiterrorism measures at the ports located in the  
14 Caribbean Basin, as such ports pose unique security  
15 and safety threats to the United States due to—

16 “(A) the strategic location of such ports  
17 between South America and the United States;

18 “(B) the relative openness of such ports;

19 and

20 “(C) the significant number of shipments  
21 of narcotics to the United States that are  
22 moved through such ports.”.

23 (c) REPORT ON SECURITY AT PORTS IN THE CARIB-  
24 BEAN BASIN.—

1           (1) IN GENERAL.—Not later than 180 days  
2 after the date of the enactment of this Act, the  
3 Comptroller General of the United States shall sub-  
4 mit a report to the appropriate congressional com-  
5 mittees on the security of ports in the Caribbean  
6 Basin.

7           (2) CONTENTS.—The report submitted under  
8 paragraph (1)—

9           (A) shall include—

10           (i) an assessment of the effectiveness  
11 of the measures employed to improve secu-  
12 rity at ports in the Caribbean Basin and  
13 recommendations for any additional meas-  
14 ures to improve such security;

15           (ii) an estimate of the number of  
16 ports in the Caribbean Basin that will not  
17 be secured by January 1, 2007;

18           (iii) an estimate of the financial im-  
19 pact in the United States of any action  
20 taken pursuant to section 70110 of title  
21 46, United States Code, that affects trade  
22 between such ports and the United States;  
23 and

24           (iv) an assessment of the additional  
25 resources and program changes that are

1                   necessary to maximize security at ports in  
2                   the Caribbean Basin; and

3                   (B) may be submitted in both classified  
4                   and redacted formats.

5           (d) CLERICAL AMENDMENT.—The chapter analysis  
6 for chapter 701 of title 46, United States Code, is amend-  
7 ed by striking the item relating to section 70110 and in-  
8 serting the following:

“70110. Actions and assistance for foreign ports.”.

## 9           **TITLE III—ADMINISTRATION**

### 10   **SEC. 301. OFFICE OF CARGO SECURITY POLICY.**

11           (a) ESTABLISHMENT.—Subtitle C of title IV of the  
12 Homeland Security Act of 2002 (6 U.S.C. 231 et seq.)  
13 is amended by adding at the end the following:

#### 14   **“SEC. 431. OFFICE OF CARGO SECURITY POLICY.**

15           “(a) ESTABLISHMENT.—There is established within  
16 the Department an Office of Cargo Security Policy (re-  
17 ferred to in this section as the ‘Office’).

18           “(b) PURPOSE.—The Office shall—

19                   “(1) coordinate all Department policies relating  
20 to cargo security; and

21                   “(2) consult with stakeholders and coordinate  
22 with other Federal agencies in the establishment of  
23 standards and regulations and to promote best prac-  
24 tices.

25           “(c) DIRECTOR.—

1           “(1) APPOINTMENT.—The Office shall be head-  
2           ed by a Director, who shall—

3                   “(A) be appointed by the Secretary; and

4                   “(B) report to the Assistant Secretary for  
5           Policy.

6           “(2) RESPONSIBILITIES.—The Director shall—

7                   “(A) advise the Assistant Secretary for  
8           Policy in the development of Department-wide  
9           policies regarding cargo security;

10                   “(B) coordinate all policies relating to  
11           cargo security among the agencies and offices  
12           within the Department relating to cargo secu-  
13           rity; and

14                   “(C) coordinate the cargo security policies  
15           of the Department with the policies of other ex-  
16           ecutive agencies.”.

17           (b) DESIGNATION OF LIAISON OFFICE OF DEPART-  
18           MENT OF STATE.—The Secretary of State shall designate  
19           a liaison office within the Department of State to assist  
20           the Secretary, as appropriate, in negotiating cargo secu-  
21           rity related international agreements.

22           (c) CLERICAL AMENDMENT.—The table of contents  
23           of the Homeland Security Act of 2002 (6 U.S.C. 101 et  
24           seq.) is amended by inserting after the item relating to  
25           section 430 the following:

“Sec. 431. Office of cargo security policy.”.

1 **SEC. 302. REAUTHORIZATION OF HOMELAND SECURITY**  
2 **SCIENCE AND TECHNOLOGY ADVISORY COM-**  
3 **MITTEE.**

4 (a) IN GENERAL.—Section 311(j) of the Homeland  
5 Security Act of 2002 (6 U.S.C. 191(j)) is amended by  
6 striking “3 years after the effective date of this Act” and  
7 inserting “on December 31, 2008”.

8 (b) EFFECTIVE DATE.—The amendment made by  
9 subsection (a) shall be effective as if enacted on the date  
10 of the enactment of the Homeland Security Act of 2002  
11 (6 U.S.C. 101 et seq.).

12 (c) ADVISORY COMMITTEE.—The Assistant Secretary  
13 for Science and Technology shall utilize the Homeland Se-  
14 curity Science and Technology Advisory Committee, as ap-  
15 propriate, to provide outside expertise in advancing cargo  
16 security technology.

17 **SEC. 303. RESEARCH, DEVELOPMENT, TEST, AND EVALUA-**  
18 **TION EFFORTS IN FURTHERANCE OF MARI-**  
19 **TIME AND CARGO SECURITY.**

20 (a) IN GENERAL.—The Secretary shall—

21 (1) direct research, development, test, and eval-  
22 uation efforts in furtherance of maritime and cargo  
23 security;

24 (2) coordinate with public and private sector  
25 entities to develop and test technologies and process  
26 innovations in furtherance of these objectives; and

1 (3) evaluate such technologies.

2 (b) COORDINATION.—The Secretary, in coordination  
3 with the Undersecretary for Science and Technology, the  
4 Assistant Secretary for Policy, the Chief Financial Officer,  
5 and the heads of other appropriate offices or entities of  
6 the Department, shall ensure that—

7 (1) research, development, test, and evaluation  
8 efforts funded by the Department in furtherance of  
9 maritime and cargo security are coordinated within  
10 the Department and with other appropriate Federal  
11 agencies to avoid duplication of efforts; and

12 (2) the results of such efforts are shared  
13 throughout the Department and with other Federal,  
14 State, and local agencies, as appropriate.

## 15 **TITLE IV—AGENCY RESOURCES** 16 **AND OVERSIGHT**

### 17 **SEC. 401. OFFICE OF INTERNATIONAL TRADE.**

18 Section 2 of the Act of March 3, 1927 (44 Stat.  
19 1381, chapter 348; 19 U.S.C. 2072), is amended by add-  
20 ing at the end the following:

21 “(d) OFFICE OF INTERNATIONAL TRADE.—

22 “(1) ESTABLISHMENT.—There is established  
23 within the United States Customs and Border Pro-  
24 tection an Office of International Trade that shall be  
25 headed by an Assistant Commissioner.

1           “(2) TRANSFER OF ASSETS, FUNCTIONS, AND  
2 PERSONNEL; ELIMINATION OF OFFICES.—

3           “(A) OFFICE OF STRATEGIC TRADE.—Not  
4 later than 90 days after the date of the enact-  
5 ment of the Port Security Improvement Act of  
6 2006, the Commissioner shall transfer the as-  
7 sets, functions, and personnel of the Office of  
8 Strategic Trade to the Office of International  
9 Trade established pursuant to paragraph (1)  
10 and the Office of Strategic Trade shall be abol-  
11 ished.

12           “(B) OFFICE OF REGULATIONS AND RUL-  
13 INGS.—Not later than 90 days after the date of  
14 the enactment of the Port Security Improve-  
15 ment Act of 2006, the Commissioner shall  
16 transfer the assets, functions, and personnel of  
17 the Office of Regulations and Rulings to the  
18 Office of International Trade established pursu-  
19 ant to paragraph (1) and the Office of Regula-  
20 tions and Rulings shall be abolished.

21           “(C) OTHER TRANSFERS.—The Commis-  
22 sioner is authorized to transfer any other as-  
23 sets, functions, or personnel within the United  
24 States Customs and Border Protection to the  
25 Office of International Trade established pursu-

1           ant to paragraph (1). Not later than 30 days  
2           after each such transfer, the Commissioner  
3           shall notify the Committee on Appropriations,  
4           the Committee on Finance, and the Committee  
5           on Homeland Security and Governmental Af-  
6           fairs of the Senate and the Committee on Ap-  
7           propriations, the Committee on Homeland Se-  
8           curity, and the Committee on Ways and Means  
9           of the House of Representatives of the specific  
10          assets, functions, or personnel, that were trans-  
11          ferred, and the reason for such transfer.

12          “(e) INTERNATIONAL TRADE POLICY COMMITTEE.—

13                 “(1) ESTABLISHMENT.—The Commissioner  
14                 shall establish an International Trade Policy Com-  
15                 mittee, to be chaired by the Commissioner, and to  
16                 include the Deputy Commissioner, the Assistant  
17                 Commissioner in the Office of Field Operations, the  
18                 Assistant Commissioner in the Office of Inter-  
19                 national Affairs, the Assistant Commissioner in the  
20                 Office of International Trade, and the Director of  
21                 the Office of Trade Relations.

22                 “(2) RESPONSIBILITIES.—The International  
23                 Trade Policy Committee shall—

24                         “(A) be responsible for advising the Com-  
25                         missioner with respect to the commercial cus-

1           toms and trade facilitation functions of the  
2           United States Customs and Border Protection;  
3           and

4           “(B) assist the Commissioner in coordi-  
5           nating with the Assistant Secretary for Policy  
6           regarding commercial customs and trade facili-  
7           tation functions.

8           “(3) ANNUAL REPORT.—Not later than 30 days  
9           after the end of each fiscal year, the International  
10          Trade Policy Committee shall submit a report to the  
11          Committee on Finance of the Senate and the Com-  
12          mittee on Ways and Means of the House of Rep-  
13          resentatives. The report shall—

14                 “(A) detail the activities of the Inter-  
15                 national Trade Policy Committee during the  
16                 preceding fiscal year; and

17                 “(B) identify the priorities of the Inter-  
18                 national Trade Policy Committee for the cur-  
19                 rent fiscal year.

20          “(f) INTERNATIONAL TRADE FINANCE COM-  
21          MITTEE.—

22                 “(1) ESTABLISHMENT.—The Commissioner  
23                 shall establish an International Trade Finance Com-  
24                 mittee, to be chaired by the Commissioner, and to  
25                 include the Deputy Commissioner, the Assistant

1 Commissioner in the Office of Finance, the Assistant  
2 Commissioner in the Office of International Trade,  
3 and the Director of the Office of Trade Relations.

4 “(2) RESPONSIBILITIES.—The Trade Finance  
5 Committee shall be responsible for overseeing the  
6 operation of all programs and systems that are in-  
7 volved in the assessment and collection of duties,  
8 bonds, and other charges or penalties associated  
9 with the entry of cargo into the United States, or  
10 the export of cargo from the United States, includ-  
11 ing the administration of duty drawback and the col-  
12 lection of antidumping and countervailing duties.

13 “(3) ANNUAL REPORT.—Not later than 30 days  
14 after the end of each fiscal year, the Trade Finance  
15 Committee shall submit a report to the Committee  
16 on Finance of the Senate and the Committee on  
17 Ways and Means of the House of Representatives.  
18 The report shall—

19 “(A) detail the activities and findings of  
20 the Trade Finance Committee during the pre-  
21 ceding fiscal year; and

22 “(B) identify the priorities of the Trade  
23 Finance Committee for the current fiscal year.

24 “(g) DEFINITION.—In this section, the term ‘Com-  
25 missioner’ means the Commissioner responsible for the

1 United States Customs and Border Protection in the De-  
2 partment of Homeland Security.”.

3 **SEC. 402. RESOURCES.**

4 Section 301 of the Customs Procedural Reform and  
5 Simplification Act of 1978 (19 U.S.C. 2075) is amended  
6 by adding at the end the following:

7 “(h) RESOURCE ALLOCATION MODEL.—

8 “(1) RESOURCE ALLOCATION MODEL.—Not  
9 later than June 30, 2007, and every 2 years there-  
10 after, the Commissioner shall prepare and submit to  
11 the Committee on Finance of the Senate and the  
12 Committee on Ways and Means of the House of  
13 Representatives a Resource Allocation Model to de-  
14 termine the optimal staffing levels required to carry  
15 out the commercial operations of United States Cus-  
16 toms and Border Protection, including commercial  
17 inspection and release of cargo and the revenue  
18 functions described in section 412(b)(2) of the  
19 Homeland Security Act of 2002 (6 U.S.C.  
20 212(b)(2)). The model shall comply with the require-  
21 ments of section 412(b)(1) of such Act and shall  
22 take into account previous staffing models and his-  
23 toric and projected trade volumes and trends. The  
24 Resource Allocation Model shall apply both risk-  
25 based and random sampling approaches for deter-

1 mining adequate staffing needs for priority trade  
2 functions, including—

3 “(A) performing revenue functions;

4 “(B) enforcing antidumping and counter-  
5 vailing laws;

6 “(C) protecting intellectual property rights;

7 “(D) enforcing provisions of law relating to  
8 trade in textiles and apparel;

9 “(E) conducting agricultural inspections;

10 “(F) enforcing fines, penalties and forfeit-  
11 ures; and

12 “(G) facilitating trade.

13 “(2) PERSONNEL.—

14 “(A) IN GENERAL.—Not later than Sep-  
15 tember 30, 2007, the Commissioner shall en-  
16 sure that the requirements of section 412(b) of  
17 the Homeland Security Act of 2002 (6 U.S.C.  
18 212(b)) are fully satisfied and shall report to  
19 the Committee on Finance of the Senate and  
20 the Committee on Ways and Means of the  
21 House of Representatives regarding the imple-  
22 mentation of this subparagraph.

23 “(B) CUSTOMS AND BORDER PROTECTION  
24 OFFICERS.—The initial Resource Allocation  
25 Model required pursuant to paragraph (1) shall

1 provide for the hiring of a minimum of 725 ad-  
2 ditional Customs and Border Protection Offi-  
3 cers. The Commissioner shall hire such addi-  
4 tional officers, subject to the appropriation of  
5 funds to pay for the salaries and expenses of  
6 such officers, of which the Commissioner shall  
7 assign—

8 “(i) 1 additional officer at each port  
9 of entry in the United States; and

10 “(ii) the balance of the additional offi-  
11 cers authorized by this subsection among  
12 ports of entry in the United States.

13 “(C) ASSIGNMENT.—In assigning such of-  
14 ficers pursuant to subparagraph (B), the Com-  
15 missioner shall consider the volume of trade  
16 and the incidence of nonvoluntarily disclosed  
17 customs and trade law violations in addition to  
18 security priorities among such ports of entry.

19 “(D) REDISTRIBUTION.—Not later than  
20 September 30, 2008, the Director of Field Op-  
21 erations in each Field Office may, at the re-  
22 quest of the Director of a Service Port report-  
23 ing to such Field Office, direct the redistribu-  
24 tion of the additional personnel provided for  
25 pursuant to subparagraph (B) among the ports

1 of entry reporting to such Field Office. The  
2 Commissioner shall promptly report any redis-  
3 tribution of personnel pursuant to subpara-  
4 graph (B) to the Committee on Homeland Se-  
5 curity and Governmental Affairs and Com-  
6 mittee on Finance of the Senate, and the Com-  
7 mittee on Homeland Security and Committee  
8 on Ways and Means of the House of Represent-  
9 atives.

10 “(3) AUTHORIZATION OF APPROPRIATIONS.—In  
11 addition to any monies hereafter appropriated to  
12 United States Customs and Border Protection in the  
13 Department of Homeland Security, there are author-  
14 ized to be appropriated for the purpose of meeting  
15 the requirements of paragraph (2)(B), to remain  
16 available until expended—

17 “(A) \$85,000,000 for fiscal year 2008.

18 “(B) \$132,000,000 for fiscal year 2009.

19 “(C) \$137,000,000 for fiscal year 2010.

20 “(D) \$142,000,000 for fiscal year 2011.

21 “(E) \$147,000,000 for fiscal year 2012.

22 “(4) REPORT.—Not later than 30 days after  
23 the end of each fiscal year, the Commissioner shall  
24 report to the Committee on Finance of the Senate  
25 and the Committee on Ways and Means of the

1 House of Representatives on the resources directed  
2 to commercial and trade facilitation functions within  
3 the Office of Field Operations for the preceding fis-  
4 cal year. Such information shall be reported for each  
5 category of personnel within the Office of Field Op-  
6 erations.

7 “(5) REGULATIONS TO IMPLEMENT TRADE  
8 AGREEMENTS.—Not later than 30 days after the  
9 date of the enactment of the Port Security Improve-  
10 ment Act of 2006, the Commissioner shall designate  
11 and maintain not less than 5 attorneys within the  
12 Office of International Trade established pursuant  
13 to section 2 of the Act of March 3, 1927 (44 Stat.  
14 1381, chapter 348; 19 U.S.C. 2072) with primary  
15 responsibility for the prompt development and pro-  
16 mulgation of regulations necessary to implement any  
17 trade agreement entered into by the United States.

18 “(6) DEFINITION.—As used in this subsection,  
19 the term ‘Commissioner’ means the Commissioner  
20 responsible for United States Customs and Border  
21 Protection in the Department of Homeland Secu-  
22 rity.”.

23 **SEC. 403. NEGOTIATIONS.**

24 Section 629 of the Tariff Act of 1930 (19 U.S.C.  
25 1629) is amended by adding at the end the following:

1 “(h) CUSTOMS PROCEDURES AND COMMITMENTS.—

2 “(1) IN GENERAL.—The Secretary of Homeland  
3 Security, the United States Trade Representative,  
4 and other appropriate Federal officials, shall work  
5 through appropriate international organizations in-  
6 cluding the World Customs Organization (WCO),  
7 the World Trade Organization (WTO), the Inter-  
8 national Maritime Organization, and the Asia-Pa-  
9 cific Economic Cooperation, to align, to the extent  
10 practicable, customs procedures, standards, require-  
11 ments, and commitments in order to facilitate the  
12 efficient flow of international trade.

13 “(2) UNITED STATES TRADE REPRESENTA-  
14 TIVE.—

15 “(A) IN GENERAL.—The United States  
16 Trade Representative shall seek commitments  
17 in negotiations in the WTO regarding the arti-  
18 cles of GATT 1994 that are described in sub-  
19 paragraph (B) that make progress in achiev-  
20 ing—

21 “(i) harmonization of import and ex-  
22 port data collected by WTO members for  
23 customs purposes, to the extent prac-  
24 ticable;

1                   “(ii) enhanced procedural fairness and  
2                   transparency with respect to the regulation  
3                   of imports and exports by WTO members;

4                   “(iii) transparent standards for the  
5                   efficient release of cargo by WTO mem-  
6                   bers, to the extent practicable; and

7                   “(iv) the protection of confidential  
8                   commercial data.

9                   “(B) ARTICLES DESCRIBED.—The articles  
10                  of the GATT 1994 described in this subpara-  
11                  graph are the following:

12                  “(i) Article V (relating to transit).

13                  “(ii) Article VIII (relating to fees and  
14                  formalities associated with importation and  
15                  exportation).

16                  “(iii) Article X (relating to publication  
17                  and administration of trade regulations).

18                  “(C) GATT 1994.—The term ‘GATT 1994’  
19                  means the General Agreement on Tariff and  
20                  Trade annexed to the WTO Agreement.

21                  “(3) CUSTOMS.—The Secretary of Homeland  
22                  Security, acting through the Commissioner and in  
23                  consultation with the United States Trade Rep-  
24                  resentative, shall work with the WCO to facilitate  
25                  the efficient flow of international trade, taking into

1 account existing international agreements and the  
2 negotiating objectives of the WTO. The Commis-  
3 sioner shall work to—

4 “(A) harmonize, to the extent practicable,  
5 import data collected by WCO members for cus-  
6 toms purposes;

7 “(B) automate and harmonize, to the ex-  
8 tent practicable, the collection and storage of  
9 commercial data by WCO members;

10 “(C) develop, to the extent practicable,  
11 transparent standards for the release of cargo  
12 by WCO members;

13 “(D) develop and harmonize, to the extent  
14 practicable, standards, technologies, and proto-  
15 cols for physical or nonintrusive examinations  
16 that will facilitate the efficient flow of inter-  
17 national trade; and

18 “(E) ensure the protection of confidential  
19 commercial data.

20 “(4) DEFINITION.—In this subsection, the term  
21 ‘Commissioner’ means the Commissioner responsible  
22 for the United States Customs and Border Protec-  
23 tion in the Department of Homeland Security.”.

1 **SEC. 404. INTERNATIONAL TRADE DATA SYSTEM.**

2 Section 411 of the Tariff Act of 1930 (19 U.S.C.  
3 1411) is amended by adding at the end the following:

4 “(d) INTERNATIONAL TRADE DATA SYSTEM.—

5 “(1) ESTABLISHMENT.—

6 “(A) IN GENERAL.—The Secretary of the  
7 Treasury (in this section, referred to as the  
8 ‘Secretary’) shall oversee the establishment of  
9 an electronic trade data interchange system to  
10 be known as the ‘International Trade Data Sys-  
11 tem’ (ITDS). The ITDS shall be implemented  
12 not later than the date that the Automated  
13 Commercial Environment (commonly referred  
14 to as ‘ACE’) is implemented.

15 “(B) PURPOSE.—The purpose of the ITDS  
16 is to eliminate redundant information require-  
17 ments, to efficiently regulate the flow of com-  
18 merce, and to effectively enforce laws and regu-  
19 lations relating to international trade, by estab-  
20 lishing a single portal system, operated by the  
21 United States Customs and Border Protection,  
22 for the collection and distribution of standard  
23 electronic import and export data required by  
24 all participating Federal agencies.

25 “(C) PARTICIPATION.—

1                   “(i) IN GENERAL.—All Federal agen-  
2                   cies that require documentation for clear-  
3                   ing or licensing the importation and expor-  
4                   tation of cargo shall participate in the  
5                   ITDS.

6                   “(ii) WAIVER.—The Director of the  
7                   Office of Management and Budget may  
8                   waive, in whole or in part, the requirement  
9                   for participation for any Federal agency  
10                  based on the national security interests of  
11                  the United States.

12                  “(D) CONSULTATION.—The Secretary  
13                  shall consult with and assist agencies in the  
14                  transition from paper to electronic format for  
15                  the submission, issuance, and storage of docu-  
16                  ments relating to data required to enter cargo  
17                  into the United States.

18                  “(2) DATA ELEMENTS.—

19                  “(A) IN GENERAL.—The Interagency  
20                  Steering Committee (established under para-  
21                  graph (3)) shall, in consultation with the agen-  
22                  cies participating in the ITDS, define the  
23                  standard set of data elements to be collected,  
24                  stored, and shared in the ITDS. The Inter-  
25                  agency Steering Committee shall periodically re-

1 view the data elements in order to update the  
2 standard set of data elements, as necessary.

3 “(B) COMMITMENTS AND OBLIGATIONS.—  
4 The Interagency Steering Committee shall en-  
5 sure that the ITDS data requirements are com-  
6 patible with the commitments and obligations of  
7 the United States as a member of the World  
8 Customs Organization (WCO) and the World  
9 Trade Organization (WTO) for the entry and  
10 movement of cargo.

11 “(C) COORDINATION.—The Secretary shall  
12 be responsible for coordinating operation of the  
13 ITDS among the participating agencies and the  
14 office within the United States Customs and  
15 Border Protection that is responsible for main-  
16 taining the ITDS.

17 “(3) INTERAGENCY STEERING COMMITTEE.—  
18 There is established an Interagency Steering Com-  
19 mittee (in this section, referred to as the ‘Com-  
20 mittee’). The members of the Committee shall in-  
21 clude the Secretary (who shall serve as the chair-  
22 person of the Committee), the Director of the Office  
23 of Management and Budget, and the head of each  
24 agency participating in the ITDS. The Committee

1 shall assist the Secretary in overseeing the imple-  
2 mentation of, and participation in, the ITDS.

3 “(4) REPORT.—The Committee shall submit a  
4 report before the end of each fiscal year to the Com-  
5 mittee on Finance of the Senate and the Committee  
6 on Ways and Means of the House of Representa-  
7 tives. Each report shall include information on—

8 “(A) the status of the ITDS implementa-  
9 tion;

10 “(B) the extent of participation in the  
11 ITDS by Federal agencies;

12 “(C) the remaining barriers to any agen-  
13 cy’s participation;

14 “(D) the consistency of the ITDS with ap-  
15 plicable standards established by the World  
16 Customs Organization and the World Trade Or-  
17 ganization;

18 “(E) recommendations for technological  
19 and other improvements to the ITDS; and

20 “(F) the status of the development, imple-  
21 mentation, and management of the Automated  
22 Commercial Environment within the United  
23 States Customs and Border Protection..”.

1 **SEC. 405. IN-BOND CARGO.**

2 Title IV of the Tariff Act of 1930 is amended by in-  
3 serting after section 553 the following:

4 **“SEC. 553A. REPORT ON IN-BOND CARGO.**

5 “(a) REPORT.—Not later than June 30, 2007, the  
6 Commissioner shall submit a report to the Committees on  
7 Commerce, Science, and Transportation, Finance, and  
8 Homeland Security and Governmental Affairs of the Sen-  
9 ate and the Committees on Homeland Security, Transpor-  
10 tation and Infrastructure, and Ways and Means of the  
11 House of Representatives that includes—

12 “(1) a plan for closing in-bond entries at the  
13 port of arrival;

14 “(2) an assessment of the personnel required to  
15 ensure 100 percent reconciliation of in-bond entries  
16 between the port of arrival and the port of destina-  
17 tion or exportation;

18 “(3) an assessment of the status of investiga-  
19 tions of overdue in-bond shipments and an evalua-  
20 tion of the resources required to ensure adequate in-  
21 vestigation of overdue in-bond shipments;

22 “(4) a plan for tracking in-bond cargo within  
23 the Automated Commercial Environment (ACE);

24 “(5) an assessment of whether any particular  
25 technologies should be required in the transport of  
26 in-bond cargo;

1           “(6) an assessment of whether ports of arrival  
2           should require any additional information regarding  
3           shipments of in-bond cargo;

4           “(7) an evaluation of the criteria for targeting  
5           and examining in-bond cargo; and

6           “(8) an assessment of the feasibility of reducing  
7           the transit time for in-bond shipments, including an  
8           assessment of the impact of such a change on do-  
9           mestic and international trade.

10          “(b) DEFINITION.—The term ‘Commissioner’ means  
11          the Commissioner responsible for the United States Cus-  
12          toms and Border Protection in the Department of Home-  
13          land Security.”.

14          **SEC. 406. SENSE OF THE SENATE.**

15          It is the sense of the Senate that nothing in sections  
16          2, 106, 111 through 113, and 201 through 232 of this  
17          Act shall be construed to affect the jurisdiction of any  
18          Standing Committee of the Senate.