

## Union Calendar No. 80

114TH CONGRESS  
1ST SESSION

# H. R. 1907

**[Report No. 114–114, Part I]**

To reauthorize trade facilitation and trade enforcement functions and activities, and for other purposes.

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### IN THE HOUSE OF REPRESENTATIVES

APRIL 21, 2015

Mr. TIBERI introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committees on Homeland Security, Foreign Affairs, Financial Services, and the Judiciary, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

MAY 14, 2015

Additional sponsors: Mr. BRADY of Texas and Mr. BOUSTANY

MAY 14, 2015

Reported from the Committee on Ways and Means with an amendment

[Strike out all after the enacting clause and insert the part printed in *italic*]

MAY 14, 2015

The Committees on Homeland Security, Foreign Affairs, Financial Services, and the Judiciary discharged; committed to the Committee of the Whole House on the State of the Union and ordered to be printed

[For text of introduced bill, see copy of bill as introduced on April 21, 2015]

# **A BILL**

To reauthorize trade facilitation and trade enforcement  
functions and activities, 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,*

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

4        (a) *SHORT TITLE.*—*This Act may be cited as the*  
 5        *“Trade Facilitation and Trade Enforcement Act of 2015”.*

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.*

**TITLE I—TRADE FACILITATION AND TRADE ENFORCEMENT**

*Sec. 101. Improving partnership programs.*

*Sec. 102. Report on effectiveness of trade enforcement activities.*

*Sec. 103. Priorities and performance standards for customs modernization, trade  
 facilitation, and trade enforcement functions and programs.*

*Sec. 104. Educational seminars to improve efforts to classify and appraise im-  
 ported articles, to improve trade enforcement efforts, and to oth-  
 erwise facilitate legitimate international trade.*

*Sec. 105. Joint strategic plan.*

*Sec. 106. Automated Commercial Environment.*

*Sec. 107. International Trade Data System.*

*Sec. 108. Consultations with respect to mutual recognition arrangements.*

*Sec. 109. Commercial Customs Operations Advisory Committee.*

*Sec. 110. Centers of Excellence and Expertise.*

*Sec. 111. Commercial Targeting Division and National Targeting and Analysis  
 Groups.*

*Sec. 112. Report on oversight of revenue protection and enforcement measures.*

*Sec. 113. Report on security and revenue measures with respect to merchandise  
 transported in bond.*

*Sec. 114. Importer of record program.*

*Sec. 115. Establishment of new importer program.*

*Sec. 116. Customs broker identification of importers.*

*Sec. 117. Requirements applicable to non-resident importers.*

**TITLE II—IMPORT HEALTH AND SAFETY**

*Sec. 201. Interagency import safety working group.*

*Sec. 202. Joint import safety rapid response plan.*

*Sec. 203. Training.*

**TITLE III—IMPORT-RELATED PROTECTION OF INTELLECTUAL  
 PROPERTY RIGHTS**

*Sec. 301. Definition of intellectual property rights.*

*Sec. 302. Exchange of information related to trade enforcement.*

*Sec. 303. Seizure of circumvention devices.*

- Sec. 304. Enforcement by U.S. Customs and Border Protection of works for which copyright registration is pending.*
- Sec. 305. National Intellectual Property Rights Coordination Center.*
- Sec. 306. Joint strategic plan for the enforcement of intellectual property rights.*
- Sec. 307. Personnel dedicated to the enforcement of intellectual property rights.*
- Sec. 308. Training with respect to the enforcement of intellectual property rights.*
- Sec. 309. International cooperation and information sharing.*
- Sec. 310. Report on intellectual property rights enforcement.*
- Sec. 311. Information for travelers regarding violations of intellectual property rights.*

#### **TITLE IV—PREVENTION OF EVASION OF ANTIDUMPING AND COUNTERVAILING DUTY ORDERS**

- Sec. 401. Short title.*
- Sec. 402. Definitions.*
- Sec. 403. Application to Canada and Mexico.*

##### **Subtitle A—Actions Relating to Enforcement of Trade Remedy Laws**

- Sec. 411. Trade remedy law enforcement division.*
- Sec. 412. Collection of information on evasion of trade remedy laws.*
- Sec. 413. Access to information.*
- Sec. 414. Cooperation with foreign countries on preventing evasion of trade remedy laws.*
- Sec. 415. Trade negotiating objectives.*

##### **Subtitle B—Investigation of Evasion of Trade Remedy Laws**

- Sec. 421. Procedures for investigation of evasion of antidumping and countervailing duty orders.*
- Sec. 422. Government Accountability Office report.*

##### **Subtitle C—Other Matters**

- Sec. 431. Allocation and training of personnel.*
- Sec. 432. Annual report on prevention of evasion of antidumping and countervailing duty orders.*
- Sec. 433. Addressing circumvention by new shippers.*

#### **TITLE V—ADDITIONAL ENFORCEMENT PROVISIONS**

- Sec. 501. Trade enforcement priorities.*
- Sec. 502. Exercise of WTO authorization to suspend concessions or other obligations under trade agreements.*
- Sec. 503. Trade monitoring.*

#### **TITLE VI—MISCELLANEOUS PROVISIONS**

- Sec. 601. De minimis value.*
- Sec. 602. Consultation on trade and customs revenue functions.*
- Sec. 603. Penalties for customs brokers.*
- Sec. 604. Amendments to chapter 98 of the Harmonized Tariff Schedule of the United States.*
- Sec. 605. Exemption from duty of residue of bulk cargo contained in instruments of international traffic previously exported from the United States.*
- Sec. 606. Drawback and refunds.*

*Sec. 607. Office of the United States Trade Representative.*

*Sec. 608. United States-Israel Trade and Commercial Enhancement.*

*Sec. 609. Elimination of consumptive demand exception to prohibition on importation of goods made with convict labor, forced labor, or indentured labor; report.*

*Sec. 610. Customs user fees.*

*Sec. 611. Report on certain U.S. Customs and Border Protection agreements.*

*Sec. 612. Certain interest to be included in distributions under Continued Dumping and Subsidy Offset Act of 2000 .*

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

2 *In this Act:*

3 (1) *AUTOMATED COMMERCIAL ENVIRONMENT.*—

4 *The term “Automated Commercial Environment”*  
 5 *means the Automated Commercial Environment com-*  
 6 *puter system authorized under section 13031(f)(4) of*  
 7 *the Consolidated Omnibus Budget Reconciliation Act*  
 8 *of 1985 (19 U.S.C. 58c(f)(4)).*

9 (2) *COMMISSIONER.*—*The term “Commissioner”*  
 10 *means the Commissioner responsible for U.S. Customs*  
 11 *and Border Protection.*

12 (3) *CUSTOMS AND TRADE LAWS OF THE UNITED*  
 13 *STATES.*—*The term “customs and trade laws of the*  
 14 *United States” includes the following:*

15 (A) *The Tariff Act of 1930 (19 U.S.C. 1202*  
 16 *et seq.).*

17 (B) *Section 249 of the Revised Statutes (19*  
 18 *U.S.C. 3).*

19 (C) *Section 2 of the Act of March 4, 1923*  
 20 *(42 Stat. 1453, chapter 251; 19 U.S.C. 6).*

1           (D) *The Act of March 3, 1927 (44 Stat.*  
2           *1381, chapter 348; 19 U.S.C. 2071 et seq.).*

3           (E) *Section 13031 of the Consolidated Om-*  
4           *nibus Budget Reconciliation Act of 1985 (19*  
5           *U.S.C. 58c).*

6           (F) *Section 251 of the Revised Statutes (19*  
7           *U.S.C. 66).*

8           (G) *Section 1 of the Act of June 26, 1930*  
9           *(46 Stat. 817, chapter 617; 19 U.S.C. 68).*

10          (H) *The Foreign Trade Zones Act (19*  
11          *U.S.C. 81a et seq.).*

12          (I) *Section 1 of the Act of March 2, 1911*  
13          *(36 Stat. 965, chapter 191; 19 U.S.C. 198).*

14          (J) *The Trade Act of 1974 (19 U.S.C. 2102*  
15          *et seq.).*

16          (K) *The Trade Agreements Act of 1979 (19*  
17          *U.S.C. 2501 et seq.).*

18          (L) *The North American Free Trade Agree-*  
19          *ment Implementation Act (19 U.S.C. 3301 et*  
20          *seq.).*

21          (M) *The Uruguay Round Agreements Act*  
22          *(19 U.S.C. 3501 et seq.).*

23          (N) *The Caribbean Basin Economic Recov-*  
24          *ery Act (19 U.S.C. 2701 et seq.).*

1           (O) *The Andean Trade Preference Act* (19  
2       U.S.C. 3201 *et seq.*).

3           (P) *The African Growth and Opportunity*  
4       *Act* (19 U.S.C. 3701 *et seq.*).

5           (Q) *The Customs Enforcement Act of 1986*  
6       *(Public Law 99–570; 100 Stat. 3207–79).*

7           (R) *The Customs and Trade Act of 1990*  
8       *(Public Law 101–382; 104 Stat. 629).*

9           (S) *The Customs Procedural Reform and*  
10       *Simplification Act of 1978 (Public Law 95–410;*  
11       *92 Stat. 888).*

12          (T) *The Trade Act of 2002 (Public Law*  
13       *107–210; 116 Stat. 933).*

14          (U) *The Convention on Cultural Property*  
15       *Implementation Act* (19 U.S.C. 2601 *et seq.*).

16          (V) *The Act of March 28, 1928 (45 Stat.*  
17       *374, chapter 266; 19 U.S.C. 2077 et seq.).*

18          (W) *The Act of August 7, 1939 (53 Stat.*  
19       *1263, chapter 566).*

20          (X) *Any other provision of law imple-*  
21       *menting a trade agreement.*

22          (Y) *Any other provision of law vesting cus-*  
23       *toms revenue functions in the Secretary of the*  
24       *Treasury.*

1           (Z) *Any other provision of law relating to*  
2           *trade facilitation or trade enforcement that is*  
3           *administered by U.S. Customs and Border Pro-*  
4           *tection on behalf of any Federal agency that is*  
5           *required to participate in the International*  
6           *Trade Data System.*

7           (AA) *Any other provision of customs or*  
8           *trade law administered by U.S. Customs and*  
9           *Border Protection or U.S. Immigration and Cus-*  
10          *toms Enforcement.*

11          (4) *PRIVATE SECTOR ENTITY.*—*The term “pri-*  
12          *vate sector entity” means—*

13               (A) *an importer;*

14               (B) *an exporter;*

15               (C) *a forwarder;*

16               (D) *an air, sea, or land carrier or shipper;*

17               (E) *a contract logistics provider;*

18               (F) *a customs broker; or*

19               (G) *any other person (other than an em-*  
20               *ployee of a government) affected by the imple-*  
21               *mentation of the customs and trade laws of the*  
22               *United States.*

23          (5) *TRADE ENFORCEMENT.*—*The term “trade en-*  
24          *forcement” means the enforcement of the customs and*  
25          *trade laws of the United States.*



1           (6) *TRADE FACILITATION.*—*The term “trade fa-*  
2           *cilitation” refers to policies and activities of U.S.*  
3           *Customs and Border Protection with respect to facili-*  
4           *tating the movement of merchandise into and out of*  
5           *the United States in a manner that complies with the*  
6           *customs and trade laws of the United States.*

7           ***TITLE I—TRADE FACILITATION***  
8           ***AND TRADE ENFORCEMENT***

9           ***SEC. 101. IMPROVING PARTNERSHIP PROGRAMS.***

10          (a) *IN GENERAL.*—*In order to advance the security,*  
11          *trade enforcement, and trade facilitation missions of U.S.*  
12          *Customs and Border Protection, the Commissioner shall en-*  
13          *sure that partnership programs of U.S. Customs and Bor-*  
14          *der Protection established before the date of the enactment*  
15          *of this Act, such as the Customs–Trade Partnership Against*  
16          *Terrorism established under subtitle B of title II of the Se-*  
17          *curity and Accountability for Every Port Act of 2006 (6*  
18          *U.S.C. 961 et seq.), and partnership programs of U.S. Cus-*  
19          *toms and Border Protection established after such date of*  
20          *enactment, provide trade benefits to private sector entities*  
21          *that meet the requirements for participation in those pro-*  
22          *grams established by the Commissioner under this section.*  
23          (b) *ELEMENTS.*—*In developing and operating partner-*  
24          *ship programs under subsection (a), the Commissioner*  
25          *shall—*

1           (1) *consult with private sector entities, the pub-*  
2           *lic, and other Federal agencies when appropriate, to*  
3           *ensure that participants in those programs receive*  
4           *commercially significant and measurable trade bene-*  
5           *fits, including providing pre-clearance of merchandise*  
6           *for qualified persons that demonstrate the highest lev-*  
7           *els of compliance with the customs and trade laws of*  
8           *the United States, regulations of U.S. Customs and*  
9           *Border Protection, and other requirements the Com-*  
10          *missioner determines to be necessary;*

11          (2) *ensure an integrated and transparent system*  
12          *of trade benefits and compliance requirements for all*  
13          *partnership programs of U.S. Customs and Border*  
14          *Protection;*

15          (3) *consider consolidating partnership programs*  
16          *in situations in which doing so would support the ob-*  
17          *jectives of such programs, increase participation in*  
18          *such programs, enhance the trade benefits provided to*  
19          *participants in such programs, and enhance the allo-*  
20          *cation of the resources of U.S. Customs and Border*  
21          *Protection;*

22          (4) *coordinate with the Director of U.S. Immi-*  
23          *gration and Customs Enforcement, and other Federal*  
24          *agencies with authority to detain and release mer-*  
25          *chandise entering the United States—*

1           (A) to ensure coordination in the release of  
2           such merchandise through the Automated Com-  
3           mercial Environment, or its predecessor, and the  
4           International Trade Data System;

5           (B) to ensure that the partnership programs  
6           of those agencies are compatible with the part-  
7           nership programs of U.S. Customs and Border  
8           Protection;

9           (C) to develop criteria for authorizing the  
10          release, on an expedited basis, of merchandise for  
11          which documentation is required from one or  
12          more of those agencies to clear or license the mer-  
13          chandise for entry into the United States; and

14          (D) to create pathways, within and among  
15          the appropriate Federal agencies, for qualified  
16          persons that demonstrate the highest levels of  
17          compliance to receive immediate clearance absent  
18          information that a transaction may pose a na-  
19          tional security or compliance threat; and

20          (5) ensure that trade benefits are provided to  
21          participants in partnership programs.

22          (c) *REPORT REQUIRED.*—Not later than the date that  
23          is 180 days after the date of the enactment of this Act, and  
24          December 31 of each year thereafter, the Commissioner shall  
25          submit to the Committee on Finance of the Senate and the

1 *Committee on Ways and Means of the House of Representa-*  
2 *tives a report that—*

3 *(1) identifies each partnership program referred*  
4 *to in subsection (a);*

5 *(2) for each such program, identifies—*

6 *(A) the requirements for participants in the*  
7 *program;*

8 *(B) the commercially significant and meas-*  
9 *urable trade benefits provided to participants in*  
10 *the program;*

11 *(C) the number of participants in the pro-*  
12 *gram; and*

13 *(D) in the case of a program that provides*  
14 *for participation at multiple tiers, the number of*  
15 *participants at each such tier;*

16 *(3) identifies the number of participants enrolled*  
17 *in more than one such partnership program;*

18 *(4) assesses the effectiveness of each such partner-*  
19 *ship program in advancing the security, trade en-*  
20 *forcement, and trade facilitation missions of U.S.*  
21 *Customs and Border Protection, based on historical*  
22 *developments, the level of participation in the pro-*  
23 *gram, and the evolution of benefits provided to par-*  
24 *ticipants in the program;*

1           (5) summarizes the efforts of U.S. Customs and  
2           Border Protection to work with other Federal agencies  
3           with authority to detain and release merchandise en-  
4           tering the United States to ensure that partnership  
5           programs of those agencies are compatible with part-  
6           nership programs of U.S. Customs and Border Pro-  
7           tection;

8           (6) summarizes criteria developed with those  
9           agencies for authorizing the release, on an expedited  
10          basis, of merchandise for which documentation is re-  
11          quired from one or more of those agencies to clear or  
12          license the merchandise for entry into the United  
13          States;

14          (7) summarizes the efforts of U.S. Customs and  
15          Border Protection to work with private sector entities  
16          and the public to develop and improve partnership  
17          programs referred to in subsection (a);

18          (8) describes measures taken by U.S. Customs  
19          and Border Protection to make private sector entities  
20          aware of the trade benefits available to participants  
21          in such programs; and

22          (9) summarizes the plans, targets, and goals of  
23          U.S. Customs and Border Protection with respect to  
24          such programs for the 2 years following the submis-  
25          sion of the report.

1 **SEC. 102. REPORT ON EFFECTIVENESS OF TRADE ENFORCE-**  
2 **MENT ACTIVITIES.**

3 (a) *IN GENERAL.*—Not later than one year after the  
4 date of the enactment of this Act, the Comptroller General  
5 of the United States shall submit to the Committee on Fi-  
6 nance of the Senate and the Committee on Ways and Means  
7 of the House of Representatives a report on the effectiveness  
8 of trade enforcement activities of U.S. Customs and Border  
9 Protection.

10 (b) *CONTENTS.*—The report required by subsection (a)  
11 shall include—

12 (1) a description of the use of resources, results  
13 of audits and verifications, targeting, organization,  
14 and training of personnel of U.S. Customs and Bor-  
15 der Protection; and

16 (2) a description of trade enforcement activities  
17 to address undervaluation, transshipment, legitimacy  
18 of entities making entry, protection of revenues, fraud  
19 prevention and detection, and penalties, including in-  
20 tentional misclassification, inadequate bonding, and  
21 other misrepresentations.

22 **SEC. 103. PRIORITIES AND PERFORMANCE STANDARDS FOR**  
23 **CUSTOMS MODERNIZATION, TRADE FACILITA-**  
24 **TION, AND TRADE ENFORCEMENT FUNC-**  
25 **TIONS AND PROGRAMS.**

26 (a) *PRIORITIES AND PERFORMANCE STANDARDS.*—

1           (1) *IN GENERAL.*—*The Commissioner, in con-*  
2           *sultation with the Committee on Finance of the Sen-*  
3           *ate and the Committee on Ways and Means of the*  
4           *House of Representatives, shall establish priorities*  
5           *and performance standards to measure the develop-*  
6           *ment and levels of achievement of the customs mod-*  
7           *ernization, trade facilitation, and trade enforcement*  
8           *functions and programs described in subsection (b).*

9           (2) *MINIMUM PRIORITIES AND STANDARDS.*—  
10          *Such priorities and performance standards shall, at*  
11          *a minimum, include priorities and standards relating*  
12          *to efficiency, outcome, output, and other types of ap-*  
13          *plicable measures.*

14          (b) *FUNCTIONS AND PROGRAMS DESCRIBED.*—*The*  
15          *functions and programs referred to in subsection (a) are*  
16          *the following:*

17               (1) *The Automated Commercial Environment.*

18               (2) *Each of the priority trade issues described in*  
19               *paragraph (3)(B)(ii) of section 2(d) of the Act of*  
20               *March 3, 1927 (44 Stat. 1381, chapter 348; 19 U.S.C.*  
21               *2072(d)), as added by section 111(a) of this Act.*

22               (3) *The Centers of Excellence and Expertise de-*  
23               *scribed in section 110 of this Act.*

1           (4) *Drawback for exported merchandise under*  
 2           *section 313 of the Tariff Act of 1930 (19 U.S.C.*  
 3           *1313), as amended by section 406 of this Act.*

4           (5) *Transactions relating to imported merchan-*  
 5           *dise in bond.*

6           (6) *Collection of countervailing duties assessed*  
 7           *under subtitle A of title VII of the Tariff Act of 1930*  
 8           *(19 U.S.C. 1671 et seq.) and antidumping duties as-*  
 9           *essed under subtitle B of title VII of the Tariff Act*  
 10          *of 1930 (19 U.S.C. 1673 et seq.).*

11          (7) *The expedited clearance of cargo.*

12          (8) *The issuance of regulations and rulings.*

13          (9) *The issuance of Regulatory Audit Reports.*

14          (c) *CONSULTATIONS AND NOTIFICATION.—*

15               (1) *CONSULTATIONS.—The consultations re-*  
 16               *quired by subsection (a)(1) shall occur, at a min-*  
 17               *imum, on an annual basis.*

18               (2) *NOTIFICATION.—The Commissioner shall no-*  
 19               *tify the Committee on Finance of the Senate and the*  
 20               *Committee on Ways and Means of the House of Rep-*  
 21               *resentatives of any changes to the priorities referred*  
 22               *to in subsection (a) not later than 30 days before such*  
 23               *changes are to take effect.*



1 **SEC. 104. EDUCATIONAL SEMINARS TO IMPROVE EFFORTS**  
2 **TO CLASSIFY AND APPRAISE IMPORTED ARTI-**  
3 **CLES, TO IMPROVE TRADE ENFORCEMENT EF-**  
4 **FORTS, AND TO OTHERWISE FACILITATE LE-**  
5 **GITIMATE INTERNATIONAL TRADE.**

6 (a) *IN GENERAL.*—

7 (1) *ESTABLISHMENT.*—*The Commissioner and*  
8 *the Director shall establish and carry out on a fiscal*  
9 *year basis educational seminars to—*

10 (A) *improve the ability of U.S. Customs*  
11 *and Border Protection personnel to classify and*  
12 *appraise articles imported into the United States*  
13 *in accordance with the customs and trade laws*  
14 *of the United States;*

15 (B) *improve the trade enforcement efforts of*  
16 *U.S. Customs and Border Protection personnel*  
17 *and U.S. Immigration and Customs Enforce-*  
18 *ment personnel; and*

19 (C) *otherwise improve the ability and effec-*  
20 *tiveness of U.S. Customs and Border Protection*  
21 *personnel and U.S. Immigration and Customs*  
22 *Enforcement personnel to facilitate legitimate*  
23 *international trade.*

24 (b) *CONTENT.*—

25 (1) *CLASSIFYING AND APPRAISING IMPORTED AR-*  
26 *TICLES.*—*In carrying out subsection (a)(1)(A), the*

1     *Commissioner, the Director, and interested parties in*  
2     *the private sector selected under subsection (c) shall*  
3     *provide instruction and related instructional mate-*  
4     *rials at each educational seminar under this section*  
5     *to U.S. Customs and Border Protection personnel*  
6     *and, as appropriate, to U.S. Immigration and Cus-*  
7     *toms Enforcement personnel on the following:*

8             *(A) Conducting a physical inspection of an*  
9             *article imported into the United States, includ-*  
10            *ing testing of samples of the article, to determine*  
11            *if the article is mislabeled in the manifest or*  
12            *other accompanying documentation.*

13            *(B) Reviewing the manifest and other ac-*  
14            *companying documentation of an article im-*  
15            *ported into the United States to determine if the*  
16            *country of origin of the article listed in the*  
17            *manifest or other accompanying documentation*  
18            *is accurate.*

19            *(C) Customs valuation.*

20            *(D) Industry supply chains and other re-*  
21            *lated matters as determined to be appropriate by*  
22            *the Commissioner.*

23            *(2) TRADE ENFORCEMENT EFFORTS.—In car-*  
24            *rying out subsection (a)(1)(B), the Commissioner, the*  
25            *Director, and interested parties in the private sector*

1     *selected under subsection (c) shall provide instruction*  
 2     *and related instructional materials at each edu-*  
 3     *cational seminar under this section to U.S. Customs*  
 4     *and Border Protection personnel and, as appropriate,*  
 5     *to U.S. Immigration and Customs Enforcement per-*  
 6     *sonnel to identify opportunities to enhance enforce-*  
 7     *ment of the following:*

8             *(A) Collection of countervailing duties as-*  
 9             *essed under subtitle A of title VII of the Tariff*  
 10            *Act of 1930 (19 U.S.C. 1671 et seq.) and anti-*  
 11            *dumping duties assessed under subtitle B of title*  
 12            *VII of the Tariff Act of 1930 (19 U.S.C. 1673 et*  
 13            *seq.).*

14            *(B) Addressing evasion of duties on imports*  
 15            *of textiles.*

16            *(C) Protection of intellectual property*  
 17            *rights.*

18            *(D) Enforcement of child labor laws.*

19            *(3) APPROVAL OF COMMISSIONER AND DIREC-*  
 20            *TOR.—The instruction and related instructional ma-*  
 21            *terials at each educational seminar under this section*  
 22            *shall be subject to the approval of the Commissioner*  
 23            *and the Director.*

24            *(c) SELECTION PROCESS.—*

1           (1) *IN GENERAL.*—*The Commissioner shall estab-*  
 2           *lish a process to solicit, evaluate, and select interested*  
 3           *parties in the private sector for purposes of assisting*  
 4           *in providing instruction and related instructional*  
 5           *materials described in subsection (b) at each edu-*  
 6           *cational seminar under this section.*

7           (2) *CRITERIA.*—*The Commissioner shall evaluate*  
 8           *and select interested parties in the private sector*  
 9           *under the process established under paragraph (1)*  
 10          *based on—*

11                   (A) *availability and usefulness;*

12                   (B) *the volume, value, and incidence of*  
 13                   *mislabeling or misidentification of origin of im-*  
 14                   *ported articles; and*

15                   (C) *other appropriate criteria established by*  
 16                   *the Commissioner.*

17          (3) *PUBLIC AVAILABILITY.*—*The Commissioner*  
 18          *and the Director shall publish in the Federal Register*  
 19          *a detailed description of the process established under*  
 20          *paragraph (1) and the criteria established under*  
 21          *paragraph (2).*

22          (d) *SPECIAL RULE FOR ANTIDUMPING AND COUNTER-*  
 23          *VAILING DUTY ORDERS.*—

24                (1) *IN GENERAL.*—*The Commissioner shall give*  
 25                *due consideration to carrying out an educational*

1        *seminar under this section in whole or in part to im-*  
2        *prove the ability of U.S. Customs and Border Protec-*  
3        *tion personnel to enforce a countervailing or anti-*  
4        *dumping duty order issued under section 706 or 736*  
5        *of the Tariff Act of 1930 (19 U.S.C. 1671e or 1673e)*  
6        *upon the request of a petitioner in an action under-*  
7        *lying such countervailing or antidumping duty order.*

8                (2) *INTERESTED PARTY.*—*A petitioner described*  
9        *in paragraph (1) shall be treated as an interested*  
10       *party in the private sector for purposes of the require-*  
11       *ments of this section.*

12               (e) *PERFORMANCE STANDARDS.*—*The Commissioner*  
13       *and the Director shall establish performance standards to*  
14       *measure the development and level of achievement of edu-*  
15       *cational seminars under this section.*

16               (f) *REPORTING.*—*Beginning September 30, 2016, the*  
17       *Commissioner and the Director shall submit to the Com-*  
18       *mittee of Finance of the Senate and the Committee of Ways*  
19       *and Means of the House of Representatives an annual re-*  
20       *port on the effectiveness of educational seminars under this*  
21       *section.*

22               (g) *DEFINITIONS.*—*In this section:*

23                        (1) *DIRECTOR.*—*The term “Director” means the*  
24       *Director of U.S. Immigration and Customs Enforce-*  
25       *ment.*

1           (2) *UNITED STATES.*—*The term “United States”*  
2           *means the customs territory of the United States, as*  
3           *defined in General Note 2 to the Harmonized Tariff*  
4           *Schedule of the United States.*

5           (3) *U.S. CUSTOMS AND BORDER PROTECTION*  
6           *PERSONNEL.*—*The term “U.S. Customs and Border*  
7           *Protection personnel” means import specialists, audi-*  
8           *tors, and other appropriate employees of the U.S.*  
9           *Customs and Border Protection.*

10          (4) *U.S. IMMIGRATION AND CUSTOMS ENFORCE-*  
11          *MENT PERSONNEL.*—*The term “U.S. Immigrations*  
12          *and Customs Enforcement personnel” means Home-*  
13          *land Security Investigations Directorate personnel*  
14          *and other appropriate employees of U.S. Immigra-*  
15          *tions and Customs Enforcement.*

16 **SEC. 105. JOINT STRATEGIC PLAN.**

17          (a) *IN GENERAL.*—*Not later than one year after the*  
18          *date of the enactment of this Act, and every 2 years there-*  
19          *after, the Commissioner and the Director of U.S. Immigra-*  
20          *tion and Customs Enforcement shall jointly develop and*  
21          *submit to the Committee on Finance of the Senate and the*  
22          *Committee on Ways and Means of the House of Representa-*  
23          *tives, a joint strategic plan.*

24          (b) *CONTENTS.*—*The joint strategic plan required*  
25          *under this section shall be comprised of a comprehensive*

1 *multi-year plan for trade enforcement and trade facilita-*  
2 *tion, and shall include—*

3           (1) *a summary of actions taken during the 2-*  
4 *year period preceding the submission of the plan to*  
5 *improve trade enforcement and trade facilitation, in-*  
6 *cluding a description and analysis of specific per-*  
7 *formance measures to evaluate the progress of U.S.*  
8 *Customs and Border Protection and U.S. Immigra-*  
9 *tion and Customs Enforcement in meeting each such*  
10 *responsibility;*

11           (2) *a statement of objectives and plans for fur-*  
12 *ther improving trade enforcement and trade facilita-*  
13 *tion;*

14           (3) *a specific identification of the priority trade*  
15 *issues described in paragraph (3)(B)(ii) of section*  
16 *2(d) of the Act of March 3, 1927 (44 Stat. 1381,*  
17 *chapter 348; 19 U.S.C. 2072(d)), as added by section*  
18 *111(a) of this Act, that can be addressed in order to*  
19 *enhance trade enforcement and trade facilitation, and*  
20 *a description of strategies and plans for addressing*  
21 *each such issue;*

22           (4) *a description of efforts made to improve con-*  
23 *sultation and coordination among and within Fed-*  
24 *eral agencies, and in particular between U.S. Cus-*  
25 *toms and Border Protection and U.S. Immigration*

1       *and Customs Enforcement, regarding trade enforce-*  
2       *ment and trade facilitation;*

3           (5) *a description of the training that has oc-*  
4       *curred to date within U.S. Customs and Border Pro-*  
5       *tection and U.S. Immigration and Customs Enforce-*  
6       *ment to improve trade enforcement and trade facilita-*  
7       *tion, including training under section 104 of this Act;*

8           (6) *a description of efforts to work with the*  
9       *World Customs Organization and other international*  
10      *organizations, in consultation with other Federal*  
11      *agencies as appropriate, with respect to enhancing*  
12      *trade enforcement and trade facilitation;*

13          (7) *a description of U.S. Custom and Border*  
14      *Protection organizational benchmarks for optimizing*  
15      *staffing and wait times at ports of entry;*

16          (8) *a specific identification of any domestic or*  
17      *international best practices that may further improve*  
18      *trade enforcement and trade facilitation;*

19          (9) *any legislative recommendations to further*  
20      *improve trade enforcement and trade facilitation; and*

21          (10) *a description of efforts made to improve*  
22      *consultation and coordination with the private sector*  
23      *to enhance trade enforcement and trade facilitation.*

24      (c) *CONSULTATIONS.—*



1           (1) *IN GENERAL.*—*In developing the joint stra-*  
2           *tegic plan required under this section, the Commis-*  
3           *sioner and the Director shall consult with—*

4                     (A) *appropriate officials from the relevant*  
5           *Federal agencies, including—*

6                             (i) *the Department of the Treasury;*

7                             (ii) *the Department of Agriculture;*

8                             (iii) *the Department of Commerce;*

9                             (iv) *the Department of Justice;*

10                            (v) *the Department of the Interior;*

11                           (vi) *the Department of Health and*  
12           *Human Services;*

13                           (vii) *the Food and Drug Administra-*  
14           *tion;*

15                           (viii) *the Consumer Product Safety*  
16           *Commission; and*

17                           (ix) *the Office of the United States*  
18           *Trade Representative; and*

19                     (B) *the Commercial Customs Operations*  
20           *Advisory Committee established by section 109 of*  
21           *this Act.*

22           (2) *OTHER CONSULTATIONS.*—*In developing the*  
23           *joint strategic plan required under this section, the*  
24           *Commissioner and the Director shall seek to consult*  
25           *with—*

(A) appropriate officials from relevant foreign law enforcement agencies and international organizations, including the World Customs Organization; and

(B) interested parties in the private sector.

**SEC. 106. AUTOMATED COMMERCIAL ENVIRONMENT.**

(a) *FUNDING.*—Section 13031(f)(4)(B) of the Consolidated Omnibus Budget Reconciliation Act of 1985 (19 U.S.C. 58c(f)(4)(B)) is amended—

(1) by striking “2003 through 2005” and inserting “2016 through 2018”;

(2) by striking “such amounts as are available in that Account” and inserting “not less than \$153,736,000”; and

(3) by striking “for the development” and inserting “to complete the development and implementation”.

(b) *REPORT.*—Section 311(b)(3) of the Customs Border Security Act of 2002 (19 U.S.C. 2075 note) is amended to read as follows:

“(3) *REPORT.*—

“(A) *IN GENERAL.*—Not later than December 31, 2016, the Commissioner responsible for U.S. Customs and Border Protection shall submit to the Committee on Appropriations and the

1       *Committee on Finance of the Senate and the*  
2       *Committee on Appropriations and the Com-*  
3       *mittee on Ways and Means of the House of Rep-*  
4       *resentatives a report detailing—*

5               “(i) *U.S. Customs and Border Protec-*  
6               *tion’s incorporation of all core trade proc-*  
7               *essing capabilities, including cargo release,*  
8               *entry summary, cargo manifest, cargo fi-*  
9               *nancial data, and export data elements into*  
10              *the Automated Commercial Environment*  
11              *computer system authorized under section*  
12              *13031(f)(4) of the Consolidated Omnibus*  
13              *Budget and Reconciliation Act of 1985 (19*  
14              *U.S.C. 58c(f)(4)) not later than September*  
15              *30, 2016, to conform with the admissibility*  
16              *criteria of agencies participating in the*  
17              *International Trade Data System identified*  
18              *pursuant to section 411(d)(4)(A)(iii) of the*  
19              *Tariff Act of 1930;*

20              “(ii) *U.S. Customs and Border Protec-*  
21              *tion’s remaining priorities for processing*  
22              *entry summary data elements, cargo mani-*  
23              *fest data elements, cargo financial data ele-*  
24              *ments, and export elements in the Auto-*  
25              *mated Commercial Environment computer*

1           *system, and the objectives and plans for im-*  
2           *plementing these remaining priorities;*

3           “(iii) *the components of the National*  
4           *Customs Automation Program specified in*  
5           *subsection (a)(2) of section 411 of the Tariff*  
6           *Act of 1930 that have not been imple-*  
7           *mented; and*

8           “(iv) *any additional components of the*  
9           *National Customs Automation Program*  
10           *initiated by the Commissioner to complete*  
11           *the development, establishment, and imple-*  
12           *mentation of the Automated Commercial*  
13           *Environment computer system.*

14           “(B) *UPDATE OF REPORTS.—Not later than*  
15           *September 30, 2017, the Commissioner shall sub-*  
16           *mit to the Committee on Appropriations and the*  
17           *Committee on Finance of the Senate and the*  
18           *Committee on Appropriations and the Com-*  
19           *mittee on Ways and Means of the House of Rep-*  
20           *resentatives an updated report addressing each of*  
21           *the matters referred to in subparagraph (A),*  
22           *and—*

23           “(i) *evaluating the effectiveness of the*  
24           *implementation of the Automated Commer-*  
25           *cial Environment computer system; and*

1 “(ii) detailing the percentage of trade  
2 processed in the Automated Commercial  
3 Environment every month since September  
4 30, 2016.”.

5 (c) GOVERNMENT ACCOUNTABILITY OFFICE RE-  
6 PORT.—Not later than December 31, 2017, the Comptroller  
7 General of the United States shall submit to the Committee  
8 on Appropriations and the Committee on Finance of the  
9 Senate and the Committee on Appropriations and the Com-  
10 mittee on Ways and Means of the House of Representatives  
11 a report—

12 (1) assessing the progress of other Federal agen-  
13 cies in accessing and utilizing the Automated Com-  
14 mercial Environment; and

15 (2) assessing the potential cost savings to the  
16 United States Government and importers and export-  
17 ers and the potential benefits to enforcement of the  
18 customs and trade laws of the United States if the ele-  
19 ments identified in clauses (i) through (iv) of section  
20 311(b)(3)(A) of the Customs Border Security Act of  
21 2002, as amended by subsection (b) of this section, are  
22 implemented.

23 **SEC. 107. INTERNATIONAL TRADE DATA SYSTEM.**

24 Section 411(d) of the Tariff Act of 1930 (19 U.S.C.  
25 1411(d)) is amended—

1           (1) *by redesignating paragraphs (4) through (7)*  
2           *as paragraphs (5) through (8), respectively;*

3           (2) *by inserting after paragraph (3) the fol-*  
4           *lowing:*

5           “(4) *INFORMATION TECHNOLOGY INFRASTRUC-*  
6           *TURE.—*

7           “(A) *IN GENERAL.—The Secretary shall*  
8           *work with the head of each agency participating*  
9           *in the ITDS and the Interagency Steering Com-*  
10           *mittee to ensure that each agency—*

11           “(i) *develops and maintains the nec-*  
12           *essary information technology infrastruc-*  
13           *ture to support the operation of the ITDS*  
14           *and to submit all data to the ITDS elec-*  
15           *tronically;*

16           “(ii) *enters into a memorandum of un-*  
17           *derstanding, or takes such other action as is*  
18           *necessary, to provide for the information*  
19           *sharing between the agency and U.S. Cus-*  
20           *toms and Border Protection necessary for*  
21           *the operation and maintenance of the*  
22           *ITDS;*

23           “(iii) *not later than June 30, 2016,*  
24           *identifies and transmits to the Commis-*  
25           *sioner responsible for U.S. Customs and*

1 *Border Protection the admissibility criteria*  
2 *and data elements required by the agency to*  
3 *authorize the release of cargo by U.S. Cus-*  
4 *toms and Border Protection for incorpora-*  
5 *tion into the operational functionality of*  
6 *the Automated Commercial Environment*  
7 *computer system authorized under section*  
8 *13031(f)(4) of the Consolidated Omnibus*  
9 *Budget and Reconciliation Act of 1985 (19*  
10 *U.S.C. 58c(f)(4)); and*

11 *“(iv) not later than December 31,*  
12 *2016, utilizes the ITDS as the primary*  
13 *means of receiving from users the standard*  
14 *set of data and other relevant documenta-*  
15 *tion, exclusive of applications for permits,*  
16 *licenses, or certifications required for the re-*  
17 *lease of imported cargo and clearance of*  
18 *cargo for export.*

19 *“(B) RULE OF CONSTRUCTION.—Nothing in*  
20 *this paragraph shall be construed to require any*  
21 *action to be taken that would compromise an on-*  
22 *going law enforcement investigation or national*  
23 *security.”; and*

24 *(3) in paragraph (8), as redesignated, by strik-*  
25 *ing “section 9503(c) of the Omnibus Budget Rec-*

1       conciliation Act of 1987 (19 U.S.C. 2071 note)” and  
 2       inserting “section 109 of the Trade Facilitation and  
 3       Trade Enforcement Act of 2015”.

4       **SEC. 108. CONSULTATIONS WITH RESPECT TO MUTUAL REC-**  
 5               **OGNITION ARRANGEMENTS.**

6       (a) *CONSULTATIONS.*—*The Secretary of Homeland Se-*  
 7       *curity, with respect to any proposed mutual recognition ar-*  
 8       *rangement or similar agreement between the United States*  
 9       *and a foreign government providing for mutual recognition*  
 10       *of supply chain security programs and customs revenue*  
 11       *functions, shall consult—*

12               (1) *not later than 30 days before initiating nego-*  
 13       *tiations to enter into any such arrangement or simi-*  
 14       *lar agreement, with the Committee on Finance of the*  
 15       *Senate and the Committee on Ways and Means of the*  
 16       *House of Representatives; and*

17               (2) *not later than 30 days before entering into*  
 18       *any such arrangement or similar agreement, with the*  
 19       *Committee on Finance of the Senate and the Com-*  
 20       *mittee on Ways and Means of the House of Represent-*  
 21       *atives.*

22       (b) *NEGOTIATING OBJECTIVE.*—*It shall be a negoti-*  
 23       *ating objective of the United States in any negotiation for*  
 24       *a mutual recognition arrangement with a foreign country*  
 25       *on partnership programs, such as the Customs-Trade Part-*



1 *nership Against Terrorism established under subtitle B of*  
 2 *title II of the Security and Accountability for Every Port*  
 3 *Act of 2006 (6 U.S.C. 961 et seq.), to seek to ensure the*  
 4 *compatibility of the partnership programs of that country*  
 5 *with the partnership programs of U.S. Customs and Border*  
 6 *Protection to enhance trade facilitation and trade enforce-*  
 7 *ment.*

8 **SEC. 109. COMMERCIAL CUSTOMS OPERATIONS ADVISORY**  
 9 **COMMITTEE.**

10 (a) *ESTABLISHMENT.*—Not later than the date that is  
 11 60 days after the date of the enactment of this Act, the Sec-  
 12 retary of the Treasury and the Secretary of Homeland Secu-  
 13 rity shall jointly establish a Commercial Customs Oper-  
 14 ations Advisory Committee (in this section referred to as  
 15 the “Advisory Committee”).

16 (b) *MEMBERSHIP.*—

17 (1) *IN GENERAL.*—The Advisory Committee shall  
 18 be comprised of—

19 (A) 20 individuals appointed under para-  
 20 graph (2);

21 (B) the Assistant Secretary for Tax Policy  
 22 of the Department of the Treasury and the Com-  
 23 missioner, who shall jointly co-chair meetings of  
 24 the Advisory Committee; and

1           (C) *the Assistant Secretary for Policy and*  
2           *the Director of U.S. Immigration and Customs*  
3           *Enforcement of the Department of Homeland Se-*  
4           *curity, who shall serve as deputy co-chairs of*  
5           *meetings of the Advisory Committee.*

6           (2) *APPOINTMENT.—*

7           (A) *IN GENERAL.—The Secretary of the*  
8           *Treasury and the Secretary of Homeland Secu-*  
9           *rity shall jointly appoint 20 individuals from*  
10          *the private sector to the Advisory Committee.*

11          (B) *REQUIREMENTS.—In making appoint-*  
12          *ments under subparagraph (A), the Secretary of*  
13          *the Treasury and the Secretary of Homeland Se-*  
14          *curity shall appoint members—*

15               (i) *to ensure that the membership of*  
16               *the Advisory Committee is representative of*  
17               *the individuals and firms affected by the*  
18               *commercial operations of U.S. Customs and*  
19               *Border Protection; and*

20               (ii) *without regard to political affili-*  
21               *ation.*

22          (C) *TERMS.—Each individual appointed to*  
23          *the Advisory Committee under this paragraph*  
24          *shall be appointed for a term of not more than*  
25          *3 years, and may be reappointed to subsequent*

1           *terms, but may not serve more than 2 terms se-*  
2           *quentially.*

3           (3) *TRANSFER OF MEMBERSHIP.*—*The Secretary*  
4           *of the Treasury and the Secretary of Homeland Secu-*  
5           *rity may transfer members serving on the Advisory*  
6           *Committee on Commercial Operations of the United*  
7           *States Customs Service established under section*  
8           *9503(c) of the Omnibus Budget Reconciliation Act of*  
9           *1987 (19 U.S.C. 2071 note) on the day before the date*  
10          *of the enactment of this Act to the Advisory Com-*  
11          *mittee established under subsection (a).*

12          (c) *DUTIES.*—*The Advisory Committee established*  
13          *under subsection (a) shall—*

14               (1) *advise the Secretary of the Treasury and the*  
15               *Secretary of Homeland Security on all matters in-*  
16               *volving the commercial operations of U.S. Customs*  
17               *and Border Protection, including advising with re-*  
18               *spect to significant changes that are proposed with re-*  
19               *spect to regulations, policies, or practices of U.S. Cus-*  
20               *toms and Border Protection;*

21               (2) *provide recommendations to the Secretary of*  
22               *the Treasury and the Secretary of Homeland Security*  
23               *on improvements to the commercial operations of*  
24               *U.S. Customs and Border Protection;*

1           (3) *collaborate in developing the agenda for Ad-*  
 2           *visory Committee meetings; and*

3           (4) *perform such other functions relating to the*  
 4           *commercial operations of U.S. Customs and Border*  
 5           *Protection as prescribed by law or as the Secretary of*  
 6           *the Treasury and the Secretary of Homeland Security*  
 7           *jointly direct.*

8           (d) *MEETINGS.*—

9           (1) *IN GENERAL.*—*The Advisory Committee shall*  
 10          *meet at the call of the Secretary of the Treasury and*  
 11          *the Secretary of Homeland Security, or at the call of*  
 12          *not less than 2/3 of the membership of the Advisory*  
 13          *Committee. The Advisory Committee shall meet at*  
 14          *least 4 times each calendar year.*

15          (2) *OPEN MEETINGS.*—*Notwithstanding section*  
 16          *10(a) of the Federal Advisory Committee Act (5*  
 17          *U.S.C. App.), the Advisory Committee meetings shall*  
 18          *be open to the public unless the Secretary of the*  
 19          *Treasury or the Secretary of Homeland Security de-*  
 20          *termines that the meeting will include matters the*  
 21          *disclosure of which would compromise the develop-*  
 22          *ment of policies, priorities, or negotiating objectives*  
 23          *or positions that could impact the commercial oper-*  
 24          *ations of U.S. Customs and Border Protection or the*

1        *operations or investigations of U.S. Immigration and*  
 2        *Customs Enforcement.*

3        *(e) ANNUAL REPORT.—Not later than December 31,*  
 4        *2016, and annually thereafter, the Advisory Committee*  
 5        *shall submit to the Committee on Finance of the Senate and*  
 6        *the Committee on Ways and Means of the House of Rep-*  
 7        *resentatives a report that—*

8                *(1) describes the activities of the Advisory Com-*  
 9                *mittee during the preceding fiscal year; and*

10               *(2) sets forth any recommendations of the Advi-*  
 11               *sory Committee regarding the commercial operations*  
 12               *of U.S. Customs and Border Protection.*

13        *(f) TERMINATION.—Section 14(a)(2) of the Federal*  
 14        *Advisory Committee Act (5 U.S.C. App.; relating to the ter-*  
 15        *mination of advisory committees) shall not apply to the Ad-*  
 16        *visory Committee.*

17        *(g) CONFORMING AMENDMENT.—*

18               *(1) IN GENERAL.—Effective on the date on which*  
 19               *the Advisory Committee is established under sub-*  
 20               *section (a), section 9503(c) of the Omnibus Budget*  
 21               *Reconciliation Act of 1987 (19 U.S.C. 2071 note) is*  
 22               *repealed.*

23               *(2) REFERENCE.—Any reference in law to the*  
 24               *Advisory Committee on Commercial Operations of the*  
 25               *United States Customs Service established under sec-*

1        *tion 9503(c) of the Omnibus Budget Reconciliation*  
 2        *Act of 1987 (19 U.S.C. 2071 note) made on or after*  
 3        *the date on which the Advisory Committee is estab-*  
 4        *lished under subsection (a), shall be deemed a ref-*  
 5        *erence to the Commercial Customs Operations Advi-*  
 6        *sory Committee established under subsection (a).*

7        **SEC. 110. CENTERS OF EXCELLENCE AND EXPERTISE.**

8        *(a) IN GENERAL.—The Commissioner shall, in con-*  
 9        *sultation with the Committee on Finance of the Senate, the*  
 10        *Committee on Ways and Means of the House of Representa-*  
 11        *tives, and the Commercial Customs Operations Advisory*  
 12        *Committee established by section 109 of this Act, develop*  
 13        *and implement Centers of Excellence and Expertise*  
 14        *throughout U.S. Customs and Border Protection that—*

15                *(1) enhance the economic competitiveness of the*  
 16        *United States by consistently enforcing the laws and*  
 17        *regulations of the United States at all ports of entry*  
 18        *of the United States and by facilitating the flow of le-*  
 19        *gitimate trade through increasing industry-based*  
 20        *knowledge;*

21                *(2) improve enforcement efforts, including en-*  
 22        *forcement of priority trade issues described in sub-*  
 23        *paragraph (B)(ii) of section 2(d)(3) of the Act of*  
 24        *March 3, 1927 (44 Stat. 1381, chapter 348; 19 U.S.C.*  
 25        *2072(d)), as added by section 111(a) of this Act, in*

1       *specific industry sectors through the application of*  
2       *targeting information from the Commercial Targeting*  
3       *Division established under subparagraph (A) of such*  
4       *section 2(d)(3) and from other means of verification;*

5               *(3) build upon the expertise of U.S. Customs and*  
6       *Border Protection in particular industry operations,*  
7       *supply chains, and compliance requirements;*

8               *(4) promote the uniform implementation at each*  
9       *port of entry of the United States of policies and reg-*  
10       *ulations relating to imports;*

11               *(5) centralize the trade enforcement and trade fa-*  
12       *cilitation efforts of U.S. Customs and Border Protec-*  
13       *tion;*

14               *(6) formalize an account-based approach to*  
15       *apply, as the Commissioner determines appropriate,*  
16       *to the importation of merchandise into the United*  
17       *States;*

18               *(7) foster partnerships through the expansion of*  
19       *trade programs and other trusted partner programs;*

20               *(8) develop applicable performance measure-*  
21       *ments to meet internal efficiency and effectiveness*  
22       *goals; and*

23               *(9) whenever feasible, facilitate a more efficient*  
24       *flow of information between Federal agencies.*

1       (b) *REPORT.*—Not later than December 31, 2016, the  
2 Commissioner shall submit to the Committee on Finance  
3 of the Senate and the Committee on Ways and Means of  
4 the House of Representatives a report describing—

5           (1) the scope, functions, and structure of each  
6 Center of Excellence and Expertise developed and im-  
7 plemented under subsection (a);

8           (2) the effectiveness of each such Center of Excel-  
9 lence and Expertise in improving enforcement efforts,  
10 including enforcement of priority trade issues, and fa-  
11 cilitating legitimate trade;

12           (3) the quantitative and qualitative benefits of  
13 each such Center of Excellence and Expertise to the  
14 trade community, including through fostering part-  
15 nerships through the expansion of trade programs  
16 such as the Importer Self Assessment program and  
17 other trusted partner programs;

18           (4) all applicable performance measurements  
19 with respect to each such Center of Excellence and  
20 Expertise, including performance measures with re-  
21 spect to meeting internal efficiency and effectiveness  
22 goals;

23           (5) the performance of each such Center of Excel-  
24 lence and Expertise in increasing the accuracy and  
25 completeness of data with respect to international



1        *trade and facilitating a more efficient flow of infor-*  
 2        *mation between Federal agencies; and*

3                *(6) any planned changes in the number, scope,*  
 4        *functions or any other aspect of the Centers of Excel-*  
 5        *lence and Expertise developed and implemented under*  
 6        *subsection (a).*

7    **SEC. 111. COMMERCIAL TARGETING DIVISION AND NA-**  
 8                **TIONAL TARGETING AND ANALYSIS GROUPS.**

9        *(a) IN GENERAL.—Section 2(d) of the Act of March*  
 10    *3, 1927 (44 Stat. 1381, chapter 348; 19 U.S.C. 2072(d))*  
 11    *is amended by adding at the end the following:*

12                *“(3) COMMERCIAL TARGETING DIVISION AND NA-*  
 13        *TIONAL TARGETING AND ANALYSIS GROUPS.—*

14                *“(A) ESTABLISHMENT OF COMMERCIAL*  
 15        *TARGETING DIVISION.—*

16                *“(i) IN GENERAL.—The Secretary of*  
 17        *Homeland Security shall establish and*  
 18        *maintain within the Office of International*  
 19        *Trade a Commercial Targeting Division.*

20                *“(ii) COMPOSITION.—The Commercial*  
 21        *Targeting Division shall be composed of—*

22                *“(I) headquarters personnel led by*  
 23        *an Executive Director, who shall report*  
 24        *to the Assistant Commissioner for*  
 25        *Trade; and*

1                   “(II) *individual National Tar-*  
 2                   *geting and Analysis Groups, each led*  
 3                   *by a Director who shall report to the*  
 4                   *Executive Director of the Commercial*  
 5                   *Targeting Division.*

6                   “(iii) *DUTIES.—The Commercial Tar-*  
 7                   *geting Division shall be dedicated—*

8                   “(I) *to the development and con-*  
 9                   *duct of commercial risk assessment tar-*  
 10                   *geting with respect to cargo destined*  
 11                   *for the United States in accordance*  
 12                   *with subparagraph (C); and*

13                   “(II) *to issuing Trade Alerts de-*  
 14                   *scribed in subparagraph (D).*

15                   “(B) *NATIONAL TARGETING AND ANALYSIS*  
 16                   *GROUPS.—*

17                   “(i) *IN GENERAL.—A National Tar-*  
 18                   *geting and Analysis Group referred to in*  
 19                   *subparagraph (A)(ii)(II) shall, at a min-*  
 20                   *imum, be established for each priority trade*  
 21                   *issue described in clause (ii).*

22                   “(ii) *PRIORITY TRADE ISSUES.—*

23                   “(I) *IN GENERAL.—The priority*  
 24                   *trade issues described in this clause are*  
 25                   *the following:*

1 “(aa) *Agriculture programs.*

2 “(bb) *Antidumping and*  
3 *countervailing duties.*

4 “(cc) *Import safety.*

5 “(dd) *Intellectual property*  
6 *rights.*

7 “(ee) *Revenue.*

8 “(ff) *Textiles and wearing*  
9 *apparel.*

10 “(gg) *Trade agreements and*  
11 *preference programs.*

12 “(II) *MODIFICATION.—The Com-*  
13 *missioner is authorized to establish*  
14 *new priority trade issues and elimi-*  
15 *nate, consolidate, or otherwise modify*  
16 *the priority trade issues described in*  
17 *this paragraph if the Commissioner—*

18 “(aa) *determines it necessary*  
19 *and appropriate to do so;*

20 “(bb) *submits to the Com-*  
21 *mittee on Finance of the Senate*  
22 *and the Committee on Ways and*  
23 *Means of the House of Representa-*  
24 *tives a summary of proposals to*  
25 *consolidate, eliminate, or other-*

1           *wise modify existing priority*  
2           *trade issues not later than 60*  
3           *days before such changes are to*  
4           *take effect; and*

5           *“(cc) submits to the Com-*  
6           *mittee on Finance of the Senate*  
7           *and the Committee on Ways and*  
8           *Means of the House of Representa-*  
9           *tives a summary of proposals to*  
10           *establish new priority trade issues*  
11           *not later than 30 days after such*  
12           *changes are to take effect.*

13           *“(iii) DUTIES.—The duties of each Na-*  
14           *tional Targeting and Analysis Group shall*  
15           *include—*

16           *“(I) directing the trade enforce-*  
17           *ment and compliance assessment ac-*  
18           *tivities of U.S. Customs and Border*  
19           *Protection that relate to the Group’s*  
20           *priority trade issue;*

21           *“(II) facilitating, promoting, and*  
22           *coordinating cooperation and the ex-*  
23           *change of information between U.S.*  
24           *Customs and Border Protection, U.S.*  
25           *Immigration and Customs Enforce-*

1 *ment, and other relevant Federal de-*  
2 *partments and agencies regarding the*  
3 *Group’s priority trade issue; and*

4 *“(III) serving as the primary li-*  
5 *aison between U.S. Customs and Bor-*  
6 *der Protection and the public regard-*  
7 *ing United States Government activi-*  
8 *ties regarding the Group’s priority*  
9 *trade issue, including—*

10 *“(aa) providing for receipt*  
11 *and transmission to the appro-*  
12 *priate U.S. Customs and Border*  
13 *Protection office of allegations*  
14 *from interested parties in the pri-*  
15 *vate sector of violations of customs*  
16 *and trade laws of the United*  
17 *States of merchandise relating to*  
18 *the priority trade issue;*

19 *“(bb) obtaining information*  
20 *from the appropriate U.S. Cus-*  
21 *toms and Border Protection office*  
22 *on the status of any activities re-*  
23 *sulting from the submission of*  
24 *any such allegation, including*  
25 *any decision not to pursue the al-*

1                    *legation, and providing any such*  
2                    *information to each interested*  
3                    *party in the private sector that*  
4                    *submitted the allegation every 90*  
5                    *days after the allegation was re-*  
6                    *ceived by U.S. Customs and Bor-*  
7                    *der Protection unless providing*  
8                    *such information would com-*  
9                    *promise an ongoing law enforce-*  
10                   *ment investigation; and*

11                   *“(cc) notifying on a timely*  
12                   *basis each interested party in the*  
13                   *private sector that submitted such*  
14                   *allegation of any civil or criminal*  
15                   *actions taken by U.S. Customs*  
16                   *and Border Protection or other*  
17                   *Federal department or agency re-*  
18                   *sulting from the allegation.*

19                   *“(C) COMMERCIAL RISK ASSESSMENT TAR-*  
20                   *GETING.—In carrying out its duties with respect*  
21                   *to commercial risk assessment targeting, the*  
22                   *Commercial Targeting Division shall—*

23                   *“(i) establish targeted risk assessment*  
24                   *methodologies and standards—*

1           “(I) for evaluating the risk that  
2           cargo destined for the United States  
3           may violate the customs and trade  
4           laws of the United States, particularly  
5           those laws applicable to merchandise  
6           subject to the priority trade issues de-  
7           scribed in subparagraph (B)(ii); and

8           “(II) for issuing, as appropriate,  
9           Trade Alerts described in subpara-  
10          graph (D); and

11          “(ii) to the extent practicable and oth-  
12          erwise authorized by law, use, to administer  
13          the methodologies and standards established  
14          under clause (i) —

15               “(I) publicly available informa-  
16               tion;

17               “(II) information available from  
18               the Automated Commercial System, the  
19               Automated Commercial Environment  
20               computer system, the Automated Tar-  
21               geting System, the Automated Export  
22               System, the International Trade Data  
23               System, the TECS (formerly known as  
24               the ‘Treasury Enforcement Commu-  
25               nications System’), the case manage-

1 *ment system of U.S. Immigration and*  
2 *Customs Enforcement, and any suc-*  
3 *cessor systems; and*

4 *“(III) information made available*  
5 *to the Commercial Targeting Division,*  
6 *including information provided by pri-*  
7 *rate sector entities.*

8 *“(D) TRADE ALERTS.—*

9 *“(i) ISSUANCE.—Based upon the ap-*  
10 *plication of the targeted risk assessment*  
11 *methodologies and standards established*  
12 *under subparagraph (C), the Executive Di-*  
13 *rector of the Commercial Targeting Division*  
14 *and the Directors of the National Targeting*  
15 *and Analysis Groups may issue Trade*  
16 *Alerts to directors of United States ports of*  
17 *entry directing further inspection, or phys-*  
18 *ical examination or testing, of specific mer-*  
19 *chandise to ensure compliance with all ap-*  
20 *plicable customs and trade laws and regula-*  
21 *tions administered by U.S. Customs and*  
22 *Border Protection.*

23 *“(ii) DETERMINATIONS NOT TO IMPLE-*  
24 *MENT TRADE ALERTS.—The director of a*  
25 *United States port of entry may determine*



1           *not to conduct further inspections, or phys-*  
2           *ical examination or testing, pursuant to a*  
3           *Trade Alert issued under clause (i) if—*

4                     *“(I) the director finds that such a*  
5                     *determination is justified by security*  
6                     *interests; and*

7                     *“(II) notifies the Assistant Com-*  
8                     *missioner of the Office of Field Oper-*  
9                     *ations and the Assistant Commissioner*  
10                    *of International Trade of U.S. Customs*  
11                    *and Border Protection of the deter-*  
12                    *mination and the reasons for the deter-*  
13                    *mination not later than 48 hours after*  
14                    *making the determination.*

15                    *“(iii) SUMMARY OF DETERMINATIONS*  
16                    *NOT TO IMPLEMENT.—The Assistant Com-*  
17                    *missioner of the Office of Field Operations*  
18                    *of U.S. Customs and Border Protection*  
19                    *shall—*

20                    *“(I) compile an annual public*  
21                    *summary of all determinations by di-*  
22                    *rectors of United States ports of entry*  
23                    *under clause (ii) and the reasons for*  
24                    *those determinations;*

1                   “(II) conduct an evaluation of the  
2                   utilization of Trade Alerts issued  
3                   under clause (i); and

4                   “(III) submit the summary to the  
5                   Committee on Finance of the Senate  
6                   and the Committee on Ways and  
7                   Means of the House of Representatives  
8                   not later than December 31 of each  
9                   year.

10                  “(iv) INSPECTION DEFINED.—In this  
11                  subparagraph, the term ‘inspection’ means  
12                  the comprehensive evaluation process used  
13                  by U.S. Customs and Border Protection,  
14                  other than physical examination or testing,  
15                  to permit the entry of merchandise into the  
16                  United States, or the clearance of merchan-  
17                  dise for transportation in bond through the  
18                  United States, for purposes of—

19                         “(I) assessing duties;

20                         “(II) identifying restricted or pro-  
21                         hibited items; and

22                         “(III) ensuring compliance with  
23                         all applicable customs and trade laws  
24                         and regulations administered by U.S.  
25                         Customs and Border Protection.”.

1       (b) *USE OF TRADE DATA FOR COMMERCIAL ENFORCE-*  
 2 *MENT PURPOSES.*—Section 343(a)(3)(F) of the Trade Act  
 3 of 2002 (19 U.S.C. 2071 note) is amended to read as follows:

4               “(F) The information collected pursuant to  
 5 the regulations shall be used exclusively for en-  
 6 suring cargo safety and security, preventing  
 7 smuggling, and commercial risk assessment tar-  
 8 geting, and shall not be used for any commercial  
 9 enforcement purposes, including for determining  
 10 merchandise entry. Notwithstanding the pre-  
 11 ceding sentence, nothing in this section shall be  
 12 treated as amending, repealing, or otherwise  
 13 modifying title IV of the Tariff Act of 1930 or  
 14 regulations prescribed thereunder.”.

15 **SEC. 112. REPORT ON OVERSIGHT OF REVENUE PROTEC-**  
 16 **TION AND ENFORCEMENT MEASURES.**

17       (a) *IN GENERAL.*—Not later the March 31, 2016, and  
 18 not later than March 31 of each second year thereafter, the  
 19 Inspector General of the Department of the Treasury shall  
 20 submit to the Committee on Finance of the Senate and the  
 21 Committee on Ways and Means of the House of Representa-  
 22 tives a report assessing, with respect to the period covered  
 23 by the report, as specified in subsection (b), the following:

1           (1) *The effectiveness of the measures taken by*  
2           *U.S. Customs and Border Protection with respect to*  
3           *protection of revenue, including—*

4                   (A) *the collection of countervailing duties*  
5                   *assessed under subtitle A of title VII of the Tariff*  
6                   *Act of 1930 (19 U.S.C. 1671 et seq.) and anti-*  
7                   *dumping duties assessed under subtitle B of title*  
8                   *VII of the Tariff Act of 1930 (19 U.S.C. 1673 et*  
9                   *seq.);*

10                  (B) *the assessment, collection, and mitiga-*  
11                  *tion of commercial fines and penalties;*

12                  (C) *the use of bonds, including continuous*  
13                  *and single transaction bonds, to secure that rev-*  
14                  *enue; and*

15                  (D) *the adequacy of the policies of U.S.*  
16                  *Customs and Border Protection with respect to*  
17                  *the monitoring and tracking of merchandise*  
18                  *transported in bond and collecting duties, as ap-*  
19                  *propriate.*

20           (2) *The effectiveness of actions taken by U.S.*  
21           *Customs and Border Protection to measure account-*  
22           *ability and performance with respect to protection of*  
23           *revenue.*

1           (3) *The number and outcome of investigations*  
 2           *instituted by U.S. Customs and Border Protection*  
 3           *with respect to the underpayment of duties.*

4           (4) *The effectiveness of training with respect to*  
 5           *the collection of duties provided for personnel of U.S.*  
 6           *Customs and Border Protection.*

7           (b) *PERIOD COVERED BY REPORT.*—Each report re-  
 8           *quired by subsection (a) shall cover the period of 2 fiscal*  
 9           *years ending on September 30 of the calendar year pre-*  
 10          *ceding the submission of the report.*

11   **SEC. 113. REPORT ON SECURITY AND REVENUE MEASURES**  
 12                           **WITH RESPECT TO MERCHANDISE TRANS-**  
 13                           **PORTED IN BOND.**

14          (a) *IN GENERAL.*—Not later than December 31 of  
 15          2016, 2017, and 2018, the Secretary of Homeland Security  
 16          and the Secretary of the Treasury shall jointly submit to  
 17          the Committee on Finance of the Senate and the Committee  
 18          on Ways and Means of the House of Representatives a re-  
 19          port on efforts undertaken by U.S. Customs and Border  
 20          Protection to ensure the secure transportation of merchan-  
 21          dise in bond through the United States and the collection  
 22          of revenue owed upon the entry of such merchandise into  
 23          the United States for consumption.

1       (b) *ELEMENTS.*—Each report required by subsection  
2 (a) shall include, for the fiscal year preceding the submis-  
3 sion of the report, information on—

4           (1) the overall number of entries of merchandise  
5 for transportation in bond through the United States;

6           (2) the ports at which merchandise arrives in the  
7 United States for transportation in bond and at  
8 which records of the arrival of such merchandise are  
9 generated;

10          (3) the average time taken to reconcile such  
11 records with the records at the final destination of the  
12 merchandise in the United States to demonstrate that  
13 the merchandise reaches its final destination or is re-  
14 exported;

15          (4) the average time taken to transport merchan-  
16 dise in bond from the port at which the merchandise  
17 arrives in the United States to its final destination  
18 in the United States;

19          (5) the total amount of duties, taxes, and fees  
20 owed with respect to shipments of merchandise trans-  
21 ported in bond and the total amount of such duties,  
22 taxes, and fees paid;

23          (6) the total number of notifications by carriers  
24 of merchandise being transported in bond that the  
25 destination of the merchandise has changed; and

1           (7) the number of entries that remain  
2       unreconciled.

3   **SEC. 114. IMPORTER OF RECORD PROGRAM.**

4       (a) *ESTABLISHMENT*.—Not later than the date that is  
5   180 days after the date of the enactment of this Act, the  
6   Secretary of Homeland Security shall establish an importer  
7   of record program to assign and maintain importer of  
8   record numbers.

9       (b) *REQUIREMENTS*.—The Secretary shall ensure that,  
10 as part of the importer of record program, U.S. Customs  
11 and Border Protection—

12           (1) develops criteria that importers must meet in  
13       order to obtain an importer of record number, includ-  
14       ing—

15               (A) criteria to ensure sufficient information  
16       is collected to allow U.S. Customs and Border  
17       Protection to verify the existence of the importer  
18       requesting the importer of record number;

19               (B) criteria to ensure sufficient information  
20       is collected to allow U.S. Customs and Border  
21       Protection to identify linkages or other affili-  
22       ations between importers that are requesting or  
23       have been assigned importer of record numbers;  
24       and

1                   (C) criteria to ensure sufficient information  
2                   is collected to allow U.S. Customs and Border  
3                   Protection to identify changes in address and  
4                   corporate structure of importers;

5                   (2) provides a process by which importers are as-  
6                   signed importer of record numbers;

7                   (3) maintains a centralized database of importer  
8                   of record numbers, including a history of importer of  
9                   record numbers associated with each importer, and  
10                  the information described in subparagraphs (A), (B),  
11                  and (C) of paragraph (1);

12                  (4) evaluates and maintains the accuracy of the  
13                  database if such information changes; and

14                  (5) takes measures to ensure that duplicate im-  
15                  porter of record numbers are not issued.

16                  (c) *REPORT*.—Not later than one year after the date  
17                  of the enactment of this Act, the Secretary shall submit to  
18                  the Committee on Finance of the Senate and the Committee  
19                  on Ways and Means of the House of Representatives a re-  
20                  port on the importer of record program established under  
21                  subsection (a).

22                  (d) *NUMBER DEFINED*.—In this subsection, the term  
23                  “number”, with respect to an importer of record, means a  
24                  filing identification number described in section 24.5 of  
25                  title 19, Code of Federal Regulations (or any corresponding



1 *similar regulation) that fully supports the requirements of*  
 2 *subsection (b) with respect to the collection and mainte-*  
 3 *nance of information.*

4 **SEC. 115. ESTABLISHMENT OF NEW IMPORTER PROGRAM.**

5 *(a) IN GENERAL.—Not later than the date that is 180*  
 6 *days after the date of the enactment of this Act, the Commis-*  
 7 *sioner shall establish a new importer program that directs*  
 8 *U.S. Customs and Border Protection to adjust bond*  
 9 *amounts for new importers based on the level of risk as-*  
 10 *sessed by U.S. Customs and Border Protection for protec-*  
 11 *tion of revenue of the Federal Government.*

12 *(b) REQUIREMENTS.—The Commissioner shall ensure*  
 13 *that, as part of the new importer program established under*  
 14 *subsection (a), U.S. Customs and Border Protection—*

15 *(1) develops risk-based criteria for determining*  
 16 *which importers are considered to be new importers*  
 17 *for the purposes of this subsection;*

18 *(2) develops risk assessment guidelines for new*  
 19 *importers to determine if and to what extent—*

20 *(A) to adjust bond amounts of imported*  
 21 *products of new importers; and*

22 *(B) to increase screening of imported prod-*  
 23 *ucts of new importers;*

24 *(3) develops procedures to ensure increased over-*  
 25 *sight of imported products of new importers relating*

1       to the enforcement of the priority trade issues de-  
 2       scribed in paragraph (3)(B)(ii) of section 2(d) of the  
 3       Act of March 3, 1927 (44 Stat. 1381, chapter 348; 19  
 4       U.S.C. 2072(d)), as added by section 111(a) of this  
 5       Act;

6               (4) develops procedures to ensure increased over-  
 7       sight of imported products of new importers by Cen-  
 8       ters of Excellence and Expertise established under sec-  
 9       tion 110 of this Act; and

10              (5) establishes a centralized database of new im-  
 11       porters to ensure accuracy of information that is re-  
 12       quired to be provided by new importers to U.S. Cus-  
 13       toms and Border Protection.

14   **SEC. 116. CUSTOMS BROKER IDENTIFICATION OF IMPORT-**  
 15       **ERS.**

16       (a) *IN GENERAL*.—Section 641 of the Tariff Act of  
 17   1930 (19 U.S.C. 1641) is amended by adding at the end  
 18   the following:

19       “(i) *IDENTIFICATION OF IMPORTERS*.—

20              “(1) *IN GENERAL*.—The Secretary shall prescribe  
 21       regulations setting forth the minimum standards for  
 22       customs brokers and importers, including nonresident  
 23       importers, regarding the identity of the importer that  
 24       shall apply in connection with the importation of  
 25       merchandise into the United States.

1           “(2) *MINIMUM REQUIREMENTS.*—*The regulations*  
 2           *shall, at a minimum, require customs brokers to im-*  
 3           *plement, and importers (after being given adequate*  
 4           *notice) to comply with, reasonable procedures for—*

5                   “(A) *collecting the identity of importers, in-*  
 6                   *cluding nonresident importers, seeking to import*  
 7                   *merchandise into the United States to the extent*  
 8                   *reasonable and practicable; and*

9                   “(B) *maintaining records of the informa-*  
 10                  *tion used to substantiate a person’s identity, in-*  
 11                  *cluding name, address, and other identifying in-*  
 12                  *formation.*

13           “(3) *PENALTIES.*—*Any customs broker who fails*  
 14           *to collect information required under the regulations*  
 15           *prescribed under this subsection shall be liable to the*  
 16           *United States, at the discretion of the Secretary, for*  
 17           *a monetary penalty not to exceed \$10,000 for each*  
 18           *violation of those regulations and subject to revocation*  
 19           *or suspension of a license or permit of the customs*  
 20           *broker pursuant to the procedures set forth in sub-*  
 21           *section (d).*

22           “(4) *DEFINITIONS.*—*In this subsection—*

23                   “(A) *the term ‘importer’ means one of the*  
 24                   *parties qualifying as an importer of record*  
 25                   *under section 484(a)(2)(B); and*

1           “(B) the term ‘nonresident importer’ means  
2           an importer who is—

3                   “(i) an individual who is not a citizen  
4                   of the United States or an alien lawfully  
5                   admitted for permanent residence in the  
6                   United States; or

7                   “(ii) a partnership, corporation, or  
8                   other commercial entity that is not orga-  
9                   nized under the laws of a jurisdiction with-  
10                  in the customs territory of the United States  
11                  (as such term is defined in General Note 2  
12                  of the Harmonized Tariff Schedule of the  
13                  United States) or in the Virgin Islands of  
14                  the United States.”.

15       (b) *STUDY AND REPORT REQUIRED.*—Not later than  
16 180 days after the date of enactment of this Act, the Com-  
17 missioner shall submit to Congress a report containing rec-  
18 ommendations for—

19           (1) determining the most timely and effective  
20 way to require foreign nationals to provide customs  
21 brokers with appropriate and accurate information,  
22 comparable to that which is required of United States  
23 nationals, concerning the identity, address, and other  
24 related information relating to such foreign nationals  
25 necessary to enable customs brokers to comply with

1        *the requirements of section 641(i) of the Tariff Act of*  
 2        *1930 (as added by subsection (a)); and*

3                *(2) establishing a system for customs brokers to*  
 4        *review information maintained by relevant Federal*  
 5        *agencies for purposes of verifying the identities of im-*  
 6        *porters, including nonresident importers, seeking to*  
 7        *import merchandise into the United States.*

8        **SEC. 117. REQUIREMENTS APPLICABLE TO NON-RESIDENT**  
 9                **IMPORTERS.**

10        *(a) IN GENERAL.—Part III of title IV of the Tariff*  
 11        *Act of 1930 (19 U.S.C. 1481 et seq.) is amended by insert-*  
 12        *ing after section 484b the following new section:*

13        **“SEC. 484c. REQUIREMENTS APPLICABLE TO NON-RESI-**  
 14                **DENT IMPORTERS.**

15        *“(a) IN GENERAL.—Except as provided in subsection*  
 16        *(c), if an importer of record under section 484 of this Act*  
 17        *is not a resident of the United States, the Commissioner*  
 18        *of U.S. Customs and Border Protection shall require the*  
 19        *non-resident importer to designate a resident agent in the*  
 20        *United States subject to the requirements described in sub-*  
 21        *section (b).*

22        *“(b) REQUIREMENTS.—The requirements described in*  
 23        *this subsection are the following:*

24                *“(1) The resident agent shall be authorized to ac-*  
 25        *cept service of process against the non-resident im-*

1        *porter in connection with the importation of mer-*  
2        *chandise.*

3                *“(2) The Commissioner of U.S. Customs and*  
4        *Border Protection shall require the non-resident im-*  
5        *porter to establish a power of attorney with the resi-*  
6        *dent agent in connection with the importation of mer-*  
7        *chandise.*

8                *“(c) NON-APPLICABILITY.—The requirements of this*  
9        *section shall not apply with respect to a non-resident im-*  
10       *porter who is a validated Tier 2 or Tier 3 participant in*  
11       *the Customs-Trade Partnership Against Terrorism program*  
12       *established under subtitle B of title II of the SAFE Port*  
13       *Act (6 U.S.C. 961 et seq.).*

14                *“(d) PENALTIES.—*

15                *“(1) IN GENERAL.—It shall be unlawful for any*  
16        *person to import into the United States any merchan-*  
17        *dise in violation of this section.*

18                *“(2) CIVIL PENALTIES.—Any person who violates*  
19        *paragraph (1) shall be liable for a civil penalty of*  
20        *\$50,000 for each such violation.*

21                *“(3) OTHER PENALTIES.—In addition to the*  
22        *penalties specified in paragraph (2), any violation of*  
23        *this section that violates any other customs and trade*  
24        *laws of the United States shall be subject to any ap-*  
25        *plicable civil and criminal penalty, including seizure*

1        *and forfeiture, that may be imposed under such cus-*  
 2        *toms or trade law or title 18, United States Code,*  
 3        *with respect to the importation of merchandise.*

4            “(4) *DEFINITION.*—*In this subsection, the term*  
 5        *‘customs and trade laws of the United States’ has the*  
 6        *meaning given such term in section 2 of the Customs*  
 7        *Trade Facilitation and Enforcement Act of 2015.’.*

8        (b) *EFFECTIVE DATE.*—*Section 484c of the Tariff Act*  
 9        *of 1930, as added by subsection (a), takes effect on the date*  
 10        *of the enactment of this Act and applies with respect to*  
 11        *the importation of merchandise of an importer of record*  
 12        *under section 484 of the Tariff Act of 1930 who is not resi-*  
 13        *dent of the United States on or after the date that is 180*  
 14        *days after such date of enactment.*

## 15        ***TITLE II—IMPORT HEALTH AND*** 16        ***SAFETY***

### 17        ***SEC. 201. INTERAGENCY IMPORT SAFETY WORKING GROUP.***

18        (a) *ESTABLISHMENT.*—*There is established an inter-*  
 19        *agency Import Safety Working Group.*

20        (b) *MEMBERSHIP.*—*The interagency Import Safety*  
 21        *Working Group shall consist of the following officials or*  
 22        *their designees:*

23            (1) *The Secretary of Homeland Security, who*  
 24        *shall serve as the Chair.*

1           (2) *The Secretary of Health and Human Serv-*  
2       *ices, who shall serve as the Vice Chair.*

3           (3) *The Secretary of the Treasury.*

4           (4) *The Secretary of Commerce.*

5           (5) *The Secretary of Agriculture.*

6           (6) *The United States Trade Representative.*

7           (7) *The Director of the Office of Management*  
8       *and Budget.*

9           (8) *The Commissioner of Food and Drugs.*

10          (9) *The Commissioner responsible for U.S. Cus-*  
11       *toms and Border Protection.*

12          (10) *The Chairman of the Consumer Product*  
13       *Safety Commission.*

14          (11) *The Director of U.S. Immigration and Cus-*  
15       *toms Enforcement.*

16          (12) *The head of any other Federal agency des-*  
17       *ignated by the President to participate in the inter-*  
18       *agency Import Safety Working Group, as appro-*  
19       *priate.*

20       (c) *DUTIES.*—*The duties of the interagency Import*  
21       *Safety Working Group shall include—*

22           (1) *consulting on the development of the joint*  
23       *import safety rapid response plan required by section*  
24       *202 of this Act;*



1           (2) *periodically evaluating the adequacy of the*  
2           *plans, practices, and resources of the Federal Govern-*  
3           *ment dedicated to ensuring the safety of merchandise*  
4           *imported in the United States and the expeditious*  
5           *entry of such merchandise, including—*

6                     (A) *minimizing the duplication of efforts*  
7                     *among agencies the heads of which are members*  
8                     *of the interagency Import Safety Working Group*  
9                     *and ensuring the compatibility of the policies*  
10                    *and regulations of those agencies; and*

11                   (B) *recommending additional administra-*  
12                    *tive actions, as appropriate, designed to ensure*  
13                    *the safety of merchandise imported into the*  
14                    *United States and the expeditious entry of such*  
15                    *merchandise and considering the impact of those*  
16                    *actions on private sector entities;*

17           (3) *reviewing the engagement and cooperation of*  
18           *foreign governments and foreign manufacturers in fa-*  
19           *cilitating the inspection and certification, as appro-*  
20           *priate, of such merchandise to be imported into the*  
21           *United States and the facilities producing such mer-*  
22           *chandise to ensure the safety of the merchandise and*  
23           *the expeditious entry of the merchandise into the*  
24           *United States;*

1           (4) *identifying best practices, in consultation*  
2           *with private sector entities as appropriate, to assist*  
3           *United States importers in taking all appropriate*  
4           *steps to ensure the safety of merchandise imported*  
5           *into the United States, including with respect to—*

6                     (A) *the inspection of manufacturing facili-*  
7                     *ties in foreign countries;*

8                     (B) *the inspection of merchandise destined*  
9                     *for the United States before exportation from a*  
10                    *foreign country or before distribution in the*  
11                    *United States; and*

12                    (C) *the protection of the international sup-*  
13                    *ply chain (as defined in section 2 of the Security*  
14                    *and Accountability For Every Port Act of 2006*  
15                    *(6 U.S.C. 901));*

16           (5) *identifying best practices to assist Federal,*  
17           *State, and local governments and agencies, and port*  
18           *authorities, to improve communication and coordina-*  
19           *tion among such agencies and authorities with respect*  
20           *to ensuring the safety of merchandise imported into*  
21           *the United States and the expeditious entry of such*  
22           *merchandise; and*

23           (6) *otherwise identifying appropriate steps to in-*  
24           *crease the accountability of United States importers*  
25           *and the engagement of foreign government agencies*

1       *with respect to ensuring the safety of merchandise im-*  
2       *ported into the United States and the expeditious*  
3       *entry of such merchandise.*

4   **SEC. 202. JOINT IMPORT SAFETY RAPID RESPONSE PLAN.**

5       *(a) IN GENERAL.—Not later than December 31, 2016,*  
6       *the Secretary of Homeland Security, in consultation with*  
7       *the interagency Import Safety Working Group, shall de-*  
8       *velop a plan (to be known as the “joint import safety rapid*  
9       *response plan”) that sets forth protocols and defines prac-*  
10      *tices for U.S. Customs and Border Protection to use—*

11           *(1) in taking action in response to, and coordi-*  
12      *nating Federal responses to, an incident in which*  
13      *cargo destined for or merchandise entering the United*  
14      *States has been identified as posing a threat to the*  
15      *health or safety of consumers in the United States;*  
16      *and*

17           *(2) in recovering from or mitigating the effects*  
18      *of actions and responses to an incident described in*  
19      *paragraph (1).*

20      *(b) CONTENTS.—The joint import safety rapid re-*  
21      *sponse plan shall address—*

22           *(1) the statutory and regulatory authorities and*  
23      *responsibilities of U.S. Customs and Border Protec-*  
24      *tion and other Federal agencies in responding to an*  
25      *incident described in subsection (a)(1);*

1           (2) *the protocols and practices to be used by U.S.*  
2           *Customs and Border Protection when taking action in*  
3           *response to, and coordinating Federal responses to,*  
4           *such an incident;*

5           (3) *the measures to be taken by U.S. Customs*  
6           *and Border Protection and other Federal agencies in*  
7           *recovering from or mitigating the effects of actions*  
8           *taken in response to such an incident after the inci-*  
9           *dent to ensure the resumption of the entry of mer-*  
10          *chandise into the United States; and*

11          (4) *exercises that U.S. Customs and Border Pro-*  
12          *tection may conduct in conjunction with Federal,*  
13          *State, and local agencies, and private sector entities,*  
14          *to simulate responses to such an incident.*

15          (c) *UPDATES OF PLAN.—The Secretary of Homeland*  
16          *Security shall review and update the joint import safety*  
17          *rapid response plan, as appropriate, after conducting exer-*  
18          *cises under subsection (d).*

19          (d) *IMPORT HEALTH AND SAFETY EXERCISES.—*

20               (1) *IN GENERAL.—The Secretary of Homeland*  
21          *Security and the Commissioner shall periodically en-*  
22          *gage in the exercises referred to in subsection (b)(4),*  
23          *in conjunction with Federal, State, and local agencies*  
24          *and private sector entities, as appropriate, to test and*  
25          *evaluate the protocols and practices identified in the*

1       *joint import safety rapid response plan at United*  
2       *States ports of entry.*

3               (2) *REQUIREMENTS FOR EXERCISES.—In con-*  
4       *ducting exercises under paragraph (1), the Secretary*  
5       *and the Commissioner shall—*

6               (A) *make allowance for the resources, needs,*  
7       *and constraints of United States ports of entry*  
8       *of different sizes in representative geographic lo-*  
9       *cations across the United States;*

10              (B) *base evaluations on current risk assess-*  
11       *ments of merchandise entering the United States*  
12       *at representative United States ports of entry lo-*  
13       *cated across the United States;*

14              (C) *ensure that such exercises are conducted*  
15       *in a manner consistent with the National Inci-*  
16       *dent Management System, the National Response*  
17       *Plan, the National Infrastructure Protection*  
18       *Plan, the National Preparedness Guidelines, the*  
19       *Maritime Transportation System Security Plan,*  
20       *and other such national initiatives of the De-*  
21       *partment of Homeland Security, as appropriate;*  
22       *and*

23              (D) *develop metrics with respect to the re-*  
24       *sumption of the entry of merchandise into the*

1           *United States after an incident described in sub-*  
2           *section (a)(1).*

3           (3) *REQUIREMENTS FOR TESTING AND EVALUA-*  
4           *TION.—The Secretary and the Commissioner shall en-*  
5           *sure that the testing and evaluation carried out in*  
6           *conducting exercises under paragraph (1)—*

7                     *(A) are performed using clear and objective*  
8                     *performance measures; and*

9                     *(B) result in the identification of specific*  
10            *recommendations or best practices for responding*  
11            *to an incident described in subsection (a)(1).*

12           (4) *DISSEMINATION OF RECOMMENDATIONS AND*  
13            *BEST PRACTICES.—The Secretary and the Commis-*  
14            *sioner shall—*

15                     *(A) share the recommendations or best prac-*  
16                     *tices identified under paragraph (3)(B) among*  
17                     *the members of the interagency Import Safety*  
18                     *Working Group and with, as appropriate—*

19                             *(i) State, local, and tribal govern-*  
20                             *ments;*

21                             *(ii) foreign governments; and*

22                             *(iii) private sector entities; and*

23                     *(B) use such recommendations and best*  
24                     *practices to update the joint import safety rapid*  
25                     *response plan.*

1 **SEC. 203. TRAINING.**

2       *The Commissioner shall ensure that personnel of U.S.*  
 3 *Customs and Border Protection assigned to United States*  
 4 *ports of entry are trained to effectively administer the pro-*  
 5 *visions of this title and to otherwise assist in ensuring the*  
 6 *safety of merchandise imported into the United States and*  
 7 *the expeditious entry of such merchandise.*

8 **TITLE           III—IMPORT-RELATED**  
 9 **PROTECTION OF INTELLEC-**  
 10 **TUAL PROPERTY RIGHTS**

11 **SEC. 301. DEFINITION OF INTELLECTUAL PROPERTY**  
 12 **RIGHTS.**

13       *In this title, the term “intellectual property rights” re-*  
 14 *fers to copyrights, trademarks, and other forms of intellec-*  
 15 *tual property rights that are enforced by U.S. Customs and*  
 16 *Border Protection or U.S. Immigration and Customs En-*  
 17 *forcement.*

18 **SEC. 302. EXCHANGE OF INFORMATION RELATED TO TRADE**  
 19 **ENFORCEMENT.**

20       *(a) IN GENERAL.—The Tariff Act of 1930 is amended*  
 21 *by inserting after section 628 (19 U.S.C. 1628) the fol-*  
 22 *lowing new section:*

23 **“SEC. 628A. EXCHANGE OF INFORMATION RELATED TO**  
 24 **TRADE ENFORCEMENT.**

25       *“(a) IN GENERAL.—Subject to subsections (c) and (d),*  
 26 *if the Commissioner responsible for U.S. Customs and Bor-*

1 *der Protection suspects that merchandise is being imported*  
2 *into the United States in violation of section 526 of this*  
3 *Act or section 602, 1201(a)(2), or 1201(b)(1) of title 17,*  
4 *United States Code, and determines that the examination*  
5 *or testing of the merchandise by a person described in sub-*  
6 *section (b) would assist the Commissioner in determining*  
7 *if the merchandise is being imported in violation of that*  
8 *section, the Commissioner, to permit the person to conduct*  
9 *the examination and testing—*

10           “(1) *shall provide to the person information that*  
11           *appears on the merchandise and its packaging and*  
12           *labels, including unredacted images of the merchan-*  
13           *dise and its packaging and labels; and*

14           “(2) *may, subject to any applicable bonding re-*  
15           *quirements, provide to the person unredacted samples*  
16           *of the merchandise.*

17           “(b) *PERSON DESCRIBED.—A person described in this*  
18 *subsection is—*

19           “(1) *in the case of merchandise suspected of*  
20           *being imported in violation of section 526, the owner*  
21           *of the trademark suspected of being copied or simu-*  
22           *lated by the merchandise;*

23           “(2) *in the case of merchandise suspected of*  
24           *being imported in violation of section 602 of title 17,*



1       *United States Code, the owner of the copyright sus-*  
2       *pected of being infringed by the merchandise;*

3           “(3) *in the case of merchandise suspected of*  
4       *being primarily designed or produced for the purpose*  
5       *of circumventing a technological measure that effec-*  
6       *tively controls access to a work protected under that*  
7       *title, and being imported in violation of section*  
8       *1201(a)(2) of that title, the owner of a copyright in*  
9       *the work; and*

10          “(4) *in the case of merchandise suspected of*  
11       *being primarily designed or produced for the purpose*  
12       *of circumventing protection afforded by a techno-*  
13       *logical measure that effectively protects a right of an*  
14       *owner of a copyright in a work or a portion of a*  
15       *work, and being imported in violation of section*  
16       *1201(b)(1) of that title, the owner of the copyright.*

17          “(c) *LIMITATION.—Subsection (a) applies only with*  
18       *respect to merchandise suspected of infringing a trademark*  
19       *or copyright that is recorded with U.S. Customs and Border*  
20       *Protection.*

21          “(d) *EXCEPTION.—The Commissioner may not pro-*  
22       *vide under subsection (a) information, photographs, or sam-*  
23       *ples to a person described in subsection (b) if providing such*  
24       *information, photographs, or samples would compromise an*

1 *ongoing law enforcement investigation or national secu-*  
 2 *rity.”.*

3 (b) *TERMINATION OF PREVIOUS AUTHORITY.*—Not-  
 4 *withstanding paragraph (2) of section 818(g) of the Na-*  
 5 *tional Defense Authorization Act for Fiscal Year 2012 (Pub-*  
 6 *lic Law 112–81; 125 Stat. 1496; 10 U.S.C. 2302 note),*  
 7 *paragraph (1) of that section shall have no force or effect*  
 8 *on or after the date of the enactment of this Act.*

9 **SEC. 303. SEIZURE OF CIRCUMVENTION DEVICES.**

10 (a) *IN GENERAL.*—Section 596(c)(2) of the *Tariff Act*  
 11 *of 1930 (19 U.S.C. 1595a(c)(2)) is amended—*

12 (1) *in subparagraph (E), by striking “or”;*

13 (2) *in subparagraph (F), by striking the period*  
 14 *and inserting “; or”; and*

15 (3) *by adding at the end the following:*

16 “(G) *U.S. Customs and Border Protection*  
 17 *determines it is a technology, product, service,*  
 18 *device, component, or part thereof the importa-*  
 19 *tion of which is prohibited under subsection*  
 20 *(a)(2) or (b)(1) of section 1201 of title 17,*  
 21 *United States Code.”.*

22 (b) *NOTIFICATION OF PERSONS INJURED.*—

23 (1) *IN GENERAL.*—*Not later than the date that*  
 24 *is 30 business days after seizing merchandise pursu-*  
 25 *ant to subparagraph (G) of section 596(c)(2) of the*

1       *Tariff Act of 1930, as added by subsection (a), the*  
 2       *Commissioner shall provide to any person identified*  
 3       *under paragraph (2) information regarding the mer-*  
 4       *chandise seized that is equivalent to information pro-*  
 5       *vided to copyright owners under regulations of U.S.*  
 6       *Customs and Border Protection for merchandise*  
 7       *seized for violation of the copyright laws.*

8               (2) *PERSONS TO BE PROVIDED INFORMATION.—*  
 9       *Any person injured by the violation of (a)(2) or*  
 10       *(b)(1) of section 1201 of title 17, United States Code,*  
 11       *that resulted in the seizure of the merchandise shall*  
 12       *be provided information under paragraph (1), if that*  
 13       *person is included on a list maintained by the Com-*  
 14       *missioner that is revised annually through publica-*  
 15       *tion in the Federal Register.*

16              (3) *REGULATIONS.—Not later than one year*  
 17       *after the date of the enactment of this Act, the Sec-*  
 18       *retary of the Treasury shall prescribe regulations es-*  
 19       *tablishing procedures that implement this subsection.*

20       **SEC. 304. ENFORCEMENT BY U.S. CUSTOMS AND BORDER**  
 21                       **PROTECTION OF WORKS FOR WHICH COPY-**  
 22                       **RIGHT REGISTRATION IS PENDING.**

23       *Not later than the date that is 180 days after the date*  
 24       *of the enactment of this Act, the Secretary of Homeland Se-*  
 25       *curity shall authorize a process pursuant to which the Com-*

1 *missioner shall enforce a copyright for which the owner has*  
 2 *submitted an application for registration under title 17,*  
 3 *United States Code, with the United States Copyright Of-*  
 4 *fice, to the same extent and in the same manner as if the*  
 5 *copyright were registered with the Copyright Office, includ-*  
 6 *ing by sharing information, images, and samples of mer-*  
 7 *chandise suspected of infringing the copyright under section*  
 8 *628A of the Tariff Act of 1930, as added by section 302.*

9 **SEC. 305. NATIONAL INTELLECTUAL PROPERTY RIGHTS CO-**  
 10 **ORDINATION CENTER.**

11 (a) *ESTABLISHMENT.*—*The Secretary of Homeland*  
 12 *Security shall—*

13 (1) *establish within U.S. Immigration and Cus-*  
 14 *toms Enforcement a National Intellectual Property*  
 15 *Rights Coordination Center; and*

16 (2) *appoint an Assistant Director to head the*  
 17 *National Intellectual Property Rights Coordination*  
 18 *Center.*

19 (b) *DUTIES.*—*The Assistant Director of the National*  
 20 *Intellectual Property Rights Coordination Center shall—*

21 (1) *coordinate the investigation of sources of*  
 22 *merchandise that infringe intellectual property rights*  
 23 *to identify organizations and individuals that*  
 24 *produce, smuggle, or distribute such merchandise;*

1           (2) *conduct and coordinate training with other*  
2           *domestic and international law enforcement agencies*  
3           *on investigative best practices—*

4                   (A) *to develop and expand the capability of*  
5                   *such agencies to enforce intellectual property*  
6                   *rights; and*

7                   (B) *to develop metrics to assess whether the*  
8                   *training improved enforcement of intellectual*  
9                   *property rights;*

10          (3) *coordinate, with U.S. Customs and Border*  
11          *Protection, activities conducted by the United States*  
12          *to prevent the importation or exportation of merchan-*  
13          *dise that infringes intellectual property rights;*

14          (4) *support the international interdiction of*  
15          *merchandise destined for the United States that in-*  
16          *fringes intellectual property rights;*

17          (5) *collect and integrate information regarding*  
18          *infringement of intellectual property rights from do-*  
19          *mestic and international law enforcement agencies*  
20          *and other non-Federal sources;*

21          (6) *develop a means to receive and organize in-*  
22          *formation regarding infringement of intellectual*  
23          *property rights from such agencies and other sources;*

1           (7) disseminate information regarding infringe-  
2           ment of intellectual property rights to other Federal  
3           agencies, as appropriate;

4           (8) develop and implement risk-based alert sys-  
5           tems, in coordination with U.S. Customs and Border  
6           Protection, to improve the targeting of persons that  
7           repeatedly infringe intellectual property rights;

8           (9) coordinate with the offices of United States  
9           attorneys in order to develop expertise in, and assist  
10          with the investigation and prosecution of, crimes re-  
11          lating to the infringement of intellectual property  
12          rights; and

13          (10) carry out such other duties as the Secretary  
14          of Homeland Security may assign.

15          (c) COORDINATION WITH OTHER AGENCIES.—In car-  
16          rying out the duties described in subsection (b), the Assist-  
17          ant Director of the National Intellectual Property Rights  
18          Coordination Center shall coordinate with—

19               (1) U.S. Customs and Border Protection;

20               (2) the Food and Drug Administration;

21               (3) the Department of Justice;

22               (4) the Department of Commerce, including the  
23          United States Patent and Trademark Office;

24               (5) the United States Postal Inspection Service;

1           (6) *the Office of the United States Trade Rep-*  
2           *resentative;*

3           (7) *any Federal, State, local, or international*  
4           *law enforcement agencies that the Director of U.S.*  
5           *Immigration and Customs Enforcement considers ap-*  
6           *propriate; and*

7           (8) *any other entities that the Director considers*  
8           *appropriate.*

9           (d) *PRIVATE SECTOR OUTREACH.—*

10           (1) *IN GENERAL.—The Assistant Director of the*  
11           *National Intellectual Property Rights Coordination*  
12           *Center shall work with U.S. Customs and Border Pro-*  
13           *tection and other Federal agencies to conduct outreach*  
14           *to private sector entities in order to determine trends*  
15           *in and methods of infringing intellectual property*  
16           *rights.*

17           (2) *INFORMATION SHARING.—The Assistant Di-*  
18           *rector shall share information and best practices with*  
19           *respect to the enforcement of intellectual property*  
20           *rights with private sector entities, as appropriate, in*  
21           *order to coordinate public and private sector efforts to*  
22           *combat the infringement of intellectual property*  
23           *rights.*

1 **SEC. 306. JOINT STRATEGIC PLAN FOR THE ENFORCEMENT**  
2 **OF INTELLECTUAL PROPERTY RIGHTS.**

3 *The Commissioner and the Director of U.S. Immigra-*  
4 *tion and Customs Enforcement shall include in the joint*  
5 *strategic plan required by section 105 of this Act—*

6 *(1) a description of the efforts of the Department*  
7 *of Homeland Security to enforce intellectual property*  
8 *rights;*

9 *(2) a list of the 10 United States ports of entry*  
10 *at which U.S. Customs and Border Protection has*  
11 *seized the most merchandise, both by volume and by*  
12 *value, that infringes intellectual property rights dur-*  
13 *ing the most recent 2-year period for which data are*  
14 *available; and*

15 *(3) a recommendation for the optimal allocation*  
16 *of personnel, resources, and technology to ensure that*  
17 *U.S. Customs and Border Protection and U.S. Immi-*  
18 *gration and Customs Enforcement are adequately en-*  
19 *forcing intellectual property rights.*

20 **SEC. 307. PERSONNEL DEDICATED TO THE ENFORCEMENT**  
21 **OF INTELLECTUAL PROPERTY RIGHTS.**

22 *(a) PERSONNEL OF U.S. CUSTOMS AND BORDER PRO-*  
23 *TECTION.—The Commissioner and the Director of U.S. Im-*  
24 *migration and Customs Enforcement shall ensure that suffi-*  
25 *cient personnel are assigned throughout U.S. Customs and*  
26 *Border Protection and U.S. Immigration and Customs En-*



1 *forcement, respectively, who have responsibility for pre-*  
 2 *venting the importation into the United States of merchan-*  
 3 *dise that infringes intellectual property rights.*

4 *(b) STAFFING OF NATIONAL INTELLECTUAL PROPERTY*  
 5 *RIGHTS COORDINATION CENTER.—The Commissioner*  
 6 *shall—*

7 *(1) assign not fewer than 3 full-time employees*  
 8 *of U.S. Customs and Border Protection to the Na-*  
 9 *tional Intellectual Property Rights Coordination Cen-*  
 10 *ter established under section 305 of this Act; and*

11 *(2) ensure that sufficient personnel are assigned*  
 12 *to United States ports of entry to carry out the direc-*  
 13 *tives of the Center.*

14 **SEC. 308. TRAINING WITH RESPECT TO THE ENFORCEMENT**  
 15 **OF INTELLECTUAL PROPERTY RIGHTS.**

16 *(a) TRAINING.—The Commissioner shall ensure that*  
 17 *officers of U.S. Customs and Border Protection are trained*  
 18 *to effectively detect and identify merchandise destined for*  
 19 *the United States that infringes intellectual property rights,*  
 20 *including through the use of technologies identified under*  
 21 *subsection (c).*

22 *(b) CONSULTATION WITH PRIVATE SECTOR.—The*  
 23 *Commissioner shall consult with private sector entities to*  
 24 *better identify opportunities for collaboration between U.S.*  
 25 *Customs and Border Protection and such entities with re-*

1 *spect to training for officers of U.S. Customs and Border*  
 2 *Protection in enforcing intellectual property rights.*

3 (c) *IDENTIFICATION OF NEW TECHNOLOGIES.*—*In con-*  
 4 *sultation with private sector entities, the Commissioner*  
 5 *shall identify—*

6 (1) *technologies with the cost-effective capability*  
 7 *to detect and identify merchandise at United States*  
 8 *ports of entry that infringes intellectual property*  
 9 *rights; and*

10 (2) *cost-effective programs for training officers of*  
 11 *U.S. Customs and Border Protection to use such tech-*  
 12 *nologies.*

13 (d) *DONATIONS OF TECHNOLOGY.*—*Not later than the*  
 14 *date that is 180 days after the date of the enactment of*  
 15 *this Act, the Commissioner shall prescribe regulations to en-*  
 16 *able U.S. Customs and Border Protection to receive dona-*  
 17 *tions of hardware, software, equipment, and similar tech-*  
 18 *nologies, and to accept training and other support services,*  
 19 *from private sector entities, for the purpose of enforcing in-*  
 20 *tellectual property rights.*

21 **SEC. 309. INTERNATIONAL COOPERATION AND INFORMA-**  
 22 **TION SHARING.**

23 (a) *COOPERATION.*—*The Secretary of Homeland Secu-*  
 24 *rity shall coordinate with the competent law enforcement*  
 25 *and customs authorities of foreign countries, including by*

1 *sharing information relevant to enforcement actions, to en-*  
 2 *hance the efforts of the United States and such authorities*  
 3 *to enforce intellectual property rights.*

4 (b) *TECHNICAL ASSISTANCE.*—*The Secretary of Home-*  
 5 *land Security shall provide technical assistance to com-*  
 6 *petent law enforcement and customs authorities of foreign*  
 7 *countries to enhance the ability of such authorities to en-*  
 8 *force intellectual property rights.*

9 (c) *INTERAGENCY COLLABORATION.*—*The Commis-*  
 10 *sioner and the Director of U.S. Immigration and Customs*  
 11 *Enforcement shall lead interagency efforts to collaborate*  
 12 *with law enforcement and customs authorities of foreign*  
 13 *countries to enforce intellectual property rights.*

14 **SEC. 310. REPORT ON INTELLECTUAL PROPERTY RIGHTS**  
 15 **ENFORCEMENT.**

16 *Not later than June 30, 2016, and annually thereafter,*  
 17 *the Commissioner and the Director of U.S. Immigration*  
 18 *and Customs Enforcement shall jointly submit to the Com-*  
 19 *mittee on Finance of the Senate and the Committee on*  
 20 *Ways and Means of the House of Representatives a report*  
 21 *that contains the following:*

22 (1) *With respect to the enforcement of intellectual*  
 23 *property rights, the following:*

24 (A) *The number of referrals from U.S. Cus-*  
 25 *toms and Border Protection to U.S. Immigration*

1        *and Customs Enforcement relating to infringe-*  
2        *ment of intellectual property rights during the*  
3        *preceding year.*

4                *(B) The number of investigations relating to*  
5        *the infringement of intellectual property rights*  
6        *referred by U.S. Immigration and Customs En-*  
7        *forcement to a United States attorney for pros-*  
8        *ecution and the United States attorneys to which*  
9        *those investigations were referred.*

10               *(C) The number of such investigations ac-*  
11        *cepted by each such United States attorney and*  
12        *the status or outcome of each such investigation.*

13               *(D) The number of such investigations that*  
14        *resulted in the imposition of civil or criminal*  
15        *penalties.*

16               *(E) A description of the efforts of U.S. Cus-*  
17        *tom and Border Protection and U.S. Immigra-*  
18        *tion and Customs Enforcement to improve the*  
19        *success rates of investigations and prosecutions*  
20        *relating to the infringement of intellectual prop-*  
21        *erty rights.*

22               *(2) An estimate of the average time required by*  
23        *the Office of International Trade of U.S. Customs and*  
24        *Border Protection to respond to a request from port*  
25        *personnel for advice with respect to whether merchan-*

1        *dise detained by U.S. Customs and Border Protection*  
2        *infringed intellectual property rights, distinguished*  
3        *by types of intellectual property rights infringed.*

4            (3) *A summary of the outreach efforts of U.S.*  
5        *Customs and Border Protection and U.S. Immigra-*  
6        *tion and Customs Enforcement with respect to—*

7            (A) *the interdiction and investigation of,*  
8        *and the sharing of information between those*  
9        *agencies and other Federal agencies to prevent*  
10       *the infringement of intellectual property rights;*

11           (B) *collaboration with private sector enti-*  
12       *ties—*

13           (i) *to identify trends in the infringe-*  
14       *ment of, and technologies that infringe, in-*  
15       *tellectual property rights;*

16           (ii) *to identify opportunities for en-*  
17       *hanced training of officers of U.S. Customs*  
18       *and Border Protection and U.S. Immigra-*  
19       *tion and Customs Enforcement; and*

20           (iii) *to develop best practices to enforce*  
21       *intellectual property rights; and*

22           (C) *coordination with foreign governments*  
23       *and international organizations with respect to*  
24       *the enforcement of intellectual property rights.*

1           (4) *A summary of the efforts of U.S. Customs*  
 2           *and Border Protection and U.S. Immigration and*  
 3           *Customs Enforcement to address the challenges with*  
 4           *respect to the enforcement of intellectual property*  
 5           *rights presented by Internet commerce and the transit*  
 6           *of small packages and an identification of the volume,*  
 7           *value, and type of merchandise seized for infringing*  
 8           *intellectual property rights as a result of such efforts.*

9           (5) *A summary of training relating to the en-*  
 10          *forcement of intellectual property rights conducted*  
 11          *under section 308 of this Act and expenditures for*  
 12          *such training.*

13 **SEC. 311. INFORMATION FOR TRAVELERS REGARDING VIO-**  
 14                   **LATIONS OF INTELLECTUAL PROPERTY**  
 15                   **RIGHTS.**

16          (a) *IN GENERAL.*—*The Secretary of Homeland Secu-*  
 17          *rity shall develop and carry out an educational campaign*  
 18          *to inform travelers entering or leaving the United States*  
 19          *about the legal, economic, and public health and safety im-*  
 20          *plications of acquiring merchandise that infringes intellec-*  
 21          *tual property rights outside the United States and import-*  
 22          *ing such merchandise into the United States in violation*  
 23          *of United States law.*

24          (b) *DECLARATION FORMS.*—*The Commissioner shall*  
 25          *ensure that all versions of Declaration Form 6059B of U.S.*

1 *Customs and Border Protection, or a successor form, includ-*  
 2 *ing any electronic equivalent of Declaration Form 6059B*  
 3 *or a successor form, printed or displayed on or after the*  
 4 *date that is 30 days after the date of the enactment of this*  
 5 *Act include a written warning to inform travelers arriving*  
 6 *in the United States that importation of merchandise into*  
 7 *the United States that infringes intellectual property rights*  
 8 *may subject travelers to civil or criminal penalties and may*  
 9 *pose serious risks to safety or health.*

10 ***TITLE IV—PREVENTION OF EVA-***  
 11 ***SION OF ANTIDUMPING AND***  
 12 ***COUNTERVAILING DUTY OR-***  
 13 ***DERs***

14 ***SEC. 401. SHORT TITLE.***

15 *This title may be cited as the “Preventing Recurring*  
 16 *Trade Evasion and Circumvention Act” or “PROTECT*  
 17 *Act”.*

18 ***SEC. 402. DEFINITIONS.***

19 *In this title:*

20 (1) *APPROPRIATE CONGRESSIONAL COMMIT-*  
 21 *TEES.—The term “appropriate congressional commit-*  
 22 *tees” means—*

23 (A) *the Committee on Finance and the*  
 24 *Committee on Appropriations of the Senate; and*

1                   (B) the Committee on Ways and Means and  
 2                   the Committee on Appropriations of the House of  
 3                   Representatives.

4                   (2) COVERED MERCHANDISE.—The term “cov-  
 5                   ered merchandise” means merchandise that is subject  
 6                   to—

7                   (A) a countervailing duty order issued  
 8                   under section 706 of the Tariff Act of 1930; or

9                   (B) an antidumping duty order issued  
 10                  under section 736 of the Tariff Act of 1930.

11                  (3) ELIGIBLE SMALL BUSINESS.—

12                  (A) IN GENERAL.—The term “eligible small  
 13                  business” means any business concern which, in  
 14                  the Commissioner’s judgment, due to its small  
 15                  size, has neither adequate internal resources nor  
 16                  financial ability to obtain qualified outside as-  
 17                  sistance in preparing and submitting for consid-  
 18                  eration allegations of evasion.

19                  (B) NON-REVIEWABILITY.—Any agency de-  
 20                  cision regarding whether a business concern is  
 21                  an eligible small business for purposes of section  
 22                  411(b)(4)(E) is not reviewable by any other  
 23                  agency or by any court.

24                  (4) ENTER; ENTRY.—The terms “enter” and  
 25                  “entry” refer to the entry, or withdrawal from ware-



1        *house for consumption, in the customs territory of the*  
 2        *United States.*

3            (5) *EVADE; EVASION.*—*The terms “evade” and*  
 4        *“evasion” refer to entering covered merchandise into*  
 5        *the customs territory of the United States by means*  
 6        *of any document or electronically transmitted data or*  
 7        *information, written or oral statement, or act that is*  
 8        *material and false, or any omission that is material,*  
 9        *and that results in any cash deposit or other security*  
 10       *or any amount of applicable antidumping or counter-*  
 11       *vailing duties being reduced or not being applied with*  
 12       *respect to the merchandise.*

13           (6) *SECRETARY.*—*The term “Secretary” means*  
 14        *the Secretary of the Treasury.*

15           (7) *TRADE REMEDY LAWS.*—*The term “trade*  
 16        *remedy laws” means title VII of the Tariff Act of*  
 17        *1930.*

18    **SEC. 403. APPLICATION TO CANADA AND MEXICO.**

19        *Pursuant to article 1902 of the North American Free*  
 20        *Trade Agreement and section 408 of the North American*  
 21        *Free Trade Agreement Implementation Act (19 U.S.C.*  
 22        *3438), this title and the amendments made by this title*  
 23        *shall apply with respect to goods from Canada and Mexico.*

1       ***Subtitle A—Actions Relating to***  
2       ***Enforcement of Trade Remedy Laws***

3       ***SEC. 411. TRADE REMEDY LAW ENFORCEMENT DIVISION.***

4       *(a) ESTABLISHMENT.—*

5               *(1) IN GENERAL.—The Secretary of Homeland*  
6       *Security shall establish and maintain within the Of-*  
7       *fice of International Trade of U.S. Customs and Bor-*  
8       *der Protection, established under section 2(d) of the*  
9       *Act of March 3, 1927 (44 Stat. 1381, chapter 348; 19*  
10       *U.S.C. 2072(d)), a Trade Remedy Law Enforcement*  
11       *Division.*

12               *(2) COMPOSITION.—The Trade Law Remedy En-*  
13       *forcement Division shall be composed of—*

14                       *(A) headquarters personnel led by a Direc-*  
15       *tor, who shall report to the Assistant Commis-*  
16       *sioner of the Office of International Trade; and*

17                       *(B) a National Targeting and Analysis*  
18       *Group dedicated to preventing and countering*  
19       *evasion.*

20               *(3) DUTIES.—The Trade Remedy Law Enforce-*  
21       *ment Division shall be dedicated—*

22                       *(A) to the development and administration*  
23       *of policies to prevent and counter evasion;*

24                       *(B) to direct enforcement and compliance*  
25       *assessment activities concerning evasion;*

1           (C) to the development and conduct of com-  
2           mercial risk assessment targeting with respect to  
3           cargo destined for the United States in accord-  
4           ance with subsection (c);

5           (D) to issuing Trade Alerts described in  
6           subsection (d); and

7           (E) to the development of policies for the  
8           application of single entry and continuous bonds  
9           for entries of covered merchandise to sufficiently  
10          protect the collection of antidumping and coun-  
11          tervailing duties commensurate with the level of  
12          risk of noncollection.

13       (b) *DUTIES OF DIRECTOR.*—The duties of the Director  
14       of the Trade Remedy Law Enforcement Division shall in-  
15       clude—

16           (1) directing the trade enforcement and compli-  
17           ance assessment activities of U.S. Customs and Bor-  
18           der Protection that concern evasion;

19           (2) facilitating, promoting, and coordinating co-  
20           operation and the exchange of information between  
21           U.S. Customs and Border Protection, U.S. Immigra-  
22           tion and Customs Enforcement, and other relevant  
23           agencies regarding evasion;

24           (3) notifying on a timely basis the administering  
25           authority (as defined in section 771(1) of the Tariff

1     *Act of 1930 (19 U.S.C. 1677(1))) and the Commission*  
2     *(as defined in section 771(2) of the Tariff Act of 1930*  
3     *(19 U.S.C. 1677(2))) of any finding, determination,*  
4     *civil action, or criminal action taken by U.S. Cus-*  
5     *toms and Border Protection or other Federal agency*  
6     *regarding evasion;*

7             *(4) serving as the primary liaison between U.S.*  
8     *Customs and Border Protection and the public re-*  
9     *garding United States Government activities con-*  
10    *cerning evasion, including—*

11            *(A) receive and transmit to the appropriate*  
12    *U.S. Customs and Border Protection office alle-*  
13    *gations from parties of evasion;*

14            *(B) upon request by the party or parties*  
15    *that submitted an allegation of evasion, provide*  
16    *information to such party or parties on the sta-*  
17    *tus of U.S. Customs and Border Protection's con-*  
18    *sideration of the allegation and decision to pur-*  
19    *sue or not pursue any administrative inquiries*  
20    *or other actions, such as changes in policies, pro-*  
21    *cedures, or resource allocation as a result of the*  
22    *allegation;*

23            *(C) as needed, request from the party or*  
24    *parties that submitted an allegation of evasion*  
25    *any additional information that may be relevant*

1       *for U.S. Customs and Border Protection deter-*  
2       *mining whether to initiate an administrative in-*  
3       *quiry or take any other action regarding the al-*  
4       *legation;*

5               *(D) notify on a timely basis the party or*  
6       *parties that submitted such an allegation of the*  
7       *results of any administrative, civil or criminal*  
8       *actions taken by U.S. Customs and Border Pro-*  
9       *tection or other Federal agency regarding eva-*  
10       *sion as a direct or indirect result of the allega-*  
11       *tion;*

12              *(E) upon request, provide technical assist-*  
13       *ance and advice to eligible small businesses to*  
14       *enable such businesses to prepare and submit al-*  
15       *legations of evasion, except that the Director may*  
16       *deny assistance if the Director concludes that the*  
17       *allegation, if submitted, would not lead to the*  
18       *initiation of an administrative inquiry or any*  
19       *other action to address the allegation;*

20              *(F) in cooperation with the public, the*  
21       *Commercial Customs Operations Advisory Com-*  
22       *mittee, the Trade Support Network, and any*  
23       *other relevant parties and organizations, develop*  
24       *guidelines on the types and nature of informa-*

1            *tion that may be provided in allegations of eva-*  
 2            *sion; and*

3            *(G) regularly consult with the public, the*  
 4            *Commercial Customs Operations Advisory Com-*  
 5            *mittee, the Trade Support Network, and any*  
 6            *other relevant parties and organizations regard-*  
 7            *ing the development and implementation of regu-*  
 8            *lations, interpretations, and policies related to*  
 9            *countering evasion.*

10          *(c) PREVENTING AND COUNTERING EVASION OF THE*  
 11          *TRADE REMEDY LAWS.—In carrying out its duties with*  
 12          *respect to preventing and countering evasion, the National*  
 13          *Targeting and Analysis Group dedicated to preventing and*  
 14          *countering evasion shall—*

15                *(1) establish targeted risk assessment methodolo-*  
 16                *gies and standards—*

17                        *(A) for evaluating the risk that cargo des-*  
 18                        *tined for the United States may constitute evad-*  
 19                        *ing covered merchandise; and*

20                        *(B) for issuing, as appropriate, Trade*  
 21                        *Alerts described in subsection (d); and*

22                *(2) to the extent practicable and otherwise au-*  
 23                *thorized by law, use information available from the*  
 24                *Automated Commercial System, the Automated Com-*  
 25                *mercial Environment computer system, the Auto-*

1        *mated Targeting System, the Automated Export Sys-*  
 2        *tem, the International Trade Data System, and the*  
 3        *TECS, and any similar and successor systems, to ad-*  
 4        *minister the methodologies and standards established*  
 5        *under paragraph (1).*

6        *(d) TRADE ALERTS.—Based upon the application of*  
 7        *the targeted risk assessment methodologies and standards*  
 8        *established under subsection (c), the Director of the Trade*  
 9        *Remedy Law Enforcement Division shall issue Trade Alerts*  
 10       *or other such means of notification to directors of United*  
 11       *States ports of entry directing further inspection, physical*  
 12       *examination, or testing of merchandise to ensure compli-*  
 13       *ance with the trade remedy laws and to require additional*  
 14       *bonds, cash deposits, or other security to ensure collection*  
 15       *of any duties, taxes and fees owed.*

16       **SEC. 412. COLLECTION OF INFORMATION ON EVASION OF**  
 17       **TRADE REMEDY LAWS.**

18       *(a) AUTHORITY TO COLLECT INFORMATION.—To de-*  
 19       *termine whether covered merchandise is being entered into*  
 20       *the customs territory of the United States through evasion,*  
 21       *the Secretary, acting through the Commissioner—*

22                *(1) shall exercise all existing authorities to collect*  
 23                *information needed to make the determination; and*

24                *(2) may collect such additional information as is*  
 25                *necessary to make the determination through such*

1 *methods as the Commissioner considers appropriate,*  
2 *including by issuing questionnaires with respect to*  
3 *the entry or entries at issue to—*

4 *(A) a person who filed an allegation with*  
5 *respect to the covered merchandise;*

6 *(B) a person who is alleged to have entered*  
7 *the covered merchandise into the customs terri-*  
8 *tory of the United States through evasion; or*

9 *(C) any other person who is determined to*  
10 *have information relevant to the allegation of*  
11 *entry of covered merchandise into the customs*  
12 *territory of the United States through evasion.*

13 *(b) ADVERSE INFERENCE.—*

14 *(1) IN GENERAL.—If the Secretary finds that a*  
15 *person who filed an allegation, a person alleged to*  
16 *have entered covered merchandise into the customs*  
17 *territory of the United States through evasion, or a*  
18 *foreign producer or exporter of covered merchandise*  
19 *that is alleged to have entered into the customs terri-*  
20 *tory of the United States through evasion, has failed*  
21 *to cooperate by not acting to the best of the person's*  
22 *ability to comply with a request for information, the*  
23 *Secretary may, in making a determination whether*  
24 *an entry or entries of covered merchandise may con-*  
25 *stitute merchandise that is entered into the customs*



1        *territory of the United States through evasion, use an*  
 2        *inference that is adverse to the interests of that person*  
 3        *in selecting from among the facts otherwise available*  
 4        *to determine whether evasion has occurred.*

5            (2) *ADVERSE INFERENCE DESCRIBED.*—*An ad-*  
 6        *verse inference used under paragraph (1) may include*  
 7        *reliance on information derived from—*

8            (A) *the allegation of evasion of the trade*  
 9        *remedy laws, if any, submitted to U.S. Customs*  
 10       *and Border Protection;*

11          (B) *a determination by the Commissioner*  
 12       *in another investigation, proceeding, or other ac-*  
 13       *tion regarding evasion of the unfair trade laws;*  
 14       *or*

15          (C) *any other available information.*

16    **SEC. 413. ACCESS TO INFORMATION.**

17          (a) *IN GENERAL.*—*Section 777(b)(1)(A)(ii) of the Tar-*  
 18       *iff Act of 1930 (19 U.S.C. 1677f(b)(1)(A)(ii)) is amended*  
 19       *by inserting “negligence, gross negligence, or” after “regard-*  
 20       *ing”.*

21          (b) *ADDITIONAL INFORMATION.*—*Notwithstanding any*  
 22       *other provision of law, the Secretary is authorized to pro-*  
 23       *vide to the Secretary of Commerce or the United States*  
 24       *International Trade Commission any information that is*  
 25       *necessary to enable the Secretary of Commerce or the United*

1 *States International Trade Commission to assist the Sec-*  
 2 *retary to identify, through risk assessment targeting or oth-*  
 3 *erwise, covered merchandise that is entered into the customs*  
 4 *territory of the United States through evasion.*

5 **SEC. 414. COOPERATION WITH FOREIGN COUNTRIES ON**  
 6 **PREVENTING EVASION OF TRADE REMEDY**  
 7 **LAWS.**

8 *(a) BILATERAL AGREEMENTS.—*

9 *(1) IN GENERAL.—The Secretary shall seek to ne-*  
 10 *gotiate and enter into bilateral agreements with the*  
 11 *customs authorities or other appropriate authorities*  
 12 *of foreign countries for purposes of cooperation on*  
 13 *preventing evasion of the trade remedy laws of the*  
 14 *United States and the trade remedy laws of the other*  
 15 *country.*

16 *(2) PROVISIONS AND AUTHORITIES.—The Sec-*  
 17 *retary shall seek to include in each such bilateral*  
 18 *agreement the following provisions and authorities:*

19 *(A) On the request of the importing coun-*  
 20 *try, the exporting country shall provide, con-*  
 21 *sistent with its laws, regulations, and proce-*  
 22 *dures, production, trade, and transit documents*  
 23 *and other information necessary to determine*  
 24 *whether an entry or entries exported from the ex-*

1            *porting country are subject to the importing*  
2            *country's trade remedy laws.*

3            *(B) On the written request of the importing*  
4            *country, the exporting country shall conduct a*  
5            *verification for purposes of enabling the import-*  
6            *ing country to make a determination described*  
7            *in subparagraph (A).*

8            *(C) The exporting country may allow the*  
9            *importing country to participate in a*  
10           *verification described in subparagraph (B), in-*  
11           *cluding through a site visit.*

12           *(D) If the exporting country does not allow*  
13           *participation of the importing country in a*  
14           *verification described in subparagraph (B), the*  
15           *importing country may take this fact into con-*  
16           *sideration in its trade enforcement and compli-*  
17           *ance assessment activities regarding the compli-*  
18           *ance of the exporting country's exports with the*  
19           *importing country's trade remedy laws.*

20           *(b) CONSIDERATION.—The Commissioner is authorized*  
21           *to take into consideration whether a country is a signatory*  
22           *to a bilateral agreement described in subsection (a) and the*  
23           *extent to which the country is cooperating under the bilat-*  
24           *eral agreement for purposes of trade enforcement and com-*

1 *pliance assessment activities of U.S. Customs and Border*  
2 *Protection that concern evasion by such country's exports.*

3 *(c) REPORT.—Not later than December 31 of each year*  
4 *beginning after the date of the enactment of this Act, the*  
5 *Secretary shall submit to the appropriate congressional*  
6 *committees a report summarizing—*

7 *(1) the status of any ongoing negotiations of bi-*  
8 *lateral agreements described in subsection (a), includ-*  
9 *ing the identities of the countries involved in such ne-*  
10 *gotiations;*

11 *(2) the terms of any completed bilateral agree-*  
12 *ments described in subsection (a); and*

13 *(3) bilateral cooperation and other activities con-*  
14 *ducted pursuant to or enabled by any completed bilat-*  
15 *eral agreements described in subsection (a).*

16 **SEC. 415. TRADE NEGOTIATING OBJECTIVES.**

17 *The principal negotiating objectives of the United*  
18 *States shall include obtaining the objectives of the bilateral*  
19 *agreements described under section 414(a) for any trade*  
20 *agreements under negotiation as of the date of the enact-*  
21 *ment of this Act or future trade agreement negotiations.*

***Subtitle B—Investigation of  
Evasion of Trade Remedy Laws***

***SEC. 421. PROCEDURES FOR INVESTIGATION OF EVASION  
OF ANTIDUMPING AND COUNTERVAILING  
DUTY ORDERS.***

*(a) IN GENERAL.—Title VII of the Tariff Act of 1930  
(19 U.S.C. 1671 et seq.) is amended by inserting after sec-  
tion 781 the following:*

***“SEC. 781A. PROCEDURES FOR PREVENTION OF EVASION  
OF ANTIDUMPING AND COUNTERVAILING  
DUTY ORDERS.***

*“(a) DEFINITIONS.—In this section:*

*“(1) ADMINISTERING AUTHORITY.—The term  
‘administering authority’ has the meaning given that  
term in section 771.*

*“(2) COMMISSIONER.—The term ‘Commissioner’  
means the Commissioner responsible for U.S. Customs  
and Border Protection.*

*“(3) COVERED MERCHANDISE.—The term ‘cov-  
ered merchandise’ means merchandise that is subject  
to—*

*“(A) a countervailing duty order issued  
under section 706; or*

*“(B) an antidumping duty order issued  
under section 736.*

1 “(4) *EVASION*.—

2 “(A) *IN GENERAL*.—*Except as provided in*  
3 *subparagraph (B), the term ‘evasion’ refers to*  
4 *entering covered merchandise into the customs*  
5 *territory of the United States by means of any*  
6 *document or electronically transmitted data or*  
7 *information, written or oral statement, or act*  
8 *that is material and false, or any omission that*  
9 *is material, and that results in any cash deposit*  
10 *or other security or any amount of applicable*  
11 *antidumping or countervailing duties being re-*  
12 *duced or not being applied with respect to the*  
13 *merchandise.*

14 “(B) *EXCEPTION FOR CLERICAL ERROR*.—

15 “(i) *IN GENERAL*.—*Except as provided*  
16 *in clause (ii), the term ‘evasion’ does not*  
17 *include entering covered merchandise into*  
18 *the customs territory of the United States*  
19 *by means of—*

20 “(I) *a document or electronically*  
21 *transmitted data or information, writ-*  
22 *ten or oral statement, or act that is*  
23 *false as a result of a clerical error; or*

24 “(II) *an omission that results*  
25 *from a clerical error.*

1           “(ii) *PATTERNS OF NEGLIGENT CON-*  
2           *DUCT.—If the Commissioner determines*  
3           *that a person has entered covered merchan-*  
4           *dise into the customs territory of the United*  
5           *States by means of a clerical error referred*  
6           *to in subclause (I) or (II) of clause (i) and*  
7           *that the clerical error is part of a pattern*  
8           *of negligent conduct on the part of that per-*  
9           *son, the Commissioner may determine, not-*  
10           *withstanding clause (i), that the person has*  
11           *entered such covered merchandise into the*  
12           *customs territory of the United States*  
13           *through evasion.*

14           “(iii) *ELECTRONIC REPETITION OF ER-*  
15           *RORS.—For purposes of clause (ii), the mere*  
16           *nonintentional repetition by an electronic*  
17           *system of an initial clerical error does not*  
18           *constitute a pattern of negligent conduct.*

19           “(iv) *RULE OF CONSTRUCTION.—A de-*  
20           *termination by the Commissioner that a*  
21           *person has entered covered merchandise into*  
22           *the customs territory of the United States*  
23           *by means of a clerical error referred to in*  
24           *subclause (I) or (II) of clause (i) rather*  
25           *than through evasion shall not be construed*

1                   to excuse that person from the payment of  
2                   any duties applicable to the merchandise.

3           “(b) *PREVENTION BY ADMINISTERING AUTHORITY.*—

4                   “(1) *PROCEDURES FOR INITIATING INVESTIGA-*  
5           *TIONS.*—

6                   “(A) *INITIATION BY ADMINISTERING AU-*  
7           *THORITY.*—An investigation under this sub-  
8           section shall be initiated with respect to mer-  
9           chandise imported into the United States when-  
10          ever the administering authority determines,  
11          from information available to the administering  
12          authority, that an investigation is warranted  
13          with respect to whether the merchandise is cov-  
14          ered merchandise.

15                  “(B) *INITIATION BY PETITION OR REFER-*  
16          *RAL.*—

17                   “(i) *IN GENERAL.*—The administering  
18           authority shall determine whether to ini-  
19           tiate an investigation under this subpara-  
20           graph not later than 30 days after the date  
21           on which the administering authority re-  
22           ceives a petition described in clause (ii) or  
23           a referral described in clause (iii).



1           “(ii) *PETITION DESCRIBED.*—A peti-  
 2           tion described in this clause is a petition  
 3           that—

4                   “(I) is filed with the admin-  
 5                   istering authority by an interested  
 6                   party specified in subparagraph (A),  
 7                   (C), (D), (E), (F), or (G) of section  
 8                   771(9);

9                   “(II) alleges that merchandise im-  
 10                  ported into the United States is cov-  
 11                  ered merchandise; and

12                  “(III) is accompanied by infor-  
 13                  mation reasonably available to the pe-  
 14                  titioner supporting those allegations.

15           “(iii) *REFERRAL DESCRIBED.*—A re-  
 16           ferral described in this clause is a referral  
 17           made by the Commissioner pursuant to sub-  
 18           section (c)(1).

19           “(2) *TIME LIMITS FOR DETERMINATIONS.*—

20                   “(A) *PRELIMINARY DETERMINATION.*—

21                           “(i) *IN GENERAL.*—Not later than 90  
 22                   days after the administering authority ini-  
 23                   tiates an investigation under paragraph (1)  
 24                   with respect to merchandise, the admin-  
 25                   istering authority shall issue a preliminary

1           *determination, based on information avail-*  
2           *able to the administering authority at the*  
3           *time of the determination, with respect to*  
4           *whether there is a reasonable basis to believe*  
5           *or suspect that the merchandise is covered*  
6           *merchandise.*

7           “(ii) *EXPEDITED PROCEDURES.*—*If the*  
8           *administering authority determines that ex-*  
9           *pedited action is warranted with respect to*  
10           *an investigation initiated under paragraph*  
11           *(1), the administering authority may pub-*  
12           *lish the notice of initiation of the investiga-*  
13           *tion and the notice of the preliminary deter-*  
14           *mination in the Federal Register at the*  
15           *same time.*

16           “(B) *FINAL DETERMINATION BY THE AD-*  
17           *MINISTERING AUTHORITY.*—*The administering*  
18           *authority shall issue a final determination with*  
19           *respect to whether merchandise is covered mer-*  
20           *chandise not later than 300 days after the date*  
21           *on which the administering authority initiates*  
22           *an investigation under paragraph (1) with re-*  
23           *spect to the merchandise.*

24           “(3) *ACCESS TO INFORMATION.*—

1           “(A) *ENTRY DOCUMENTS, RECORDS, AND*  
2           *OTHER INFORMATION.*—Upon receiving a request  
3           from the administering authority, and not later  
4           than 10 days after receiving the administering  
5           authority’s request, the Commissioner shall  
6           transmit to the administering authority copies of  
7           the documentation and information required by  
8           section 484(a)(1) with respect to the entry of the  
9           merchandise, as well as any other documentation  
10          or information requested by the administering  
11          authority.

12          “(B) *ACCESS OF INTERESTED PARTIES.*—  
13          Not later than 10 business days after the date on  
14          which the administering authority initiates an  
15          investigation under paragraph (1) with respect  
16          to merchandise, the administering authority  
17          shall provide to the authorized representative of  
18          each interested party that filed a petition under  
19          paragraph (1) or otherwise participates in a  
20          proceeding, pursuant to a protective order, the  
21          copies of the entry documentation and any other  
22          information received by the administering au-  
23          thority under subparagraph (A).

24          “(C) *BUSINESS PROPRIETARY INFORMATION*  
25          *FROM PRIOR SEGMENTS.*—Where an authorized

1        *representative to an interested party partici-*  
 2        *pating in an investigation under paragraph (1)*  
 3        *has access to business proprietary information*  
 4        *released pursuant to administrative protective*  
 5        *order in a proceeding under 19 U.S.C. §§ 1671*  
 6        *et seq., 1673 et seq., or 1675 et seq. that is rel-*  
 7        *evant to the investigation conducted under para-*  
 8        *graph (1), that authorized representative may*  
 9        *submit such information to the administering*  
 10       *authority for its consideration in the context of*  
 11       *the investigation conducted under paragraph (1).*

12       “(4) *AUTHORITY TO COLLECT AND VERIFY ADDI-*  
 13       *TIONAL INFORMATION.—In making a determination*  
 14       *under paragraph (2) with respect to covered merchan-*  
 15       *dise, the administering authority may collect such ad-*  
 16       *ditional information as is necessary to make the de-*  
 17       *termination through such methods as the admin-*  
 18       *istering authority considers appropriate, including*  
 19       *by—*

20                “(A) *issuing a questionnaire with respect to*  
 21                *such covered merchandise to—*

22                        “(i) *a person that filed an allegation*  
 23                        *under paragraph (1)(B)(ii) that resulted in*  
 24                        *the initiation of an investigation under*

1 paragraph (1)(A) with respect to such cov-  
2 ered merchandise;

3 “(ii) a person alleged to have entered  
4 such covered merchandise into the customs  
5 territory of the United States through eva-  
6 sion;

7 “(iii) a person that is a foreign pro-  
8 ducer or exporter of such covered merchan-  
9 dise; or

10 “(iv) the government of a country from  
11 which such covered merchandise was ex-  
12 ported;

13 “(B) conducting verifications, including on-  
14 site verifications, of any relevant information;  
15 and

16 “(C) requesting—

17 “(i) that the Commissioner provide  
18 any information and data available to U.S.  
19 Customs and Border Protection, and

20 “(ii) that the Commissioner gather ad-  
21 ditional necessary information from the im-  
22 porter of covered merchandise and other rel-  
23 evant parties.

24 “(5) ADVERSE INFERENCE.—If the admin-  
25 istering authority finds that a person described in

1 *clause (i), (ii), or (iii) of paragraph (4)(A) has failed*  
 2 *to cooperate by not acting to the best of the person's*  
 3 *ability to comply with a request for information, the*  
 4 *administering authority may, in making a deter-*  
 5 *mination under paragraph (2), use an inference that*  
 6 *is adverse to the interests of that person in selecting*  
 7 *from among the facts otherwise available to make the*  
 8 *determination.*

9 “(6) *EFFECT OF AFFIRMATIVE PRELIMINARY DE-*  
 10 *TERMINATION.—If the administering authority makes*  
 11 *a preliminary determination under paragraph (2)(A)*  
 12 *that merchandise is covered merchandise, the admin-*  
 13 *istering authority shall instruct U.S. Customs and*  
 14 *Border Protection—*

15 “(A) *to suspend liquidation of each entry of*  
 16 *the merchandise that—*

17 “(i) *enters on or after the date of the*  
 18 *preliminary determination; or*

19 “(ii) *enters before that date, if the liq-*  
 20 *uidation of the entry is not final on that*  
 21 *date; and*

22 “(B) *to require the posting of a cash deposit*  
 23 *for each entry of the merchandise in an amount*  
 24 *determined pursuant to the order or finding de-*  
 25 *scribed in subsection (a)(2)(A)(i), or administra-*

1           *tive review conducted under section 751, that ap-*  
2           *plies to the merchandise.*

3           “(7) *EFFECT OF AFFIRMATIVE FINAL DETER-*  
4           *MINATION.—*

5           “(A) *IN GENERAL.—If the administering*  
6           *authority makes a final determination under*  
7           *paragraph (2)(B) that merchandise is covered*  
8           *merchandise, the administering authority shall*  
9           *instruct U.S. Customs and Border Protection—*

10           *“(i) to assess duties on the merchandise*  
11           *in an amount determined pursuant to the*  
12           *order or finding described in subsection*  
13           *(a)(2)(A)(i), or administrative review con-*  
14           *ducted under section 751, that applies to the*  
15           *merchandise;*

16           *“(ii) notwithstanding section 501, to*  
17           *reliquidate, in accordance with such order,*  
18           *finding, or administrative review, each*  
19           *entry of the merchandise that was liq-*  
20           *uidated and is determined to include cov-*  
21           *ered merchandise; and*

22           *“(iii) to review and reassess the*  
23           *amount of bond or other security the im-*  
24           *porter is required to post for such merchan-*  
25           *dise entered on or after the date of the final*

1           *determination to ensure the protection of*  
2           *revenue and compliance with the law.*

3           “(B) *ADDITIONAL AUTHORITY.*—*If the ad-*  
4           *ministering authority makes a final determina-*  
5           *tion under paragraph (2)(B) that merchandise is*  
6           *covered merchandise, the administering author-*  
7           *ity may instruct U.S. Customs and Border Pro-*  
8           *tection to require the importer of the merchan-*  
9           *dise to post a cash deposit or bond on such mer-*  
10          *chandise entered on or after the date of the final*  
11          *determination in an amount the administering*  
12          *authority determines in the final determination*  
13          *to be owed with respect to the merchandise.*

14          “(8) *EFFECT OF NEGATIVE FINAL DETERMINA-*  
15          *TION.*—*If the administering authority makes a final*  
16          *determination under paragraph (2)(B) that merchan-*  
17          *dise is not covered merchandise, the administering*  
18          *authority shall terminate the suspension of liquida-*  
19          *tion and refund any cash deposit imposed pursuant*  
20          *to paragraph (6) with respect to the merchandise.*

21          “(9) *NOTIFICATION.*—*Not later than 5 business*  
22          *days after making a determination under paragraph*  
23          *(2) with respect to covered merchandise, the admin-*  
24          *istering authority may provide to importers, in such*  
25          *manner as the administering authority determines*



1     *appropriate, information discovered in the investiga-*  
2     *tion that the administering authority determines will*  
3     *help educate importers with respect to importing mer-*  
4     *chandise into the customs territory of the United*  
5     *States in accordance with all applicable laws and*  
6     *regulations.*

7             “(10) *SPECIAL RULE FOR CASES IN WHICH THE*  
8     *PRODUCER OR EXPORTER IS UNKNOWN.—If the ad-*  
9     *ministering authority is unable to determine the ac-*  
10    *tual producer or exporter of the merchandise with re-*  
11    *spect to which the administering authority initiated*  
12    *an investigation under paragraph (1), the admin-*  
13    *istering authority shall, in requiring the posting of a*  
14    *cash deposit under paragraph (6) or assessing duties*  
15    *pursuant to paragraph (7)(A), impose the cash de-*  
16    *posit or duties (as the case may be) in the highest*  
17    *amount applicable to any producer or exporter of the*  
18    *merchandise pursuant to any order or finding de-*  
19    *scribed in subsection (a)(2)(A)(i), or any administra-*  
20    *tive review conducted under section 751.*

21             “(11) *PUBLICATION OF DETERMINATIONS.—The*  
22    *administering authority shall publish each notice of*  
23    *initiation of investigation made under paragraph*  
24    *(1)(A), each preliminary determination made under*

1 paragraph (2)(A) and each final determination made  
2 under paragraph (2)(B) in the Federal Register.

3 “(12) REFERRALS TO OTHER AGENCIES.—

4 “(A) AFTER PRELIMINARY DETERMINA-  
5 TION.—Notwithstanding section 777 and subject  
6 to subparagraph (C), when the administering  
7 authority makes an affirmative preliminary de-  
8 termination under paragraph (2)(A), the admin-  
9 istering authority shall—

10 “(i) transmit the administrative record  
11 to the Commissioner for such additional ac-  
12 tion as the Commissioner determines appro-  
13 priate, including proceedings under section  
14 592; and

15 “(ii) at the request of the head of an-  
16 other agency, transmit the administrative  
17 record to the head of that agency.

18 “(B) AFTER FINAL DETERMINATION.—Not-  
19 withstanding section 777 and subject to subpara-  
20 graph (C), when the administering authority  
21 makes an affirmative final determination under  
22 paragraph (2)(B), the administering authority  
23 shall—

24 “(i) transmit the complete administra-  
25 tive record to the Commissioner; and

1                   “(ii) at the request of the head of an-  
 2                   other agency, transmit the complete admin-  
 3                   istrative record to the head of that agency.

4           “(c) *PREVENTION BY U.S. CUSTOMS AND BORDER*  
 5 *PROTECTION.*—In the event the Commissioner receives in-  
 6 formation that a person is entered covered merchandise into  
 7 the customs territory of the United States through evasion,  
 8 but is not able to determine whether the merchandise is in  
 9 fact covered merchandise, the Commissioner shall—

10                   “(A) refer the matter to the administering  
 11 authority for additional proceedings under sub-  
 12 section (b); and

13                   “(B) transmit to the administering author-  
 14 ity—

15                   “(i) copies of the entry documents and  
 16 information required by section 484(a)(1)  
 17 relating to the merchandise; and

18                   “(ii) any additional records or infor-  
 19 mation that the Commissioner considers ap-  
 20 propriate.

21           “(d) *COOPERATION BETWEEN U.S. CUSTOMS AND*  
 22 *BORDER PROTECTION AND THE DEPARTMENT OF COM-*  
 23 *MERCE.*—

24                   “(1) *NOTIFICATION OF INVESTIGATIONS.*—Upon  
 25 receiving a petition and upon initiating an investiga-

1        *tion under subsection (b), the administering authority*  
2        *shall notify the Commissioner.*

3                “(2) *PROCEDURES FOR COOPERATION.*—Not  
4        *later than 180 days after the date of the enactment*  
5        *of this Act , the Commissioner and the administering*  
6        *authority shall establish procedures to ensure max-*  
7        *imum cooperation and communication between U.S.*  
8        *Customs and Border Protection and the admin-*  
9        *istering authority in order to quickly, efficiently, and*  
10       *accurately investigate allegations of evasion of anti-*  
11       *dumping and countervailing duty orders.*

12               “(e) *ANNUAL REPORT ON PREVENTING EVASION OF*  
13 *ANTIDUMPING AND COUNTERVAILING DUTY ORDERS.*—

14               “(1) *IN GENERAL.*—Not later than February 28  
15       *of each year beginning in 2016, the Under Secretary*  
16       *for International Trade of the Department of Com-*  
17       *merce shall submit to the Committee on Finance and*  
18       *the Committee on Appropriations of the Senate and*  
19       *the Committee on Ways and Means and the Com-*  
20       *mittee on Appropriations of the House of Representa-*  
21       *tives a report on the efforts being taken under sub-*  
22       *section (b) to prevent evasion of antidumping and*  
23       *countervailing duty orders.*

1           “(2) *CONTENTS.*—*Each report required by para-*  
 2           *graph (1) shall include, for the year preceding the*  
 3           *submission of the report—*

4                     “(A)(i) *the number of investigations initi-*  
 5                     *ated pursuant to subsection (b); and*

6                     “(ii) *a description of such investigations,*  
 7                     *including—*

8                             “(I) *the results of such investigations;*  
 9                     *and*

10                     “(II) *the amount of antidumping and*  
 11                     *countervailing duties collected as a result of*  
 12                     *such investigations; and*

13                     “(B) *the number of referrals made by the*  
 14                     *Commissioner pursuant to subsection (c).”.*

15           (b) *TECHNICAL AMENDMENT.*—*The table of contents*  
 16           *for title VII of the Tariff Act of 1930 is amended by insert-*  
 17           *ing after the item relating to section 781 the following:*

*“Sec. 781A. Procedures for prevention of evasion of antidumping and counter-*  
*vailing duty orders.”.*

18           (c) *JUDICIAL REVIEW.*—*Section 516A(a)(2) of the*  
 19           *Tariff Act of 1930 (19 U.S.C. 1516a(a)(2)) is amended—*

20                     (1) *in subparagraph (A)(i)(I), by striking “or*  
 21                     *(viii)” and inserting “(viii), or (ix)”;* and

22                     (2) *in subparagraph (B), by inserting at the end*  
 23                     *the following:*

1                   “(ix) *A determination by the admin-*  
 2                   *istering authority under section 781A.*”.

3           (d) *REGULATIONS.*—*Not later than 180 days after the*  
 4 *date of the enactment of this Act—*

5                   (1) *the Secretary of Commerce shall prescribe*  
 6 *such regulations as may be necessary to carry out*  
 7 *subsection (b) of section 781A of the Tariff Act of*  
 8 *1930 (as added by subsection (a) of this section); and*

9                   (2) *the Commissioner responsible for U.S. Cus-*  
 10 *toms and Border Protection shall prescribe such regu-*  
 11 *lations as may be necessary to carry out subsection*  
 12 *(c) of such section 781A.*

13           (e) *EFFECTIVE DATE.*—*The amendments made by this*  
 14 *section shall—*

15                   (1) *take effect on the date that is 180 days after*  
 16 *the date of the enactment of this Act; and*

17                   (2) *apply with respect to merchandise entered on*  
 18 *or after such date of enactment.*

19 **SEC. 422. GOVERNMENT ACCOUNTABILITY OFFICE REPORT.**

20           *Not later than 2 years after the date of the enactment*  
 21 *of this Act, the Comptroller General of the United States*  
 22 *shall submit to the Committee on Finance and the Com-*  
 23 *mittee on Appropriations of the Senate and the Committee*  
 24 *on Ways and Means and the Committee on Appropriations*

1 *of the House of Representatives a report assessing the effec-*  
 2 *tiveness of—*

3 *(1) the provisions of, and amendments made by,*  
 4 *this Act; and*

5 *(2) the actions taken and procedures developed*  
 6 *by the Secretary of Commerce and the Commissioner*  
 7 *pursuant to such provisions and amendments to pre-*  
 8 *vent evasion of antidumping and countervailing duty*  
 9 *orders under title VII of the Tariff Act of 1930 (19*  
 10 *U.S.C. 1671 et seq.).*

## 11 ***Subtitle C—Other Matters***

### 12 **SEC. 431. ALLOCATION AND TRAINING OF PERSONNEL.**

13 *The Commissioner shall, to the maximum extent pos-*  
 14 *sible, ensure that U.S. Customs and Border Protection—*

15 *(1) employs sufficient personnel who have exper-*  
 16 *tise in, and responsibility for, preventing and inves-*  
 17 *tigating the entry of covered merchandise into the*  
 18 *customs territory of the United States through eva-*  
 19 *sion;*

20 *(2) on the basis of risk assessment metrics, as-*  
 21 *signs sufficient personnel with primary responsibility*  
 22 *for preventing the entry of covered merchandise into*  
 23 *the customs territory of the United States through*  
 24 *evasion to the ports of entry in the United States at*  
 25 *which the Commissioner determines potential evasion*

1        *presents the most substantial threats to the revenue of*  
2        *the United States; and*

3            *(3) provides adequate training to relevant per-*  
4        *sonnel to increase expertise and effectiveness in the*  
5        *prevention and identification of entries of covered*  
6        *merchandise into the customs territory of the United*  
7        *States through evasion.*

8        **SEC. 432. ANNUAL REPORT ON PREVENTION OF EVASION**  
9                    **OF ANTIDUMPING AND COUNTERVAILING**  
10                   **DUTY ORDERS.**

11        *(a) IN GENERAL.—Not later than February 28 of each*  
12        *year, beginning in 2014, the Commissioner, in consultation*  
13        *with the Secretary of Commerce and the Director for U.S.*  
14        *Immigration and Customs Enforcement, shall submit to the*  
15        *appropriate congressional committees a report on the efforts*  
16        *being taken to prevent and investigate evasion.*

17        *(b) CONTENTS.—Each report required under sub-*  
18        *section (a) shall include—*

19            *(1) for the calendar year preceding the submis-*  
20        *sion of the report—*

21            *(A) a summary of the efforts of U.S. Cus-*  
22        *toms and Border Protection to prevent and iden-*  
23        *tify evasion;*

24            *(B) the number of allegations of evasion re-*  
25        *ceived and the number of allegations of evasion*



1       *resulting in any administrative, civil, or crimi-*  
2       *nal actions by U.S. Customs and Border Protec-*  
3       *tion or any other agency;*

4               *(C) a summary of the completed adminis-*  
5       *trative inquiries of evasion, including the num-*  
6       *ber and nature of the inquiries initiated, con-*  
7       *ducted, or completed, as well as their resolution;*

8               *(D) with respect to inquiries that lead to*  
9       *lead to issuance of a penalty notice, the penalty*  
10       *amounts;*

11               *(E) the amounts of antidumping and coun-*  
12       *tervailing duties collected as a result of any ac-*  
13       *tions by U.S. Customs and Border Protection or*  
14       *any other agency;*

15               *(F) a description of the allocation of per-*  
16       *sonnel and other resources of U.S. Customs and*  
17       *Border Protection and U.S. Immigration and*  
18       *Customs Enforcement to prevent, identify and*  
19       *investigate evasion, including any assessments*  
20       *conducted regarding the allocation of such per-*  
21       *sonnel and resources; and*

22               *(G) a description of training conducted to*  
23       *increase expertise and effectiveness in the preven-*  
24       *tion, identification and investigation of evasion;*  
25       *and*

1           (2) *a description of U.S. Customs and Border*  
2           *Protection processes and procedures to prevent and*  
3           *identify evasion, including—*

4                   (A) *the specific guidelines, policies, and*  
5                   *practices used by U.S. Customs and Border Pro-*  
6                   *tection to ensure that allegations of evasion are*  
7                   *promptly evaluated and acted upon in a timely*  
8                   *manner;*

9                   (B) *an evaluation of the efficacy of such ex-*  
10                  *isting guidelines, policies, and practices;*

11                  (C) *identification of any changes since the*  
12                  *last report that have materially improved or re-*  
13                  *duced the effectiveness of U.S. Customs and Bor-*  
14                  *der Protection to prevent and identify evasion;*

15                  (D) *a description of the development and*  
16                  *implementation of policies for the application of*  
17                  *single entry and continuous bonds for entries of*  
18                  *covered merchandise to sufficiently protect the*  
19                  *collection of antidumping and countervailing du-*  
20                  *ties commensurate with the level of risk on non-*  
21                  *collection;*

22                  (E) *the processes and procedures for in-*  
23                  *creased cooperation and information sharing*  
24                  *with the Department of Commerce, U.S. Immi-*  
25                  *gration and Customs Enforcement, and any*

1           *other relevant Federal agencies to prevent and*  
 2           *identify evasion; and*

3                     *(F) identification of any recommended pol-*  
 4           *icy changes of other Federal agencies or legisla-*  
 5           *tive changes to improve the effectiveness of U.S.*  
 6           *Customs and Border Protection to prevent and*  
 7           *identify evasion.*

8   **SEC. 433. ADDRESSING CIRCUMVENTION BY NEW SHIPPERS.**

9           *Section 751(a)(2)(B) of the Tariff Act of 1930 (19*  
 10   *U.S.C. 1675(a)(2)(B)) is amended—*

11                     *(1) by striking clause (iii);*

12                     *(2) by redesignating clause (iv) as clause (iii);*

13           *and*

14                     *(3) inserting after clause (iii), as redesignated by*  
 15   *paragraph (2) of this section, the following:*

16                             *“(iv) DETERMINATIONS BASED ON*  
 17                             *BONAFIDE SALES.—Any weighted average*  
 18                             *dumping margin or individual counter-*  
 19                             *vailing duty rate determined for an ex-*  
 20                             *porter or producer in a review conducted*  
 21                             *under clause (i) shall be based solely on the*  
 22                             *bona fide United States sales of an exporter*  
 23                             *or producer, as the case may be, made dur-*  
 24                             *ing the period covered by the review. In de-*  
 25                             *termining whether the United States sales of*

1           *an exporter or producer made during the*  
2           *period covered by the review were bona fide,*  
3           *the administering authority shall consider,*  
4           *depending on the circumstances sur-*  
5           *rounding such sales—*

6                     *“(I) the prices of such sales;*

7                     *“(II) whether such sales were*  
8                     *made in commercial quantities;*

9                     *“(III) the timing of such sales;*

10                    *“(IV) the expenses arising from*  
11                    *such sales;*

12                    *“(V) whether the subject merchan-*  
13                    *dise involved in such sales were resold*  
14                    *in the United States at a profit;*

15                    *“(VI) whether such sales were*  
16                    *made on an arms-length basis; and*

17                    *“(VII) any other factor the ad-*  
18                    *ministering authority determines to be*  
19                    *relevant as to whether such sales are,*  
20                    *or are not, likely to be typical of those*  
21                    *the exporter or producer will make*  
22                    *after completion of the review.”.*

# **TITLE V—ADDITIONAL ENFORCEMENT PROVISIONS**

## **SEC. 501. TRADE ENFORCEMENT PRIORITIES.**

(a) *IN GENERAL.*—Section 310 of the Trade Act of 1974 (19 U.S.C. 2420) is amended to read as follows:

### **“SEC. 310. TRADE ENFORCEMENT PRIORITIES.**

**“(a) TRADE ENFORCEMENT PRIORITIES, CONSULTATIONS, AND REPORT.—**

**“(1) TRADE ENFORCEMENT PRIORITIES CONSULTATIONS.—***Not later than May 31 of each calendar year that begins after the date of the enactment of the Trade Facilitation and Trade Enforcement Act of 2015, the United States Trade Representative (in this section referred to as the ‘Trade Representative’) shall consult with the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives with respect to the prioritization of acts, policies, or practices of foreign governments that raise concerns with respect to obligations under the WTO Agreements or any other trade agreement to which the United States is a party, or otherwise create or maintain barriers to United States goods, services, or investment.*

**“(2) IDENTIFICATION OF TRADE ENFORCEMENT PRIORITIES.—***In identifying acts, policies, or prac-*

1 *tices of foreign governments as trade enforcement pri-*  
2 *orities under this subsection, the United States Trade*  
3 *Representative shall focus on those acts, policies, and*  
4 *practices the elimination of which is likely to have the*  
5 *most significant potential to increase United States*  
6 *economic growth, and take into account all relevant*  
7 *factors, including—*

8 *“(A) the economic significance of any po-*  
9 *tential inconsistency between an obligation as-*  
10 *sumed by a foreign government pursuant to a*  
11 *trade agreement to which both the foreign gov-*  
12 *ernment and the United States are parties and*  
13 *the acts, policies, or practices of that government;*

14 *“(B) the impact of the acts, policies, or*  
15 *practices of a foreign government on maintain-*  
16 *ing and creating United States jobs and produc-*  
17 *tive capacity;*

18 *“(C) the major barriers and trade distorting*  
19 *practices described in the most recent National*  
20 *Trade Estimate required under section 181(b);*

21 *“(D) the major barriers and trade dis-*  
22 *torting practices described in other relevant re-*  
23 *ports addressing international trade and invest-*  
24 *ment barriers prepared by a Federal agency or*  
25 *congressional commission during the 12 months*

1 preceding the date of the most recent report  
2 under paragraph (3);

3 “(E) a foreign government’s compliance  
4 with its obligations under any trade agreements  
5 to which both the foreign government and the  
6 United States are parties;

7 “(F) the implications of a foreign govern-  
8 ment’s procurement plans and policies; and

9 “(G) the international competitive position  
10 and export potential of United States products  
11 and services.

12 “(3) REPORT ON TRADE ENFORCEMENT PRIOR-  
13 ITIES AND ACTIONS TAKEN TO ADDRESS.—

14 “(A) IN GENERAL.—Not later than July 31  
15 of each calendar year that begins after the date  
16 of the enactment of the Trade Facilitation and  
17 Trade Enforcement Act of 2015, the Trade Rep-  
18 resentative shall report to the Committee on Fi-  
19 nance of the Senate and the Committee on Ways  
20 and Means of the House of Representatives on  
21 acts, policies, or practices of foreign governments  
22 identified as trade enforcement priorities based  
23 on the consultations under paragraph (1) and  
24 the criteria set forth in paragraph (2).

1                   “(B) *REPORT IN SUBSEQUENT YEARS.*—The  
2                   *Trade Representative shall include, when report-*  
3                   *ing under subparagraph (A) in any calendar*  
4                   *year after the calendar year that begins after the*  
5                   *date of the enactment of the Trade Facilitation*  
6                   *and Trade Enforcement Act of 2015, a descrip-*  
7                   *tion of actions taken to address any acts, poli-*  
8                   *cies, or practices of foreign governments identi-*  
9                   *fied as trade enforcement priorities under this*  
10                  *subsection in the calendar year preceding that*  
11                  *report and, as relevant, any year before that cal-*  
12                  *endar year.*

13               “(b) *SEMI-ANNUAL ENFORCEMENT CONSULTATIONS.*—

14               “(1) *IN GENERAL.*—At the same time as the re-  
15               *porting under subsection (a)(3), and not later than*  
16               *January 31 of each following year, the Trade Rep-*  
17               *resentative shall consult with the Committee on Fi-*  
18               *nance of the Senate and the Committee on Ways and*  
19               *Means of the House of Representatives with respect to*  
20               *the identification, prioritization, investigation, and*  
21               *resolution of acts, policies, or practices of foreign gov-*  
22               *ernments of concern with respect to obligations under*  
23               *the WTO Agreements or any other trade agreement to*  
24               *which the United States is a party, or that otherwise*  
25               *create or maintain trade barriers.*



1           “(2) *ACTS, POLICIES, OR PRACTICES OF CON-*  
2           *CERN.—The semi-annual enforcement consultations*  
3           *required by paragraph (1) shall address acts, policies,*  
4           *or practices of foreign governments that raise con-*  
5           *cerns with respect to obligations under the WTO*  
6           *Agreements or any other trade agreement to which the*  
7           *United States is a party, or otherwise create or main-*  
8           *tain trade barriers, including—*

9                   “(A) *engagement with relevant trading*  
10                  *partners;*

11                  “(B) *strategies for addressing such concerns;*

12                  “(C) *availability and deployment of re-*  
13                  *sources to be used in the investigation or resolu-*  
14                  *tion of such concerns;*

15                  “(D) *the merits of any potential dispute*  
16                  *resolution proceeding under the WTO Agree-*  
17                  *ments or any other trade agreement to which the*  
18                  *United States is a party relating to such con-*  
19                  *cerns; and*

20                  “(E) *any other aspects of such concerns.*

21           “(3) *ACTIVE INVESTIGATIONS.—The semi-annual*  
22           *enforcement consultations required by paragraph (1)*  
23           *shall address acts, policies, or practices that the Trade*  
24           *Representative is actively investigating with respect*  
25           *to obligations under the WTO Agreements or any*

1     *other trade agreement to which the United States is*  
2     *a party, including—*

3             *“(A) strategies for addressing concerns*  
4             *raised by such acts, policies, or practices;*

5             *“(B) any relevant timeline with respect to*  
6             *investigation of such acts, policies, or practices;*

7             *“(C) the merits of any potential dispute res-*  
8             *olution proceeding under the WTO Agreements*  
9             *or any other trade agreement to which the*  
10            *United States is a party with respect to such*  
11            *acts, policies, or practices;*

12            *“(D) barriers to the advancement of the in-*  
13            *vestigation of such acts, policies, or practices;*  
14            *and*

15            *“(E) any other matters relating to the in-*  
16            *vestigation of such acts, policies, or practices.*

17            *“(4) ONGOING ENFORCEMENT ACTIONS.—The*  
18            *semi-annual enforcement consultations required by*  
19            *paragraph (1) shall address all ongoing enforcement*  
20            *actions taken by or against the United States with re-*  
21            *spect to obligations under the WTO Agreements or*  
22            *any other trade agreement to which the United States*  
23            *is a party, including—*

24            *“(A) any relevant timeline with respect to*  
25            *such actions;*

1                   “(B) *the merits of such actions;*

2                   “(C) *any prospective implementation ac-*  
3                   *tions;*

4                   “(D) *potential implications for any law or*  
5                   *regulation of the United States;*

6                   “(E) *potential implications for United*  
7                   *States stakeholders, domestic competitors, and*  
8                   *exporters; and*

9                   “(F) *other issues relating to such actions.*

10                  “(5) *ENFORCEMENT RESOURCES.—The semi-an-*  
11                  *nual enforcement consultations required by paragraph*  
12                  *(1) shall address the availability and deployment of*  
13                  *enforcement resources, resource constraints on moni-*  
14                  *toring and enforcement activities, and strategies to*  
15                  *address those constraints, including the use of avail-*  
16                  *able resources of other Federal agencies to enhance*  
17                  *monitoring and enforcement capabilities.*

18                  “(c) *INVESTIGATION AND RESOLUTION.—In the case of*  
19                  *any acts, policies, or practices of a foreign government iden-*  
20                  *tified as a trade enforcement priority under subsection (a),*  
21                  *the Trade Representative shall, not later than the date of*  
22                  *the first semi-annual enforcement consultations held under*  
23                  *subsection (b) after the identification of the priority, take*  
24                  *appropriate action to address that priority, including—*

1           “(1) engagement with the foreign government to  
2           resolve concerns raised by such acts, policies, or prac-  
3           tices;

4           “(2) initiation of an investigation under section  
5           302(b)(1) with respect to such acts, policies, or prac-  
6           tices;

7           “(3) initiation of negotiations for a bilateral  
8           agreement that provides for resolution of concerns  
9           raised by such acts, policies, or practices; or

10          “(4) initiation of dispute settlement proceedings  
11          under the WTO Agreements or any other trade agree-  
12          ment to which the United States is a party with re-  
13          spect to such acts, policies, or practices.

14          “(d) *ENFORCEMENT NOTIFICATIONS AND CONSULTA-*  
15          *TION.*—

16          “(1) *INITIATION OF ENFORCEMENT ACTION.*—*The*  
17          *Trade Representative shall notify and consult with*  
18          *the Committee on Finance of the Senate and the Com-*  
19          *mittee on Ways and Means of the House of Represent-*  
20          *atives in advance of initiation of any formal trade*  
21          *dispute by or against the United States taken in re-*  
22          *gard to an obligation under the WTO Agreements or*  
23          *any other trade agreement to which the United States*  
24          *is a party. With respect to a formal trade dispute*  
25          *against the United States, if advance notification and*

1       *consultation are not possible, the Trade Representa-*  
 2       *tive shall notify and consult at the earliest practicable*  
 3       *opportunity after initiation of the dispute.*

4               “(2) *CIRCULATION OF REPORTS.*—*The Trade*  
 5       *Representative shall notify and consult with the Com-*  
 6       *mittee on Finance of the Senate and the Committee*  
 7       *on Ways and Means of the House of Representatives*  
 8       *in advance of the announced or anticipated circula-*  
 9       *tion of any report of a dispute settlement panel or the*  
 10       *Appellate Body of the World Trade Organization or*  
 11       *of a dispute settlement panel under any other trade*  
 12       *agreement to which the United States is a party with*  
 13       *respect to a formal trade dispute by or against the*  
 14       *United States.*

15              “(e) *DEFINITIONS.*—*In this section:*

16               “(1) *WTO.*—*The term ‘WTO’ means the World*  
 17       *Trade Organization.*

18               “(2) *WTO AGREEMENT.*—*The term ‘WTO Agree-*  
 19       *ment’ has the meaning given that term in section 2(9)*  
 20       *of the Uruguay Round Agreements Act (19 U.S.C.*  
 21       *3501(9)).*

22               “(3) *WTO AGREEMENTS.*—*The term ‘WTO*  
 23       *Agreements’ means the WTO Agreement and agree-*  
 24       *ments annexed to that Agreement.’.*

1       (b) *CLERICAL AMENDMENT.*—*The table of contents for*  
 2 *the Trade Act of 1974 is amended by striking the item relat-*  
 3 *ing to section 310 and inserting the following:”.*

*“Sec. 310. Trade enforcement priorities.”.*

4   **SEC. 502. EXERCISE OF WTO AUTHORIZATION TO SUSPEND**  
 5                   **CONCESSIONS OR OTHER OBLIGATIONS**  
 6                   **UNDER TRADE AGREEMENTS.**

7       (a) *IN GENERAL.*—*Section 306 of the Trade Act of*  
 8 *1974 (19 U.S.C. 2416) is amended—*

9               (1) *by redesignating subsection (c) as subsection*  
 10       (i) *; and*

11              (2) *by inserting after subsection (b) the fol-*  
 12       *lowing:*

13       “(c) *EXERCISE OF WTO AUTHORIZATION TO SUSPEND*  
 14 *CONCESSIONS OR OTHER OBLIGATIONS.*—*If—*

15              “(1) *action has terminated pursuant to section*  
 16       *307(c),*

17              “(2) *the petitioner or any representative of the*  
 18       *domestic industry that would benefit from reinstatement*  
 19       *of action has submitted to the Trade Represent-*  
 20       *ative a written request for reinstatement of action,*  
 21       *and*

22              “(3) *the Trade Representatives has completed the*  
 23       *requirements of subsection (d) and section 307(c)(3),*  
 24       *the Trade Representative may at any time determine to*  
 25       *take action under section 301(c) to exercise an authoriza-*

1 *tion to suspend concessions or other obligations under Arti-*  
 2 *cle 22 of the Understanding on Rules and Procedures Gov-*  
 3 *erning the Settlement of Disputes (referred to in section*  
 4 *101(d)(16) of the Uruguay Round Agreements Act (19*  
 5 *U.S.C. 3511(d)(16))).”.*

6 (b) *CONFORMING AMENDMENTS.—Chapter 1 of title*  
 7 *III of the Trade Act of 1974 (19 U.S.C. 2411 et seq.) is*  
 8 *amended—*

9 (1) *in section 301(c)(1) (19 U.S.C. 2411(c)(1)),*  
 10 *in the matter preceding subparagraph (A), by insert-*  
 11 *ing “or section 306(c)” after “subsection (a) or (b)”;*

12 (2) *in section 306(b) (19 U.S.C. 2416(b)), in the*  
 13 *subsection heading, by striking “FURTHER ACTION”*  
 14 *and inserting “ACTION ON THE BASIS OF MONI-*  
 15 *TORING”;*

16 (3) *in section 306(d) (19 U.S.C. 2416(d)), as re-*  
 17 *designated by subsection (a)(1), by inserting “or (c)”*  
 18 *after “subsection (b)”;* and

19 (4) *in section 307(c)(3) (19 U.S.C. 2417(c)(3)),*  
 20 *by inserting “or if a request is submitted to the Trade*  
 21 *Representative under section 306(c)(2) to reinstate ac-*  
 22 *tion,” after “under section 301,”.*

1 **SEC. 503. TRADE MONITORING.**

2       (a) *IN GENERAL.*—Chapter 1 of title II of the Trade  
3 Act of 1974 (19 U.S.C. 2251 et seq.) is amended by adding  
4 at the end the following:

5 **“SEC. 205. TRADE MONITORING.**

6       “(a) *MONITORING TOOL FOR IMPORTS.*—

7               “(1) *IN GENERAL.*—Not later than 180 days  
8 after the date of the enactment of this section, the  
9 United States International Trade Commission shall  
10 make available on a website of the Commission an  
11 import monitoring tool to allow the public access to  
12 data on the volume and value of goods imported to  
13 the United States for the purpose of assessing whether  
14 such data has changed with respect to such goods over  
15 a period of time.

16               “(2) *DATA DESCRIBED.*—For purposes of the  
17 monitoring tool under paragraph (1), the Commission  
18 shall use data compiled by the Department of Com-  
19 merce and such other government data as the Com-  
20 mission considers appropriate.

21               “(3) *PERIODS OF TIME.*—The Commission shall  
22 ensure that data accessed through the monitoring tool  
23 under paragraph (1) includes data for the most recent  
24 quarter for which such data are available and pre-  
25 vious quarters as the Commission considers prac-  
26 ticable.



1 “(b) *MONITORING REPORTS.*—

2 “(1) *IN GENERAL.*—Not later than 270 days  
3 after the date of the enactment of this section, and not  
4 less frequently than quarterly thereafter, the Secretary  
5 of Commerce shall publish on a website of the Depart-  
6 ment of Commerce, and notify the Committee on Fi-  
7 nance of the Senate and the Committee on Ways and  
8 Means of the House of Representatives of the avail-  
9 ability of, a monitoring report on changes in the vol-  
10 ume and value of trade with respect to imports and  
11 exports of goods categorized based on the 6-digit sub-  
12 heading number of the goods under the Harmonized  
13 Tariff Schedule of the United States during the most  
14 recent quarter for which such data are available and  
15 previous quarters as the Secretary considers prac-  
16 ticable.

17 “(2) *REQUESTS FOR COMMENT.*—Not later than  
18 one year after the date of the enactment of this sec-  
19 tion, the Secretary of Commerce shall solicit through  
20 the Federal Register public comment on the moni-  
21 toring reports described in paragraph (1).

22 “(c) *SUNSET.*—The requirements under this section  
23 terminate on the date that is seven years after the date of  
24 the enactment of this section.”.

1       (b) *CLERICAL AMENDMENT.*—*The table of contents for*  
 2 *the Trade Act of 1974 (19 U.S.C. 2101 et seq.) is amended*  
 3 *by inserting after the item relating to section 204 the fol-*  
 4 *lowing:*

“Sec. 205. Trade monitoring.”.

## 5       ***TITLE VI—MISCELLANEOUS*** 6       ***PROVISIONS***

### 7       ***SEC. 601. DE MINIMIS VALUE.***

8       (a) *DE MINIMIS VALUE.*—*Section 321(a)(2)(C) of the*  
 9 *Tariff Act of 1930 (19 U.S.C. 1321(a)(2)(C)) is amended*  
 10 *by striking “\$200” and inserting “\$800”.*

11       (b) *EFFECTIVE DATE.*—*The amendment made by sub-*  
 12 *section (a) shall apply with respect to articles entered, or*  
 13 *withdrawn from warehouse for consumption, on or after the*  
 14 *15th day after the date of the enactment of this Act.*

### 15       ***SEC. 602. CONSULTATION ON TRADE AND CUSTOMS REV-*** 16       ***ENUE FUNCTIONS.***

17       *Section 401(c) of the Safety and Accountability for*  
 18 *Every Port Act (6 U.S.C. 115(c)) is amended—*

19               (1) *in paragraph (1), by striking “on Depart-*  
 20 *ment policies and actions that have” and inserting*  
 21 *“not later than 30 days after proposing, and not later*  
 22 *than 30 days before finalizing, any Department poli-*  
 23 *cies, initiatives, or actions that will have”; and*

24               (2) *in paragraph (2)(A), by striking “not later*  
 25 *than 30 days prior to the finalization of” and insert-*

1        *ing “not later than 60 days before proposing, and not*  
 2        *later than 60 days before finalizing,”.*

3    **SEC. 603. PENALTIES FOR CUSTOMS BROKERS.**

4        *(a) IN GENERAL.—Section 641(d)(1) of the Tariff Act*  
 5        *of 1930 (19 U.S.C. 1641(d)(1)) is amended—*

6                *(1) in subparagraph (E), by striking “; or” and*  
 7                *inserting a semicolon;*

8                *(2) in subparagraph (F), by striking the period*  
 9                *and inserting “; or”; and*

10                *(3) by adding at the end the following:*

11                        *“(G) has been convicted of committing or*  
 12                        *conspiring to commit an act of terrorism de-*  
 13                        *scribed in section 2332b of title 18, United*  
 14                        *States Code.”.*

15        *(b) TECHNICAL AMENDMENTS.—Section 641 of the*  
 16        *Tariff Act of 1930 (19 U.S.C. 1641) is amended—*

17                *(1) by striking “the Customs Service” each place*  
 18                *it appears and inserting “U.S. Customs and Border*  
 19                *Protection”;*

20                *(2) in subsection (d)(2)(B), by striking “The*  
 21                *Customs Service” and inserting “U.S. Customs and*  
 22                *Border Protection”; and*

23                *(3) in subsection (g)(2)(B), by striking “Sec-*  
 24                *retary’s notice” and inserting “notice under subpara-*  
 25                *graph (A)”.*

1 **SEC. 604. AMENDMENTS TO CHAPTER 98 OF THE HAR-**  
2 **MONIZED TARIFF SCHEDULE OF THE UNITED**  
3 **STATES.**

4 *(a) ARTICLES EXPORTED AND RETURNED, ADVANCED*  
5 *OR IMPROVED ABROAD.—*

6 *(1) IN GENERAL.—U.S. Note 3 to subchapter II*  
7 *of chapter 98 of the Harmonized Tariff Schedule of*  
8 *the United States is amended by adding at the end*  
9 *the following:*

10 *“(f)(1) For purposes of subheadings 9802.00.40 and*  
11 *9802.00.50, fungible articles exported from the United*  
12 *States for the purposes described in such subheadings—*

13 *“(A) may be commingled; and*

14 *“(B) the origin, value, and classification of such*  
15 *articles may be accounted for using an inventory*  
16 *management method.*

17 *“(2) If a person chooses to use an inventory manage-*  
18 *ment method under this paragraph with respect to fungible*  
19 *articles, the person shall use the same inventory manage-*  
20 *ment method for any other articles with respect to which*  
21 *the person claims fungibility under this paragraph.*

22 *“(3) For the purposes of this paragraph—*

23 *“(A) the term ‘fungible articles’ means merchan-*  
24 *dise or articles that, for commercial purposes, are*  
25 *identical or interchangeable in all situations; and*

1           “(B) the term ‘inventory management method’  
 2           means any method for managing inventory that is  
 3           based on generally accepted accounting principles.”.

4           (2) *EFFECTIVE DATE.*—The amendment made by  
 5           this subsection applies to articles classifiable under  
 6           subheading 9802.00.40 or 9802.00.50 of the Har-  
 7           monized Tariff Schedule of the United States that are  
 8           entered, or withdrawn from warehouse for consump-  
 9           tion, on or after the date that is 60 days after the  
 10          date of the enactment of this Act.

11          (b) *MODIFICATION OF PROVISIONS RELATING TO RE-*  
 12          *TURNED PROPERTY.*—

13           (1) *IN GENERAL.*—The article description for  
 14           heading 9801.00.10 of the Harmonized Tariff Sched-  
 15           ule of the United States is amended by inserting after  
 16           “exported” the following: “, or any other products  
 17           when returned within 3 years after having been ex-  
 18           ported”.

19           (2) *EFFECTIVE DATE.*—The amendment made by  
 20           paragraph (1) applies to articles entered, or with-  
 21           drawn from warehouse for consumption, on or after  
 22           the date that is 60 days after the date of the enact-  
 23           ment of this Act.

1       (c) *DUTY-FREE TREATMENT FOR CERTAIN UNITED*  
 2 *STATES GOVERNMENT PROPERTY RETURNED TO THE*  
 3 *UNITED STATES.*—

4           (1) *IN GENERAL.*—Subchapter I of chapter 98 of  
 5 *the Harmonized Tariff Schedule of the United States*  
 6 *is amended by inserting in numerical sequence the*  
 7 *following new heading:*

“	9801.00.11	United States Government property, returned to the United States without having been advanced in value or improved in condition by any means while abroad, entered by the United States Government or a contractor to the United States Government, and certified by the importer as United States Government property .....	Free					”.
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8           (2) *EFFECTIVE DATE.*—The amendment made by  
 9 *paragraph (1) applies to goods entered, or withdrawn*  
 10 *from warehouse for consumption, on or after the date*  
 11 *that is 60 days after the date of the enactment of this*  
 12 *Act.*

13 **SEC. 605. EXEMPTION FROM DUTY OF RESIDUE OF BULK**  
 14 **CARGO CONTAINED IN INSTRUMENTS OF**  
 15 **INTERNATIONAL TRAFFIC PREVIOUSLY EX-**  
 16 **PORTED FROM THE UNITED STATES.**

17       (a) *IN GENERAL.*—General Note 3(e) of the Har-  
 18 *monized Tariff Schedule of the United States is amended—*  
 19 *(1) in subparagraph (v), by striking “and” at*  
 20 *the end;*

1           (2) in subparagraph (vi), by adding “and” at  
2     the end;

3           (3) by inserting after subparagraph (vi) (as so  
4     amended) the following new subparagraph:

5                     “(vii) residue of bulk cargo contained in in-  
6                     struments of international traffic previously ex-  
7                     ported from the United States,”; and

8           (4) by adding at the end of the flush text fol-  
9     lowing subparagraph (vii) (as so added) the fol-  
10    lowing: “For purposes of subparagraph (vii) of this  
11    paragraph: The term ‘residue’ means material of bulk  
12    cargo that remains in an instrument of international  
13    traffic after the bulk cargo is removed, with a quan-  
14    tity, by weight or volume, not exceeding 7 percent of  
15    the bulk cargo, and with no or de minimis value. The  
16    term ‘bulk cargo’ means cargo that is unpackaged and  
17    is in either solid, liquid, or gaseous form. The term  
18    ‘instruments of international traffic’ means con-  
19    tainers or holders, capable of and suitable for repeated  
20    use, such as lift vans, cargo vans, shipping tanks,  
21    skids, pallets, caul boards, and cores for textile fab-  
22    rics, arriving (whether loaded or empty) in use or to  
23    be used in the shipment of merchandise in inter-  
24    national traffic, and any additional articles or classes  
25    of articles that the Commissioner responsible for U.S.

1       *Customs and Border Protection designates as instru-*  
 2       *ments of international traffic.”.*

3       **(b) EFFECTIVE DATE.**—*The amendments made by sub-*  
 4       *section (a) take effect on the date of the enactment of this*  
 5       *Act and apply with respect to residue of bulk cargo con-*  
 6       *tained in instruments of international traffic that are im-*  
 7       *ported into the customs territory of the United States on*  
 8       *or after such date of enactment and that previously have*  
 9       *been exported from the United States.*

10   **SEC. 606. DRAWBACK AND REFUNDS.**

11       **(a) ARTICLES MADE FROM IMPORTED MERCHAN-**  
 12       **DISE.**—*Section 313(a) of the Tariff Act of 1930 (19 U.S.C.*  
 13       *1313(a)) is amended by striking “the full amount of the*  
 14       *duties paid upon the merchandise so used shall be refunded*  
 15       *as drawback, less 1 per centum of such duties, except that*  
 16       *such” and inserting “an amount calculated pursuant to*  
 17       *regulations prescribed by the Secretary of the Treasury*  
 18       *under subsection (l) shall be refunded as drawback, except*  
 19       *that”.*

20       **(b) SUBSTITUTION FOR DRAWBACK PURPOSES.**—*Sec-*  
 21       *tion 313(b) of the Tariff Act of 1930 (19 U.S.C. 1313(b))*  
 22       *is amended—*

23               *(1) by striking “If imported” and inserting the*  
 24       *following:*

25               *“(1) IN GENERAL.—If imported”;*



1           (2) by striking “and any other merchandise  
2           (whether imported or domestic) of the same kind and  
3           quality are” and inserting “or merchandise classifi-  
4           able under the same 8-digit HTS subheading number  
5           as such imported merchandise is”;

6           (3) by striking “three years” and inserting “5  
7           years”;

8           (4) by striking “the receipt of such imported  
9           merchandise by the manufacturer or producer of such  
10          articles” and inserting “the date of importation of  
11          such imported merchandise”;

12          (5) by inserting “or articles classifiable under  
13          the same 8-digit HTS subheading number as such ar-  
14          ticles,” after “any such articles,”;

15          (6) by striking “an amount of drawback equal  
16          to” and all that follows through the end period and  
17          inserting “an amount calculated pursuant to regula-  
18          tions prescribed by the Secretary of the Treasury  
19          under subsection (l), but only if those articles have  
20          not been used prior to such exportation or destruc-  
21          tion.”; and

22          (7) by adding at the end the following:

23                 “(2) REQUIREMENTS RELATING TO TRANSFER OF  
24                 MERCHANDISE.—

1           “(A) *MANUFACTURERS AND PRODUCERS.*—  
2           *Drawback shall be allowed under paragraph (1)*  
3           *with respect to an article manufactured or pro-*  
4           *duced using imported merchandise or other mer-*  
5           *chandise classifiable under the same 8-digit HTS*  
6           *subheading number as such imported merchan-*  
7           *dise only if the manufacturer or producer of the*  
8           *article received such imported merchandise or*  
9           *such other merchandise, directly or indirectly,*  
10          *from the importer.*

11          “(B) *EXPORTERS AND DESTROYERS.*—  
12          *Drawback shall be allowed under paragraph (1)*  
13          *with respect to a manufactured or produced arti-*  
14          *cle that is exported or destroyed only if the ex-*  
15          *porter or destroyer received that article or an ar-*  
16          *ticle classifiable under the same 8-digit HTS*  
17          *subheading number as that article, directly or*  
18          *indirectly, from the manufacturer or producer.*

19          “(C) *EVIDENCE OF TRANSFER.*—*Transfers*  
20          *of merchandise under subparagraph (A) and*  
21          *transfers of articles under subparagraph (B)*  
22          *may be evidenced by business records kept in the*  
23          *normal course of business and no additional cer-*  
24          *tificates of transfer or manufacture shall be re-*  
25          *quired.*

1           “(3) *SUBMISSION OF BILL OF MATERIALS OR*  
2           *FORMULA.*—

3                   “(A) *IN GENERAL.*—*Drawback shall be al-*  
4                   *lowed under paragraph (1) with respect to an*  
5                   *article manufactured or produced using im-*  
6                   *ported merchandise or other merchandise classifi-*  
7                   *able under the same 8-digit HTS subheading*  
8                   *number as such imported merchandise only if*  
9                   *the person making the drawback claim submits*  
10                  *with the claim a bill of materials or formula*  
11                  *identifying the merchandise and article by the 8-*  
12                  *digit HTS subheading number and the quantity*  
13                  *of the merchandise.*

14                  “(B) *BILL OF MATERIALS AND FORMULA*  
15                  *DEFINED.*—*In this paragraph, the terms ‘bill of*  
16                  *materials’ and ‘formula’ mean records kept in*  
17                  *the normal course of business that identify each*  
18                  *component incorporated into a manufactured or*  
19                  *produced article or that identify the quantity of*  
20                  *each element, material, chemical, mixture, or*  
21                  *other substance incorporated into a manufac-*  
22                  *tured article.*

23                  “(4) *SPECIAL RULE FOR SOUGHT CHEMICAL*  
24                  *ELEMENTS.*—

1           “(A) *IN GENERAL.*—For purposes of para-  
2           graph (1), a sought chemical element may be—

3                   “(i) *considered imported merchandise,*  
4                   *or merchandise classifiable under the same*  
5                   *8-digit HTS subheading number as such*  
6                   *imported merchandise, used in the manu-*  
7                   *facture or production of an article as de-*  
8                   *scribed in paragraph (1); and*

9                   “(ii) *substituted for source material*  
10                  *containing that sought chemical element,*  
11                  *without regard to whether the sought chem-*  
12                  *ical element and the source material are*  
13                  *classifiable under the same 8-digit HTS*  
14                  *subheading number, and apportioned quan-*  
15                  *titatively, as appropriate.*

16           “(B) *SOUGHT CHEMICAL ELEMENT DE-*  
17           *FINED.*—In this paragraph, the term ‘sought  
18           chemical element’ means an element listed in the  
19           Periodic Table of Elements that is imported into  
20           the United States or a chemical compound con-  
21           sisting of those elements, either separately in ele-  
22           mental form or contained in source material.”.

23           (c) *MERCHANDISE NOT CONFORMING TO SAMPLE OR*  
24           *SPECIFICATIONS.*—Section 313(c) of the Tariff Act of 1930  
25           (19 U.S.C. 1313(c)) is amended—

1           (1) in paragraph (1)—

2                   (A) in subparagraph (C)(ii), by striking  
3           “under a certificate of delivery” each place it ap-  
4           pears;

5                   (B) in subparagraph (D)—

6                           (i) by striking “3” and inserting “5”;

7                           and

8                                   (ii) by striking “the Customs Service”  
9                           and inserting “U.S. Customs and Border  
10                           Protection”; and

11                   (C) in the flush text at the end, by striking  
12           “the full amount of the duties paid upon such  
13           merchandise, less 1 percent,” and inserting “an  
14           amount calculated pursuant to regulations pre-  
15           scribed by the Secretary of the Treasury under  
16           subsection (l)”;

17           (2) in paragraph (2), by striking “the Customs  
18           Service” and inserting “U.S. Customs and Border  
19           Protection”; and

20           (3) by amending paragraph (3) to read as fol-  
21           lows:

22                   “(3) EVIDENCE OF TRANSFERS.—Transfers of  
23           merchandise under paragraph (1) may be evidenced  
24           by business records kept in the normal course of busi-

1       ness and no additional certificates of transfer shall be  
2       required.”.

3       (d) *PROOF OF EXPORTATION.*—Section 313(i) of the  
4 *Tariff Act of 1930 (19 U.S.C. 1313(i))* is amended to read  
5 as follows:

6       “(i) *PROOF OF EXPORTATION.*—A person claiming  
7 drawback under this section based on the exportation of an  
8 article shall provide proof of the exportation of the article.  
9 Such proof of exportation—

10               “(1) shall establish fully the date and fact of ex-  
11 portation and the identity of the exporter; and

12               “(2) may be established through the use of  
13 records kept in the normal course of business or  
14 through an electronic export system of the United  
15 States Government, as determined by the Commis-  
16 sioner responsible for U.S. Customs and Border Pro-  
17 tection.”.

18       (e) *UNUSED MERCHANDISE DRAWBACK.*—Section  
19 313(j) of the *Tariff Act of 1930 (19 U.S.C. 1313(j))* is  
20 amended—

21               (1) in paragraph (1)—

22                       (A) in subparagraph (A), in the matter pre-  
23 ceding clause (i)—

24                               (i) by striking “3-year” and inserting  
25 “5-year”; and

1                   (ii) by inserting “and before the draw-  
2                   back claim is filed” after “the date of im-  
3                   portation”; and

4                   (B) in the flush text at the end, by striking  
5                   “99 percent of the amount of each duty, tax, or  
6                   fee so paid” and inserting “an amount cal-  
7                   culated pursuant to regulations prescribed by the  
8                   Secretary of the Treasury under subsection (l)”;  
9                   (2) in paragraph (2)—

10                  (A) in the matter preceding subparagraph  
11                  (A), by striking “paragraph (4)” and inserting  
12                  “paragraphs (4), (5), and (6)”;

13                  (B) in subparagraph (A), by striking “com-  
14                  mercially interchangeable with” and inserting  
15                  “classifiable under the same 8-digit HTS sub-  
16                  heading number as”;

17                  (C) in subparagraph (B)—

18                         (i) by striking “3-year” and inserting  
19                         “5-year”; and

20                         (ii) by inserting “and before the draw-  
21                         back claim is filed” after “the imported  
22                         merchandise”; and

23                  (D) in subparagraph (C)(ii), by striking  
24                  subclause (II) and inserting the following:

1                   “(II) received the imported mer-  
2                   chandise, other merchandise classifiable  
3                   under the same 8-digit HTS sub-  
4                   heading number as such imported mer-  
5                   chandise, or any combination of such  
6                   imported merchandise and such other  
7                   merchandise, directly or indirectly  
8                   from the person who imported and  
9                   paid any duties, taxes, and fees im-  
10                  posed under Federal law upon impor-  
11                  tation or entry and due on the im-  
12                  ported merchandise (and any such  
13                  transferred merchandise, regardless of  
14                  its origin, will be treated as the im-  
15                  ported merchandise and any retained  
16                  merchandise will be treated as domestic  
17                  merchandise);”;

18                  (E) in the flush text at the end—

19                       (i) by striking “the amount of each  
20                       such duty, tax, and fee” and all that follows  
21                       through “99 percent of that duty, tax, or  
22                       fee” and inserting “an amount calculated  
23                       pursuant to regulations prescribed by the  
24                       Secretary of the Treasury under subsection  
25                       (l) shall be refunded as drawback”; and



1                   (ii) by striking the last sentence and  
2                   inserting the following: “Notwithstanding  
3                   subparagraph (A), drawback shall be al-  
4                   lowed under this paragraph with respect to  
5                   wine if the imported wine and the exported  
6                   wine are of the same color and the price  
7                   variation between the imported wine and  
8                   the exported wine does not exceed 50 per-  
9                   cent. Transfers of merchandise may be evi-  
10                  denced by business records kept in the nor-  
11                  mal course of business and no additional  
12                  certificates of transfer shall be required.”;  
13                  and

14               (3) in paragraph (3)(B), by striking “the com-  
15               mercially interchangeable merchandise” and inserting  
16               “merchandise classifiable under the same 8-digit HTS  
17               subheading number as such imported merchandise”;  
18               and

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

20               “(5)(A) For purposes of paragraph (2) and ex-  
21               cept as provided in subparagraph (B), merchandise  
22               may not be substituted for imported merchandise for  
23               drawback purposes based on the 8-digit HTS sub-  
24               heading number if the article description for the 8-  
25               digit HTS subheading number under which the im-

1       ported merchandise is classified begins with the term  
2       ‘other’.

3               “(B) In cases described in subparagraph (A),  
4       merchandise may be substituted for imported mer-  
5       chandise for drawback purposes if—

6               “(i) the other merchandise and such im-  
7       ported merchandise are classifiable under the  
8       same 10-digit HTS statistical reporting number;  
9       and

10              “(ii) the article description for that 10-digit  
11       HTS statistical reporting number does not begin  
12       with the term ‘other’.

13              “(6)(A) For purposes of paragraph (2), a draw-  
14       back claimant may use the first 8 digits of the 10-  
15       digit Schedule B number for merchandise or an arti-  
16       cle to determine if the merchandise or article is classi-  
17       fiable under the same 8-digit HTS subheading num-  
18       ber as the imported merchandise, without regard to  
19       whether the Schedule B number corresponds to more  
20       than one 8-digit HTS subheading number.

21              “(B) In this paragraph, the term ‘Schedule B’  
22       means the Department of Commerce Schedule B, Sta-  
23       tistical Classification of Domestic and Foreign Com-  
24       modities Exported from the United States.’”.

1       (f) *LIABILITY FOR DRAWBACK CLAIMS.*—Section  
 2   313(k) of the Tariff Act of 1930 (19 U.S.C. 1313(k)) is  
 3   amended to read as follows:

4       “(k) *LIABILITY FOR DRAWBACK CLAIMS.*—

5               “(1) *IN GENERAL.*—Any person making a claim  
 6   for drawback under this section shall be liable for the  
 7   full amount of the drawback claimed.

8               “(2) *LIABILITY OF IMPORTERS.*—An importer  
 9   shall be liable for any drawback claim made by an-  
 10   other person with respect to merchandise imported by  
 11   the importer in an amount equal to the lesser of—

12               “(A) the amount of duties, taxes, and fees  
 13   that the person claimed with respect to the im-  
 14   ported merchandise; or

15               “(B) the amount of duties, taxes, and fees  
 16   that the importer authorized the other person to  
 17   claim with respect to the imported merchandise.

18               “(3) *JOINT AND SEVERAL LIABILITY.*—Persons  
 19   described in paragraphs (1) and (2) shall be jointly  
 20   and severally liable for the amount described in para-  
 21   graph (2).”.

22       (g) *REGULATIONS.*—Section 313(l) of the Tariff Act of  
 23   1930 (19 U.S.C. 1313(l)) is amended to read as follows:

24       “(l) *REGULATIONS.*—

1           “(1) *IN GENERAL.*—*Allowance of the privileges*  
 2           *provided for in this section shall be subject to compli-*  
 3           *ance with such rules and regulations as the Secretary*  
 4           *of the Treasury shall prescribe.*

5           “(2) *CALCULATION OF DRAWBACK.*—

6           “(A) *IN GENERAL.*—*Not later than the date*  
 7           *that is 2 years after the date of the enactment of*  
 8           *the Trade Facilitation and Trade Enforcement*  
 9           *Act of 2015 (or, if later, the effective date pro-*  
 10           *vided for in section 406(q)(2)(B) of that Act), the*  
 11           *Secretary shall prescribe regulations for deter-*  
 12           *mining the calculation of amounts refunded as*  
 13           *drawback under this section.*

14           “(B) *REQUIREMENTS.*—*The regulations re-*  
 15           *quired by subparagraph (A) for determining the*  
 16           *calculation of amounts refunded as drawback*  
 17           *under this section shall provide for a refund of*  
 18           *equal to 99 percent of the duties, taxes, and fees*  
 19           *paid with respect to the imported merchandise,*  
 20           *except that where there is substitution of the*  
 21           *merchandise or article, then—*

22                   “(i) *in the case of an article that is ex-*  
 23                   *ported, the amount of the refund shall be*  
 24                   *equal to 99 percent of the lesser of—*

1           “(I) the amount of duties, taxes,  
2           and fees paid with respect to the im-  
3           ported merchandise; or

4           “(II) the amount of duties, taxes,  
5           and fees that would apply to the ex-  
6           ported article if the exported article  
7           were imported; and

8           “(ii) in the case of an article that is  
9           destroyed, the amount of the refund shall be  
10          an amount that is—

11           “(I) equal to 99 percent of the  
12          lesser of—

13           “(aa) the amount of duties,  
14          taxes, and fees paid with respect  
15          to the imported merchandise; and

16           “(bb) the amount of duties,  
17          taxes, and fees that would apply  
18          to the destroyed article if the de-  
19          stroyed article were imported; and

20           “(II) reduced by the value of ma-  
21          terials recovered during destruction as  
22          provided in subsection (x).

23           “(3) STATUS REPORTS ON REGULATIONS.—Not  
24          later than the date that is one year after the date of  
25          the enactment of the Trade Facilitation and Trade

1       *Enforcement Act of 2015, and annually thereafter*  
 2       *until the regulations required by paragraph (2) are*  
 3       *final, the Secretary shall submit to Congress a report*  
 4       *on the status of those regulations.”.*

5       (h) *SUBSTITUTION OF FINISHED PETROLEUM DERIVA-*  
 6       *TIVES.—Section 313(p) of the Tariff Act of 1930 (19 U.S.C.*  
 7       *1313(p)) is amended—*

8               (1) *by striking “Harmonized Tariff Schedule of*  
 9       *the United States” each place it appears and insert-*  
 10       *ing “HTS”; and*

11              (2) *in paragraph (3)(A)—*

12                      (A) *in clause (ii)(III), by striking “, as so*  
 13       *certified in a certificate of delivery or certificate*  
 14       *of manufacture and delivery”; and*

15                      (B) *in the flush text at the end—*

16                              (i) *by striking “, so designated on the*  
 17       *certificate of delivery or certificate of manu-*  
 18       *facture and delivery”; and*

19                              (ii) *by striking the last sentence and*  
 20       *inserting the following: “The party transfer-*  
 21       *ring the merchandise shall maintain records*  
 22       *kept in the normal course of business to*  
 23       *demonstrate the transfer.”.*

24       (i) *PACKAGING MATERIAL.—Section 313(q) of the Tar-*  
 25       *iff Act of 1930 (19 U.S.C. 1313(q)) is amended—*

1           (1) in paragraph (1), by striking “of 99 percent  
 2           of any duty, tax, or fee imposed under Federal law  
 3           on such imported material” and inserting “in an  
 4           amount calculated pursuant to regulations prescribed  
 5           by the Secretary of the Treasury under subsection  
 6           (l)”;

7           (2) in paragraph (2), by striking “of 99 percent  
 8           of any duty, tax, or fee imposed under Federal law  
 9           on the imported or substituted merchandise used to  
 10          manufacture or produce such material” and inserting  
 11          “in an amount calculated pursuant to regulations  
 12          prescribed by the Secretary of the Treasury under  
 13          subsection (l)”;

14          (3) in paragraph (3), by striking “they contain”  
 15          and inserting “it contains”.

16          (j) *FILING OF DRAWBACK CLAIMS*.—Section 313(r) of  
 17          the Tariff Act of 1930 (19 U.S.C. 1313(r)) is amended—

18               (1) in paragraph (1)—

19                       (A) by striking the first sentence and insert-  
 20                       ing the following: “A drawback entry shall be  
 21                       filed or applied for, as applicable, not later than  
 22                       5 years after the date on which merchandise on  
 23                       which drawback is claimed was imported.”;

24                       (B) in the second sentence, by striking “3-  
 25                       year” and inserting “5-year”; and

1           (C) in the third sentence, by striking “the  
2           Customs Service” and inserting “U.S. Customs  
3           and Border Protection”;

4           (2) in paragraph (3)—

5                 (A) in subparagraph (A)—

6                     (i) in the matter preceding clause (i),  
7                     by striking “The Customs Service” and in-  
8                     serting “U.S. Customs and Border Protec-  
9                     tion”;

10                    (ii) in clauses (i) and (ii), by striking  
11                    “the Customs Service” each place it appears  
12                    and inserting “U.S. Customs and Border  
13                    Protection”; and

14                    (iii) in clause (ii)(I), by striking “3-  
15                    year” and inserting “5-year”; and

16                 (B) in subparagraph (B), by striking “the  
17                 periods of time for retaining records set forth in  
18                 subsection (t) of this section and” and inserting  
19                 “the period of time for retaining records set forth  
20                 in”; and

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

22                 “(4) All drawback claims filed on and after the  
23                 date that is 2 years after the date of the enactment  
24                 of the Trade Facilitation and Trade Enforcement Act  
25                 of 2015 (or, if later, the effective date provided for in



1        *section 406(q)(2)(B) of that Act) shall be filed elec-*  
2        *tronically.”.*

3        *(k) DESIGNATION OF MERCHANDISE BY SUCCESSOR.—*  
4        *Section 313(s) of the Tariff Act of 1930 (19 U.S.C. 1313(s))*  
5        *is amended—*

6                *(1) in paragraph (2), by striking subparagraph*  
7        *(B) and inserting the following:*

8                *“(B) subject to paragraphs (5) and (6) of*  
9                *subsection (j), imported merchandise, other mer-*  
10               *chandise classifiable under the same 8-digit HTS*  
11               *subheading number as such imported merchan-*  
12               *dise, or any combination of such imported mer-*  
13               *chandise and such other merchandise, that the*  
14               *predecessor received, before the date of succession,*  
15               *from the person who imported and paid any du-*  
16               *ties, taxes, and fees due on the imported mer-*  
17               *chandise;”;* and

18               *(2) in paragraph (4), by striking “certifies that”*  
19               *and all that follows and inserting “certifies that the*  
20               *transferred merchandise was not and will not be*  
21               *claimed by the predecessor.”.*

22        *(l) DRAWBACK CERTIFICATES.—Section 313 of the*  
23        *Tariff Act of 1930 (19 U.S.C. 1313) is amended by striking*  
24        *subsection (t).*

1       (m) *DRAWBACK FOR RECOVERED MATERIALS.*—Sec-  
 2       tion 313(x) of the Tariff Act of 1930 (19 U.S.C. 1313(x))  
 3       is amended by striking “and (c)” and inserting “(c), and  
 4       (j)”.

5       (n) *DEFINITIONS.*—Section 313 of the Tariff Act of  
 6       1930 (19 U.S.C. 1313) is amended by adding at the end  
 7       the following:

8       “(z) *DEFINITIONS.*—In this section:

9               “(1) *DIRECTLY.*—The term ‘directly’ means a  
 10       transfer of merchandise or an article from one person  
 11       to another person without any intermediate transfer.

12              “(2) *HTS.*—The term ‘HTS’ means the Har-  
 13       monized Tariff Schedule of the United States.

14              “(3) *INDIRECTLY.*—The term ‘indirectly’ means  
 15       a transfer of merchandise or an article from one per-  
 16       son to another person with one or more intermediate  
 17       transfers.”.

18       (o) *RECORDKEEPING.*—Section 508(c)(3) of the Tariff  
 19       Act of 1930 (19 U.S.C. 1508(c)(3)) is amended—

20              (1) by striking “3rd” and inserting “5th”; and

21              (2) by striking “payment” and inserting “liq-  
 22       uidation”.

23       (p) *GOVERNMENT ACCOUNTABILITY OFFICE RE-*  
 24       PORT.—

1           (1) *IN GENERAL.*—Not later than one year after  
2           the issuance of the regulations required by subsection  
3           (l)(2) of section 313 of the Tariff Act of 1930, as  
4           added by subsection (g), the Comptroller General of  
5           the United States shall submit to the Committee on  
6           Finance of the Senate and the Committee on Ways  
7           and Means of the House of Representatives a report  
8           on the modernization of drawback and refunds under  
9           section 313 of the Tariff Act of 1930, as amended by  
10          this section.

11          (2) *CONTENTS.*—The report required by para-  
12          graph (1) include the following:

13               (A) *An assessment of the modernization of*  
14               *drawback and refunds under section 313 of the*  
15               *Tariff Act of 1930, as amended by this section.*

16               (B) *A description of drawback claims that*  
17               *were permissible before the effective date provided*  
18               *for in subsection (q) that are not permissible*  
19               *after that effective date and an identification of*  
20               *industries most affected.*

21               (C) *A description of drawback claims that*  
22               *were not permissible before the effective date pro-*  
23               *vided for in subsection (q) that are permissible*  
24               *after that effective date and an identification of*  
25               *industries most affected.*

1       (q) *EFFECTIVE DATE.*—

2               (1) *IN GENERAL.*—*The amendments made by*  
3 *this section shall—*

4                       (A) *take effect on the date of the enactment*  
5 *of this Act; and*

6                       (B) *apply to drawback claims filed on or*  
7 *after the date that is 2 years after such date of*  
8 *enactment.*

9               (2) *REPORTING OF OPERABILITY OF AUTOMATED*  
10 *COMMERCIAL ENVIRONMENT COMPUTER SYSTEM.*—*Not*  
11 *later than one year after the date of the enactment of*  
12 *this Act, and not later than 2 years after such date*  
13 *of enactment, the Secretary of the Treasury shall sub-*  
14 *mit to Congress a report on—*

15                       (A) *the date on which the Automated Com-*  
16 *mercial Environment will be ready to process*  
17 *drawback claims; and*

18                       (B) *the date on which the Automated Ex-*  
19 *port System will be ready to accept proof of ex-*  
20 *portation under subsection (i) of section 313 of*  
21 *the Tariff Act of 1930, as amended by subsection*  
22 *(d).*

23               (3) *TRANSITION RULE.*—*During the one-year pe-*  
24 *riod beginning on the date that is 2 years after the*  
25 *date of the enactment of this Act (or, if later, the ef-*

1        *fective date provided for in paragraph (2)(B)), a per-*  
 2        *son may elect to file a claim for drawback under—*

3                *(A) section 313 of the Tariff Act of 1930, as*  
 4                *amended by this section; or*

5                *(B) section 313 of the Tariff Act of 1930, as*  
 6                *in effect on the day before the date of the enact-*  
 7                *ment of this Act.*

8    **SEC. 607. OFFICE OF THE UNITED STATES TRADE REP-**  
 9                **RESENTATIVE.**

10        *(a) ANNUAL REPORT ON TRADE AGREEMENTS PRO-*  
 11        *GRAM AND NATIONAL TRADE POLICY AGENDA.—Section*  
 12        *163(a) of the Trade Act of 1974 (19 U.S.C. 2213(a)) is*  
 13        *amended—*

14                *(1) in paragraph (1)—*

15                *(A) in subparagraph (A), by striking “and”*  
 16                *at the end;*

17                *(B) in subparagraph (B), by striking the*  
 18                *period at the end and inserting “; and”; and*

19                *(C) by adding at the end the following:*

20                *“(C) the operation of all United States*  
 21                *Trade Representative-led interagency programs*  
 22                *during the preceding year and for the year in*  
 23                *which the report is submitted.”; and*

24                *(2) by adding at the end the following:*

1           “(4) *The report shall include, with respect to the*  
2           *matters referred to in paragraph (1)(C), information*  
3           *regarding—*

4                   “(A) *the objectives and priorities of all*  
5                   *United States Trade Representative-led inter-*  
6                   *agency programs for the year, and the reasons*  
7                   *therefor;*

8                   “(B) *the actions proposed, or anticipated, to*  
9                   *be undertaken during the year to achieve such*  
10                  *objectives and priorities, including actions au-*  
11                  *thorized under the trade laws and negotiations*  
12                  *with foreign countries;*

13                  “(C) *the role of each Federal agency partici-*  
14                  *pating in the interagency program in achieving*  
15                  *such objectives and priorities and activities of*  
16                  *each agency with respect to their participation*  
17                  *in the program;*

18                  “(D) *the United States Trade Representa-*  
19                  *tive’s coordination of each participating Federal*  
20                  *agency to more effectively achieve such objectives*  
21                  *and priorities;*

22                  “(E) *any proposed legislation necessary or*  
23                  *appropriate to achieve any of such objectives or*  
24                  *priorities; and*

1           “(F) the progress that was made during the  
2           preceding year in achieving such objectives and  
3           priorities and coordination activities included in  
4           the statement provided for such year under this  
5           paragraph.”.

6           (b) *RESOURCE MANAGEMENT AND STAFFING PLANS.*—

7           (1) *ANNUAL PLAN.*—

8           (A) *IN GENERAL.*—*The United States Trade*  
9           *Representative shall on an annual basis develop*  
10          *a plan—*

11           (i) *to match available resources of the*  
12          *Office of the United States Trade Represent-*  
13          *ative to projected workload and provide a*  
14          *detailed analysis of how the funds allocated*  
15          *from the prior fiscal year to date have been*  
16          *spent;*

17           (ii) *to identify existing staff of the Of-*  
18          *fice and new staff that will be necessary to*  
19          *support the trade negotiation and enforce-*  
20          *ment functions and powers of the Office (in-*  
21          *cluding those of the Trade Policy Staff*  
22          *Committee) as described in section 141 of*  
23          *the Trade Act of 1974 (19 U.S.C. 2171) and*  
24          *section 301 of the Trade Act of 1974 (19*  
25          *U.S.C. 2411);*

1                   (iii) to identify existing staff of the Of-  
2                   fice and staff of other Federal agencies who  
3                   will be required to be detailed to support  
4                   United States Trade Representative-led  
5                   interagency programs, including any asso-  
6                   ciated expenses; and

7                   (iv) to provide a detailed analysis of  
8                   the budgetary requirements of United States  
9                   Trade Representative-led interagency pro-  
10                  grams for the next fiscal year and provide  
11                  a detailed analysis of how the funds allo-  
12                  cated from the prior fiscal year to date have  
13                  been spent.

14               (B) *REPORT.*—The United States Trade  
15               Representative shall submit to the Committee on  
16               Ways and Means and the Committee on Appro-  
17               priations of the House of Representatives and the  
18               Committee on Finance and the Committee on  
19               Appropriations of the Senate a report that con-  
20               tains the plan required under subparagraph (A).  
21               The report required under this subparagraph  
22               shall be submitted in conjunction with the an-  
23               nual budget of the United States Government re-  
24               quired to be submitted to Congress under section  
25               1105 of title 31, United States Code.



1           (2) *QUADRENNIAL PLAN.*—

2                   (A) *IN GENERAL.*—Pursuant to the goals  
3                   and objectives of the strategic plan of the Office  
4                   of the United States Trade Representative as re-  
5                   quired under section 306 of title 5, United States  
6                   Code, the United States Trade Representative  
7                   shall every 4 years develop a plan—

8                           (i) to analyze internal quality controls  
9                           and record management of the Office;

10                           (ii) to identify existing staff of the Of-  
11                           fice and new staff that will be necessary to  
12                           support the trade negotiation and enforce-  
13                           ment functions and powers of the Office (in-  
14                           cluding those of the Trade Policy Staff  
15                           Committee) as described in section 141 of  
16                           the Trade Act of 1974 (19 U.S.C. 2171) and  
17                           section 301 of the Trade Act of 1974 (19  
18                           U.S.C. 2411);

19                           (iii) to identify existing staff of the Of-  
20                           fice and staff in other Federal agencies who  
21                           will be required to be detailed to support  
22                           United States Trade Representative-led  
23                           interagency programs, including any asso-  
24                           ciated expenses;

1           (iv) to provide an outline of budget  
2           justifications, including salaries and ex-  
3           penses as well as non-personnel administra-  
4           tive expenses, for the fiscal years required  
5           under the strategic plan; and

6           (v) to provide an outline of budget jus-  
7           tifications, including salaries and expenses  
8           as well as non-personnel administrative ex-  
9           penses, for United States Trade Representa-  
10          tive-led interagency programs for the fiscal  
11          years required under the strategic plan.

12          (B) REPORT.—

13           (i) IN GENERAL.—The United States  
14          Trade Representative shall submit to the  
15          Committee on Ways and Means and the  
16          Committee on Appropriations of the House  
17          of Representatives and the Committee on  
18          Finance and the Committee on Appropria-  
19          tions of the Senate a report that contains  
20          the plan required under subparagraph (A).  
21          Except as provided in clause (ii), the report  
22          required under this clause shall be sub-  
23          mitted in conjunction with the strategic  
24          plan of the Office as required under section  
25          306 of title 5, United States Code.

1                   (ii) *EXCEPTION.*—*The United States*  
2                   *Trade Representative shall submit to the*  
3                   *congressional committees specified in clause*  
4                   *(i) an initial report that contains the plan*  
5                   *required under subparagraph (A) not later*  
6                   *than February 1, 2016.*

7   **SEC. 608. UNITED STATES-ISRAEL TRADE AND COMMERCIAL**  
8                   **ENHANCEMENT.**

9           (a) *FINDINGS.*—*Congress finds the following:*

10           (1) *Israel is America’s dependable, democratic*  
11           *ally in the Middle East—an area of paramount stra-*  
12           *tegic importance to the United States.*

13           (2) *The United States-Israel Free Trade Agree-*  
14           *ment formed the modern foundation of the bilateral*  
15           *commercial relationship between the two countries*  
16           *and was the first such agreement signed by the*  
17           *United States with a foreign country.*

18           (3) *The United States-Israel Free Trade Agree-*  
19           *ment has been instrumental in expanding commerce*  
20           *and the strategic relationship between the United*  
21           *States and Israel.*

22           (4) *More than \$45 billion in goods and services*  
23           *is traded annually between the two countries in addi-*  
24           *tion to roughly \$10 billion in United States foreign*  
25           *direct investment in Israel.*

1           (5) *The United States continues to look for and*  
2           *find new opportunities to enhance cooperation with*  
3           *Israel, including through the enactment of the United*  
4           *States-Israel Enhanced Security Cooperation Act of*  
5           *2012 (Public Law 112–150) and the United States-*  
6           *Israel Strategic Partnership Act of 2014 (Public Law*  
7           *113–296).*

8           (6) *It has been the policy of the United States*  
9           *Government to combat all elements of the Arab*  
10          *League Boycott of Israel by—*

11                 *(A) public statements of Administration of-*  
12                 *ficials;*

13                 *(B) enactment of relevant sections of the*  
14                 *Export Administration Act of 1979 (as contin-*  
15                 *ued in effect pursuant to the International*  
16                 *Emergency Economic Powers Act), including*  
17                 *sections to ensure foreign persons comply with*  
18                 *applicable reporting requirements relating to the*  
19                 *boycott;*

20                 *(C) enactment of the 1976 Tax Reform Act*  
21                 *(Public Law 94–455) that denies certain tax*  
22                 *benefits to entities abiding by the boycott;*

23                 *(D) ensuring through free trade agreements*  
24                 *with Bahrain and Oman that such countries no*  
25                 *longer participate in the boycott; and*

1                   (E) ensuring as a condition of membership  
2                   in the World Trade Organization that Saudi  
3                   Arabia no longer enforces the secondary or ter-  
4                   tiary elements of the boycott.

5           (b) STATEMENTS OF POLICY.—Congress—

6                   (1) supports the strengthening of United States-  
7                   Israel economic cooperation and recognizes the tre-  
8                   mendous strategic, economic, and technological value  
9                   of cooperation with Israel;

10                  (2) recognizes the benefit of cooperation with  
11                  Israel to United States companies, including by im-  
12                  proving American competitiveness in global markets;

13                  (3) recognizes the importance of trade and com-  
14                  mercial relations to the pursuit and sustainability of  
15                  peace, and supports efforts to bring together the  
16                  United States, Israel, the Palestinian territories, and  
17                  others in enhanced commerce;

18                  (4) opposes politically motivated actions that pe-  
19                  nalize or otherwise limit commercial relations specifi-  
20                  cally with Israel such as boycotts, divestment or sanc-  
21                  tions;

22                  (5) notes that the boycott, divestment, and sanc-  
23                  tioning of Israel by governments, governmental bodies,  
24                  quasi-governmental bodies, international organiza-  
25                  tions, and other such entities is contrary to the Gen-

1        *eral Agreement on Tariffs and Trade (GATT) prin-*  
2        *ciple of non-discrimination;*

3            *(6) encourages the inclusion of politically moti-*  
4        *vated actions that penalize or otherwise limit com-*  
5        *mercial relations specifically with Israel such as boy-*  
6        *cotts, divestment from, or sanctions against Israel as*  
7        *a topic of discussion at the U.S.-Israel Joint Eco-*  
8        *nomie Development Group (JEDG) and other areas*  
9        *to support the strengthening of the United States-*  
10       *Israel commercial relationship and combat any com-*  
11       *mercial discrimination against Israel;*

12           *(7) supports efforts to prevent investigations or*  
13       *prosecutions by governments or international organi-*  
14       *zations of United States persons on the sole basis of*  
15       *such persons doing business with Israel, with Israeli*  
16       *entities, or in Israeli-controlled territories; and*

17           *(8) supports American States examining a com-*  
18       *pany's promotion or compliance with unsanctioned*  
19       *boycotts, divestment from, or sanctions against Israel*  
20       *as part of its consideration in awarding grants and*  
21       *contracts and supports the divestment of State assets*  
22       *from companies that support or promote actions to*  
23       *boycott, divest from, or sanction Israel.*

24        *(c) PRINCIPAL TRADE NEGOTIATING OBJECTIVES OF*  
25       *THE UNITED STATES.—*

1           (1) *COMMERCIAL PARTNERSHIPS.*—Among the  
2           principal trade negotiating objectives of the United  
3           States for proposed trade agreements with foreign  
4           countries regarding commercial partnerships are the  
5           following:

6                     (A) *To discourage actions by potential trad-*  
7                     *ing partners that directly or indirectly prejudice*  
8                     *or otherwise discourage commercial activity sole-*  
9                     *ly between the United States and Israel.*

10                    (B) *To discourage politically motivated ac-*  
11                    *tions to boycott, divest from, or sanction Israel*  
12                    *and to seek the elimination of politically moti-*  
13                    *vated non-tariff barriers on Israeli goods, serv-*  
14                    *ices, or other commerce imposed on the State of*  
15                    *Israel.*

16                    (C) *To seek the elimination of state-spon-*  
17                    *sored unsanctioned foreign boycotts against*  
18                    *Israel or compliance with the Arab League Boy-*  
19                    *cott of Israel by prospective trading partners.*

20           (2) *EFFECTIVE DATE.*—This subsection takes ef-  
21           fect on the date of the enactment of this Act and ap-  
22           plies with respect to negotiations commenced before,  
23           on, or after the date of the enactment of this Act.

1       (d) *REPORT ON POLITICALLY MOTIVATED ACTS OF*  
2 *BOYCOTT, DIVESTMENT FROM, AND SANCTIONS AGAINST*  
3 *ISRAEL.*—

4           (1) *IN GENERAL.*—Not later than 180 days after  
5       the date of the enactment of this Act, and annually  
6       thereafter, the President shall submit to Congress a re-  
7       port on politically motivated acts of boycott, divest-  
8       ment from, and sanctions against Israel.

9           (2) *MATTERS TO BE INCLUDED.*—The report re-  
10      quired by paragraph (1) shall include the following:

11           (A) *A description of the establishment of*  
12      *barriers to trade, including non-tariff barriers,*  
13      *investment, or commerce by foreign countries or*  
14      *international organizations against United*  
15      *States persons operating or doing business in*  
16      *Israel, with Israeli entities, or in Israeli-con-*  
17      *trolled territories.*

18           (B) *A description of specific steps being*  
19      *taken by the United States to encourage foreign*  
20      *countries and international organizations to*  
21      *cease creating such barriers and to dismantle*  
22      *measures already in place and an assessment of*  
23      *the effectiveness of such steps.*

24           (C) *A description of specific steps being*  
25      *taken by the United States to prevent investiga-*



tions or prosecutions by governments or international organizations of United States persons on the sole basis of such persons doing business with Israel, with Israeli entities, or in Israeli-controlled territories.

(D) Decisions by foreign persons, including corporate entities and state-affiliated financial institutions, that limit or prohibit economic relations with Israel or persons doing business in Israel or in Israeli controlled territories.

(e) ISRAEL TRADE AND COMMERCE BOYCOTT REPORTING.—Section 13 of the Securities Exchange Act of 1934 (15 U.S.C. 78m) is amended by adding at the end the following:

“(s) ISRAEL TRADE AND COMMERCE BOYCOTT REPORTING.—

“(1) IN GENERAL.—Each foreign issuer required to file an annual or quarterly report under subsection (a) shall disclose in that report—

“(A) whether the issuer has discriminated against doing business with Israel in the last calendar year and in such cases an issuer shall provide a description of the discrimination.

“(B) whether the issuer has been advised by a foreign government or a non-member state of

1        *the United Nations to discriminate against*  
 2        *doing business with Israel, entities owned or con-*  
 3        *trolled by the government of Israel, or entities*  
 4        *operating in Israel or Israeli-controlled territory;*  
 5        *and*

6                *“(C) any instances where the issuer has*  
 7        *learned that a person, foreign government, or a*  
 8        *non-member state of the United Nations is boy-*  
 9        *cotting the issuer, divesting themselves of an*  
 10        *ownership interest in the issuer, or placing sanc-*  
 11        *tions on the issuer because of the issuer’s rela-*  
 12        *tionship with Israel, entities owned or controlled*  
 13        *by the government of Israel, or entities operating*  
 14        *in Israel or Israeli-controlled territory.*

15                *“(2) DEFINITIONS.—For purposes of this sub-*  
 16        *section:*

17                *“(A) FOREIGN ISSUER.—The term ‘foreign*  
 18        *issuer’ means an issuer that is not incorporated*  
 19        *in the United States.*

20                *“(B) NON-MEMBER STATES OF THE UNITED*  
 21        *NATIONS.—The term ‘non-member states of the*  
 22        *United Nations’ has the meaning given such*  
 23        *term by the United Nations.”.*

24                *(f) FOREIGN JUDGMENTS AGAINST UNITED STATES*  
 25        *PERSONS.—No court in the United States may recognize*

1 *or enforce any judgment which is entered by a foreign court*  
2 *against a United States person carrying out business oper-*  
3 *ations in Israel or in any territory controlled by Israel and*  
4 *on which is based a determination by the foreign court that*  
5 *the location in Israel, or in any territory controlled by*  
6 *Israel, of the facilities at which the business operations are*  
7 *carried out is sufficient to constitute a violation of law.*

8 *(g) DEFINITIONS.—In this section:*

9 *(1) BOYCOTT, DIVESTMENT FROM, AND SANC-*  
10 *TIONS AGAINST ISRAEL.—The term “boycott, divest-*  
11 *ment from, and sanctions against Israel” means ac-*  
12 *tions by states, non-member states of the United Na-*  
13 *tions, international organizations, or affiliated agen-*  
14 *cies of international organizations that are politically*  
15 *motivated and are intended to penalize or otherwise*  
16 *limit commercial relations specifically with Israel or*  
17 *persons doing business in Israel or in Israeli-con-*  
18 *trolled territories.*

19 *(2) FOREIGN PERSON.—The term “foreign per-*  
20 *son” means—*

21 *(A) any natural person who is not lawfully*  
22 *admitted for permanent residence (as defined in*  
23 *section 101(a)(20) of the Immigration and Na-*  
24 *tionalty Act (8 U.S.C. 1101(a)(20)) or who is*  
25 *not a protected individual (as defined in section*

1        *274B(a)(3) of such Act (8 U.S.C. 1324b(a)(3));*  
2        *and*

3                *(B) any foreign corporation, business asso-*  
4        *ciation, partnership, trust, society or any other*  
5        *entity or group that is not incorporated or orga-*  
6        *nized to do business in the United States, as well*  
7        *as any international organization, foreign gov-*  
8        *ernment and any agency or subdivision of for-*  
9        *ign government, including a diplomatic mis-*  
10       *sion.*

11       *(3) PERSON.—*

12                *(A) IN GENERAL.—The term “person”*  
13       *means—*

14                *(i) a natural person;*

15                *(ii) a corporation, business association,*  
16       *partnership, society, trust, financial institu-*  
17       *tion, insurer, underwriter, guarantor, and*  
18       *any other business organization, any other*  
19       *nongovernmental entity, organization, or*  
20       *group, and any governmental entity oper-*  
21       *ating as a business enterprise; and*

22                *(iii) any successor to any entity de-*  
23       *scribed in clause (ii).*

24                *(B) APPLICATION TO GOVERNMENTAL ENTI-*  
25       *TIES.—The term “person” does not include a*

1           *government or governmental entity that is not*  
 2           *operating as a business enterprise.*

3           (4) *UNITED STATES PERSON.*—*The term “United*  
 4           *States person” means—*

5                     (A) *a natural person who is a national of*  
 6                     *the United States (as defined in section*  
 7                     *101(a)(22) of the Immigration and Nationality*  
 8                     *Act (8 U.S.C. 1101(a)(22)); and*

9                     (B) *a corporation or other legal entity*  
 10                    *which is organized under the laws of the United*  
 11                    *States, any State or territory thereof, or the Dis-*  
 12                    *trict of Columbia, if natural persons described in*  
 13                    *subparagraph (A) own, directly or indirectly,*  
 14                    *more than 50 percent of the outstanding capital*  
 15                    *stock or other beneficial interest in such legal en-*  
 16                    *tity.*

17 **SEC. 609. ELIMINATION OF CONSUMPTIVE DEMAND EXCEP-**  
 18 **TION TO PROHIBITION ON IMPORTATION OF**  
 19 **GOODS MADE WITH CONVICT LABOR, FORCED**  
 20 **LABOR, OR INDENTURED LABOR; REPORT.**

21           (a) *ELIMINATION OF CONSUMPTIVE DEMAND EXCEP-*  
 22 *TION.*—

23                     (1) *IN GENERAL.*—*Section 307 of the Tariff Act*  
 24                     *of 1930 (19 U.S.C. 1307) is amended by striking*

1       *“The provisions of this section” and all that follows*  
2       *through “of the United States.”.*

3           (2) *EFFECTIVE DATE.*—*The amendment made by*  
4       *paragraph (1) shall take effect on the date that is 15*  
5       *days after the date of the enactment of this Act.*

6       (b) *REPORT REQUIRED.*—*Not later than 180 days*  
7       *after the date of the enactment of this Act, and annually*  
8       *thereafter, the Commissioner shall submit to the Committee*  
9       *on Finance of the Senate and the Committee on Ways and*  
10      *Means of the House of Representatives a report on compli-*  
11      *ance with section 307 of the Tariff Act of 1930 (19 U.S.C.*  
12      *1307) that includes the following:*

13           (1) *The number of instances in which merchan-*  
14      *dise was denied entry pursuant to that section during*  
15      *the 1-year period preceding the submission of the re-*  
16      *port.*

17           (2) *A description of the merchandise denied*  
18      *entry pursuant to that section.*

19           (3) *Such other information as the Commissioner*  
20      *considers appropriate with respect to monitoring and*  
21      *enforcing compliance with that section.*

22      **SEC. 610. CUSTOMS USER FEES.**

23           (a) *IN GENERAL.*—*Section 13031(j)(3) of the Consoli-*  
24      *dated Omnibus Budget Reconciliation Act of 1985 (19*

1 *U.S.C. 58c(j)(3)) is amended by adding at the end the fol-*  
 2 *lowing:*

3       “(C) *Fees may be charged under paragraphs (9) and*  
 4 *(10) of subsection (a) during the period beginning on July*  
 5 *8, 2025, and ending on July 28, 2025.*”.

6       (b) *RATE FOR MERCHANDISE PROCESSING FEES.—*  
 7 *Section 503 of the United States–Korea Free Trade Agree-*  
 8 *ment Implementation Act (Public Law 112–41; 125 Stat.*  
 9 *460) is amended—*

10           (1) *by striking “For the period” and inserting*

11       “(a) *IN GENERAL.—For the period*”; and

12           (2) *by adding at the end the following:*

13       “(b) *ADDITIONAL PERIOD.—For the period beginning*  
 14 *on July 1, 2025, and ending on July 14, 2025, section*  
 15 *13031(a)(9) of the Consolidated Omnibus Budget Reconcili-*  
 16 *ation Act of 1985 (19 U.S.C. 58c(a)(9)) shall be applied*  
 17 *and administered—*

18           “(1) *in subparagraph (A), by substituting*

19       ‘0.3464’ *for ‘0.21’; and*

20           “(2) *in subparagraph (B)(i), by substituting*

21       ‘0.3464’ *for ‘0.21’.*”.

22 **SEC. 611. REPORT ON CERTAIN U.S. CUSTOMS AND BORDER**  
 23 **PROTECTION AGREEMENTS.**

24       (a) *IN GENERAL.—Not later than one year after enter-*  
 25 *ing into an agreement under a program specified in sub-*

1 *section (b), and annually thereafter until the termination*  
2 *of the program, the Commissioner shall submit to the Com-*  
3 *mittee on Finance of the Senate and the Committee on*  
4 *Ways and Means of the House of Representatives a report*  
5 *that includes the following:*

6           (1) *A description of the development of the pro-*  
7       *gram.*

8           (2) *A description of the type of entity with which*  
9       *U.S. Customs and Border Protection entered into the*  
10      *agreement and the amount that entity reimbursed*  
11      *U.S. Customs and Border Protection under the agree-*  
12      *ment.*

13          (3) *An identification of the type of port of entry*  
14      *to which the agreement relates and an assessment of*  
15      *how the agreement provides economic benefits at the*  
16      *port of entry.*

17          (4) *A description of the services provided by U.S.*  
18      *Customs and Border Protection under the agreement*  
19      *during the year preceding the submission of the re-*  
20      *port.*

21          (5) *The amount of fees collected under the agree-*  
22      *ment during that year.*

23          (6) *A detailed accounting of how the fees col-*  
24      *lected under the agreement have been spent during*  
25      *that year.*



1           (7) *A summary of any complaints or criticism*  
2           *received by U.S. Customs and Border Protection dur-*  
3           *ing that year regarding the agreement.*

4           (8) *An assessment of the compliance of the entity*  
5           *described in paragraph (2) with the terms of the*  
6           *agreement.*

7           (9) *Recommendations with respect to how activi-*  
8           *ties conducted pursuant to the agreement could func-*  
9           *tion more effectively or better produce economic bene-*  
10          *fits.*

11          (10) *A summary of the benefits to and challenges*  
12          *faced by U.S. Customs and Border Protection and the*  
13          *entity described in paragraph (2) under the agree-*  
14          *ment.*

15          (b) *PROGRAM SPECIFIED.*—*A program specified in*  
16          *this subsection is—*

17               (1) *the program for entering into reimbursable*  
18               *fee agreements for the provision of U.S. Customs and*  
19               *Border Protection services established by section 560*  
20               *of the Department of Homeland Security Appropria-*  
21               *tions Act, 2013 (division D of Public Law 113–6; 127*  
22               *Stat. 378); or*

23               (2) *the pilot program authorizing U.S. Customs*  
24               *and Border Protection to enter into partnerships with*  
25               *private sector and government entities at ports of*

1        *entry established by section 559 of the Department of*  
 2        *Homeland Security Appropriations Act, 2014 (divi-*  
 3        *sion F of Public Law 113–76; 6 U.S.C. 211 note).*

4    **SEC. 612. CERTAIN INTEREST TO BE INCLUDED IN DIS-**  
 5                    **TRIBUTIONS UNDER CONTINUED DUMPING**  
 6                    **AND SUBSIDY OFFSET ACT OF 2000.**

7        *(a) IN GENERAL.—Notwithstanding any other provi-*  
 8        *sion of law, the Commissioner shall include in all distribu-*  
 9        *tions of collected antidumping and countervailing duties*  
 10       *described in subsection (b) all interest earned on such du-*  
 11       *ties, including—*

12                *(1) interest accrued under section 778 of the Tar-*  
 13        *iff Act of 1930 (19 U.S.C. 1677g),*

14                *(2) interest accrued under section 505(d) of the*  
 15        *Tariff Act of 1930 (19 U.S.C. 1505(d)), and*

16                *(3) common-law equitable interest, and all inter-*  
 17        *est under section 963 of the Revised Statutes of the*  
 18        *United States (19 U.S.C. 580), awarded by a court*  
 19        *against a surety's late payment of antidumping or*  
 20        *countervailing duties and interest described in para-*  
 21        *graph (1) or (2), under its bond,*

22       *which is, or was, realized through application of any pay-*  
 23       *ment received on or after October 1, 2014, by U.S. Customs*  
 24       *and Border Protection under, or in connection with, any*

1 *customs bond pursuant to a court order or judgment, or*  
2 *any settlement for any such bond.*

3       (b) *DISTRIBUTIONS DESCRIBED.—The distributions*  
4 *described in subsection (a) are all distributions made on*  
5 *or after the date of the enactment of this Act pursuant to*  
6 *section 754 of the Tariff Act of 1930 (19 U.S.C. 1675c) (as*  
7 *such section was in effect on February 7, 2006) of collected*  
8 *antidumping and countervailing duties assessed on or after*  
9 *October 1, 2000, on entries made through September 30,*  
10 *2007.*

**Union Calendar No. 80**

114<sup>TH</sup> CONGRESS  
1<sup>ST</sup> Session

**H. R. 1907**

**[Report No. 114-114, Part I]**

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**A BILL**

To reauthorize trade facilitation and trade enforcement functions and activities, and for other purposes.

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MAY 14, 2015

Reported from the Committee on Ways and Means with  
an amendment

MAY 14, 2015

The Committees on Homeland Security, Foreign Affairs,  
Financial Services, and the Judiciary discharged; committed to the Committee of the Whole House on the  
State of the Union and ordered to be printed