

Union Calendar No. 233

115TH CONGRESS
1ST SESSION

H. R. 3551

[Report No. 115-323]

To amend the Security and Accountability for Every Port Act of 2006 to reauthorize the Customs-Trade Partnership Against Terrorism Program, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JULY 28, 2017

Ms. MCSALLY (for herself, Mr. REICHERT, Mr. MCCAUL, Mr. KING of New York, Mr. HURD, and Mr. GARRETT) introduced the following bill; which was referred to the Committee on Homeland Security

SEPTEMBER 25, 2017

Additional sponsor: Mr. RUTHERFORD

SEPTEMBER 25, 2017

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

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

[For text of introduced bill, see copy of bill as introduced on July 28, 2017]

A BILL

To amend the Security and Accountability for Every Port Act of 2006 to reauthorize the Customs-Trade Partnership Against Terrorism Program, 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.**

4 *This Act may be cited as the “C-TPAT Reauthoriza-*
5 *tion Act of 2017”.*

6 **SEC. 2. CUSTOMS-TRADE PARTNERSHIP AGAINST TER-**
7 **RORISM.**

8 *(a) IN GENERAL.—Subtitle B of title II of the Security*
9 *and Accountability for Every Port Act of 2006 (6 U.S.C.*
10 *961 et seq.) is amended to read as follows:*

11 **“Subtitle B—Customs-Trade**
12 **Partnership Against Terrorism**

13 **“SEC. 211. ESTABLISHMENT OF THE CUSTOMS-TRADE PART-**
14 **nership Against Terrorism Program.**

15 *“(a) IN GENERAL.—There is established within U.S.*
16 *Customs and Border Protection a voluntary government-*
17 *private sector partnership program to be known as the Cus-*
18 *toms-Trade Partnership Against Terrorism (C-TPAT).*

19 *“(b) PURPOSE.—The purposes of the C-TPAT pro-*
20 *gram are to—*

21 *“(1) strengthen and improve the overall security*
22 *of the international supply chain and United States*
23 *border security;*

24 *“(2) facilitate the movement of secure cargo*
25 *through the international supply chain;*

1 “(3) ensure compliance with applicable law; and

2 “(4) serve as the Authorized Economic Operator
3 program for the United States.

4 “(c) *DIRECTOR*.—There shall be at the head of the C-
5 *TPAT* program a Director, who shall report to the Execu-
6 tive Assistant Commissioner of the Office of Field Oper-
7 ations (in this subtitle referred to as the ‘Executive Assist-
8 ant Commissioner’) of U.S. Customs and Border Protection.

9 “(d) *DUTIES*.—The Director of the C-*TPAT* program
10 shall—

11 “(1) oversee the activities of the C-*TPAT* pro-
12 gram, including certification of C-*TPAT* partici-
13 pants;

14 “(2) evaluate and make revisions to security cri-
15 teria pursuant to subsections (c) and (d) of section
16 213;

17 “(3) ensure that participants receive a tangible
18 and measurable benefit for participation; and

19 “(4) carry out other duties and powers pre-
20 scribed by the Executive Assistant Commissioner.

21 **“SEC. 212. ELIGIBLE ENTITIES AND NOTICE OF BENEFITS.**

22 “(a) *ELIGIBLE ENTITIES*.—Importers, exporters, cus-
23 toms brokers, forwarders, air, sea, and land carriers, con-
24 tract logistics providers, and other entities in the inter-
25 national supply chain and intermodal transportation sys-

1 *tem are eligible to apply for participation in the C-TPAT*
2 *program.*

3 “(b) *TIERED PARTICIPATION.*—

4 “(1) *IN GENERAL.*—*Applicants may be eligible to*
5 *participate as Tier 1 or Tier 2 participants.*

6 “(2) *IMPORTERS.*—*Importers may be eligible to*
7 *participate as Tier 3 participants.*

8 “(3) *EXTENSION.*—*The Executive Assistant Com-*
9 *missioner may, in his or her discretion, extend Tier*
10 *3 participation to other entity types, if appropriate.*

11 “(c) *NOTICE OF BENEFITS.*—

12 “(1) *IN GENERAL.*—*The Commissioner of U.S.*
13 *Customs and Border Protection shall publish, on the*
14 *U.S. Customs and Border Protection website and*
15 *through other appropriate online publication, infor-*
16 *mation about benefits to C-TPAT program partici-*
17 *pants.*

18 “(2) *CHANGES.*—*The Commissioner of U.S. Cus-*
19 *toms and Border Protection shall publish, on the U.S.*
20 *Customs and Border Protection website and through*
21 *other appropriate online publication, notice of any*
22 *changes to benefits to C-TPAT program participants*
23 *not later than 30 days before any such changes take*
24 *effect.*

1 **“SEC. 213. PARTICIPATION ELIGIBILITY.**

2 “(a) *IN GENERAL.*—*The Executive Assistant Commis-*
3 *sioner shall review all documentation submitted by an ap-*
4 *plicant pursuant to subsection (b)(2), conduct a background*
5 *investigation of such applicant, and vet such applicant.*

6 “(b) *GENERAL REQUIREMENTS.*—*To be eligible for*
7 *participation in the C-TPAT program, an entity shall, at*
8 *a minimum—*

9 “(1) *have a designated company employee au-*
10 *thorized to bind such entity that is a direct company*
11 *employee and will serve as the primary point of con-*
12 *tact responsible for participation of such entity in the*
13 *C-TPAT program;*

14 “(2) *at the time of initial application and annu-*
15 *ally thereafter, including in advance of any recertifi-*
16 *cation or revalidation, submit an international sup-*
17 *ply chain security profile, which shall identify how*
18 *such entity meets the minimum security criteria of*
19 *the C-TPAT program established by the Commis-*
20 *sioner of U.S. Customs and Border Protection and*
21 *how such entity will maintain and enhance internal*
22 *policies, procedures, and practices related to inter-*
23 *national supply chain security; and*

24 “(3) *meet any specific requirements for eligible*
25 *entities, as established by the Commissioner.*

1 “(c) *MINIMUM SECURITY CRITERIA.*—The Commis-
2 sioner of U.S. Customs and Border Protection shall estab-
3 lish minimum security criteria for participants in the C-
4 TPAT program, review such minimum security criteria not
5 less than once every two years, and update such minimum
6 security criteria as necessary. Such minimum security cri-
7 teria shall seek to address security vulnerabilities in the
8 international supply chain.

9 “(d) *ADDITIONAL AND UPDATED CRITERIA.*—The
10 Commissioner of U.S. Customs and Border Protection may
11 establish additional and updated security criteria for indi-
12 vidual C-TPAT program participants, categories of C-
13 TPAT program participants, or particular entity types to
14 meet in order to address a security vulnerability in the
15 international supply chain.

16 “(e) *CONSULTATION.*—When establishing or updating
17 security criteria in accordance with subsection (c), and
18 when establishing additional or updated security criteria
19 in accordance subsection (d), the Commissioner of U.S. Cus-
20 toms and Border Protection shall consult with C-TPAT
21 program participants and other interested parties, and
22 shall—

23 “(1) conduct a cost benefit analysis of such pro-
24 posed new, additional, or updated security criteria in
25 consultation with the Commercial Customs Oper-

1 *ations Advisory Committee established under section*
2 *109 of the Trade Facilitation and Trade Enforcement*
3 *Act of 2015 (Public Law 114–125; 19 U.S.C. 4316);*

4 *“(2) determine operational feasibility and, where*
5 *appropriate, conduct a phased implementation of*
6 *such proposed additional or updated security criteria;*
7 *and*

8 *“(3) provide C–TPAT program participants and*
9 *other interested parties a 90-day comment period to*
10 *review and comment on such proposed additional or*
11 *updated security criteria.*

12 *“(f) WAIVER.—The Commissioner of U.S. Customs*
13 *and Border Protection may waive the requirements of sub-*
14 *section (e) if the Commissioner determines there is a signifi-*
15 *cant and imminent risk to the national security of the*
16 *United States and such a waiver is necessary to protect*
17 *such national security. Not later than 120 days after the*
18 *issuance of any such waiver, the Commissioner shall an-*
19 *nounce on the U.S. Customs and Border Protection website*
20 *and through other appropriate online publication the Com-*
21 *missioner’s intent to either withdraw such waiver or main-*
22 *tain such waiver while commencing efforts to establish min-*
23 *imum security criteria or establish additional or update ex-*
24 *isting security criteria in accordance with subsection (c)*
25 *or (d), respectively.*

1 **“SEC. 214. BENEFITS FOR C-TPAT PROGRAM PARTICIPANTS.**

2 “(a) *IN GENERAL.*—*The Executive Assistant Commis-*
3 *sioner shall extend certain benefits to each C-TPAT pro-*
4 *gram participant. Minimum benefits for each such partici-*
5 *pant shall include the following:*

6 “(1) *Assignment of a U.S. Customs and Border*
7 *Protection Supply Chain Security Specialist.*

8 “(2) *Access to the C-TPAT program’s web-based*
9 *Portal system and training materials.*

10 “(3) *A periodic and unclassified update on re-*
11 *gional and other relevant threats to the international*
12 *supply chain.*

13 “(b) *PUBLIC AVAILABILITY.*—*The Executive Assistant*
14 *Commissioner shall make publicly available on the C-*
15 *TPAT portal an annual assessment of the tangible benefits*
16 *being realized by C-TPAT program participants.*

17 “(c) *ANNUAL ASSESSMENT.*—*The Executive Assistant*
18 *Commissioner shall conduct, on an annual basis, an assess-*
19 *ment of the benefits conferred to C-TPAT program partici-*
20 *pants. The Executive Assistant Commissioner shall deter-*
21 *mine a process to carry out such assessments, to include*
22 *projected milestones and completion dates for addressing*
23 *data reliability issues and, as necessary, correcting data*
24 *weaknesses, so that U.S. Customs and Border Protection*
25 *can produce accurate and reliable annual assessments that*
26 *can be compared year-to-year.*

1 **“SEC. 215. TIER 1 PARTICIPANTS.**

2 “(a) *CERTIFICATION.*—*The Executive Assistant Com-*
3 *missioner shall certify the security measures and inter-*
4 *national supply chain security practices of all applicants*
5 *to and participants in the C-TPAT program in accordance*
6 *with section 213(b)(2) and the guidelines referred to in sub-*
7 *section (c) of this section. Certified participants shall be*
8 *Tier 1 participants.*

9 “(b) *BENEFITS FOR TIER 1 PARTICIPANTS.*—*Upon*
10 *completion of the certification under subsection (a), a C-*
11 *TPAT program participant shall be certified as a Tier 1*
12 *participant. The Executive Assistant Commissioner shall*
13 *extend limited benefits to a Tier 1 participant.*

14 “(c) *GUIDELINES.*—*Not later than 180 days after the*
15 *date of the enactment of this subtitle, the Commissioner of*
16 *U.S. Customs and Border Protection shall update the guide-*
17 *lines and criteria for certifying a C-TPAT program par-*
18 *ticipant’s security measures and supply chain security*
19 *practices under this section. Such guidelines shall include*
20 *a background investigation and review of appropriate docu-*
21 *mentation, as determined by the Commissioner.*

22 “(d) *TIMEFRAME.*—*To the extent practicable, the Exec-*
23 *utive Assistant Commissioner shall complete the Tier 1 cer-*
24 *tification process within 90 days of receipt of an applica-*
25 *tion for participation in the C-TPAT program.*

1 **“SEC. 216. TIER 2 PARTICIPANTS.**

2 “(a) *VALIDATION.*—*The Executive Assistant Commis-*
3 *sioner shall validate the security measures and inter-*
4 *national supply chain security practices of a Tier 1 C-*
5 *TPAT program participant in accordance with the guide-*
6 *lines referred to in subsection (c) to validate such partici-*
7 *part as a Tier 2 participant. Such validation shall include*
8 *on-site assessments at appropriate foreign and domestic lo-*
9 *cations utilized by such Tier 1 participant in its inter-*
10 *national supply chain.*

11 “(b) *BENEFITS FOR TIER 2 PARTICIPANTS.*—*The Ex-*
12 *ecutive Assistant Commissioner, shall extend benefits to*
13 *each C-TPAT participant that has been validated as a Tier*
14 *2 participant under this section. Such benefits may include*
15 *the following:*

16 “(1) *Reduced scores in U.S. Customs and Border*
17 *Protection’s Automated Targeting System.*

18 “(2) *Reduced number of security examinations*
19 *by U.S. Customs and Border Protection.*

20 “(3) *Priority examinations of cargo.*

21 “(4) *Access to the Free and Secure Trade*
22 *(FAST) Lanes at United States ports of entry.*

23 “(5) *Recognition as a trusted trade partner by*
24 *foreign customs administrations that have signed Mu-*
25 *tual Recognition Arrangements with U.S. Customs*
26 *and Border Protection.*

1 “(6) *In the case of importers, eligibility to partici-*
2 *partate in the Importer Self-Assessment Program*
3 *(ISA) or successor compliance program.*

4 “(c) *GUIDELINES.*—*Not later than 180 days after the*
5 *date of the enactment of this subtitle, the Commissioner*
6 *shall develop a schedule and update the guidelines and cri-*
7 *teria for validating a C-TPAT participant’s security meas-*
8 *ures and supply chain security practices under this section.*

9 “(d) *TIMEFRAME.*—*To the extent practicable, the Exec-*
10 *utive Assistant Commissioner shall complete the Tier 2 vali-*
11 *ation process for a C-TPAT program participant under*
12 *this section within one year after certification of such par-*
13 *ticipant as a Tier 1 participant.*

14 **“SEC. 217. TIER 3 PARTICIPANTS.**

15 “(a) *IN GENERAL.*—*The Commissioner shall establish*
16 *a third tier of C-TPAT program participation that offers*
17 *additional benefits to C-TPAT program participants that*
18 *are importers or other entity types, in accordance with sec-*
19 *tion 212(b), that demonstrate a sustained commitment to*
20 *maintaining security measures and international supply*
21 *chain security practices that exceed the guidelines estab-*
22 *lished for validation as a Tier 2 participant in the C-*
23 *TPAT program under section 216.*

24 “(b) *BEST PRACTICES.*—*The Executive Assistant Com-*
25 *missioner may designate a Tier 2 C-TPAT program partici-*

1 *ipant as a Tier 3 participant based on a review of best*
2 *practices in such participant’s international supply chain*
3 *that reflect a continued approach to enhanced international*
4 *supply chain security, including—*

5 “(1) *compliance with any additional or updated*
6 *criteria established by the Commissioner of U.S. Cus-*
7 *toms and Border Protection under section 213(d) that*
8 *exceed the guidelines established pursuant to section*
9 *216 for validating a C-TPAT program participant*
10 *as a Tier 2 participant; and*

11 “(2) *any other factors that the Executive Assist-*
12 *ant Commissioner determines appropriate.*

13 “(c) *BENEFITS FOR TIER 3 PARTICIPANTS.—The Ex-*
14 *ecutive Assistant Commissioner, in consultation with the*
15 *Commercial Customs Operations Advisory Committee es-*
16 *tablished under section 109 of the Trade Facilitation and*
17 *Trade Enforcement Act of 2015 (Public Law 114–125; 19*
18 *U.S.C. 4316) and the National Maritime Security Advisory*
19 *Committee established under section 70112 of title 46,*
20 *United States Code, shall extend benefits to each C-TPAT*
21 *program participant that has been validated as a Tier 3*
22 *participant under this section, which may include the fol-*
23 *lowing:*

24 “(1) *Further reduction in the number of exami-*
25 *nations by U.S. Customs and Border Protection.*

1 “(2) *Front of the line inspections and examina-*
2 *tions.*

3 “(3) *Exemption from Stratified Exams.*

4 “(4) *Shorter wait times at United States ports*
5 *of entry.*

6 “(5) *Access to the Free and Secure Trade*
7 *(FAST) Lanes at United States ports of entry.*

8 “(6) *Recognition as a trusted trade partner by*
9 *foreign customs administrations that have signed Mu-*
10 *tual Recognition Arrangements with U.S. Customs*
11 *and Border Protection.*

12 “(7) *In the case of importers, eligibility to par-*
13 *ticipate in the Importer Self-Assessment Program*
14 *(ISA) or successor compliance program.*

15 **“SEC. 218. CONSEQUENCES FOR LACK OF COMPLIANCE.**

16 “(a) *IN GENERAL.—If at any time the Executive As-*
17 *stant Commissioner determines that a C-TPAT program*
18 *participant’s security measures or international supply*
19 *chain security practices fail to meet applicable require-*
20 *ments under this subtitle, the Executive Assistant Commis-*
21 *sioner may deny such participant benefits otherwise made*
22 *available pursuant to this subtitle, either in whole or in*
23 *part. The Executive Assistant Commissioner shall develop*
24 *procedures, in consultation with Commercial Customs Op-*
25 *erations Advisory Committee, established under section 109*

1 *of the Trade Facilitation and Trade Enforcement Act of*
2 *2015 (Public Law 114–125; 19 U.S.C. 4316), that provide*
3 *appropriate protections to C–TPAT program participants,*
4 *including advance notice and an opportunity for such par-*
5 *ticipants to provide additional information to U.S. Cus-*
6 *oms and Border Protection regarding any such alleged fail-*
7 *ure, before any of such benefits are withheld. Such proce-*
8 *dures may not limit the ability of the Executive Assistant*
9 *Commissioner to take actions to protect the national secu-*
10 *rity of the United States.*

11 “(b) *FALSE OR MISLEADING INFORMATION; LACK OF*
12 *COMPLIANCE WITH LAW.—If a C–TPAT program partici-*
13 *part knowingly provides false or misleading information*
14 *to the Commissioner of U.S. Customs and Border Protec-*
15 *tion, the Executive Assistant Commissioner, or any other*
16 *officers or officials of the United States Government, or if*
17 *at any time the Executive Assistant Commissioner deter-*
18 *mines that a C–TPAT program participant has committed*
19 *a serious violation of Federal law or customs regulations,*
20 *or if a C–TPAT program participant has committed a*
21 *criminal violation relating to the economic activity of such*
22 *participant, the Executive Assistant Commissioner may*
23 *suspend or expel such participant from the C–TPAT pro-*
24 *gram for an appropriate period of time. The Executive As-*
25 *stant Commissioner, after the completion of the process*

1 *described in subsection (d), may publish in the Federal Reg-*
2 *ister a list of C-TPAT program participants that have been*
3 *so suspended or expelled from the C-TPAT program pursu-*
4 *ant to this subsection.*

5 “(c) *NATIONAL SECURITY.—If at any time the Execu-*
6 *tive Assistant Commissioner determines that a C-TPAT*
7 *program participant poses a significant and imminent risk*
8 *to the national security of the United States or has com-*
9 *mitted a serious violation of Federal law or customs regula-*
10 *tions, or if a C-TPAT program participant has committed*
11 *a criminal violation relating to the economic activity of*
12 *such participant, the Executive Assistant Commissioner*
13 *may suspend or expel such participant from the C-TPAT*
14 *program for an appropriate period of time. The Executive*
15 *Assistant Commissioner, after the completion of the process*
16 *described in subsection (d), may publish in the Federal Reg-*
17 *ister a list of C-TPAT program participants that have been*
18 *so suspended or expelled from the C-TPAT program pursu-*
19 *ant to this subsection.*

20 “(d) *RIGHT OF APPEAL.—*

21 “(1) *IN GENERAL.—The Commissioner of U.S.*
22 *Customs and Border Protection shall establish a proc-*
23 *ess for a C-TPAT program participant to appeal a*
24 *decision of the Executive Assistant Commissioner*
25 *under subsection (a). Such appeal shall be filed with*

1 *the Commissioner not later than 90 days after the*
2 *date of such decision, and the Commissioner shall*
3 *issue a determination not later than 90 days after*
4 *such appeal is filed.*

5 *“(2) APPEALS OF OTHER DECISIONS.—The Com-*
6 *missioner of U.S. Customs and Border Protection*
7 *shall establish a process for a C-TPAT program par-*
8 *ticipant to appeal a decision of the Executive Assist-*
9 *ant Commissioner under subsections (b) and (c). Such*
10 *appeal shall be filed with the Commissioner not later*
11 *than 30 days after the date of such decision, and the*
12 *Commissioner shall issue a determination not later*
13 *than 90 days after such appeal is filed.*

14 **“SEC. 219. VALIDATIONS BY OTHER DHS COMPONENTS.**

15 *“(a) IN GENERAL.—The Commissioner of U.S. Cus-*
16 *toms and Border Protection may recognize regulatory in-*
17 *spections conducted by other components of the Department*
18 *of Homeland Security of entities as sufficient to constitute*
19 *validation for C-TPAT program participation in cases in*
20 *which any such component’s inspection regime is har-*
21 *monized with validation criteria for the C-TPAT program.*
22 *Such regulatory inspections shall not limit the ability of*
23 *U.S. Customs and Border Protection to conduct a C-TPAT*
24 *program validation.*

1 “(b) *REVALIDATION.*—*Nothing in this section may*
2 *limit the Commissioner of U.S. Customs and Border Protec-*
3 *tion’s ability to require a revalidation by U.S. Customs and*
4 *Border Protection.*

5 “(c) *CERTIFICATION.*—*Nothing in this section may be*
6 *construed to authorize certifications of C-TPAT applicants*
7 *to be performed by any party other than U.S. Customs and*
8 *Border Protection.*

9 “**SEC. 220. RECERTIFICATION AND REVALIDATION.**

10 “(a) *RECERTIFICATION.*—*The Commissioner of U.S.*
11 *Customs and Border Protection shall implement a recertifi-*
12 *cation process for all C-TPAT program participants. Such*
13 *process shall occur annually, and shall require—*

14 “(1) *a review of the security profile and sup-*
15 *porting documentation to ensure adherence to the*
16 *minimum security criteria under section 213; and*

17 “(2) *background checks and vetting.*

18 “(b) *REVALIDATION.*—*The Commissioner of U.S. Cus-*
19 *toms and Border Protection shall implement a revalidation*
20 *process for all Tier 2 and Tier 3 C-TPAT program partici-*
21 *pants. Such process shall require—*

22 “(1) *a framework based upon objective, risk*
23 *based criteria for identifying participants for periodic*
24 *revalidation at least once every four years following*
25 *the initial validation of such participants;*

1 “(2) *on-site assessments at appropriate foreign*
2 *and domestic locations utilized by such a participant*
3 *in its international supply chain; and*

4 “(3) *an annual plan for revalidation that in-*
5 *cludes—*

6 “(A) *performance measures;*

7 “(B) *an assessment of the personnel needed*
8 *to perform such revalidations; and*

9 “(C) *the number of participants that will be*
10 *revalidated during the following year.*

11 “(c) *REVALIDATION UNDER A MUTUAL RECOGNITION*
12 *ARRANGEMENT.—*

13 “(1) *IN GENERAL.—Upon request from the Com-*
14 *missioner of U.S. Customs and Border Protection, all*
15 *Tier 2 and Tier 3 C-TPAT program participants*
16 *shall provide any revalidation report conducted by a*
17 *foreign government under a Mutual Recognition Ar-*
18 *rangement.*

19 “(2) *RECOGNITION.—The Commissioner of U.S.*
20 *Customs and Border Protection may recognize re-*
21 *validations of entities conducted by foreign govern-*
22 *ments under a Mutual Recognition Arrangement as*
23 *sufficient to constitute a revalidation for C-TPAT*
24 *program participation under subsection (b).*

1 “(3) *NO LIMITATION.*—*Nothing in this subsection*
2 *may be construed to limit the Commissioner of U.S.*
3 *Customs and Border Protection’s ability to require a*
4 *revalidation by U.S. Customs and Border Protection.*

5 “(d) *DESIGNATED COMPANY EMPLOYEES.*—*Only des-*
6 *ignated company employees of a C-TPAT program partici-*
7 *part under section 213(b)(1) are authorized to respond to*
8 *a revalidation report. Third-party entities are not author-*
9 *ized to respond to a revalidation report.*

10 **“SEC. 221. NONCONTAINERIZED CARGO AND THIRD PARTY**
11 **LOGISTICS PROVIDERS.**

12 *“The Commissioner of U.S. Customs and Border Pro-*
13 *tection shall consider the potential for participation in the*
14 *C-TPAT program by importers of noncontainerized cargoes*
15 *and non-asset-based third party logistics providers that oth-*
16 *erwise meet the requirements under this subtitle.*

17 **“SEC. 222. PROGRAM MANAGEMENT.**

18 “(a) *IN GENERAL.*—*The Commissioner of U.S. Cus-*
19 *toms and Border Protection shall establish sufficient inter-*
20 *nal quality controls and record management, including rec-*
21 *ordkeeping (including maintenance of a record manage-*
22 *ment system in accordance with subsection (b)) and moni-*
23 *toring staff hours, to support the management systems of*
24 *the C-TPAT program. In managing the C-TPAT program,*

1 *the Commissioner shall ensure that the C-TPAT program*
2 *includes the following:*

3 “(1) *A 5-year plan to identify outcome-based*
4 *goals and performance measures of the C-TPAT pro-*
5 *gram.*

6 “(2) *An annual plan for each fiscal year de-*
7 *signed to match available resources to the projected*
8 *workload.*

9 “(3) *A standardized work program to be used by*
10 *agency personnel to carry out the certifications, vali-*
11 *dations, recertifications, and revalidations of C-*
12 *TPAT program participants.*

13 “(4) *In accordance with subsection (e), a stand-*
14 *ardized process for the Executive Assistant Commis-*
15 *sioner to receive reports of suspicious activity, includ-*
16 *ing reports regarding potentially compromised cargo*
17 *or other border or national security concerns.*

18 “(b) *DOCUMENTATION OF REVIEWS.—*

19 “(1) *IN GENERAL.—The Commissioner of U.S.*
20 *Customs and Border Protection shall maintain a*
21 *record management system to document determina-*
22 *tions on the reviews of each C-TPAT program partic-*
23 *ipant, including certifications, validations, recertifi-*
24 *cations, and revalidations.*

1 “(2) *STANDARDIZED PROCEDURES.*—*To ensure*
2 *accuracy and consistency within the record manage-*
3 *ment system required under this subsection, the Com-*
4 *missioner shall develop, disseminate, and require uti-*
5 *lization of standardized procedures for agency per-*
6 *sonnel carrying out certifications, validations, recer-*
7 *tifications, and revalidations to report and track in-*
8 *formation regarding the status of each C-TPAT pro-*
9 *gram participant.*

10 “(c) *CONFIDENTIAL INFORMATION SAFEGUARDS.*—*In*
11 *consultation with the Commercial Customs Operations Ad-*
12 *visory Committee established under section 109 of the Trade*
13 *Facilitation and Trade Enforcement Act of 2015 (Public*
14 *Law 114–125; 19 U.S.C. 4316), the Commissioner of U.S.*
15 *Customs and Border Protection shall develop and imple-*
16 *ment procedures to ensure the protection of confidential*
17 *data collected, stored, or shared with government agencies*
18 *or as part of the application, certification, validation, re-*
19 *certification, and revalidation processes.*

20 “(d) *RESOURCE MANAGEMENT STAFFING PLAN.*—*The*
21 *Commissioner of U.S. Customs and Border Protection*
22 *shall—*

23 “(1) *develop a staffing plan to recruit and train*
24 *staff (including a formalized training program) to*

1 *meet the objectives identified in the 5-year strategic*
2 *plan under subsection (a)(1); and*

3 “(2) *provide cross-training in post incident*
4 *trade resumption for the C-TPAT Director and other*
5 *relevant personnel who administer the C-TPAT pro-*
6 *gram.*

7 “(e) *ENGAGEMENT.—In carrying out the standardized*
8 *process required under subsection (a)(4), the Commissioner*
9 *shall engage with and provide guidance to C-TPAT pro-*
10 *gram participants and other appropriate stakeholders on*
11 *submitting reports described in such subsection.*

12 “(f) *REPORT TO CONGRESS.—In connection with the*
13 *President’s annual budget submission for the Department*
14 *of Homeland Security, the Commissioner of U.S. Customs*
15 *and Border Protection shall report to the appropriate con-*
16 *gressional committees on the progress made by the Commis-*
17 *sioner to certify, validate, recertify, and revalidate C-TPAT*
18 *program participants. Each such report shall be due on the*
19 *same date that the President’s budget is submitted to Con-*
20 *gress.”.*

21 “(b) *SAVING CLAUSE.—*

22 “(1) *IN GENERAL.—The amendments made by*
23 *this Act shall take effect and apply beginning on the*
24 *date that is 30 days after the date of the enactment*

1 of this Act with respect to applicants for participa-
2 tion in the C-TPAT program.

3 (2) *EXCEPTION.*—Paragraph (1) shall not apply
4 in case of C-TPAT program participants who are
5 such participants as of the date specified in such
6 paragraph. Such participants shall be subject to the
7 amendments made by this Act upon revalidation of
8 such participants to participate in such program.
9 Until such time, such participants shall be subject to
10 the requirements of the C-TPAT program as in exist-
11 ence on the day before the date of the enactment of
12 this Act.

13 (c) *CLERICAL AMENDMENTS.*—The table of contents in
14 section 1(b) of the Security and Accountability for Every
15 Port Act of 2006 is amended by striking the items relating
16 to subtitle B of title II and inserting the following new
17 items:

“Subtitle B—Customs-Trade Partnership Against Terrorism

“Sec. 211. Establishment of the Customs-Trade Partnership Against Terrorism
program.

“Sec. 212. Eligible entities and notice of benefits.

“Sec. 213. Participation eligibility.

“Sec. 214. Benefits for C-TPAT program participants.

“Sec. 215. Tier 1 participants.

“Sec. 216. Tier 2 participants.

“Sec. 217. Tier 3 participants.

“Sec. 218. Consequences for lack of compliance.

“Sec. 219. Validations by other DHS components.

“Sec. 220. Recertification and revalidation.

“Sec. 221. Noncontainerized cargo and third party logistics providers.

“Sec. 222. Program management.”.

Union Calendar No. 233

115TH CONGRESS
1ST Session

H. R. 3551

[Report No. 115-323]

A BILL

To amend the Security and Accountability for Every Port Act of 2006 to reauthorize the Customs-Trade Partnership Against Terrorism Program, and for other purposes.

SEPTEMBER 25, 2017

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed