

109TH CONGRESS  
2D SESSION

# H. R. 4954

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

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## IN THE HOUSE OF REPRESENTATIVES

MARCH 14, 2006

Mr. DANIEL E. LUNGREN of California (for himself, Ms. HARMAN, Mr. PEARCE, Mr. THOMPSON of Mississippi, Mr. BOEHLERT, Ms. LORETTA SANCHEZ of California, Mr. MCCAUL of Texas, Mr. DICKS, Mr. SOUDER, Mr. HOYER, Ms. HARRIS, Mr. DEFazio, Mr. JINDAL, Ms. JACKSON-LEE of Texas, Mr. SHAYS, Mr. LANGEVIN, Mr. DENT, Ms. NORTON, Mr. SIMMONS, Mr. ETHERIDGE, Ms. GINNY BROWN-WAITE of Florida, Mr. BROWN of South Carolina, Mr. MEEK of Florida, Mrs. BONO, Mr. LARSEN of Washington, Mr. FERGUSON, Mr. RUPPERSBERGER, Mr. GIBBONS, Mr. SMITH of Washington, Mr. PALLONE, Mr. CARDOZA, Mrs. MALONEY, Mrs. NAPOLITANO, Mr. BROWN of Ohio, Mr. SCHIFF, Mr. BERRY, Ms. EDDIE BERNICE JOHNSON of Texas, Ms. LEE, Ms. KILPATRICK of Michigan, Mr. FORD, Mr. PRICE of North Carolina, Mr. McDERMOTT, Ms. ROYBAL-ALLARD, Mr. BRADY of Pennsylvania, Mr. BISHOP of Georgia, and Mr. WU) introduced the following bill; which was referred to the Committee on Homeland Security

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## A BILL

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

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

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

2 (a) SHORT TITLE.—This Act may be cited as the  
3 “Security and Accountability For Every Port Act” or  
4 “SAFE Port Act”.

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

- Sec. 1. Short title; table of contents.
- Sec. 2. Findings.
- Sec. 3. Definitions.
- Sec. 4. Strategic plan.
- Sec. 5. Protocols on the resumption of trade.
- Sec. 6. Improvements to Automated Targeting System.
- Sec. 7. Uniform data for government-wide usage.
- Sec. 8. Employee verification for individuals with access to secure areas of sea-ports.
- Sec. 9. Director of Cargo Security Policy.
- Sec. 10. Container security standards and verification procedures.
- Sec. 11. Radiation detection and radiation safety.
- Sec. 12. Container Security Initiative.
- Sec. 13. Customs-Trade Partnership Against Terrorism.
- Sec. 14. GreenLane designation.
- Sec. 15. Joint operations centers.
- Sec. 16. Research, development, test, and evaluation.
- Sec. 17. Port security grant program.
- Sec. 18. Authorization of appropriations.

7 **SEC. 2. FINDINGS.**

8 Congress makes the following findings:

9 (1) Maritime vessels are the primary mode of  
10 transportation for international trade and they carry  
11 over 80 percent of international trade by volume.

12 (2) In 2004, maritime vessels carried approxi-  
13 mately 9,700,000 shipping containers into United  
14 States seaports at an average of 27,000 containers  
15 per day.

1           (3) The security of the international container  
2 supply chain and the maritime transportation sys-  
3 tem is critical for the prosperity and liberty of all  
4 countries.

5           (4) In its final report, the National Commission  
6 on Terrorist Attacks Upon the United States noted,  
7 “While commercial aviation remains a possible tar-  
8 get, terrorists may turn their attention to other  
9 modes of transportation. Opportunities to do harm  
10 are as great, or greater in maritime or surface  
11 transportation.”.

12           (5) In May 2002, the Brookings Institution es-  
13 timated that costs associated with United States  
14 port closures from a detonated terrorist weapon  
15 could add up to \$1 trillion from the resulting eco-  
16 nomic slump and changes in our Nation’s inability  
17 to trade. Anticipated port closures on the west coast  
18 of the United States could cost the United States  
19 economy \$1 billion per day for the first five days  
20 after a terrorist attack.

21           (6) Significant steps have been taken since the  
22 terrorist attacks against the United States that oc-  
23 curred on September 11, 2001:

1 (A) Congress passed the Maritime Trans-  
2 portation Security Act of 2002 on November  
3 14, 2002.

4 (B) The Coast Guard issued a comprehen-  
5 sive set of port security regulations on October  
6 22, 2003.

7 (C) The International Maritime Organiza-  
8 tion adopted the International Ship and Port  
9 Facility (ISPS) Code in December 2002.

10 (D) The White House issued Homeland  
11 Security Presidential Directive-13 in September  
12 2005 which lays out requirements for a com-  
13 prehensive maritime security policy.

14 (7) Despite these steps, security gaps in the  
15 maritime transportation system remain, resulting in  
16 high-risk container systems not being checked over-  
17 seas or domestically and ports that are vulnerable to  
18 terrorist attacks similar to the attack on the U.S.S.  
19 Cole.

20 (8) Significant enhancements can be achieved  
21 by applying a layered approach to supply chain secu-  
22 rity, in a coordinated fashion. Current supply chain  
23 programs within the Federal Government have been  
24 independently operated, often falling short of gains

1 which could have been made if such programs were  
2 operated in a coordinated manner.

3 (9) While it is impossible to completely remove  
4 the risk of a terrorist attack, security measures in  
5 the supply chain can add certainty and stability to  
6 the global economy, raise investor confidence, and  
7 facilitate trade. Some counterterrorism costs are in-  
8 tegral to the price that must be paid to protect soci-  
9 ety. However, counterterrorism measures also  
10 present an opportunity to increase the efficiency of  
11 the global trade system through international har-  
12 monization of such measures. These efficiency gains  
13 are maximized when all countries adopt such  
14 counterterrorism measures.

15 (10) Increasing transparency in the supply  
16 chain will assist in mitigating the impact of a ter-  
17 rorist attack by allowing for a targeted shutdown of  
18 the international supply chain and expedited restora-  
19 tion of commercial traffic.

20 **SEC. 3. DEFINITIONS.**

21 In this Act:

22 (1) APPROPRIATE CONGRESSIONAL COMMIT-  
23 TEES.—The term “appropriate congressional com-  
24 mittees” means—

1 (A) the Committee on Homeland Security  
2 and the Committee on Appropriations of the  
3 House of Representatives; and

4 (B) the Committee on Homeland Security  
5 and Governmental Affairs and the Committee  
6 on Appropriations of the Senate.

7 (2) AUTOMATED TARGETING SYSTEM.—The  
8 term “Automated Targeting System” means the sys-  
9 tem established by U.S. Customs and Border Pro-  
10 tection to assess imports and target those imports  
11 which pose a high risk of containing contraband.

12 (3) CONTAINER.—The term “container” has  
13 the meaning given the term in the International  
14 Convention for Safe Containers, with annexes, done  
15 at Geneva December 2, 1972 (29 UST 3707).

16 (4) CONTAINER SECURITY DEVICE.—The term  
17 “container security device” means a device or system  
18 to track and monitor containers for, and secure  
19 them against, tampering or compromise throughout  
20 the international supply chain.

21 (5) CONTAINER SECURITY INITIATIVE; CSI.—  
22 The terms “Container Security Initiative” and  
23 “CSI” mean the program authorized under section  
24 12 to identify and examine maritime containers that

1 pose a risk for terrorism at foreign ports before they  
2 are shipped to the United States.

3 (6) CUSTOMS-TRADE PARTNERSHIP AGAINST  
4 TERRORISM; C-TPAT.—The terms “Customs-Trade  
5 Partnership Against Terrorism” and “C-TPAT”  
6 mean the voluntary program authorized under sec-  
7 tion 13 to strengthen and improve the overall secu-  
8 rity of the international supply chain and United  
9 States border security.

10 (7) DEPARTMENT.—The term “Department”  
11 means the Department of Homeland Security.

12 (8) EXAMINATION.—The term “examination”  
13 means an inspection of cargo to detect the presence  
14 of misdeclared, restricted, or prohibited items, in-  
15 cluding an inspection using nonintrusive imaging  
16 and detection technology.

17 (9) GREENLANE.—The term “GreenLane” re-  
18 fers to the third tier of C-TPAT, which offers addi-  
19 tional benefits to validated C-TPAT participants  
20 that demonstrate a sustained commitment beyond  
21 the minimum requirements for participation in C-  
22 TPAT.

23 (10) INSPECTION.—The term “inspection”  
24 means the comprehensive process used by U.S. Cus-  
25 toms and Border Protection for assessing goods en-

1        tering the United States to appraise them for duty  
2        purposes, to detect the presence of restricted or pro-  
3        hibited items, and to ensure compliance with all ap-  
4        plicable laws. This process may include screening,  
5        conducting an examination, or conducting a search.

6            (11) INTERNATIONAL SUPPLY CHAIN.—The  
7        term “international supply chain” means the end-to-  
8        end process for shipping goods from a point of ori-  
9        gin overseas to the United States.

10           (12) OPERATION SAFE COMMERCE.—The term  
11        “Operation Safe Commerce” means the research, de-  
12        velopment, test, and evaluation grant program that  
13        brings together private sector shareholders, port offi-  
14        cials, and Federal, State, and local representatives  
15        to analyze existing security procedures for cargo and  
16        develop new security protocols that have the poten-  
17        tial to increase the security of cargo shipments by  
18        monitoring the movement and integrity of cargo  
19        through the international supply chain.

20           (13) POINT OF ORIGIN.—The term “point of  
21        origin”, in the case of goods, means the point at  
22        which such goods are assembled into the smallest ex-  
23        terior packaging unit for movement through the  
24        international supply chain.

1           (14) SCREENING.—The term “screening”  
2 means a visual or automated review of information  
3 about goods, including manifest or entry documenta-  
4 tion accompanying a shipment being imported into  
5 the United States, to determine or assess the threat  
6 of such cargo.

7           (15) SEARCH.—The term “search” means an  
8 intrusive examination in which a container is opened  
9 and its contents are de-vanned and visually in-  
10 spected for the presence of misdeclared, restricted,  
11 or prohibited items.

12           (16) SECRETARY.—The term “Secretary”  
13 means the Secretary of Homeland Security.

14           (17) SMALLEST EXTERIOR PACKAGING UNIT.—  
15 The term “smallest exterior packaging unit” has the  
16 meaning given such term in section 4.7a of title 19,  
17 Code of Federal Regulations (as in effect on the  
18 date of enactment of this Act).

19           (18) SUPPLY CHAIN VISIBILITY PROCEDURE.—  
20 The term “supply chain visibility procedure” means  
21 a system or process capable of tracking goods at the  
22 smallest exterior packaging unit level from their  
23 point of origin to the point of loading into a con-  
24 tainer entering the international supply chain.

1           (19) TRANSPORTATION SECURITY INCIDENT.—  
2           The term “transportation security incident” has the  
3           meaning given such term in section 70101(6) of title  
4           46, United States Code.

5 **SEC. 4. STRATEGIC PLAN.**

6           (a) STRATEGIC PLAN.—The Secretary, in consulta-  
7           tion with appropriate Federal, State, local, and tribal gov-  
8           ernment agencies and private sector stakeholders respon-  
9           sible for security matters that affect or relate to the move-  
10          ment of containers through the international supply chain,  
11          shall develop and implement, and update as appropriate,  
12          a strategic plan to enhance the security of the maritime  
13          transportation system.

14          (b) REQUIREMENTS.—The strategic plan required  
15          under subsection (a) shall—

16                (1) describe the roles, responsibilities, and au-  
17                thorities of Federal, State, local, and tribal govern-  
18                ment agencies and private sector stakeholders that  
19                relate to the security of the movement of containers  
20                through the international supply chain;

21                (2) identify and address gaps and unnecessary  
22                overlaps in the roles, responsibilities, or authorities  
23                described in paragraph (1);

24                (3) identify and make recommendations regard-  
25                ing legislative, regulatory, and organizational

1 changes necessary to improve coordination among  
2 the entities or to enhance the security of the inter-  
3 national supply chain;

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

8 (5) build on available resources and consider  
9 costs and benefits;

10 (6) identify mandatory, baseline security goals,  
11 and the minimum container security standards and  
12 verification procedures described in section 10;

13 (7) provide incentives for additional voluntary  
14 measures to enhance cargo security, as determined  
15 by the Secretary and under the GreenLane Program  
16 under section 14;

17 (8) include a process for sharing intelligence  
18 and information with private sector stakeholders to  
19 assist in their security efforts;

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

23 (10) provide a plan for the expeditious resump-  
24 tion of the flow of legitimate trade in accordance  
25 with section 5;

1           (11) focus on the secure movement of contain-  
2           erized cargo through the international supply chain;  
3           and

4           (12) expand upon and relate to existing strate-  
5           gies and plans, including the National Strategy for  
6           Maritime Security and the eight supporting plans of  
7           the Strategy, as required by Homeland Security  
8           Presidential Directive-13 (September 2005).

9           (c) UTILIZATION OF ADVISORY COMMITTEES.—As  
10          part of the consultations described in subsection (a), the  
11          Secretary is encouraged to utilize the Homeland Security  
12          Advisory Committee, the National Maritime Security Ad-  
13          visory Committee, and the Commercial Operations Advi-  
14          sory Committee to review, as necessary, the draft strategic  
15          plan and any subsequent updates to the strategic plan.

16          (d) INTERNATIONAL STANDARDS AND PRACTICES.—  
17          In furtherance of the strategic plan required under sub-  
18          section (a), the Secretary is encouraged to consider pro-  
19          posed or established standards and practices of foreign  
20          governments and international organizations, including  
21          the International Maritime Organization, the World Cus-  
22          toms Organization, the International Labor Organization,  
23          and the International Organization for Standardization,  
24          as appropriate, to establish standards and best practices

1 for the security of containers moving through the inter-  
2 national supply chain.

3 (e) REPORT.—

4 (1) INITIAL REPORT.—Not later than 90 days  
5 after the date of enactment of this Act, the Sec-  
6 retary shall submit to the appropriate congressional  
7 committees a report that contains the strategic plan  
8 required by subsection (a).

9 (2) FINAL REPORT.—Not later than three years  
10 after the date on which the strategic plan is sub-  
11 mitted under paragraph (1), the Secretary shall sub-  
12 mit to the appropriate congressional committees a  
13 report that contains an update of the strategic plan.

14 **SEC. 5. PROTOCOLS ON THE RESUMPTION OF TRADE.**

15 (a) IN GENERAL.—The Secretary shall develop proto-  
16 cols for the resumption of trade in the event of a transpor-  
17 tation security incident that necessitates the suspension  
18 of trade through contingency and continuity planning that  
19 ensures trade lanes are restored as quickly as possible.  
20 The protocols shall provide for coordination with appro-  
21 priate Federal, State, and local agencies on law enforce-  
22 ment actions, inter-modal rerouting plans, and identifica-  
23 tion and prioritization of goods that may enter the United  
24 States.

1 (b) PREFERENCES.—In reestablishing the flow of  
2 cargo through ports of entry in the United States after  
3 a transportation security incident, the Secretary shall give  
4 preference to vessels—

5 (1) having a vessel security plan approved or  
6 accepted under section 70103(c) of title 46, United  
7 States Code;

8 (2) entering a port of entry directly from a for-  
9 eign port designated under CSI or from another for-  
10 eign port, as determined by the Secretary;

11 (3) operated by validated C-TPAT participants;

12 and

13 (4) carrying GreenLane designated cargo.

14 **SEC. 6. IMPROVEMENTS TO AUTOMATED TARGETING SYS-**  
15 **TEM.**

16 (a) PLAN.—Not later than 90 days after the date of  
17 enactment of this Act, the Secretary shall develop and im-  
18 plement a plan for improving the Automated Targeting  
19 System for the identification of high-risk containers mov-  
20 ing through the international supply chain.

21 (b) CONTENTS.—

22 (1) TREATMENT OF RECOMMENDATIONS.—The  
23 Secretary shall include in the plan required under  
24 subsection (a) a schedule to implement the rec-  
25 ommendations of the Comptroller General of the

1 United States, the Inspector General of the Depart-  
2 ment of the Treasury, and the Inspector General of  
3 the Department with respect to the operation of the  
4 Automated Targeting System.

5 (2) INFORMATION SUBMISSIONS.—In developing  
6 the plan required under subsection (a), the Secretary  
7 shall consider the cost, benefit, and feasibility of—

8 (A) requiring additional nonmanifest docu-  
9 mentation for each container, including pur-  
10 chase orders, shipper’s letters of instruction,  
11 commercial invoices, letters of credit, certifi-  
12 cates of origin, advance shipping notices, vessel  
13 stow plans, and certain container status mes-  
14 sages, when created;

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

17 (C) reducing the time period allowed by  
18 law for submission of entry data for vessel or  
19 cargo; and

20 (D) such other actions the Secretary con-  
21 siders beneficial for improving the information  
22 relied upon for the Automated Targeting Sys-  
23 tem and any other targeting systems in fur-  
24 thering the security and integrity of the inter-  
25 national supply chain.

1           (3) OUTSIDE REVIEW.—The Secretary shall  
2           conduct, through an independent panel, a review of  
3           the Automated Targeting System. The results of  
4           this review shall be included in the plan required  
5           under subsection (a).

6           (4) SMART SYSTEM.—The Secretary shall con-  
7           sider future iterations of the Automated Targeting  
8           System, which would incorporate smart features,  
9           such as more complex algorithms and real-time intel-  
10          ligence, instead of relying solely on rule sets that are  
11          periodically updated.

12          (c) NEW OR EXPANDED INFORMATION SUBMIS-  
13          SIONS.—In considering any new or expanded information  
14          submission requirements, the Secretary shall consult with  
15          stakeholders and identify the need for such information,  
16          and the appropriate timing of its submission, in the plan  
17          required under subsection (a).

18          (d) SECURE TRANSMISSION OF CERTAIN INFORMA-  
19          TION.—All information required by the Department from  
20          supply chain partners shall be transmitted in a secure  
21          fashion, as determined by the Secretary, so as to protect  
22          the information from unauthorized access.

23   **SEC. 7. UNIFORM DATA FOR GOVERNMENT-WIDE USAGE.**

24          (a) ESTABLISHMENT.—The Secretary, in cooperation  
25          with representatives from appropriate Federal agencies, as

1 determined by the Secretary, shall establish and imple-  
2 ment a single, uniform data system for the electronic col-  
3 lection, dissemination, and sharing of import and export  
4 information to increase the efficiency of data submission  
5 and the security of such data related to border security,  
6 trade, and public health and safety of international car-  
7 goes.

8 (b) PRIVATE SECTOR CONSULTATION.—The Sec-  
9 retary shall consult with private sector stakeholders in de-  
10 veloping uniform data submission requirements, proce-  
11 dures, and schedules under the system established pursu-  
12 ant to subsection (a).

13 **SEC. 8. EMPLOYEE VERIFICATION FOR INDIVIDUALS WITH**  
14 **ACCESS TO SECURE AREAS OF SEAPORTS.**

15 (a) DEFINITIONS.—In this section, the following defi-  
16 nitions apply:

17 (1) SECRETARY.—The term “Secretary” means  
18 the Secretary of Homeland Security acting through  
19 the Assistant Secretary of Homeland Security  
20 (Transportation Security Administration).

21 (2) TERRORIST WATCH LISTS.—The term “ter-  
22 rorist watch lists” means all available information  
23 on known or suspected terrorist threats.

24 (b) EMPLOYEE VERIFICATION FOR CURRENT EM-  
25 PLOYEES.—

1           (1) SECURITY DIRECTIVE.—Not later than 30  
2 days after the date of enactment of this Act, the  
3 Secretary shall issue a security directive requiring  
4 States to submit to the Secretary biographic infor-  
5 mation on each individual employed, as of the date  
6 of issuance of the security directive, in a position in  
7 which the individual has access to a secure area of  
8 a seaport in the United States.

9           (2) DETERMINATION OF SECURE AREAS.—The  
10 Secretary shall work with the Commandant of the  
11 Coast Guard to determine which areas will be treat-  
12 ed as secure areas for the purposes of this sub-  
13 section.

14           (3) DEADLINE FOR SUBMISSION OF INFORMA-  
15 TION.—The security directive shall require that  
16 States submit the biographic information by not  
17 later than 30 days after the date of issuance of the  
18 security directive.

19           (4) COMPARISON OF BIOGRAPHIC INFORMATION  
20 AGAINST INFORMATION ON KNOWN OR SUSPECTED  
21 TERRORIST THREATS.—

22           (A) REQUIREMENT.—Not later than 75  
23 days after the date of enactment of this Act,  
24 the Secretary shall compare the biographic in-

1           formation received on each individual against  
2           terrorist watch lists.

3           (B) LIMITATION.—The Secretary may  
4           omit from any comparison under this subsection  
5           information regarding an individual who has  
6           previously been compared against terrorist  
7           watch lists.

8           (5) PROCESS.—

9           (A) MANNER OF COLLECTION AND STOR-  
10          AGE OF INFORMATION.—The Secretary shall  
11          determine the manner in which the biographic  
12          information will be collected and stored.

13          (B) COSTS OF COMPARISONS.—The Sec-  
14          retary may not charge any fee for conducting  
15          comparisons under this subsection.

16          (c) EMPLOYEE VERIFICATION FOR FUTURE EMPLOY-  
17          EES.—

18               (1) REQUIREMENT.—Not later than 75 days  
19               after the date of enactment of this Act, the Sec-  
20               retary shall establish and begin implementing a  
21               process for—

22                       (A) obtaining biographic information on in-  
23                       dividuals employed, beginning after the date of  
24                       issuance of the security directive under sub-

1 section (b)(1), in a position described in sub-  
2 section (b)(1); and

3 (B) comparing the biographic information  
4 on such individuals against all available infor-  
5 mation on known or suspected terrorist threats.

6 (2) COSTS OF COMPARISONS.—The Secretary  
7 shall determine how to cover costs of comparisons  
8 conducted pursuant to this subsection.

9 (d) PROHIBITED EMPLOYMENT.—The Secretary  
10 shall specify security factors that are sufficient to prohibit  
11 the employment of an individual in a position described  
12 in subsection (b)(1).

13 (e) PROTECTIONS FOR INDIVIDUALS.—The Secretary  
14 shall issue regulations to establish protections for individ-  
15 uals subject to comparisons under this section. The protec-  
16 tions shall be substantially equivalent to the protections  
17 for individuals under sections 70105(c)(2), 70105(c)(3),  
18 and 70105(e) of title 46, United States Code.

19 (f) RESTRICTIONS ON USE AND MAINTENANCE OF  
20 INFORMATION.—

21 (1) RESTRICTION ON DISCLOSURE.—Informa-  
22 tion obtained by the Secretary on an individual  
23 under this section may not be made available to the  
24 public, including the individual's employer.

1           (2) CONFIDENTIALITY; USE.—Any information  
2           constituting grounds for prohibiting the employment  
3           of an individual in a position described in subsection  
4           (b)(1) shall be maintained confidentially by the Sec-  
5           retary and may be used only for making determina-  
6           tions under this section. The Secretary may share  
7           any such information with other Federal law en-  
8           forcement agencies. The Secretary may not share  
9           any such information with an individual’s employer,  
10          except to inform the employer of whether or not the  
11          individual has been prohibited under this section  
12          from employment in a position described in sub-  
13          section (b)(1).

14          (g) REPORTING.—Not later than 90 days after the  
15          date of enactment of this Act, the Secretary shall submit  
16          to the Committee on Homeland Security of the House of  
17          Representatives and the Committee on Homeland Security  
18          and Governmental Reform of the Senate a report con-  
19          taining information on—

20                 (1) the number of matches made in conducting  
21                 comparisons under subsection (b);

22                 (2) the corresponding ports at which the  
23                 matches were identified; and

1           (3) the actions taken to determine necessary  
2           corrective actions, as well as any corrective actions  
3           taken.

4 **SEC. 9. DIRECTOR OF CARGO SECURITY POLICY.**

5           (a) IN GENERAL.—There shall be in the Department  
6 a Director of Cargo Security Policy (hereinafter in this  
7 section referred to as the “Director”).

8           (b) RESPONSIBILITIES.—The Director shall—

9                 (1) advise the Secretary regarding all aspects of  
10           Department programs relating to cargo security;

11                (2) develop Department-wide policies regarding  
12           cargo security; and

13                (3) coordinate the cargo security policies and  
14           programs of the Department with other executive  
15           agencies, including by working with officials of the  
16           Department of State, as appropriate, in negotiating  
17           international agreements relating to cargo security.

18 **SEC. 10. CONTAINER SECURITY STANDARDS AND**  
19 **VERIFICATION PROCEDURES.**

20           (a) ESTABLISHMENT.—

21                (1) IN GENERAL.—Not later than 180 days  
22           after the date of enactment of this Act, the Sec-  
23           retary shall establish, by regulation, minimum stand-  
24           ards and verification procedures for securing con-

1       tainers in transit to an importer in the United  
2       States.

3           (2) INFORMATION SOURCES.—The Secretary  
4       shall use information from C-TPAT, Operation Safe  
5       Commerce, any container security program of the  
6       Directorate of Science and Technology, and other se-  
7       curity initiatives to establish the standards and pro-  
8       cedures described in paragraph (1). Such standards  
9       may address operation, technology use, and perform-  
10      ance.

11          (3) DEADLINE FOR ENFORCEMENT.—Not later  
12      than 2 years after the establishment of standards  
13      and procedures under subsection (a), all containers  
14      bound for ports of entry in the United States shall  
15      meet such standards and procedures.

16      (b) REVIEW AND ENHANCEMENT.—The Secretary  
17      shall regularly—

18          (1) review the standards and procedures estab-  
19      lished pursuant to subsection (a); and

20          (2) enhance the security standards and proce-  
21      dures, as appropriate, based on tests of technologies  
22      as they become commercially available to detect con-  
23      tainer intrusion and the highest consequence threats,  
24      particularly weapons of mass destruction, in accord-  
25      ance with section 15.

1 (c) INTERNATIONAL CARGO SECURITY STAND-  
2 ARDS.—The Secretary, in consultation with the Secretary  
3 of State, is encouraged to promote and establish inter-  
4 national standards for the security of containers moving  
5 through the international supply chain with foreign gov-  
6 ernments and international organizations, including the  
7 International Maritime Organization and the World Cus-  
8 toms Organization.

9 **SEC. 11. RADIATION DETECTION AND RADIATION SAFETY.**

10 (a) STRATEGY.—Not later than 90 days after the  
11 date of enactment of this Act, the Secretary, acting  
12 through the Director of the Domestic Nuclear Detection  
13 Office of the Department, shall submit to the appropriate  
14 congressional committees a strategy for the deployment of  
15 radiation detection equipment at all ports of entry.

16 (b) CONTENTS.—The strategy submitted under sub-  
17 section (a) shall include—

18 (1) a risk-based prioritization of maritime ports  
19 of entry at which radiation detection equipment will  
20 be deployed;

21 (2) a proposed timeline of when radiation detec-  
22 tion equipment will be deployed at each of the mari-  
23 time ports of entry identified under paragraph (1);

1           (3) the type of equipment to be used at each of  
2 the maritime ports of entry identified under para-  
3 graph (1);

4           (4) standard operating procedures for exam-  
5 ining containers with such equipment;

6           (5) an evaluation of the environmental health  
7 and safety impacts of nonintrusive inspection tech-  
8 nology;

9           (6) the Department policy for using nonintru-  
10 sive inspection equipment;

11           (7) a classified annex that details plans for cov-  
12 ert testing;

13           (8) a classified annex that outlines the risk-  
14 based prioritization of maritime ports of entry used  
15 under paragraph (1); and

16           (9) a plan that—

17                 (A) details the health and safety impacts  
18 of nonintrusive inspection technology; and

19                 (B) describes the policy of U.S. Customs  
20 and Border Protection for using nonintrusive  
21 inspection equipment.

22 **SEC. 12. CONTAINER SECURITY INITIATIVE.**

23           (a) **AUTHORIZATION.**—The Secretary is authorized to  
24 establish and implement a program (to be known as the  
25 “Container Security Initiative” or “CSI”) to identify and

1 examine maritime containers that pose a risk for terrorism  
2 at foreign ports before the containers are shipped to the  
3 United States.

4 (b) ASSESSMENT.—Before the Secretary designates  
5 any foreign port under CSI, the Secretary, in coordination  
6 with other Federal officials, as appropriate, shall conduct  
7 an assessment of the port to evaluate costs, benefits, and  
8 other factors associated with designation, including—

9 (1) the level of risk for the potential com-  
10 promise of containers by terrorists or terrorist weap-  
11 ons;

12 (2) the economic impact of cargo traveling from  
13 the foreign port in terms of trade value and volume;

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 capabilities and level of cooperation ex-  
18 pected of the intended host country;

19 (5) the potential for validation of security prac-  
20 tices by the Department, directly or through cer-  
21 tified third parties within the country in which the  
22 foreign port is located; and

23 (6) the potential for C-TPAT and GreenLane  
24 cargo traveling from the foreign port.

1           (c) ANNUAL REPORT.—Not later than March 1 of  
2 each year in which the Secretary proposes to designate  
3 a foreign port under CSI, the Secretary shall submit to  
4 the appropriate congressional committees a report, in clas-  
5 sified or unclassified form, detailing the assessment of  
6 each foreign port the Secretary is considering designating  
7 under CSI.

8           (d) CURRENT CSI PORTS.—The report under sub-  
9 section (c) shall include an annual assessment justifying  
10 the continuance of each port designated under CSI as of  
11 the date of enactment of this Act.

12           (e) DESIGNATION OF NEW PORTS.—The Secretary  
13 shall not designate a foreign port under CSI unless the  
14 Secretary has completed the assessment required in sub-  
15 section (b) for that port and submitted a report under sub-  
16 section (c) that includes that port.

17           (f) INSPECTIONS.—

18               (1) REQUIREMENTS AND PROCEDURES.—The  
19 Secretary shall—

20                   (A) establish technical capability require-  
21 ments and standard operating procedures for  
22 the use of nonintrusive inspection and radiation  
23 detection equipment in conjunction with CSI;

24                   (B) require each port designated under  
25 CSI to operate the equipment in accordance

1 with the requirements and procedures estab-  
2 lished under subparagraph (A); and

3 (C) continually monitor the technologies,  
4 processes, and techniques used to inspect cargo  
5 at ports designated under CSI.

6 (2) FOREIGN ASSISTANCE.—

7 (A) IN GENERAL.—The Secretary, in con-  
8 sultation with the Secretary of State, the Sec-  
9 retary of Energy, and other Federal agencies,  
10 shall identify foreign assistance programs that  
11 could facilitate the implementation of cargo se-  
12 curity antiterrorism measures at ports des-  
13 igned under CSI and foreign ports not des-  
14 igned under CSI that lack effective  
15 antiterrorism measures.

16 (B) ACQUISITION.—The Secretary may  
17 lease, loan, or otherwise provide foreign au-  
18 thorities nonintrusive inspection equipment or  
19 radiation detection equipment for examining  
20 conveyances and intermodal shipping containers  
21 at any foreign or domestic port, under such  
22 terms and conditions the Secretary may deter-  
23 mine (including nonreimbursable transfer of  
24 ownership), if provision of such equipment is  
25 determined by the Secretary to help secure and

1 facilitate international trade and is in the inter-  
2 ests of the United States.

3 (C) TRAINING.—The Secretary may pro-  
4 vide training on the use of equipment to domes-  
5 tic or foreign personnel at each port designated  
6 under CSI.

7 (g) PERSONNEL.—The Secretary shall—

8 (1) annually assess the personnel needs at each  
9 port designated under CSI;

10 (2) deploy personnel in accordance with the as-  
11 sessment under paragraph (1); and

12 (3) consider the potential for remote targeting  
13 to decrease the number of personnel who are de-  
14 ployed at foreign ports.

15 **SEC. 13. CUSTOMS-TRADE PARTNERSHIP AGAINST TER-**  
16 **RORISM.**

17 (a) IN GENERAL.—

18 (1) AUTHORIZATION.—The Secretary is author-  
19 ized to establish a voluntary program (to be known  
20 as the “Customs-Trade Partnership Against Ter-  
21 rorism” or “C-TPAT”) to strengthen and improve  
22 the overall security of the international supply chain  
23 and United States border security.

24 (2) GAO RECOMMENDATIONS.—The Secretary  
25 shall address, and to the extent appropriate imple-

1       ment, the recommendations of the C-TPAT pro-  
2       gram that were identified in the Government Ac-  
3       countability Office report entitled “CARGO SECUR-  
4       RITY: Partnership Program Grants Importers Re-  
5       duced Scrutiny with Limited Assurance of Improved  
6       Security” (GAO-05-404).

7               (3) MINIMUM REQUIREMENTS.—The Secretary  
8       shall establish minimum requirements, program  
9       tiers, and program benefits of C-TPAT.

10       (b) PARTICIPATION.—Importers, brokers, air, sea,  
11       land carriers, and other entities in the international supply  
12       chain and intermodal transportation system are eligible to  
13       apply to voluntarily enter into partnerships with the De-  
14       partment.

15       (c) MINIMUM REQUIREMENTS.—An applicant seek-  
16       ing to participate in C-TPAT shall—

17               (1) demonstrate a history of moving commerce  
18       in the international supply chain;

19               (2) conduct an assessment of its supply chains  
20       based upon security criteria established by the Sec-  
21       retary, including—

22                       (A) business partner requirements;

23                       (B) container security;

24                       (C) physical security and access controls;

25                       (D) personnel security;

- 1 (E) procedural security;
- 2 (F) security training and threat awareness;
- 3 and
- 4 (G) information technology security;
- 5 (3) implement and maintain security measures
- 6 and supply chain security practices meeting security
- 7 criteria; and
- 8 (4) meet all other requirements established by
- 9 the Secretary.

10 (d) CERTIFICATION.—

11 (1) GUIDELINES.—Not later than 180 days

12 after the date of enactment of this Act, the Sec-

13 retary shall update guidelines for certifying a par-

14 ticipant's security measures and supply chain secu-

15 rity practices.

16 (2) TIER ONE BENEFITS.—The Secretary may

17 offer limited benefits to C-TPAT participants whose

18 security measures and supply chain security prac-

19 tices have been certified in accordance with the

20 guidelines established pursuant to paragraph (1).

21 (e) VALIDATION.—

22 (1) IN GENERAL.—Not later than 1 year after

23 a participant has been certified under subsection

24 (d)(1), the Secretary shall validate, directly or

25 through certified third parties, the security measures

1 and supply chain security practices of that partici-  
2 pant. Such validation shall include a visit to foreign  
3 locations utilized by the C-TPAT participant as part  
4 of the supply chain.

5 (2) GUIDELINES.—Not later than 180 days  
6 after the date of enactment of this Act, the Sec-  
7 retary shall update guidelines for validating a par-  
8 ticipant’s security measures and supply chain secu-  
9 rity practices.

10 (3) CONSEQUENCES FOR FAILED VALIDA-  
11 TION.—If a C-TPAT participant’s security meas-  
12 ures and supply chain security practices fail to meet  
13 validation requirements, the Commissioner of U.S.  
14 Customs and Border Protection may—

15 (A) deny the participant all benefits under  
16 C-TPAT on a temporary or permanent basis;

17 or

18 (B) suspend or expel the participant from  
19 C-TPAT.

20 (4) RIGHT OF APPEAL.—A C-TPAT partici-  
21 pant described under paragraph (3) may file an ap-  
22 peal with the Secretary of the Commissioner’s deci-  
23 sion under paragraph (3)(A) to deny benefits under  
24 C-TPAT and under paragraph (3)(B) to suspend or  
25 expel the participant from C-TPAT.

1           (5) TIER TWO BENEFITS.—The Secretary shall  
2           extend benefits to each participant who has been  
3           validated under this subsection, which may include—

4                   (A) reduced examinations; and

5                   (B) priority processing for searches.

6           (f) REVALIDATION.—The Secretary shall establish a  
7           process for revalidating C-TPAT participants. Such re-  
8           validation shall occur not less frequently than once during  
9           every 3-year period following validation.

10 **SEC. 14. GREENLANE DESIGNATION.**

11           (a) ESTABLISHMENT.—The Secretary shall establish  
12           a third tier of C-TPAT (referred to in this section as the  
13           “GreenLane”) that offers additional benefits to validated  
14           C-TPAT participants that demonstrate a sustained com-  
15           mitment beyond the minimum requirements for participa-  
16           tion in C-TPAT.

17           (b) BASIC REQUIREMENTS.—Designated GreenLane  
18           participants shall ensure that—

19                   (1) entry data is submitted on shipments before  
20           loading;

21                   (2) cargo is loaded on a vessel with a vessel se-  
22           curity plan approved or accepted under section  
23           70103(c) of title 46, United States Code, or the  
24           International Ship and Port Facility (ISPS) Code;

1           (3) container security devices that exceed the  
2 standards and procedures established by the Sec-  
3 retary are utilized;

4           (4) cargo security practices exceed the security  
5 criteria established by the Secretary beyond the min-  
6 imum requirements for C-TPAT participation under  
7 section 13(c), particularly in the area of access con-  
8 trols; and

9           (5) cargo complies with any other requirements  
10 determined by the Secretary.

11       (c) CONTAINERS TRANSHIPPED THROUGH CANADA  
12 OR MEXICO UNDER GREENLANE.—Containers entering  
13 the United States under GreenLane at a land border port  
14 of entry shall undergo the equivalent, appropriate level of  
15 inspection and screening for potential compromise by ter-  
16 rorists or terrorist weapons as containers arriving at a  
17 United States port of entry from a foreign port.

18       (d) CONSEQUENCES FOR LACK OF COMPLIANCE.—

19           (1) IN GENERAL.—Any participant whose secu-  
20 rity measures and supply chain security practices  
21 have been found by the Secretary to be out of com-  
22 pliance with any requirements of the GreenLane  
23 program shall be denied all benefits under  
24 GreenLane.

1           (2) RIGHT OF APPEAL.—GreenLane partici-  
2 pants under paragraph (1) shall have the right to  
3 appeal denial of benefits decisions to the Secretary  
4 and request redesignation under GreenLane.

5           (e) NON-CONTAINERIZED CARGO.—The Secretary  
6 may consider the potential for participation in the  
7 GreenLane Program by importers of non-containerized  
8 cargoes that otherwise meet the requirements under this  
9 section.

10          (f) POLICIES.—

11           (1) IN GENERAL.—Not later than 1 year after  
12 the date of enactment of this Act, the Secretary, in  
13 consultation with private sector stakeholders, shall  
14 establish—

15           (A) requirements for supply chain visibility  
16 procedures;

17           (B) performance standards for container  
18 security devices and protocols for their use;

19           (C) procedures for overseas screening and  
20 examination of GreenLane containers; and

21           (D) any other GreenLane Program re-  
22 quirements that the Secretary considers appro-  
23 priate, including requirements building upon se-  
24 curity measures and supply chain security best

1 practices contained in the C-TPAT minimum  
2 requirements set forth in section 13(c).

3 (2) BENEFITS.—Not later than 2 years after  
4 the date of enactment of this Act, the Secretary, in  
5 consultation with the Commercial Operations Advi-  
6 sory Committee, may provide benefits for participa-  
7 tion in the GreenLane Program, which may in-  
8 clude—

9 (A) the expedited release of GreenLane  
10 cargo into destination ports within the United  
11 States during all threat levels designated by the  
12 Secretary or the Commandant of the Coast  
13 Guard;

14 (B) reduced or eliminated bonding require-  
15 ments for GreenLane cargo;

16 (C) preference to vessels (as described in  
17 section 5(b));

18 (D) further reduced examinations;

19 (E) priority processing for examinations;

20 (F) further reduced scores in the Auto-  
21 mated Targeting System; and

22 (G) streamlined billing of any customs du-  
23 ties or fees.

1 **SEC. 15. JOINT OPERATIONS CENTERS.**

2 (a) ESTABLISHMENT.—Not later than three years  
3 after the date of the enactment of this Act, the Secretary  
4 shall expand existing and establish new joint operations  
5 centers for maritime and cargo security to—

6 (1) enhance information sharing;

7 (2) facilitate day-to-day operational coordina-  
8 tion; and

9 (3) in the case of a transportation security inci-  
10 dent, facilitate incident management and response.

11 (b) PARTICIPATION.—The following entities shall  
12 participate in each joint operations center for maritime  
13 and cargo security:

14 (1) The United States Coast Guard.

15 (2) U.S. Customs and Border Protection.

16 (3) U.S. Immigration and Customs Enforce-  
17 ment.

18 (4) The Department of Defense, as appropriate.

19 (5) The Federal Bureau of Investigation.

20 (6) Other Federal agencies with a presence at  
21 a particular port, as appropriate, or as otherwise se-  
22 lected by the Secretary.

23 (7) State, local, and international law enforce-  
24 ment and first responder agencies responsible for the  
25 port, as appropriate, or as otherwise selected by the  
26 Secretary.

1           (8) Port authority representatives, maritime ex-  
2           changes, private sector stakeholders, and other enti-  
3           ties subject to an Area Maritime Security Plan, as  
4           selected by the Secretary.

5           (c) RESPONSIBILITIES.—Each joint operations center  
6 for maritime and cargo security shall—

7           (1) assist, as appropriate, in the implementa-  
8           tion of maritime transportation security plans devel-  
9           oped under section 70103 of title 46, United States  
10          Code;

11          (2) implement the transportation security inci-  
12          dent response plans required under section 70104 of  
13          such title;

14          (3) carry out information sharing activities con-  
15          sistent with those required under section 1016 of the  
16          National Security Intelligence Reform Act of 2004  
17          (6 U.S.C. 485) and the Homeland Security Informa-  
18          tion Sharing Act (6 U.S.C. 481 et seq.);

19          (4) conduct short- and long-range vessel track-  
20          ing under sections 70114 and 70115 of such title  
21          46, United States Code; and

22          (5) carry out such other responsibilities as de-  
23          termined by the Secretary.

24          (d) SECURITY CLEARANCES.—The Secretary shall  
25 sponsor and expedite individuals participating in the joint

1 operations centers in gaining or maintaining their security  
2 clearances. Through the Captain of the Port, the Sec-  
3 retary may identify key individuals who should participate.  
4 In addition, the port or other entities may appeal to the  
5 Captain of the Port for sponsorship.

6 (e) SECURITY INCIDENTS.—During a transportation  
7 security incident involving the port, the Coast Guard Cap-  
8 tain of the Port designated by the Commandant of the  
9 Coast Guard in each joint operations center for maritime  
10 security shall act as the incident commander, unless other-  
11 wise directed under the National Response Plan.

12 (f) IMPLEMENTATION.—

13 (1) IN GENERAL.—Not later than 180 days  
14 after the date of enactment of this Act, the Sec-  
15 retary shall submit to the appropriate congressional  
16 committees an implementation plan for this section.

17 (2) CONTENTS.—The plan submitted under  
18 paragraph (1) shall describe, for each joint oper-  
19 ations center—

20 (A) the location;

21 (B) the specific participating entities;

22 (C) the implementation costs;

23 (D) the necessary resources for operation  
24 and maintenance, including the cost-sharing re-

1            requirements for other agencies and participants;  
2            and

3            (E) in the case of an existing joint oper-  
4            ations center, the enhancements to such center  
5            that are necessary to meet the requirements of  
6            subsection (d).

7    **SEC. 16. RESEARCH, DEVELOPMENT, TEST, AND EVALUA-**  
8            **TION.**

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

10            (1) direct research, development, test, and eval-  
11            uation efforts in furtherance of maritime and cargo  
12            security;

13            (2) encourage the ingenuity of the private sec-  
14            tor in developing and testing technologies and proc-  
15            ess innovations in furtherance of these objectives;  
16            and

17            (3) evaluate such technologies.

18            (b) COORDINATION.—The Secretary, acting through  
19            the Undersecretary for Science and Technology, in con-  
20            sultation with the Assistant Secretary for Policy, the Di-  
21            rector of Cargo Security Policy, the Director of the Do-  
22            mestic Nuclear Detection Office of the Department, and  
23            the Chief Financial Officer, shall ensure that—

24            (1) research, development, test, and evaluation  
25            efforts funded by the Department in furtherance of

1 maritime and cargo security are coordinated to avoid  
2 duplication of efforts; and

3 (2) the results of such efforts are shared  
4 throughout the Department, as appropriate.

5 (c) OPERATION SAFE COMMERCE.—

6 (1) IN GENERAL.—Not later than 1 year after  
7 the date of enactment of this Act, the Secretary  
8 shall initiate grant projects, as part of Operation  
9 Safe Commerce, that—

10 (A) integrate nonintrusive inspection and  
11 radiation detection equipment with automatic  
12 identification methods for containers, vessels,  
13 and vehicles;

14 (B) test physical access control protocols  
15 and technologies to include continuous tracking  
16 devices that provide real-time monitoring and  
17 reporting;

18 (C) create a data sharing network capable  
19 of transmitting data required by entities par-  
20 ticipating in the international supply chain from  
21 every intermodal transfer point to the National  
22 Targeting Center of the Department; and

23 (D) otherwise further maritime and cargo  
24 security, as determined by the Secretary.

1           (2) SUPPLY CHAIN SECURITY FOR SPECIAL  
2 CONTAINER AND NONCONTAINERIZED CARGO.—The  
3 Secretary shall consider demonstration projects that  
4 further the security of the international supply chain  
5 for special container cargo, including refrigerated  
6 containers, and noncontainerized cargo, including  
7 roll-on/roll-off, break-bulk, liquid, and dry bulk  
8 cargo.

9           (3) ANNUAL REPORT.—Not later than March 1  
10 of each year, the Secretary shall submit to the ap-  
11 propriate congressional committees a report detailing  
12 the results of Operation Safe Commerce.

13       (d) GREENLANE TECHNOLOGY.—The Secretary  
14 shall, not less frequently than once every 2 years—

15           (1) review the technology requirements and  
16 standards established under section 14; and

17           (2) test future supply chain visibility proce-  
18 dures, container security devices, and other systems  
19 as they become commercially available to track and  
20 secure containers and the smallest exterior pack-  
21 aging units loaded into containers.

22 **SEC. 17. PORT SECURITY GRANT PROGRAM.**

23       (a) GRANTS AUTHORIZED.—The Secretary shall es-  
24 tablish a grant program to allocate Federal financial as-

1 sistance to ports in the United States on the basis of risk  
2 and need.

3 (b) PRIORITIZATION PROCESS.—In awarding grants  
4 under this section, the Secretary shall conduct an assess-  
5 ment of ports in the United States to develop a  
6 prioritization for awarding grants authorized under sub-  
7 section (a) based upon—

8 (1) the most current risk assessment available  
9 from the Department;

10 (2) the national economic and strategic defense  
11 considerations of individual ports; and

12 (3) any other factors that the Secretary deter-  
13 mines to be appropriate.

14 (c) APPLICATION.—

15 (1) IN GENERAL.—Any entity subject to an  
16 Area Maritime Transportation Security Plan re-  
17 quired under section 70103(b) of title 46, United  
18 States Code, may submit an application for a grant  
19 under this section, at such time, in such form, and  
20 containing such information and assurances as the  
21 Secretary may require.

22 (2) MINIMUM STANDARDS FOR PAYMENT OR  
23 REIMBURSEMENT.—Each application submitted  
24 under paragraph (1) shall include—

25 (A) a comprehensive description of—

1 (i) the purpose of the project for  
2 which the applicant seeks a grant under  
3 this section and why the applicant needs  
4 the grant;

5 (ii) the applicability of the project to  
6 the Area Maritime Transportation Security  
7 Plan and other homeland security plans;

8 (iii) the methodology for coordinating  
9 the project into the security of the greater  
10 port area, as identified in the Area Mari-  
11 time Security Plan;

12 (iv) any existing cooperation or mu-  
13 tual aid agreements with other port facili-  
14 ties, vessels, organizations, or State, terri-  
15 torial, and local governments as such  
16 agreements relate to port security; and

17 (v) a capital budget showing how the  
18 applicant intends to allocate and expend  
19 the grant funds;

20 (B) a determination by the Captain of the  
21 Port that the project—

22 (i) addresses or corrects port security  
23 vulnerabilities identified by the Coast  
24 Guard, or through port security vulner-

1 ability assessments approved by the Sec-  
2 retary; and

3 (ii) helps to ensure compliance with  
4 the Area Maritime Transportation Security  
5 Plan.

6 (3) PROCEDURAL SAFEGUARDS.—The Sec-  
7 retary, in consultation with the Office of the Inspec-  
8 tor General and the Office of Grants and Training,  
9 shall issue guidelines to establish appropriate ac-  
10 counting, reporting, and review procedures to ensure  
11 that—

12 (A) grant funds are used for the purposes  
13 for which they were made available;

14 (B) grantees have properly accounted for  
15 all expenditures of grant funds; and

16 (C) grant funds not used for such purposes  
17 and amounts not obligated or expended are re-  
18 turned.

19 (d) USE OF FUNDS.—Grants awarded under this sec-  
20 tion may be used—

21 (1) to help implement Area Maritime Transpor-  
22 tation Security Plans required under section  
23 70103(b) of title 46, United States Code;

1           (2) to remedy port security vulnerabilities iden-  
2           tified through vulnerability assessments approved by  
3           the Secretary;

4           (3) for non-Federal projects contributing to the  
5           overall security of a port or a system of ports in the  
6           United States, as determined by the Secretary;

7           (4) for the salaries, benefits, overtime com-  
8           pensation, and other costs of additional security per-  
9           sonnel for State and local agencies for activities re-  
10          quired by the Area Maritime Security Plan for a  
11          port area if—

12                   (A) the Secretary increases the threat level  
13                   under the Homeland Security Advisory System  
14                   to Code Orange or Code Red;

15                   (B) the Commandant of the Coast Guard  
16                   raises the Maritime Security level to MARSEC  
17                   Level 2 or 3; or

18                   (C) the Secretary otherwise authorizes  
19                   such costs;

20          (5) for the cost of acquisition, operation, and  
21          maintenance of equipment that contributes to the  
22          overall security of the port area, as identified in the  
23          Area Maritime Security Plan, if the need is based  
24          upon vulnerability assessments approved by the Sec-

1       retary or identified in the Area Maritime Security  
2       Plan;

3             (6) to conduct vulnerability assessments ap-  
4       proved by the Secretary;

5             (7) to purchase or upgrade equipment, includ-  
6       ing computer software, to enhance terrorism pre-  
7       paredness;

8             (8) to conduct exercises to strengthen terrorism  
9       preparedness;

10            (9) to conduct training for prevention and de-  
11       tection of, preparedness for, response to, or recovery  
12       from attacks involving weapons of mass destruction,  
13       including training in the use of equipment and com-  
14       puter software;

15            (10) to establish or enhance mechanisms for  
16       sharing terrorism threat information;

17            (11) for the cost of equipment (including soft-  
18       ware) required to receive, transmit, handle, and  
19       store classified information;

20            (12) for the protection of critical infrastructure  
21       against potential attack by the addition of barriers,  
22       fences, gates, and other such devices, except that the  
23       cost of such measures may not exceed the greater  
24       of—

25                    (A) \$1,000,000 per project; or

1 (B) such greater amount as may be ap-  
2 proved by the Secretary, which may not exceed  
3 10 percent of the total amount of the grant;  
4 and

5 (13) to conduct port-wide exercises to strength-  
6 en emergency preparedness of Federal, State, terri-  
7 torial, and local officials responsible for port secu-  
8 rity, including law enforcement personnel and fire-  
9 fighters and other first responders, in support of the  
10 Area Maritime Security Plan.

11 (e) PROHIBITED USES.—Grants awarded under this  
12 section may not be used to—

13 (1) supplant State or local funds for activities  
14 of the type described in subsection (d);

15 (2) construct buildings or other physical facili-  
16 ties, acquire land; or

17 (3) make any State or local government cost-  
18 sharing contribution.

19 (f) MULTIPLE PHASE PROJECTS.—

20 (1) SENSE OF CONGRESS.—It is the sense of  
21 Congress that the Secretary should consider award-  
22 ing grants under this section for projects that span  
23 multiple years.

24 (2) FUNDING LIMITATION.—Not more than 20  
25 percent of the total grant funds awarded under this

1 section in any fiscal year may be awarded for  
2 projects that span multiple years.

3 (g) CONSISTENCY WITH PLANS.—The Secretary  
4 shall ensure that each grant awarded under this section  
5 —

6 (1) is used to supplement and support, in a  
7 consistent and coordinated manner, the applicable  
8 Area Maritime Transportation Security Plan; and

9 (2) is used to supplement and support any ap-  
10 plicable State or Urban Area Homeland Security  
11 Plan.

12 (h) COORDINATION AND COOPERATION.—The Sec-  
13 retary—

14 (1) shall ensure that all projects that receive  
15 grant funding under this section within any area de-  
16 fined in an Area Maritime Transportation Security  
17 Plan are coordinated with other projects in such  
18 area; and

19 (2) may require cooperative agreements among  
20 users of the port and port facilities with respect to  
21 projects funded under this section.

22 (i) AUDITS AND EXAMINATIONS.—All grantees under  
23 this section shall maintain such records as the Secretary  
24 may require and make such records available for review  
25 and audit by the Secretary, the Comptroller General of

1 the United States, or the Inspector General of the Depart-  
2 ment.

3 **SEC. 18. AUTHORIZATION OF APPROPRIATIONS.**

4 (a) IMPROVEMENTS TO AUTOMATED TARGETING  
5 SYSTEM.—There are authorized to be appropriated  
6 \$5,000,000 for each of the fiscal years 2007 through 2012  
7 to carry out the provisions of section 6.

8 (b) CONTAINER SECURITY INITIATIVE.—There are  
9 authorized to be appropriated \$196,000,000 for each of  
10 the fiscal years 2007 through 2012 to carry out the provi-  
11 sions of section 12.

12 (c) CUSTOMS-TRADE PARTNERSHIP AGAINST TER-  
13 RORISM.—There are authorized to be appropriated  
14 \$75,000,000 for each of the fiscal years 2007 through  
15 2012 to carry out the provisions of sections 13 and 14.

16 (d) JOINT OPERATIONS CENTERS.—

17 (1) IN GENERAL.—There are authorized to be  
18 appropriated \$100,000,000 for each of the fiscal  
19 years 2007 through 2012 to carry out the provisions  
20 of section 15.

21 (2) BUDGET ANALYSIS.—Not later than 180  
22 days after the date of enactment of this Act, the  
23 Secretary shall submit to the appropriate congres-  
24 sional committees a budget analysis for imple-  
25 menting the provisions of section 15, including addi-

1 tional cost-sharing arrangements with other Federal  
2 departments and other participants involved in the  
3 joint operation centers.

4 (e) OPERATION SAFE COMMERCE.—There are au-  
5 thorized to be appropriated \$25,000,000 for each of fiscal  
6 years 2007 through 2012 to carry out the provisions of  
7 section 16(c).

8 (f) PORT SECURITY GRANT PROGRAM.—

9 (1) IN GENERAL.—There are authorized to be  
10 appropriated \$400,000,000 for each of fiscal years  
11 2007 through 2012 to carry out the grant program  
12 established under section 17.

13 (2) SOURCE OF FUNDS.—Amounts authorized  
14 to be appropriated under paragraph (1) shall origi-  
15 nate from duties collected by U.S. Customs and Bor-  
16 der Protection.

17 (g) OTHER PROVISIONS.—There are authorized to be  
18 appropriated such sums as may be necessary for each of  
19 fiscal years 2007 through 2012 to carry out the provisions  
20 of this Act not otherwise provided for under this section.

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