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

IN THE SENATE OF THE UNITED STATES

MARCH 22, 2013

Mr. BAUCUS (for himself and Mr. HATCH) introduced the following bill; which was read twice and referred to the Committee on Finance

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 Reauthoriza-
6 tion Act of 2013”.

7 (b) Table of Contents.—The table of contents for

8 this Act is as follows:

Sec. 1. Short title; table of contents.
Sec. 2. Definitions.

TITLE I—CUSTOMS ORGANIZATION
Subtitle A—Functions Other Than Investigative Functions

Sec. 101. Establishment of U.S. Customs and Border Protection Agency; Com-
mmissioner.
Sec. 102. Officers and employees.
Sec. 103. Separate budget requests for U.S. Customs and Border Protection
Agency.
Sec. 104. Revolving fund.
Sec. 105. Advances in foreign countries.
Sec. 106. Advances for enforcement of customs provisions.
Sec. 107. Certification of reason for advance.
Sec. 108. Payments in foreign countries; claims for reimbursement.
Sec. 109. Customs administration.
Sec. 110. Personnel.
Sec. 111. Authorization of appropriations.

Subtitle B—Investigative Functions

Sec. 121. Establishment of U.S. Immigration and Customs Enforcement Agen-
cy.
Sec. 122. Separate budget requests for U.S. Immigration and Customs En-
forcement Agency.
Sec. 123. Undercover investigative operations.
Sec. 124. Authorization of appropriations.

Subtitle C—Joint Strategic Plan on Trade Facilitation and Trade
Enforcement

Sec. 131. Joint strategic plan on trade facilitation and trade enforcement.

TITLE II—TRADE FACILITATION, TRADE ENFORCEMENT, AND
TRANSPARENCY

Subtitle A—Trade Facilitation and Transparency

Sec. 201. Improving partnership programs.
Sec. 202. Trade facilitation partnership program.
Sec. 203. Centers of Excellence and Expertise.
Sec. 204. Mutual recognition agreements.
Sec. 205. Customs Operations Advisory Committee.
Sec. 206. Automated Commercial Environment computer system.
Sec. 207. International Trade Data System.
Sec. 208. Electronic submission of public comments.

Subtitle B—Trade Enforcement

CHAPTER 1—COMMERCIAL TARGETING

Sec. 211. Commercial Targeting Division and National Targeting and Analysis
Groups.
Sec. 212. Annual illegal drug control law enforcement strategy.
Sec. 213. Report on oversight of revenue protection and enforcement measures
by the inspector general.
Sec. 214. Report on security and revenue measures with respect to merchandise
transported in bond.
Sec. 215. Importer of record program.

CHAPTER 2—IMPORT HEALTH AND SAFETY
Sec. 221. Interagency Import Safety Working Group.
Sec. 222. Joint import safety rapid response plan.
Sec. 223. Training.

CHAPTER 3—IMPORT-RELATED PROTECTION OF INTELLECTUAL PROPERTY RIGHTS

SUBCHAPTER A—NATIONAL INTELLECTUAL PROPERTY RIGHTS COORDINATION CENTER


SUBCHAPTER B—AMENDMENTS TO THE TARIFF ACT OF 1930

Sec. 241. Provision to rights owners of information about and samples of merchandise suspected of infringing trademarks or copyrights.
Sec. 242. Enforcement by the U.S. Customs and Border Protection Agency of works for which a copyright registration is pending.
Sec. 243. Seizure of circumvention devices.

SUBCHAPTER C—OTHER MATTERS

Sec. 251. Definition of intellectual property rights.
Sec. 252. Joint strategic plan for the enforcement of intellectual property rights.
Sec. 253. Personnel dedicated to the enforcement of intellectual property rights.
Sec. 254. Training with respect to the enforcement of intellectual property rights.
Sec. 255. Information for travelers regarding violations of intellectual property rights.
Sec. 256. International cooperation and information sharing.
Sec. 257. Sense of Congress regarding recordation process.
Sec. 258. Report on intellectual property rights enforcement.

CHAPTER 4—COORDINATION OF TRADE ENFORCEMENT PRIORITIES

Sec. 261. Establishment of priority trade enforcement coordination centers.

TITLE III—EVASION OF ANTIDUMPING AND COUNTERVAILING DUTY ORDERS

Sec. 301. Short title.
Sec. 302. Procedures for investigating claims of evasion of antidumping and countervailing duty orders.
Sec. 303. Annual report on prevention and investigation of evasion of antidumping and countervailing duty orders.

TITLE IV—MISCELLANEOUS PROVISIONS

Sec. 401. Consultation on trade and customs revenue functions.
Sec. 402. Drawback simplification.
Sec. 403. Penalties for customs brokers.
Sec. 404. Amendments to chapter 98 of the Harmonized Tariff Schedule of the United States.
Sec. 405. Charter flights.
Sec. 406. Pilot program to designate additional 24-hour commercial ports of entry.
Sec. 407. Elimination of consumptive demand exception to prohibition on importation of goods made with convict labor, forced labor, or indentured labor; report.

Sec. 408. Honey transshipment.

Sec. 409. Contraband archaeological or ethnological materials.

Sec. 410. De minimis value and entry under regulations.

Sec. 411. Repeal of authority of U.S. Customs and Border Protection Agency to enter into certain reimbursable fee agreements.

1 **SEC. 2. DEFINITIONS.**

In this Act:

1. **COMMERCIAL OPERATIONS.**—The term “commercial operations”, with respect to the U.S. Customs and Border Protection Agency, means the operations described in section 1(c)(2) of the Act of March 3, 1927 (44 Stat. 1381, chapter 348; 19 U.S.C. 2071), as amended by section 101 of this Act.


3. **CUSTOMS OPERATIONS ADVISORY COMMITTEE.**—The term “Customs Operations Advisory Committee” means the Advisory Committee established under section 205 of this Act or any successor committee.
(4) Customs and trade laws of the United States.—The term “customs and trade laws of the United States” includes the following:


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


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


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


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

(L) The North American Free Trade
Agreement Implementation Act (19 U.S.C.
3301 et seq.).

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

(N) The Caribbean Basin Economic Recovery
Act (19 U.S.C. 2701 et seq.).

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

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

(Q) The Customs Enforcement Act of

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

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

(T) The Trade Act of 2002 (Public Law

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


(X) Any other provision of law implementing a trade agreement.

(Y) Any other provision of law vesting customs revenue functions in the Secretary of the Treasury.

(Z) Any other provision of law relating to trade facilitation or trade enforcement that is administered by the U.S. Customs and Border Protection Agency on behalf of any Federal agency that is required to participate in the International Trade Data System.

(AA) Any other provision of customs or trade law administered by the U.S. Customs and Border Protection Agency or the U.S. Immigration and Customs Enforcement Agency.


(6) PRIVATE SECTOR ENTITY.—The term “private sector entity” means—
(A) an importer;

(B) an exporter;

(C) a forwarder;

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

(E) a contract logistics provider;

(F) a customs broker; or

(G) any other person (other than an employee of a government) involved in the importation or exportation of merchandise into or out of the United States.

(7) TRADE ENFORCEMENT.—The term “trade enforcement” means the enforcement of the customs and trade laws of the United States.

(8) TRADE FACILITATION.—The term “trade facilitation” refers to policies and activities of the U.S. Customs and Border Protection Agency with respect to facilitating the movement of merchandise into and out of the United States in a manner that complies with the customs and trade laws of the United States.

(9) TRADE SUPPORT NETWORK.—The term “Trade Support Network” means the network of private sector entities that provide input on the development of modernization projects of the U.S. Customs and Border Protection Agency.
TITLE I—CUSTOMS
ORGANIZATION
Subtitle A—Functions Other Than Investigative Functions

SEC. 101. ESTABLISHMENT OF U.S. CUSTOMS AND BORDER PROTECTION AGENCY; COMMISSIONER.

(a) In General.—The first section of the Act of March 3, 1927 (44 Stat. 1381, chapter 348; 19 U.S.C. 2071), is amended to read as follows:

“SECTION 1. ESTABLISHMENT OF U.S. CUSTOMS AND BORDER PROTECTION AGENCY; COMMISSIONER.

“(a) Establishment of U.S. Customs and Border Protection Agency.—There is established in the Department of Homeland Security the U.S. Customs and Border Protection Agency.

“(b) Establishment of Commissioner of U.S. Customs and Border Protection.—The head of the U.S. Customs and Border Protection Agency shall be a Commissioner of U.S. Customs and Border Protection (in this Act referred to as the ‘Commissioner’), who shall—

“(1) be appointed by the President, by and with the advice and consent of the Senate;

“(2) carry out the duties described in subsection (c); and
“(3) report directly to the Secretary of Homeland Security.

“(c) Duties.—

“(1) In General.—The duties of the Commissioner shall include—

“(A) coordinating and integrating the security, trade facilitation, and trade enforcement functions of the U.S. Customs and Border Protection Agency;

“(B) directing the administration of the commercial operations as described in paragraph (2) and the noncommercial operations of the Agency;

“(C) otherwise safeguarding the homeland security interests of the United States;

“(D) ensuring that the overall economic security of the United States is not diminished by efforts, activities, and programs aimed at securing the homeland (as defined in section 2 of the Homeland Security Act of 2002 (6 U.S.C. 101)); and

“(E) carrying out the duties and powers prescribed by law and such other duties as the Secretary of Homeland Security or the Sec-
retary of the Treasury, as appropriate, may as-

sign.

“(2) COMMERCIAL OPERATIONS.—The commer-
cial operations of the U.S. Customs and Border Pro-
tection Agency shall include—

“(A) administering any customs revenue
function (as defined in section 415 of the
215));

“(B) coordinating efforts of the Depart-
ment of Homeland Security with respect to
trade facilitation and, as appropriate, trade en-
forcement;

“(C) coordinating with the Director of
U.S. Immigration and Customs Enforcement
with respect to—

“(i) investigations relating to trade
enforcement; and

“(ii) the development and implementa-
tion of the joint strategic plan on trade fa-
cilitation and trade enforcement required
under section 123A of the Customs and
Trade Act of 1990;

“(D) coordinating, on behalf of the De-
partment of Homeland Security, efforts among
Federal agencies with respect to trade facilitation and, as appropriate, trade enforcement, including representing the Department of Homeland Security in interagency fora addressing such efforts;

“(E) coordinating the efforts of the U.S. Customs and Border Protection Agency with the efforts of customs authorities of foreign countries to facilitate international trade and enforce customs and trade laws;

“(F) collecting, assessing, and disseminating information as appropriate and in accordance with law, regarding cargo destined for the United States, to enhance trade facilitation and, as appropriate, trade enforcement; and

“(G) otherwise advising the Secretary of Homeland Security with respect to the development of policies associated with trade facilitation and, as appropriate, trade enforcement.

“(d) Consultations.—

“(1) Resource needs.—In carrying out the duties described in subsection (c), the Commissioner shall consult with the Committee on Finance and Committee on Appropriations of the Senate and the Committee on Ways and Means and the Committee
on Appropriations of the House of Representatives on a regular and timely basis regarding the resource needs of the U.S. Customs and Border Protection Agency to safeguard the economic security interests of the United States at land borders and ports of entry.

“(2) INTERNATIONAL NEGOTIATIONS.—The Commissioner shall consult with the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives on a regular and timely basis regarding the status and substance of international negotiations relating to the customs and trade laws of the United States, or of foreign countries, in which personnel of the U.S. Customs and Border Protection Agency are participating.

“(3) PRIVATE SECTOR INPUT.—In carrying out the duties described in subsection (c), the Commissioner shall solicit and consider on a regular basis input from private sector entities, including the Customs Operations Advisory Committee, the Trade Support Network, and other entities affected by the efforts of the Federal Government relating to trade facilitation and trade enforcement, with respect to—
“(A) the implementation of new or amended customs and trade laws; and
“(B) the development, implementation, or revision of policies or regulations administered by the U.S. Customs and Border Protection Agency.

“(e) COMPENSATION.—The Commissioner shall be compensated at the rate of pay for level III of the Executive Schedule as provided in section 5314 of title 5, United States Code.

“(f) ABSENCE OR DISABILITY OF COMMISSIONER.—The Deputy Commissioner for Trade, appointed pursuant to section 2, shall act as Commissioner during the absence or disability of the Commissioner or in the event that the position of Commissioner is vacant.

“(g) DEFINITIONS.—In this Act, the terms ‘Customs Operations Advisory Committee’, ‘customs and trade laws of the United States’, ‘private sector entity’, ‘trade enforcement’, ‘trade facilitation’, and ‘Trade Support Network’ have the meanings given those terms in section 2 of the Trade Facilitation and Trade Enforcement Reauthorization Act of 2013.”.

(b) ADMINISTRATIVE CONTINUITY.—The Act of March 3, 1927 (44 Stat. 1381, chapter 348; 19 U.S.C.
2071 et seq.), is amended by striking section 3 (19 U.S.C. 2073) and all that follows and inserting the following:

“SEC. 3. TRANSFER OF FUNCTIONS, ASSETS, LIABILITIES, AND DUTIES.

“(a) IN GENERAL.—Section 411 of the Homeland Security Act of 2002 (6 U.S.C. 211) is repealed, and the functions and associated personnel, assets, and liabilities, identified under such section 411 on the day before the date of the enactment of the Trade Facilitation and Trade Enforcement Reauthorization Act of 2013 are transferred to the U.S. Customs and Border Protection Agency.

“(b) CONTINUATION IN OFFICE.—The individual serving as Commissioner of Customs in the Department of Homeland Security on the day before the date of the enactment of the Trade Facilitation and Trade Enforcement Reauthorization Act of 2013 may serve as the Commissioner of the U.S. Customs and Border Protection Agency established under section 1 until the earlier of—

“(1) the date on which that individual is no longer eligible to serve as Commissioner of Customs; or

“(2) the date on which an individual nominated by the President to be the Commissioner of U.S. Customs and Border Protection is confirmed by the Senate.”.
(c) CONFORMING AMENDMENTS.—

(1) TITLE 5.—Section 5314 of title 5, United States Code, is amended by striking “Commissioner of Customs, Department of Homeland Security.” and inserting “Commissioner of U.S. Customs and Border Protection, Department of Homeland Security.”.

(2) TABLE OF CONTENTS.—The table of contents for the Homeland Security Act of 2002 is amended by striking the item relating to section 411 and inserting the following:

“Sec. 411. [Reserved].”.

SEC. 102. OFFICERS AND EMPLOYEES.

(a) IN GENERAL.—Section 2 of the Act of March 3, 1927 (44 Stat. 1381, chapter 348; 19 U.S.C. 2072), is amended to read as follows:

“SEC. 2. DEPUTY COMMISSIONERS; TRADE ADVOCATE; OTHER OFFICERS.

“(a) Establishment of Deputy Commissioners.—

“(1) IN GENERAL.—There shall be in the U.S. Customs and Border Protection Agency established under section 1 not more than 3 and not fewer than 2 deputy commissioners, each of whom shall report directly to the Commissioner.
“(2) Senior Executive Service position.—
The position of a deputy commissioner established
under paragraph (1) shall be a Senior Executive
Service position (as defined in section 3132(a) of
title 5, United States Code).

“(b) Deputy Commissioner for Trade.—

“(1) In general.—One of the deputy commis-

sioners established under subsection (a)(1) shall be

the Deputy Commissioner for Trade.

“(2) Duties.—The duties of the Deputy Com-

missioner for Trade shall include—

“(A) overseeing the commercial operations

of the U.S. Customs and Border Protection

Agency (as described in section 1(c)(2));

“(B) overseeing the Office of Trade estab-

lished under section 4 and the Office of Inter-

national Affairs established under section 5;

“(C) overseeing the development and im-

plementation of all policies and regulations ad-

ministered by the Agency pursuant to the cus-

toms and trade laws of the United States;

“(D) coordinating the establishment of

standards and policies for developing, deliv-

ering, and evaluating training programs for
personnel of the Agency with responsibility for trade facilitation and trade enforcement;

“(E) overseeing the development and implementation of information technology, research, and communication functions, including automation and modernization strategies, that support the commercial operations of the Agency, including the implementation of the Automated Commercial Environment computer system authorized under section 13031(f)(5) of the Consolidated Omnibus Budget and Reconciliation Act of 1985 (19 U.S.C. 58c(f)(5)); and

“(F) overseeing the administration of the financial management activities of the Agency, including accounting, budgeting, procurement, logistics, financial systems, policy, planning, and audit oversight.

“(3) QUALIFICATIONS.—An individual appointed to be the Deputy Commissioner for Trade shall have a minimum of 10 years of professional experience in the operation of the customs and trade laws of the United States, not less than 3 of which shall involve either working with or for the private sector on matters relating to trade facilitation or trade enforcement.
“(4) Absence or disability of deputy commissioner for trade.—The Assistant Commissioner of the Office of Trade, established under section 4, shall act as the Deputy Commissioner for Trade during the absence or disability of the Deputy Commissioner for Trade or in the event that the position of Deputy Commissioner for Trade is vacant.

“(c) Trade Advocate.—

“(1) Establishment.—

“(A) In general.—There shall be in the office of the Commissioner a Trade Advocate, who shall be appointed by and report directly to the Commissioner.

“(B) Senior executive service position.—The position of Trade Advocate shall be a Senior Executive Service position (as defined in section 3132(a) of title 5, United States Code).

“(2) Duties.—The duties of the Trade Advocate shall include—

“(A) developing and maintaining strategic communications with private sector entities and the public to enhance trade facilitation and trade enforcement;
“(B) serving as the primary liaison between the U.S. Customs and Border Protection Agency and private sector entities and the public with respect to the Agency’s trade facilitation and trade enforcement functions;

“(C) consulting with private sector entities, including the Customs Operations Advisory Committee and the Trade Support Network, for their input with respect to—

“(i) the development, implementation, and impact of policies and regulations administered by the Agency;

“(ii) the development of the joint strategic plan on trade facilitation and trade enforcement required under section 123A of the Customs and Trade Act of 1990;

“(iii) the assessment of the effectiveness of the trade facilitation and trade enforcement activities of the Agency;

“(iv) trade modernization activities, including the development and implementation of the Automated Commercial Environment computer system authorized under section 13031(f)(5) of the Consolidated Omnibus Budget and Reconciliation Act of 1990;
Act of 1985 (19 U.S.C. 58c(f)(5)) and
support for the establishment of the International Trade Data System under the
oversight of the Department of the Treasury pursuant to section 411(d) of the Tariff Act of 1930 (19 U.S.C. 1411(d));

“(v) the identification of private sector resources and capabilities that will supplement the trade facilitation and trade enforcement activities of the Agency;

“(D) advising the Commissioner with respect to the consultations described in subparagraph (C);

“(E) promoting existing public-private partnerships and developing new public-private partnerships to enhance the trade facilitation and trade enforcement activities of the Agency; and

“(F) otherwise consulting with private sector entities and the public as directed by the Commissioner or by law.

“(3) QUALIFICATIONS.—An individual appointed to be the Trade Advocate shall have a minimum of 10 years of professional experience working with the customs and trade laws of the United
States, not less than 3 of which shall have been spent working in the private sector.

“(4) ELIMINATION OF OFFICE OF TRADE RELATIONS.—

“(A) TRANSFER.—Not later than 30 days after the date of the enactment of the Trade Facilitation and Trade Enforcement Reauthorization Act of 2013, the Secretary of Homeland Security shall transfer the assets, functions, personnel, and liabilities of the Office of Trade Relations of the U.S. Customs and Border Protection Agency to the Trade Advocate established under paragraph (1).

“(B) ELIMINATION.—Not later than 30 days after the date of the enactment of the Trade Facilitation and Trade Enforcement Reauthorization Act of 2013, the Office of Trade Relations shall be abolished.

“(C) LIMITATION ON FUNDS.—No funds appropriated to the Agency or the Department of Homeland Security may be used to transfer the assets, functions, personnel, and liabilities of the Office of Trade Relations to an office or official other than the Trade Advocate established under paragraph (1).
“(d) Other Officers.—The Commissioner may appoint such other officers as are necessary to manage the individual offices within the U.S. Customs and Border Protection Agency. Any appointment of personnel under this subsection shall be subject to the provisions of the civil service laws, and the salaries shall be fixed in accordance with chapter 51 and subchapter III of chapter 53 of title 5, United States Code.”.

(b) Trade Offices and Functions.—The Act of March 3, 1927 (44 Stat. 1381, chapter 348; 19 U.S.C. 2071 et seq.), is amended by adding at the end the following:


“(a) Establishment of Office of Trade.—There shall be in the U.S. Customs and Border Protection Agency an Office of Trade, which shall be headed by an Assistant Commissioner for Trade.

“(b) Transfer of Assets, Function, and Personnel; Elimination of Offices.—

“(1) Office of International Trade.—

“(A) Transfer.—Not later than 30 days after the date of the enactment of the Trade Facilitation and Trade Enforcement Reauthorization Act of 2013, the Secretary of Homeland Security shall transfer the assets, functions,
personnel, and liabilities of the Office of International Trade to the Office of Trade established under subsection (a).

“(B) ELIMINATION.—Not later than 30 days after the date of the enactment of the Trade Facilitation and Trade Enforcement Reauthorization Act of 2013, the Office of International Trade shall be abolished.

“(C) LIMITATION ON FUNDS.—No funds appropriated to the U.S. Customs and Border Protection Agency or the Department of Homeland Security may be used to transfer the assets, functions, personnel, and liabilities of the Office of International Trade to an office other than the Office of Trade established under subsection (a).

“(D) OFFICE OF INTERNATIONAL TRADE DEFINED.—In this paragraph, the term ‘Office of International Trade’ means the Office of International Trade established under subsection (d) of section 2 of this Act, as added by section 402 of the Security and Accountability for Every Port Act of 2006 (Public Law 109–347; 120 Stat. 1924), and as in effect on the day before the date of the enactment of the
Trade Facilitation and Trade Enforcement Re-
authorization Act of 2013.

“(2) OTHER TRANSFERS.—

“(A) IN GENERAL.—The Commissioner is
authorized to transfer any other assets, func-
tions, or personnel within the U.S. Customs
and Border Protection Agency to the Office of
Trade established under subsection (a).

“(B) CONGRESSIONAL NOTIFICATION.—
Not less than 90 days prior to the transfer of
assets, functions, or personnel under subpara-
graph (A), the Commissioner shall notify the
Committee on Finance of the Senate and the
Committee on Ways and Means of the House of
Representatives of the specific assets, functions,
or personnel to be transferred, and the reason
for the transfer.

“(c) ASSISTANT COMMISSIONER FOR TRADE.—

“(1) APPOINTMENT.—

“(A) IN GENERAL.—The Commissioner
shall appoint an Assistant Commissioner for
Trade who shall—

“(i) be the head of the Office of
Trade; and
“(ii) report to the Deputy Commissioner for Trade of the U.S. Customs and Border Protection Agency.

“(B) Senior Executive Service position.—The position of Assistant Commissioner for Trade shall be a Senior Executive Service position (as defined in section 3132(a) of title 5, United States Code).

“(2) Qualifications.—An individual appointed to be the Assistant Commissioner for Trade shall have a minimum of 10 years of professional experience in the operation of the customs and trade laws of the United States, not less than 3 of which shall involve either working with or for the private sector on matters relating to trade facilitation or trade enforcement.

“(3) Duties.—The duties of the Assistant Commissioner for Trade shall include—

“(A) directing the development and implementation, pursuant to the customs and trade laws of the United States, of policies and regulations administered by the U.S. Customs and Border Protection Agency;

“(B) advising the Deputy Commissioner for Trade with respect to the impact on trade
facilitation and trade enforcement of any policy
or regulation otherwise proposed or adminis-
tered by the Agency;

“(C) cooperating with the Assistant Com-
missioner for Field Operations with respect to
the trade facilitation and trade enforcement ac-
tivities of the Agency carried out at the land
borders and ports of entry of the United States;

“(D) directing the development and imple-
mentation of matters relating to the priority
trade issues identified by the Commissioner in
the joint strategic plan on trade facilitation and
trade enforcement required under section 123A
of the Customs and Trade Act of 1990;

“(E) otherwise advising the Commissioner
with respect to the development and implemen-
tation of the joint strategic plan;

“(F) directing the trade enforcement ac-
tivities of the Agency, including the activities of
the National Targeting and Analysis Groups es-
tablished under section 211 of the Trade Facili-
tation and Trade Enforcement Reauthorization
Act of 2013;

“(G) overseeing the trade modernization
activities of the Agency, including the develop-
ment and implementation of the Automated Commercial Environment computer system authorized under section 13031(f)(5) of the Consolidated Omnibus Budget and Reconciliation Act of 1985 (19 U.S.C. 58c(f)(5)) and support for the establishment of the International Trade Data System under the oversight of the Department of the Treasury pursuant to section 411(d) of the Tariff Act of 1930 (19 U.S.C. 1411(d));

“(H) directing the administration of customs revenue functions as otherwise provided by law or delegated by the Commissioner; and

“(I) preparing an annual report to be submitted to the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives not later than March 1 of each calendar year that includes—

“(i) a summary of the changes to customs policies and regulations adopted by the Agency during the preceding calendar year; and

“(ii) a description of the public vetting and interagency consultation that occurred with respect to each such change.
“(4) CONTINUATION IN OFFICE.—The individual serving as the Assistant Commissioner of the Office of International Trade on the day before the date of the enactment of the Trade Facilitation and Trade Enforcement Reauthorization Act of 2013 may serve as the Assistant Commissioner for Trade on or after such date of enactment, at the discretion of the Commissioner.

“SEC. 5. OFFICE OF INTERNATIONAL AFFAIRS.

“(a) ESTABLISHMENT OF OFFICE OF INTERNATIONAL AFFAIRS.—There shall be in the U.S. Customs and Border Protection Agency an Office of International Affairs, which shall be headed by an Assistant Commissioner for International Affairs.

“(b) ASSISTANT COMMISSIONER FOR INTERNATIONAL AFFAIRS.—

“(1) APPOINTMENT.—

“(A) IN GENERAL.—The Commissioner shall appoint an Assistant Commissioner for International Affairs who shall—

“(i) be the head of the Office of International Affairs; and

“(ii) report to the Deputy Commissioner for Trade of the U.S. Customs and Border Protection Agency.
“(B) **Senior executive service position.**—The position of Assistant Commissioner for International Affairs shall be a Senior Executive Service position (as defined in section 3132(a) of title 5, United States Code).

“(2) **Qualifications.**—An individual appointed to be the Assistant Commissioner for International Affairs shall have a minimum of 10 years of professional experience in the operation of the customs and trade laws of the United States, not less than 3 of which shall involve either working with or for the private sector on matters relating to trade facilitation or trade enforcement.

“(3) **Duties.**—The duties of the Assistant Commissioner for International Affairs shall include—

“(A) coordinating the initiatives, programs, and activities of the U.S. Customs and Border Protection Agency in foreign countries, including employees of the Agency in foreign countries;

“(B) advising the Commissioner with respect to matters arising in the World Customs Organization and, if appropriate, the World
Trade Organization and other international organizations;

“(C) ensuring that the policies and regulations of the Agency are consistent with the obligations of the United States pursuant to international agreements;

“(D) coordinating with other Federal agencies on international efforts to enhance trade facilitation and trade enforcement by the Agency;

“(E) coordinating with the customs authorities of foreign countries with respect to trade facilitation and, as appropriate, trade enforcement; and

“(F) providing training and capacity building to customs authorities of foreign countries.

“(4) Continuation in office.—The individual serving as the Assistant Commissioner of the Office of International Affairs on the day before the date of the enactment of the Trade Facilitation and Trade Enforcement Reauthorization Act of 2013 may serve as the Assistant Commissioner for International Affairs on or after such date of enactment, at the discretion of the Commissioner.
“SEC. 6. COORDINATION BETWEEN THE ASSISTANT COM-
MISSIONER FOR TRADE AND THE ASSISTANT
COMMISSIONER FOR FIELD OPERATIONS.

“To advance the security, trade facilitation, and
trade enforcement missions of the U.S. Customs and Bor-
der Protection Agency, the Commissioner shall ensure that
the Assistant Commissioner for Trade and the Assistant
Commissioner for Field Operations of the Agency work to-
gether on—

“(1) trade facilitation and trade enforcement
activities at United States ports of entry;

“(2) operational training of personnel within
the Office of Field Operations at United States
ports of entry to administer trade facilitation and
trade enforcement activities;

“(3) evaluating the operational effectiveness of
the trade facilitation and trade enforcement activi-
ties at United States ports of entry by personnel of
the Office of Field Operations;

“(4) cooperating with the Trade Advocate es-
tablished under section 2(c) to ensure that any in-
formation received from private sector entities re-
garding the trade facilitation and trade enforcement
activities of the Agency is considered;

“(5) ensuring the uniform administration and
implementation among United States ports of entry
of new or revised customs and trade laws, policies, or regulations related to the trade facilitation and trade enforcement activities of the Agency;

“(6) implementing the operational provisions of the joint strategic plan on trade facilitation and trade enforcement required under section 123A of the Customs and Trade Act of 1990 related to the trade facilitation and trade enforcement activities of the Agency at United States ports of entry;

“(7) in cooperation with the Office of International Affairs established under section 5, ensuring that trade facilitation and trade enforcement activities comply with obligations of the United States pursuant to international agreements;

“(8) ensuring the prompt collection of available data regarding cargo that violates the customs and trade laws of the United States, and the prompt issuance of Trade Alerts pursuant to section 211 of the Trade Facilitation and Trade Enforcement Reauthorization Act of 2013; and

“(9) otherwise overseeing the trade facilitation and trade enforcement activities of personnel within the Office of Field Operations at United States ports of entry.
“SEC. 7. ESTABLISHMENT OF TRADE FACILITATION AND TRADE ENFORCEMENT DIVISION IN OFFICE OF FIELD OPERATIONS; DIVISION PERSONNEL.

“(a) Establishment.—There is established in the Office of Field Operations of the U.S. Customs and Border Protection Agency a Trade Facilitation and Trade Enforcement Division.

“(b) Division Personnel.—

“(1) Headquarters Personnel.—The Commissioner shall assign sufficient personnel to operate the Trade Facilitation and Trade Enforcement Division in the Office of Field Operations established under subsection (a).

“(2) Commercial Enforcement Officers.—

“(A) In General.—Not later than 180 days after the date of the enactment of the Trade Facilitation and Trade Enforcement Reauthorization Act of 2013, the Commissioner shall designate and dedicate within the Office of Field Operations not fewer than 40 commercial enforcement officers.

“(B) Assignment.—The Commissioner shall assign the commercial enforcement officers authorized under this subsection among the 40 United States ports of entry that experienced
the highest volume of trade during fiscal year 2013.

“(C) Duties.—The duties of a commercial enforcement officer shall be—

“(i) to supervise all trade enforcement activities of personnel of the Office of Field Operations at the port of entry to which the commercial enforcement officer has been assigned;

“(ii) to coordinate with the Office of Trade all trade enforcement activities at that port of entry;

“(iii) to direct the training of personnel at that port of entry to effectuate the trade enforcement activities of the Office of Field Operations; and

“(iv) to otherwise conduct trade enforcement activities at that port of entry.

“SEC. 8. CUSTOMS FACILITATION AND ENFORCEMENT INTERAGENCY COMMITTEE.

“(a) Establishment.—The Commissioner shall establish a Customs Facilitation and Enforcement Interagency Committee (in this section referred to as the ‘Committee’) to improve coordination and collaboration among
Federal agencies with respect to trade facilitation and trade enforcement.

“(b) FUNCTIONS.—The functions of the Committee shall include—

“(1) advising the Commissioner with respect to policies or regulations of the U.S. Customs and Border Protection Agency that may significantly affect—

“(A) the trade facilitation and trade enforcement missions of the Agency; or

“(B) the international trade policy, trade commitments, or trade competitiveness of the United States;

“(2) consulting with the Commissioner with respect to the development and implementation of policies of agencies that are represented on the Committee that significantly affect the trade facilitation and trade enforcement missions of the Agency;

“(3) reviewing recommendations of and addressing concerns identified by the Customs Facilitation and Enforcement Review Group established under subsection (d); and

“(4) such other functions as are agreed on by the Commissioner and the members of the Committee.
“(c) MEMBERSHIP.—The members of the Committee shall be the following:

“(1) The Commissioner.
“(2) The Deputy Commissioner for Trade of the U.S. Customs and Border Protection Agency.
“(3) The Assistant Secretary for Tax Policy of the Department of the Treasury.
“(4) The Administrator of the Animal and Plant Health Inspection Service of the Department of Agriculture.
“(5) The Director of the Bureau of Alcohol, Tobacco, Firearms, and Explosives of the Department of Justice.
“(7) The Administrator of the Environmental Protection Agency.
“(8) The Commissioner of Food and Drugs of the Department of Health and Human Services.
“(9) The Administrator of the Food Safety and Inspection Service of the Department of Agriculture.

“(12) The Assistant Administrator for Fisheries of the National Oceanic and Atmospheric Administration of the Department of Commerce.

“(13) The Under Secretary for International Trade of the Department of Commerce.

“(14) A Deputy United States Trade Representative.

“(15) Senior officials of such other Federal agencies as the Commissioner determines appropriate.

“(d) CUSTOMS FACILITATION AND ENFORCEMENT REVIEW GROUP.—

“(1) ESTABLISHMENT.—The Committee shall establish a Customs Facilitation and Enforcement Review Group (in this subsection referred to as the ‘Review Group’) as a subordinate body of the Committee.

“(2) MEMBERSHIP.—The members of the Review Group shall be—

“(A) the Deputy Commissioner for Trade of the U.S. Customs and Border Protection Agency or another senior official of the Agency
designated by the Commissioner, who shall serve as chairperson of the Review Group; and

“(B) a senior official of each agency represented on the Committee.

“(3) MEETINGS.—The Deputy Commissioner for Trade shall convene the Review Group as needed to carry out the functions of the Review Group under paragraph (4) and any other duties assigned to the Review Group by the Committee.

“(4) FUNCTIONS.—The functions of the Review Group shall include—

“(A) reviewing, and advising the Committee with respect to, proposed policies, procedures, regulations, and activities of the U.S. Customs and Border Protection Agency that may significantly affect—

“(i) the trade facilitation and trade enforcement missions of the Agency; or

“(ii) the international trade policy, trade commitments, or trade competitiveness of the United States;

“(B) advising the Committee with respect to the development and implementation of policies, procedures, regulations, and activities of agencies represented on the Committee that sig-
nificantly affect the trade facilitation and trade
enforcement missions of the Agency; and
“(C) such other functions as the Com-
mittee may direct.”.

(c) CONFORMING AMENDMENT.—Section 5315 of
title 5, United States Code, is amended by adding at the
end the following:

“Deputy Commissioners of U.S. Customs and
Border Protection, Department of Homeland Secu-

(d) CONFORMING REPEAL.—Section 650 of the Tar-
iff Act of 1930 (19 U.S.C. 1650) is repealed.

SEC. 103. SEPARATE BUDGET REQUESTS FOR U.S. CUSTOMS
AND BORDER PROTECTION AGENCY.

(a) IN GENERAL.—The President shall include in
each budget transmitted to Congress under section 1105
of title 31, United States Code, two separate budget re-
quests for the U.S. Customs and Border Protection Agen-

   (1) one for the commercial operations of the
   Agency; and

   (2) one for the noncommercial operations of the
   Agency.

(b) REPEAL.—

(2) CONFORMING AMENDMENT.—The table of contents for the Homeland Security Act of 2002 is amended by striking the item relating to section 414 and inserting the following:

“Sec. 414. [Reserved].”.

SEC. 104. REVOLVING FUND.

The matter under the heading “REVOLVING FUND, BUREAU OF CUSTOMS” in the Treasury and Post Office Departments Appropriation Act, 1950 (63 Stat. 360, chapter 286; 19 U.S.C. 2074), is amended by striking “United States Customs Service” and inserting “U.S. Customs and Border Protection Agency”.

SEC. 105. ADVANCES IN FOREIGN COUNTRIES.

The matter under the heading “BUREAU OF CUSTOMS” in the Treasury Department Appropriation Act 1940 (53 Stat. 660, chapter 115; 19 U.S.C. 2076) is amended in the last proviso by striking “Bureau of Customs” and inserting “U.S. Customs and Border Protection Agency or the U.S. Immigration and Customs Enforcement Agency”.

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SEC. 106. ADVANCES FOR ENFORCEMENT OF CUSTOMS PROVISIONS.

Section 2 of the Act of March 28, 1928 (45 Stat. 374, chapter 266; 19 U.S.C. 2077), is amended to read as follows:

“SEC. 2. ADVANCES FOR ENFORCEMENT OF CUSTOMS PROVISIONS.

“The Commissioner of U.S. Customs and Border Protection and the Director of U.S. Immigration and Customs Enforcement, with the approval of the Secretary of Homeland Security and the Secretary of the Treasury, are each authorized to direct the advance of funds by the Fiscal Service of the Department of the Treasury in connection with the enforcement of the customs and trade laws of the United States (as defined in section 2 of the Trade Facilitation and Trade Enforcement Reauthorization Act of 2013).”.

SEC. 107. CERTIFICATION OF REASON FOR ADVANCE.

Section 3 of the Act of March 28, 1928 (45 Stat. 374, chapter 266; 19 U.S.C. 2078), is amended by striking “Commissioner of Customs” and inserting “Commissioner of U.S. Customs and Border Protection or the Director of U.S. Immigration and Customs Enforcement”.

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SEC. 108. PAYMENTS IN FOREIGN COUNTRIES; CLAIMS FOR REIMBURSEMENT.

Section 4 of the Act of March 28, 1928 (45 Stat. 374, chapter 266; 19 U.S.C. 2079), is amended to read as follows:

"SEC. 4. PAYMENTS IN FOREIGN COUNTRIES; CLAIMS FOR REIMBURSEMENT.

"The provisions of this Act shall not affect payments made for the U.S. Customs and Border Protection Agency or the U.S. Immigration and Customs Enforcement Agency in foreign countries, or the right of any officer or employee of either such Agency to claim reimbursement for personal funds expended in connection with the enforcement of the customs and trade laws of the United States (as defined in section 2 of the Trade Facilitation and Trade Enforcement Reauthorization Act of 2013)."

SEC. 109. CUSTOMS ADMINISTRATION.

Section 113 of the Customs and Trade Act of 1990 (19 U.S.C. 2082) is amended to read as follows:

"SEC. 113. CUSTOMS ADMINISTRATION.

“(a) IN GENERAL.—The Commissioner of U.S. Customs and Border Protection and the Director of U.S. Immigration and Customs Enforcement each shall—

“(1) develop and implement accounting systems that accurately determine and report the allocation of the personnel and other resources of the U.S.
Customs and Border Protection Agency and the
U.S. Immigration and Customs Enforcement Agency
among the various operational functions of each
Agency, such as merchandise processing, passenger
processing, drug enforcement, trade facilitation, and
trade enforcement; and

“(2) develop and implement periodic labor dis-
tribution surveys of major workforce activities within
the U.S. Customs and Border Protection Agency
and the U.S. Immigration and Customs Enforce-
ment Agency to determine the cost of the various
operational functions of each Agency and the extent
to which the costs of one Agency are covered by the
other Agency.

“(b) SURVEY REPORTS.—Not later than one year
after the date of the enactment of the Trade Facilitation
and Trade Enforcement Reauthorization Act of 2013, the
Commissioner of U.S. Customs and Border Protection and
the Director of U.S. Immigration and Customs Enforce-
ment shall each submit to the Committee on Finance of
the Senate and the Committee on Ways and Means of the
House of Representatives a report on the results of the
first surveys implemented under subsection (a)(2).”.
SEC. 110. PERSONNEL.

(a) IN GENERAL.—Subsection (a) of section 401 of the Security and Accountability for Every Port Act of 2006 (6 U.S.C. 115) is amended to read as follows:

“(a) DIRECTOR OF TRADE POLICY.—

“(1) IN GENERAL.—There shall be in the Office of Policy of the Department of Homeland Security a Director of Trade Policy, who shall—

“(A) coordinate with the Commissioner of U.S. Customs and Border Protection and the Director of U.S. Immigration and Customs Enforcement to ensure that the economic security interests of the United States associated with international trade, including trade facilitation and trade enforcement (as defined in section 2 of the Trade Facilitation and Trade Enforcement Reauthorization Act of 2013), are considered in the development and implementation of policies within the Department of Homeland Security;

“(B) engage with law enforcement and customs authorities of foreign countries and private sector entities to build on existing efforts to develop, strengthen, and implement international standards for securing key sys-
tems of the global economy and more effectively
facilitating trade; and

“(C) submit to the Committee on Finance
of the Senate and the Committee on Ways and
Means of the House of Representatives, not
later than December 15 of each year, a report
describing how the Department of Homeland
Security accounted for the economic security in-
terests of the United States associated with
international trade, including trade facilitation
and trade enforcement, in developing and imple-
menting policies during the preceding fiscal
year.

“(2) QUALIFICATIONS.—The Director of Trade
Policy shall have significant experience in the devel-
opment, operation, or administration of the customs
and trade laws of the United States (as defined in
section 2 of the Trade Facilitation and Trade En-
forcement Reauthorization Act of 2013).”.

(b) NEW PERSONNEL.—Subsection (c) of section 412
is amended to read as follows:

“(c) NEW PERSONNEL.—Not later than 90 days
after the date of the enactment of the Trade Facilitation
and Trade Enforcement Reauthorization Act of 2013, the
Secretary of the Treasury shall designate and dedicate not fewer than 5 and not more than 20 full-time equivalent personnel to work exclusively with the Deputy Assistant Secretary of the Treasury for Tax, Trade, and Tariff Policy in the performance and oversight of customs revenue functions.”.

SEC. 111. AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.—Section 301 of the Customs Procedural Reform and Simplification Act of 1978 (19 U.S.C. 2075) is amended—

(1) by redesignating subsection (h) as subsection (i); and

(2) by striking subsections (a) through (g) and inserting the following:

“(a) IN GENERAL.—

“(1) FISCAL YEAR 2014 AND EACH FISCAL YEAR THEREAFTER.—For fiscal year 2014 and each fiscal year thereafter, there are authorized to be appropriated to the Department of Homeland Security for the U.S. Customs and Border Protection Agency only such sums as may hereafter be authorized by law.

“(2) REQUIREMENT FOR AUTHORIZATION.—
The authorization of appropriations for the U.S. Customs and Border Protection Agency for fiscal
year 2014 and each fiscal year thereafter shall specify—

“(A) the amount authorized for the fiscal year for the salaries and expenses of the Agency in conducting commercial operations (as described in section 1(c)(2) of the Act of March 3, 1927 (44 Stat. 1381, chapter 348; 19 U.S.C. 2071)); and

“(B) the amount authorized for the fiscal year for the salaries and expenses of the Agency for noncommercial operations.

“(b) Authorization of Appropriations.—There are authorized to be appropriated for the salaries and expenses of the U.S. Customs and Border Protection Agency that are incurred in commercial operations such sums as are necessary for fiscal years 2014 through 2018.

“(c) Customs User Fee Account.—The monies authorized to be appropriated pursuant to subsection (b) for any fiscal year, except for such sums as may be necessary for the salaries and expenses of the U.S. Customs and Border Protection Agency that are incurred in connection with the processing of merchandise that is exempt from the fees imposed pursuant to paragraphs (9) and (10) of section 13031(a) of the Consolidated Omnibus Budget Reconciliation Act of 1985 (19 U.S.C. 58c(a)),

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shall be appropriated from the Customs User Fee Account.

“(d) MANDATORY 10-DAY DEFERMENT.—No part of the funds appropriated pursuant to subsection (a) for any fiscal year may be used to provide less time for the collection of estimated duties than the 10-day deferment procedure in effect on January 1, 1981.

“(e) OVERTIME PAY LIMITATIONS; WAIVER.—No part of the funds appropriated pursuant to subsection (a) for any fiscal year may be used for administrative expenses to pay any employee of the U.S. Customs and Border Protection Agency overtime pay in an amount exceeding $35,000 unless the Secretary of Homeland Security, or the designee of the Secretary, determines on an individual basis that payment of overtime pay to such employee in an amount exceeding $35,000 is necessary for national security purposes, to prevent excessive costs, or to meet emergency requirements of the Agency.

“(f) PAY COMPARABILITY AUTHORIZATION.—For fiscal year 2014 and each fiscal year thereafter, there are authorized to be appropriated to the Department of Homeland Security for salaries of the U.S. Customs and Border Protection Agency such additional sums as may be provided by law to reflect pay rate changes made in
accordance with subchapter I of chapter 53 of title 5,
United States Code.

“(g) USE OF SAVINGS RESULTING FROM ADMINISTRATIVE CONSOLIDATIONS.—If savings in salaries and expenses result from the consolidation of administrative functions within the U.S. Customs and Border Protection Agency, the Commissioner of U.S. Customs and Border Protection shall apply the savings, to the extent the savings are not needed to meet emergency requirements of the Agency, to strengthening the commercial operations of the Agency.

“(h) ALLOCATION OF RESOURCES; REPORT TO CONGRESSIONAL COMMITTEES.—The Commissioner of U.S. Customs and Border Protection shall notify the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives at least 180 days prior to taking any action that would—

“(1) result in any significant reduction in force of employees of the U.S. Customs and Border Protection Agency other than by means of attrition;

“(2) result in any significant reduction in hours of operation or services rendered at any office of the Agency or any United States port of entry;

“(3) eliminate or relocate any office of the Agency;
“(4) eliminate any United States port of entry;

or

“(5) significantly reduce the number of employees assigned to any office or any function of the Agency.”.

(b) RESOURCE OPTIMIZATION MODEL.—Subsection (i) of section 301 of the Customs Procedural Reform and Simplification Act of 1978, as redesignated by subsection (a), is amended by striking “Resource Allocation Model” each place it appears in the text and in the heading and inserting “Resource Optimization Model”.

(c) CONFORMING AMENDMENTS.—

(1) IN GENERAL.—Subsection (c) of section 5 of the Act of February 13, 1911 (36 Stat. 901, chapter 46; 19 U.S.C. 267), is amended to read as follows:

“(c) LIMITATIONS.—

“(1) FISCAL YEAR CAP.—The aggregate of overtime pay under subsection (a) (including commuting compensation under subsection (a)(2)(B)) and premium pay under subsection (b) that an employee of the U.S. Customs and Border Protection Agency may be paid in any fiscal year may not exceed $35,000 unless the Secretary of Homeland Security, or the designee of the Secretary, determines
on an individual basis that payment of overtime pay
to such employee in an amount exceeding $35,000 is
necessary for national security purposes, to prevent
excessive costs, or to meet emergency requirements
of the Agency.

“(2) EXCLUSIVITY OF PAY UNDER THIS SEC-
TION.—An employee of the Agency who receives
overtime pay under subsection (a), or premium pay
under subsection (b) for time worked, may not re-
ceive pay or other compensation for that work under
any other provision of law.”.

(2) BASIC PAY.—Section 8331(3)(G) of title 5,
United States Code, is amended—

(A) by striking “a customs officer” and all
that follows through “1911)” and inserting “an
employee of the U.S. Customs and Border Pro-
tection Agency”;

(B) by striking “subsection (a) of such sec-
section 5” and inserting “subsection (c) of section
5 of the Act of February 13, 1911 (36 Stat.
901, chapter 46; 19 U.S.C. 267)”; and

(C) by striking “customs officers” and in-
serting “such employees”.

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Subtitle B—Investigative Functions

SEC. 121. ESTABLISHMENT OF U.S. IMMIGRATION AND CUSTOMS ENFORCEMENT AGENCY.

(a) IN GENERAL.—Section 442 of the Homeland Security Act of 2002 (6 U.S.C. 252) is amended to read as follows:

“SEC. 442. ESTABLISHMENT OF U.S. IMMIGRATION AND CUSTOMS ENFORCEMENT AGENCY; DIRECTOR.

“(a) Establishment of Agency.—There shall be in the Department of Homeland Security an agency to be known as the U.S. Immigration and Customs Enforcement Agency.

“(b) Establishment of Director.—

“(1) In general.—The head of the U.S. Immigration and Customs Enforcement Agency shall be a Director of U.S. Immigration and Customs Enforcement (in this section referred to as the ‘Director’), who shall—

“(A) be appointed by the President, by and with the advice and consent of the Senate;

“(B) carry out the duties and powers described in subsection (c), prescribed by law, and prescribed by the Secretary of Homeland Security;
“(C) report directly to the Secretary of Homeland Security; and

“(D) have a minimum of 5 years professional experience in law enforcement, and a minimum of 5 years of management experience.

“(2) COMMITTEE REFERRAL.—As an exercise of the rulemaking power of the Senate, any nomination for Director shall be referred to the Committee on Finance. If the Committee on Finance has not reported such nomination at the close of the 30th day after its referral to such Committee, the Committee shall be automatically discharged from further consideration of such nomination and such nomination shall be referred to the Committee on the Judiciary.

“(3) COMPENSATION.—The Director shall be compensated at the rate of pay for level III of the Executive Schedule as provided in section 5314 of title 5, United States Code.

“(c) DUTIES OF DIRECTOR.—The duties of the Director shall include—

“(1) establishing and overseeing the administration of policies with respect to functions—

“(A) performed under the detention and removal program, the intelligence program, and
the investigations program that were trans-
ferred to the Under Secretary for Border and
Transportation Security by section 441 and del-
egated to the Assistant Secretary for U.S. Im-
migration and Customs Enforcement on the day
before the date of the enactment of the Trade
Facilitation and Trade Enforcement Reauthor-
ization Act of 2013; and

“(B) otherwise vested in the Assistant Sec-
retary on the day before such date of enact-
ment;

“(2) advising the Secretary with respect to any
policy or operation of the U.S. Immigration and
Customs Enforcement Agency that may affect the
U.S. Citizenship and Immigration Services estab-
lished under subtitle E, including potentially con-
flicting policies and operations;

“(3) conducting and coordinating investigations
of violations of the customs and trade laws of the
United States (as defined in section 2 of the Trade
Facilitation and Trade Enforcement Reauthorization
Act of 2013) and, when appropriate, referring al-
leged violations of such laws for criminal prosecu-
tion;
“(4) coordinating efforts with law enforcement and customs authorities of foreign countries to investigate violations of customs and trade laws; and

“(5) coordinating with the Commissioner of U.S. Customs and Border Protection with respect to investigations of violations of the customs and trade laws of the United States and ensuring the development and implementation of the joint strategic plan on trade facilitation and trade enforcement required under section 123A of the Customs and Trade Act of 1990.

“(d) DEPUTY DIRECTOR.—The Director is authorized to appoint, in the U.S. Immigration and Customs Enforcement Agency established under subsection (a), one Deputy Director who shall assist the Director in the management of the Agency and who shall act for the Director during the absence or disability of the Director or in the event that the position of Director is vacant.

“(e) ADDITIONAL OFFICERS.—The Director may appoint such officers as are necessary to manage the individual offices within the U.S. Immigration and Customs Enforcement Agency.

“(f) PROGRAM TO COLLECT INFORMATION RELATING TO FOREIGN STUDENTS.—The Director shall be responsible for administering the program to collect infor-
information relating to nonimmigrant foreign students and
other exchange program participants described in section
641 of the Illegal Immigration Reform and Immigrant Re-
sponsibility Act of 1996 (8 U.S.C. 1372), including the
Student and Exchange Visitor Information System estab-
lished pursuant to that section, and shall use such infor-
mation to carry out the enforcement functions of the U.S.
Immigration and Customs Enforcement Agency.

“(g) CHIEF OF POLICY AND STRATEGY.—

“(1) IN GENERAL.—There shall be a position of
Chief of Policy and Strategy for the U.S. Immigra-
tion and Customs Enforcement Agency.

“(2) FUNCTIONS.—In consultation with per-
sonnel in local offices of the Agency, the Chief of
Policy and Strategy shall be responsible for—

“(A) making policy recommendations and
performing policy research and analysis on im-
migration enforcement issues; and

“(B) coordinating immigration policy
issues with the Chief of Policy and Strategy for
the Bureau of Citizenship and Immigration
Services established under section 451(c), as
appropriate.

“(h) LEGAL ADVISOR.—There shall be a principal
legal advisor to the Director. The legal advisor shall pro-
vide specialized legal advice to the Director and shall rep-
resent the U.S. Immigration and Customs Enforcement
Agency in all exclusion, deportation, and removal pro-
ceedings before the Executive Office for Immigration Re-
view.”.

(b) COMPENSATION.—

(1) IN GENERAL.—Section 5314 of title 5,
United States Code, is amended by adding at the
end the following:

“Director of U.S. Immigration and Customs
Enforcement, Department of Homeland Security.”.

(2) CONTINUATION IN OFFICE.—The individual
serving as Assistant Secretary for U.S. Immigration
and Customs Enforcement of the Department of
Homeland Security on the day before the date of the
enactment of this Act may serve as Director of U.S.
Immigration and Customs Enforcement until the
earlier of—

(A) the date on which that individual is no
longer eligible to serve as Assistant Secretary;
or

(B) the date on which an individual nomi-
nated by the President to be the Director of
U.S. Immigration and Customs Enforcement is
confirmed by the Senate.
(3) REFERENCE.—On and after the date of the enactment of this Act, any reference to the Assistant Secretary for U.S. Immigration and Customs Enforcement or the Assistant Secretary of the Bureau of Border Security of the Department of Homeland Security, shall be deemed to be a reference to the Director of U.S. Immigration and Customs Enforcement.

c) CONFORMING AMENDMENTS.—

(1) The heading for subtitle D of title IV of the Homeland Security Act of 2002 is amended to read as follows:

"Subtitle D—Enforcement Functions".

(2) The table of contents for the Homeland Security Act of 2002 is amended—

(A) by striking the item relating to section 442 and inserting the following:

"Sec. 442. Establishment of U.S. Immigration and Customs Enforcement Agency; Director."

and

(B) by striking the item relating to subtitle D of title IV and inserting the following:

"Subtitle D—Enforcement Functions".

amended by striking “Assistant Secretary of the Bu-
reau of Border Security” and inserting “Director of
U.S. Immigration and Customs Enforcement”.

SEC. 122. SEPARATE BUDGET REQUESTS FOR U.S. IMMI-
GRATION AND CUSTOMS ENFORCEMENT
AGENCY.

The President shall include in each budget trans-
mitted to Congress under section 1105 of title 31, United
States Code, two separate budget requests for the U.S.
Immigration and Customs Enforcement Agency—

(1) one for the customs operations of the Agen-
cy; and

(2) one for the operations of the Agency other
than customs operations.

SEC. 123. UNDERCOVER INVESTIGATIVE OPERATIONS.

Section 3131 of the Customs Enforcement Act of
1986 (19 U.S.C. 2081) is amended—

(1) in the section heading, by striking “CUS-
TOMS SERVICE” and inserting “U.S. IMMIGRA-
TION AND CUSTOMS ENFORCEMENT AGENCY”;

(2) in subsection (a)—

(A) in the matter preceding paragraph
(1)—

(i) by striking “United States Cus-
toms Service (hereinafter in this section re-
ferred to as the ‘Service’)’’ and inserting
“U.S. Immigration and Customs Enforcement Agency (in this section referred to as
the ‘Agency’)’’; and

(ii) by striking “the Treasury” and inserting “Homeland Security”;

(B) in paragraph (1)—

(i) in the matter preceding subparagraph (A), by striking “for the Service”; and

(ii) in subparagraph (A), by striking clauses (i) through (v) and inserting the following:

“(i) sections 1341 and 3324 of title 31, United States Code,

“(ii) section 8141 of title 40, United States Code, and

“(iii) sections 3901, 6301, and 6306, and chapter 45, of title 41, United States Code, and”;

(C) in paragraph (2), by striking “Service” and inserting “Agency”; and

(D) in the flush text at the end, by striking “Commissioner of Customs (or, if design-
ignated by the Commissioner the Deputy or an
Assistant Commissioner of Customs)’’ and ins-
serting ‘‘Director of U.S. Immigration and Cus-
toms Enforcement (or such other officer within 
the Agency as the Director may designate)’’;

(3) in subsection (b), by striking ‘‘Service, as 
much in advance as the Commissioner or his des-
ignee determines is practicable, shall report the cir-
cumstances to the Secretary of the Treasury’’ and 
inserting ‘‘Agency, as much in advance as the Direc-
tor (or such other officer within the Agency as the 
Director may designate) determines is practicable, 
shall report the circumstances to the Secretary of 
Homeland Security and the Secretary of the Treas-
ury’’;

(4) in subsection (d)—

(A) in paragraph (1)—

(i) in the matter preceding subpara-
graph (A), by striking ‘‘Service’’ and in-
serting ‘‘Director of U.S. Immigration and 
Customs Enforcement’’; and

(ii) in subparagraph (A), by inserting 
‘‘the Secretary of Homeland Security and’’ 
after ‘‘in writing to’’; and

(B) in paragraph (2), in the matter pre-
ceding subparagraph (A)—
(i) by striking “Service” and inserting “Director”; and

(ii) by striking “as to its undercover investigative operations” and inserting “with respect to the undercover investigative operations of the Agency”; and

(5) in subsection (e), by striking “Service” each place it appears and inserting “Agency”.

SEC. 124. AUTHORIZATION OF APPROPRIATIONS.

Title III of the Customs Procedural Reform and Simplification Act of 1978 (19 U.S.C. 2075) is amended by inserting after section 301 the following:

“SEC. 302. AUTHORIZATION OF APPROPRIATIONS FOR CERTAIN CUSTOMS ENFORCEMENT ACTIVITIES.

“(a) IN GENERAL.—

“(1) FISCAL YEAR 2014 AND EACH FISCAL YEAR THEREAFTER.—For fiscal year 2014 and each fiscal year thereafter, there are authorized to be appropriated to the Department of Homeland Security for the U.S. Immigration and Customs Enforcement Agency only such sums as may hereafter be authorized by law.

“(2) SPECIFICATION OF AMOUNTS.—The authorization of the appropriations for the U.S. Immigration and Customs Enforcement Agency for fiscal
year 2014 and each fiscal year thereafter shall specify—

“(A) the amount authorized for the fiscal year for the salaries and expenses of the Agency in conducting customs operations; and

“(B) the amount authorized for the fiscal year for the salaries and expenses of the Agency for other than customs operations.

“(b) Authorization of Appropriations.—There are authorized to be appropriated for the salaries and expenses of the U.S. Immigration and Customs Enforcement Agency that are incurred in customs operations such sums as are necessary for fiscal years 2014 through 2018.”.

Subtitle C—Joint Strategic Plan on Trade Facilitation and Trade Enforcement

SEC. 131. JOINT STRATEGIC PLAN ON TRADE FACILITATION AND TRADE ENFORCEMENT.

(a) In General.—Subtitle C of title I of the Customs and Trade Act of 1990 (Public Law 101–382; 104 Stat. 629) is amended by inserting after section 123 (19 U.S.C. 2083) the following:
“SEC. 123A. JOINT STRATEGIC PLAN ON TRADE FACILITATION AND TRADE ENFORCEMENT.

“(a) IN GENERAL.—Not later than one year after the date of the enactment of the Trade Facilitation and Trade Enforcement Reauthorization Act of 2013, and every 2 years thereafter, the Commissioner of U.S. Customs and Border Protection and the Director of U.S. Immigration and Customs Enforcement shall jointly develop and submit to the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives a joint strategic plan on trade facilitation and trade enforcement.

“(b) CONTENTS.—The joint strategic plan required by subsection (a) shall be comprised of a comprehensive multiyear plan for trade facilitation and trade enforcement and shall include—

“(1) a summary of actions taken during the 2-year period preceding the submission of the report to improve trade facilitation and trade enforcement, including a description and analysis of specific performance measures to evaluate the progress of the U.S. Customs and Border Protection Agency and the U.S. Immigration and Customs Enforcement Agency with respect to trade facilitation and trade enforcement;
“(2) a statement of objectives and plans for further improving trade facilitation and trade enforcement;

“(3) a statement of objectives and plans to strengthen the economic security and competitiveness of the United States;

“(4) a designation of priority trade issues that can be addressed in order to enhance trade facilitation and trade enforcement and a description of strategies, plans, and metrics for addressing each such issue;

“(5) a description of efforts made to improve consultation and coordination among Federal agencies, and in particular between the U.S. Customs and Border Protection Agency and the U.S. Immigration and Customs Enforcement Agency, to enhance trade facilitation and trade enforcement;

“(6) a description of efforts to work with the World Customs Organization, the World Trade Organization, and other international organizations with respect to enhancing trade facilitation and trade enforcement;

“(7) a description of efforts made to improve consultation and coordination with the private sector to enhance trade facilitation and trade enforcement;
“(8) a description of the training that has occurred during the 2-year period preceding the submission of the report within the U.S. Customs and Border Protection Agency and the U.S. Immigration and Customs Enforcement Agency to improve trade facilitation and trade enforcement;

“(9) a specific identification of any domestic or international best practices or technologies that may further improve trade facilitation and trade enforcement; and

“(10) any legislative recommendations to further improve trade facilitation and trade enforcement.

“(c) CONSULTATIONS.—In developing the joint strategic plan required by subsection (a), the Commissioner of U.S. Customs and Border Protection and the Director of U.S. Immigration and Customs Enforcement shall consult with—

“(1) appropriate officials of agencies represented on the Customs Facilitation and Enforcement Interagency Committee established under section 8 of the Act of March 3, 1927, and such other agencies as the Commissioner or the Director determine appropriate; and
“(2) the Customs Operations Advisory Com-
mittee and the Trade Support Network, as appro-
riate.

“(d) DEFINITIONS.—In this section, the terms ‘Cus-
toms Operations Advisory Committee’, ‘trade enforce-
ment’, ‘trade facilitation’, and ‘Trade Support Network’
have the meanings given those terms in section 2 of the
Trade Facilitation and Trade Enforcement Reauthoriza-
tion Act of 2013.’’.

(b) CONFORMING AMENDMENT.—The table of con-
tents for the Customs and Trade Act of 1990 is amended
by inserting after the item relating to section 123 the fol-
lowing:

“Sec. 123A. Joint strategic plan on trade facilitation and trade enforcement.”.

TITLE II—TRADE FACILITATION,
TRADE ENFORCEMENT, AND
TRANSPARENCY
Subtitle A—Trade Facilitation and
Transparency
SEC. 201. IMPROVING PARTNERSHIP PROGRAMS.
(a) IN GENERAL.—In order to advance the security,
trade facilitation, and trade enforcement missions of the
U.S. Customs and Border Protection Agency, the Com-
missioner shall ensure that partnership programs of the
Agency established before the date of the enactment of
this Act, such as the Customs–Trade Partnership Against
Terrorism established under subtitle B of title II of the Security and Accountability for Every Port Act of 2006 (6 U.S.C. 961 et seq.), and partnership programs of the Agency established after such date of enactment, provide trade benefits to private sector entities that meet the requirements for participation in those programs established by the Commissioner under this section.

(b) ELEMENTS.—In developing and operating partnership programs under subsection (a), the Commissioner shall—

(1) consult with private sector entities, the public, and other Federal agencies when appropriate, to ensure that participants in those programs receive commercially significant and measurable trade benefits;

(2) ensure an integrated and transparent system of trade benefits and compliance requirements for all partnership programs of the U.S. Customs and Border Protection Agency;

(3) consider consolidating partnership programs in situations in which doing so would support the objectives of such programs, increase participation in such programs, enhance the trade benefits provided to participants in such programs, and enhance the allocation of the resources of the Agency;
(4) coordinate with other Federal agencies with authority to detain and release merchandise entering the United States—

(A) to ensure coordination in the release of such merchandise through the Automated Commercial Environment computer system, or its predecessor, and the International Trade Data System;

(B) to ensure that the partnership programs of those agencies are compatible with the partnership programs of the U.S. Customs and Border Protection Agency; and

(C) to develop criteria for authorizing the release, on an expedited basis, of merchandise for which documentation is required from one or more of those agencies to clear or license the merchandise for entry into the United States;

and

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

(c) REPORT REQUIRED.—Not later than the date that is 180 days after the date of the enactment of this Act, and December 31 of each year thereafter, the Commissioner shall submit to the Committee on Finance of
the Senate and the Committee on Ways and Means of the House of Representatives a report that—

(1) identifies each partnership program referred to in subsection (a), including the program referred to in section 499A of the Tariff Act of 1930, as added by section 202;

(2) for each such program, identifies—

(A) the requirements for participants in the program;

(B) the commercially significant and measurable trade benefits provided to participants in the program;

(C) the number of participants in the program; and

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

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

(4) assesses the effectiveness of each such partnership program in advancing the security, trade facilitation, and trade enforcement missions of the U.S. Customs and Border Protection Agency, based on historical developments, the level of participation
in the program, and the evolution of benefits provided to participants in the program;

(5) summarizes the efforts of the Agency to work with other Federal agencies with authority to detain and release merchandise entering the United States to ensure that partnership programs of those agencies are compatible with partnership programs of the Agency;

(6) identifies from among those agencies the agencies that are collaborating with the Commissioner to provide benefits pursuant to subsection (f) of section 499A of the Tariff Act of 1930, as added by section 202;

(7) summarizes criteria developed with those agencies for authorizing the release, on an expedited basis, of merchandise for which documentation is required from one or more of those agencies to clear or license the merchandise for entry into the United States;

(8) summarizes the efforts of the Agency to work with private sector entities and the public to develop and improve partnership programs referred to in subsection (a);
(9) describes measures taken by the Agency to make private sector entities aware of the trade benefits available to participants in such programs; and

(10) summarizes the plans, targets, and goals of the Agency with respect to such programs for the 2 years following the submission of the report.

SEC. 202. TRADE FACILITATION PARTNERSHIP PROGRAM.

(a) IN GENERAL.—Title IV of the Tariff Act of 1930 (19 U.S.C. 1401 et seq.) is amended by adding at the end the following:

“SEC. 499A. TRADE FACILITATION PARTNERSHIP PROGRAM.

“(a) IN GENERAL.—The Commissioner of U.S. Customs and Border Protection (in this section referred to as the ‘Commissioner’) shall establish a voluntary government–private sector program or modify an existing such program to enhance trade facilitation and trade enforcement and to provide trade benefits developed under subsection (c) to qualified persons.

“(b) QUALIFIED PERSON DEFINED.—For purposes of this section, the term ‘qualified person’ means a person that—

“(1) is involved in the entry of merchandise into the United States, including as an intermodal transportation system provider, contract logistics
provider, air, land, or sea carrier, customs broker, importer, or forwarder; and

“(2) demonstrates compliance with the requirements established under subsection (e) in accordance with the procedures established under subsection (d).

“(e) TRADE BENEFITS.—

“(1) IN GENERAL.—The Commissioner shall, in consultation with the entities specified in paragraph (3), develop enhanced commercially significant and measurable trade benefits to be provided to qualified persons.

“(2) REQUIREMENTS.—The trade benefits developed under paragraph (1) shall—

“(A) be designed to expedite the release of merchandise of qualified persons upon arrival of the merchandise in the United States; and

“(B) include—

“(i) consideration of the status of persons as qualified persons for the purposes of commercial targeting under section 211(c) of the Trade Facilitation and Trade Enforcement Reauthorization Act of 2013;

“(ii) to the extent practicable, giving priority to qualified persons with respect to
the clearance of merchandise during activities to resume trade after any disruption to the processing of merchandise entering the United States;

“(iii) providing preclearance of merchandise for qualified persons that demonstrate the highest levels of compliance with the customs and trade laws of the United States, regulations of the U.S. Customs and Border Protection Agency, and requirements established under subsection (e); and

“(iv) any other trade benefits the Commissioner determines appropriate for achieving the goals of the program under subsection (a).

“(3) ENTITIES SPECIFIED.—The entities specified in this paragraph are—

“(A) the Customs Operations Advisory Committee established under section 205 of the Trade Facilitation and Trade Enforcement Reauthorization Act of 2013;

“(B) the Trade Support Network (as defined in section 2 of that Act);
“(C) the Committee on Finance of the Senate; and

“(D) the Committee on Ways and Means of the House of Representatives.

“(d) PROCEDURES.—The Commissioner shall establish procedures with respect to the following:

“(1) Submission and approval of applications to receive trade benefits under the program under subsection (a).

“(2) Verification that an applicant to receive trade benefits under the program is a qualified person.

“(3) Reverification that a person receiving trade benefits under the program continues to be a qualified person.

“(4) Withdrawal of trade benefits from a person that the Commissioner determines is not a qualified person.

“(5) Appeals of decisions of the Commissioner under this section.

“(e) REQUIREMENTS.—

“(1) IN GENERAL.—The Commissioner, in consultation with the entities specified in subsection (c)(3)—
“(A) shall establish requirements for receiving trade benefits under the program under subsection (a); and

“(B) may establish multiple tiers of requirements and trade benefits under the program.

“(2) MINIMUM REQUIREMENTS.—The minimum requirements for a person to receive trade benefits under the program under subsection (a) are the following:

“(A) The certification of the person as a member of the Customs–Trade Partnership Against Terrorism established under subtitle B of title II of the Security and Accountability for Every Port Act of 2006 (6 U.S.C. 961 et seq.) or an equivalent certification in a successor program.

“(B) A history of compliance by the person with the customs and trade laws of the United States and regulations of the U.S. Customs and Border Protection Agency.

“(f) INTERAGENCY PROGRAM BENEFITS.—The Commissioner shall collaborate with the head of each Federal agency with authority to detain and release merchandise entering the United States to develop benefits to be pro-
vided to persons that receive trade benefits under the pro-
gram under subsection (a) and that import merchandise
into the United States that requires clearance by that
agency, including—

“(1) the submission to, and retrieval of inform-
ation from, that agency relating to the entry and
release of that merchandise through the Automated
Commercial Environment, or its predecessor, and
the International Trade Data System;

“(2) the preclearance of that merchandise by
that agency through the Automated Commercial En-
vironment or its predecessor to the extent possible;
and

“(3) any other benefits that the Commissioner
and the head of that agency determine appropriate.

“(g) CONFIDENTIAL INFORMATION SAFEGUARDS.—
The Commissioner, in consultation with the Customs Op-
erations Advisory Committee established under section
205 of the Trade Facilitation and Trade Enforcement Re-
authorization Act of 2013, shall establish procedures to
safeguard confidential data collected, stored, or shared
with the U.S. Customs and Border Protection Agency or
any other Federal agency pursuant to this section.

“(h) CUSTOMS AND TRADE LAWS OF THE UNITED
STATES DEFINED.—In this section, the term ‘customs
and trade laws of the United States’ has the meaning given that term in section 2 of the Trade Facilitation and Trade Enforcement Reauthorization Act of 2013.”.

(b) FEDERAL REGISTER NOTICE.—Not later than 90 days after the date of the enactment of this Act, the Commissioner shall publish a notice in the Federal Register setting forth the requirements of section 499A of the Tariff Act of 1930, as added by subsection (a), and seeking public comments on the development and implementation of the program under that section.

SEC. 203. CENTERS OF EXCELLENCE AND EXPERTISE.

The Commissioner shall, in consultation with private sector entities, develop and implement Agency-wide Centers of Excellence and Expertise that—

(1) build the expertise of the U.S. Customs and Border Protection Agency in particular industry operations, supply chains, and compliance requirements;

(2) ensure the uniform implementation across United States ports of entry of policies and regulations affecting major import sectors;

(3) centralize decisionmaking of the Agency that impacts particular industries;

(4) enhance trade facilitation and trade enforcement; and
(5) formalize an account-based approach to the importation of merchandise into the United States by persons the Commissioner determines have a history of compliance with the customs and trade laws of the United States.

SEC. 204. MUTUAL RECOGNITION AGREEMENTS.

(a) NEGOTIATING OBJECTIVE.—It shall be a negotiating objective of the United States in any negotiation for a mutual recognition agreement with a foreign country on partnership programs, such as the Customs–Trade Partnership Against Terrorism established under subtitle B of title II of the Security and Accountability for Every Port Act of 2006 (6 U.S.C. 961 et seq.), to seek to ensure the compatibility of the partnership programs of that country with the partnership programs of the U.S. Customs and Border Protection Agency to enhance trade facilitation and trade enforcement.

(b) CONSULTATIONS.—Not later than 30 days before entering into a mutual recognition agreement described in subsection (a), the Secretary of Homeland Security shall consult with the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representaties with respect to how the provisions of the agreement will advance the security, trade facilitation, and
trade enforcement missions of the U.S. Customs and Border Protection Agency.

SEC. 205. CUSTOMS OPERATIONS ADVISORY COMMITTEE.

(a) Establishment.—Not later than December 31, 2013, the Secretary of the Treasury and the Secretary of Homeland Security shall jointly establish a Customs Operations Advisory Committee (in this section referred to as the “Advisory Committee”).

(b) Membership.—

(1) In general.—The Advisory Committee shall be comprised of—

(A) 20 individuals appointed under paragraph (2);

(B) the Commissioner and the Assistant Secretary for Tax Policy of the Department of the Treasury, who shall jointly co-chair meetings of the Advisory Committee; and

(C) the Assistant Secretary for Policy of the Department of Homeland Security and the Director of U.S. Immigration and Customs Enforcement, who shall serve as deputy co-chairs of meetings of the Advisory Committee.

(2) Appointment.—

(A) In general.—Not later than 180 days after the date of the enactment of this
Act, the Secretary of the Treasury and the Secretary of Homeland Security shall jointly appoint 20 individuals from the private sector to the Advisory Committee, not more than 10 of whom shall be of the same political party.

(B) TERMS.—Each individual appointed to the Advisory Committee under this paragraph shall be appointed for a term of up to 3 years, and may be reappointed to subsequent terms, but may not serve more than 2 terms sequentially.

(3) QUALIFICATIONS.—The individuals appointed to the Advisory Committee shall be broadly representative of the sectors of the United States economy affected by the commercial operations of the U.S. Customs and Border Protection Agency and the investigations of the U.S. Immigration and Customs Enforcement Agency.

(4) TRANSFER OF MEMBERSHIP.—The Secretary of the Treasury and the Secretary of Homeland Security may transfer members serving on the Advisory Committee on Commercial Operations of the United States Customs Service established under section 9503(c) of the Omnibus Budget Reconciliation Act of 1987 (19 U.S.C. 2071 note) on the day
before the date of the enactment of this Act to the Advisory Committee established under subsection (a).

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

(1) advise the Secretary of the Treasury and the Secretary of Homeland Security on all matters involving the commercial operations of the U.S. Customs and Border Protection Agency and the investigations of the U.S. Immigration and Customs Enforcement Agency, including advising with respect to significant changes that are proposed with respect to policies or regulations of either such Agency;

(2) provide recommendations to the Secretary of the Treasury and the Secretary of Homeland Security on improvements to the commercial operations of the U.S. Customs and Border Protection Agency and the investigations of the U.S. Immigration and Customs Enforcement Agency; and

(3) perform such other functions relating to the commercial operations of the U.S. Customs and Border Protection Agency and the investigations of the U.S. Immigration and Customs Enforcement Agency as prescribed by law or as the Secretary of the
Treasury and the Secretary of Homeland Security jointly direct.

(d) MEETINGS.—

(1) IN GENERAL.—The Advisory Committee shall meet at the call of the Secretary of the Treasury and the Secretary of Homeland Security or at the call of not less than 2/3 of the membership of the Advisory Committee.

(2) NUMBER OF MEETINGS.—The Advisory Committee shall, at a minimum, meet at least 4 times each calendar year. Additional meetings may be called of such special task forces or other groups made up of members of the Advisory Committee as the Advisory Committee determines appropriate.

(3) ADDITION OF AGENDA ITEMS.—Any member of the Advisory Committee may recommend additional items for the agenda of a meeting before the meeting.

(4) OPEN MEETINGS.—A meeting of the Advisory Committee shall be open to the public unless the Secretary of the Treasury and the Secretary of Homeland Security determine that the meeting will include matters the disclosure of which would seriously compromise the development of policies, priorities, or negotiating objectives or positions that could
impact the commercial operations of the U.S. Customs and Border Protection Agency or the investigations of the U.S. Immigration and Customs Enforcement Agency.

(c) Reports.—

(1) Annual Report.—Not later than December 31 of each calendar year, the Advisory Committee shall submit to the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives a report that—

(A) describes the activities of the Advisory Committee during the preceding fiscal year; and

(B) sets forth any recommendations of the Advisory Committee regarding the commercial operations of the U.S. Customs and Border Protection Agency and the investigations of the U.S. Immigration and Customs Enforcement Agency during the preceding fiscal year.

(2) Additional Reports.—The members of the Advisory Committee appointed under subsection (b)(2) may submit directly to the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives such additional reports on the commercial operations of the U.S. Customs and Border Protection Agency and
the investigations of the U.S. Immigration and Customs Enforcement Agency as such members determine appropriate.

(f) **APPLICABILITY OF FEDERAL ADVISORY COMMITTEE ACT.**—The provisions of the Federal Advisory Committee Act (5 U.S.C. App.) shall apply to the Advisory Committee, except as follows:

(1) Subsections (a) and (b) of section 10 of such Act (relating to open meetings and availability of information) shall not apply.

(2) Section 11 of such Act (relating to the availability of transcripts of meetings) shall not apply.

(3) Section 14(a)(2) of such Act (relating to termination) shall be applied by substituting “4-year period” for “two-year period”.

(g) **CONFORMING REPEAL.**—Effective January 31, 2014, section 9503(c) of the Omnibus Budget Reconciliation Act of 1987 (19 U.S.C. 2071 note) is repealed.

(h) **REFERENCES.**—On or after January 31, 2014, any reference in law to the Advisory Committee on Commercial Operations of the United States Customs Service established under section 9503(e) of the Omnibus Budget Reconciliation Act of 1987 (19 U.S.C. 2071 note) shall
be deemed to be a reference to the Customs Operations Advisory Committee established under subsection (a).

(i) CONFORMING AMENDMENTS.—

(1) SAFE PORT ACT.—The Security and Accountability for Every Port Act of 2006 (6 U.S.C. 901 et seq.) is amended—

(A) in section 2, by striking paragraph (2) and inserting the following:

“(2) CUSTOMS OPERATIONS ADVISORY COMMITTEE.—The term ‘Customs Operations Advisory Committee’ means the Advisory Committee established under section 205 of the Trade Facilitation and Trade Enforcement Reauthorization Act of 2013 or any successor committee.”; and

(B) by striking “Commercial Operations Advisory Committee” each place it appears and inserting “Customs Operations Advisory Committee”.

(2) TARIFF ACT OF 1930.—Section 411(d) of the Tariff Act of 1930 (19 U.S.C. 1411(d)) is amended—

(A) in paragraph (1)(D), by striking “Commercial Operations Advisory Committee” and inserting “Customs Operations Advisory Committee”; and
(B) by striking paragraph (7) and inserting the following:

“(7) CUSTOMS OPERATIONS ADVISORY COMMITTEE DEFINED.—In this section, the term ‘Customs Operations Advisory Committee’ means the Advisory Committee established under section 205 of the Trade Facilitation and Trade Enforcement Reauthorization Act of 2013 or any successor committee.”.

(3) EFFECTIVE DATE.—The amendments made by this subsection shall take effect on January 1, 2014.

SEC. 206. AUTOMATED COMMERCIAL ENVIRONMENT COMPUTER SYSTEM.

(a) FUNDING.—Section 13031(f)(5) of the Consolidated Omnibus Budget Reconciliation Act of 1985 (19 U.S.C. 58c(f)(5)) is amended—

(1) in subparagraph (A)—

(A) by striking “2003, 2004, and 2005” and inserting “2014 through 2018”; and

(B) by striking “$350,000,000” and inserting “$325,000,000”; and

(2) by striking subparagraph (B) and inserting the following:
“(B)(i) From amounts that are available in the Account, there are authorized to be appropriated—

“(I) for each of fiscal years 2014 through 2016, $140,000,000 to complete the development of the Automated Commercial Environment computer system;

“(II) for each of fiscal years 2017 and 2018, $115,000,000 for the operation and maintenance of the Automated Commercial Environment computer system; and

“(III) for fiscal years 2014 through 2018, such amounts as are available in the Account after the obligation of amounts pursuant to the authorizations of appropriations under subclauses (I) and (II) and subparagraph (C) for other purposes related to the functions of the Department of Homeland Security.

“(ii) Amounts authorized to be appropriated pursuant to this subparagraph shall remain available until expended.

“(iii) Not more than 1 percent of the amounts authorized to be appropriated from the Account under subclauses (I) and (II) of clause (i) may be used as matching funds to assist Federal agencies (other than the Department of Homeland Security) with authority to detain and release merchandise entering the United States in devel-
oping their respective automated release programs that are integrated with the Automated Commercial Environment computer system.”.

(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, 2013, the Commissioner of U.S. Customs and Border Protection shall submit to the Committee on Appropriations and the Committee on Finance of the Senate and the Committee on Appropriations and the Committee on Ways and Means of the House of Representa-

tives a report—

“(i) describing the plans of the U.S. Customs and Border Protection Agency, including deadlines, for incorporating all cargo release data elements into the Automated Commercial Environment computer system not later than September 30, 2015, to conform with the admissibility criteria of agencies participating in the International Trade Data System identified
pursuant to subsection (d)(4)(A)(iii) of section 411 of the Tariff Act of 1930;

“(ii) identifying the components of the National Customs Automation Program specified in subsection (a)(2) of such section 411 that have not been implemented;

“(iii) identifying the priorities of the Agency for incorporating entry summary data elements, cargo manifest data elements, and cargo financial data elements into the Automated Commercial Environment computer system;

“(iv) describing the objectives, plans, and deadlines of the Agency for implementing the components identified under clause (ii) and the priorities identified under cause (iii) not later than September 30, 2016; and

“(v) describing any additional component of the National Customs Automation Program initiated by the Commissioner to complete the development, establishment, and implementation of the Automated Commercial Environment computer system.
“(B) Update of reports.—Not later than June 30, 2014, and every 180 days thereafter, the Commissioner shall submit to the Committee on Appropriations and the Committee on Finance of the Senate and the Committee on Appropriations and the Committee on Ways and Means of the House of Representatives an updated report addressing each of the matters referred to in subparagraph (A).”.

(c) Government Accountability Office Report.—Not later than one year after the date of the enactment of this Act, the Comptroller General of the United States shall submit to the Committee on Appropriations and the Committee on Finance of the Senate and the Committee on Appropriations and the Committee on Ways and Means of the House of Representatives a report—

(1) evaluating the cost and effectiveness of the efforts of the U.S. Customs and Border Protection Agency to complete the development, establishment, and implementation of the Automated Commercial Environment computer system;

(2) assessing the extent to which any additional functionality may be added into the Automated Commercial Environment computer system at a reasonable cost; and
(3) assessing the progress of other Federal agencies in accessing and utilizing the Automated Commercial Environment computer system.

SEC. 207. INTERNATIONAL TRADE DATA SYSTEM.

(a) INFORMATION TECHNOLOGY INFRASTRUCTURE.—Section 411(d) of the Tariff Act of 1930 (19 U.S.C. 1411(d)) is amended—

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

(2) by inserting after paragraph (3) the following:

“(4) INFORMATION TECHNOLOGY INFRASTRUCTURE.—

“(A) IN GENERAL.—The Secretary shall work with the head of each agency participating in the ITDS and the Interagency Steering Committee to ensure that each such agency—

“(i) develops and maintains the necessary information technology infrastructure to support the operation of the ITDS and to submit all data to the ITDS electronically;

“(ii) enters into a memorandum of understanding, or takes such other action as is necessary, to provide for the informa-
tion sharing between the agency and the U.S. Customs and Border Protection Agency necessary for the operation and maintenance of the ITDS; and

“(iii) not later than June 30, 2014, identifies and transmits to the Commissioner of U.S. Customs and Border Protection the admissibility criteria and data elements required by the agency to authorize the release of cargo by the U.S. Customs and Border Protection Agency for incorporation into the operational functionality of the Automated Commercial Environment computer system.

“(B) Rule of construction.—Nothing in this paragraph shall be construed to require any action to be taken that would compromise an ongoing law enforcement investigation or national security.”.

(b) Authorization of Appropriations.—Section 13031(f)(5) of the Consolidated Omnibus Budget Reconciliation Act of 1985 (19 U.S.C. 58e(f)(5)), as amended by section 206(a), is further amended by striking subparagraph (C) and inserting the following:
“(C) There are authorized to be appropriated to the Secretary of the Treasury from amounts available in the Account $25,000,000 for each of fiscal years 2014 through 2018, to remain available until expended, to carry out the provisions of section 411(d)(4) of the Tariff Act of 1930.”.

(e) Government Accountability Office Report.—Not later than June 30, 2015, the Comptroller General of the United States shall submit to the Committee on Appropriations and the Committee on Finance of the Senate and the Committee on Appropriations and the Committee on Ways and Means of the House of Representatives a report—

(1) evaluating the development and maintenance of the information technology infrastructure necessary to support the operations of the International Trade Data System; and

(2) assessing the number of memoranda of understanding and other actions taken by the U.S. Customs and Border Protection Agency and other Federal agencies to ensure the sharing of electronic import and export data.
SEC. 208. ELECTRONIC SUBMISSION OF PUBLIC COMMENTS.

Not later than one year after the date of the enactment of this Act, the Commissioner shall provide—

(1) for the electronic submission and posting of any public comments solicited by the U.S. Customs and Border Protection Agency on the Internet website of the Agency; and

(2) for the prompt posting of public comments associated with any rulemaking of the Agency on the Federal Government Internet website for Federal regulations, www.regulations.gov, or any successor website.

Subtitle B—Trade Enforcement

CHAPTER 1—COMMERCIAL TARGETING

SEC. 211. COMMERCIAL TARGETING DIVISION AND NATIONAL TARGETING AND ANALYSIS GROUPS.

(a) Establishment of Commercial Targeting Division.—

(1) In general.—The Secretary of Homeland Security shall establish and maintain within the Office of Trade of the U.S. Customs and Border Protection Agency, established under section 4 of the Act of March 3, 1927, as added by section 102, a Commercial Targeting Division.
(2) COMPOSITION.—The Commercial Targeting Division shall be composed of—

(A) headquarters personnel led by an Executive Director, who shall report to the Assistant Commissioner for Trade; and

(B) individual National Targeting and Analysis Groups, each led by a Director who shall report to the Executive Director of the Commercial Targeting Division.

(3) DUTIES.—The Commercial Targeting Division shall be dedicated—

(A) to the development and conduct of commercial targeting with respect to cargo destined for the United States in accordance with subsection (c); and

(B) to issuing Trade Alerts described in subsection (d).

(b) NATIONAL TARGETING AND ANALYSIS GROUPS.—

(1) IN GENERAL.—The Commissioner shall determine the priorities of the National Targeting and Analysis Groups referred to in subsection (a)(2)(B), to include the enforcement, with respect to the importation of merchandise into the United States,
(A) intellectual property rights;

(B) health and safety laws and regulations;

(C) agriculture-related laws and regulations;

(D) textile- and apparel-related laws and regulations;

(E) general revenue laws and regulations;

and

(F) non-general revenue laws and regulations, including with respect to antidumping and countervailing duties.

(c) COMMERCIAL TARGETING.—In carrying out its duties with respect to commercial targeting, the Commercial Targeting Division shall—

(1) establish targeting methodologies and standards for—

(A) assessing the risk that cargo destined for the United States may violate the customs and trade laws of the United States; and

(B) issuing, as appropriate, Trade Alerts described in subsection (d);

(2) to the extent practicable and otherwise authorized by law, use, to administer the methodologies and standards established under paragraph (1)—

(A) publicly available information;
(B) information available from the Automated Commercial System, the Automated Commercial Environment computer system, the Automated Targeting System, the Automated Export System, the International Trade Data System, the TECS (formerly known as the “Treasury Enforcement Communications System”), and the case management system of the U.S. Immigration and Customs Enforcement Agency, and any successors to those systems; and

(C) information made available to the Commercial Targeting Division, including information provided by private sector entities; and

(3) coordinate targeting efforts with other Federal agencies with authority to detain and release merchandise entering the United States.

(d) TRADE ALERTS.—

(1) ISSUANCE.—Based upon the application of the targeting methodologies and standards established under subsection (c), the Executive Director of the Commercial Targeting Division and the Directors of the National Targeting and Analysis Groups may issue Trade Alerts to port directors providing guidance for further inspection, physical examina-
tion, or testing, of specific merchandise if certain
risk-assessment thresholds are met to improve com-
pliance with the customs and trade laws of the
United States and regulations administered by the
U.S. Customs and Border Protection Agency.

(2) Determinations not to implement
trade alerts.—A port director may determine not
to follow a Trade Alert issued under paragraph (1)
that requires further inspection, physical examina-
tion, or testing if the port director—

(A) finds that such a determination is jus-
tified by security interests; and

(B) notifies the Trade Facilitation and
Trade Enforcement Division of the Office of
Field Operations of the determination not to
follow the Trade Alert and the reasons for the
determination not later than 48 hours after
making the determination.

(3) Summary of determinations not to im-
plement.—The Trade Facilitation and Trade En-
forcement Division shall—

(A) compile an annual summary of all de-
terminations by port directors under paragraph
(2) and the reasons for those determinations;
(B) conduct an evaluation of the utilization of Trade Alerts issued under paragraph (1); and

(C) submit the summary compiled under subparagraph (A) and the evaluation conducted under subparagraph (B) to the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives not later than December 31 of each year.

(4) Inspection Defined.—In this subsection, the term “inspection” means the comprehensive evaluation process used by the U.S. Customs and Border Protection Agency, other than physical examination or testing, to permit the entry of merchandise into the United States, or the clearance of merchandise for transportation in bond through the United States, for purposes of—

(A) assessing duties;

(B) identifying restricted or prohibited items; and

(C) ensuring compliance with the customs and trade laws of the United States and regulations administered by the Agency.

(e) Use of Trade Data for Commercial Enforcement Purposes.—Section 343(a)(3)(F) of the
Trade Act of 2002 (19 U.S.C. 2071 note) is amended to read as follows:

“(F) The information collected pursuant to the regulations shall be used for ensuring aviation, maritime, and surface transportation safety and security, and may be used for commercial enforcement purposes. A person that provides information pursuant to the regulations that is used to detect a violation of any statute or regulation relating to commercial enforcement shall be subject to commercial penalties pursuant to that statute or regulation only if the person is found to have committed fraud in providing the information.”

SEC. 212. ANNUAL ILLEGAL DRUG CONTROL LAW ENFORCEMENT STRATEGY.

(a) IN GENERAL.—Section 123 of the Customs and Trade Act of 1990 (19 U.S.C. 2083) is amended to read as follows:

“SEC. 123. ANNUAL ILLEGAL DRUG CONTROL LAW ENFORCEMENT STRATEGY.

“(a) REPORTS ON VIOLATION ESTIMATES.—Not later than one year after the date of the enactment of the Trade Facilitation and Trade Enforcement Reauthorization Act of 2013, and annually thereafter, the Commis-
sioner of U.S. Customs and Border Protection and the Di-
rector of U.S. Immigration and Customs Enforcement
shall jointly develop and submit to the chairperson and
ranking member of the Committee on Finance of the Sen-
ate and of the Committee on Ways and Means of the
House of Representatives (in this section referred to as
the ‘Committees’) in accordance with subsection (d) a re-
port that contains an estimate of—

“(1) the number and extent of violations of the
illegal drug control laws specified in subsection (b)
that are likely to occur during the year following the
report; and

“(2) the relative incidence of the violations de-
scribed in paragraph (1) among the various United
States ports of entry and customs regions within the
customs territory of the United States during the
year preceding the report.

“(b) Illegal Drug Control Laws Specified.—
The Commissioner of U.S. Customs and Border Protec-
tion and the Director of U.S. Immigration and Customs
Enforcement, after consultation with the Committees—

“(1) shall, not later than 180 days after the
date of the enactment of the Trade Facilitation and
Trade Enforcement Reauthorization Act of 2013,
prepare a list of those provisions of the illegal drug
control laws of the United States with respect to which the U.S. Customs and Border Protection Agency and the U.S. Immigration and Customs Enforcement Agency have enforcement responsibility and to which the reports required by subsection (a) will apply; and

“(2) may periodically update the list developed under paragraph (1), as warranted.

“(c) ENFORCEMENT STRATEGY.—Not later than 90 days after submitting a report under subsection (a), the Commissioner of U.S. Customs and Border Protection and the Director of U.S. Immigration and Customs Enforcement shall jointly—

“(1) develop or update a strategy for enforcing the illegal drug control laws specified in subsection (b) in a nationally uniform manner and addressing the violations estimated in the report during the period covered by the report; and

“(2) submit to the chairperson and ranking member of each of the Committees a confidential report setting forth the details of the strategy described in paragraph (1).

“(d) CONFIDENTIALITY.—The contents of any report submitted to the chairperson and ranking member of each of the Committees under subsection (a) or (c) are con-
fidential and the disclosure of the contents is restricted to—

“(1) officers and employees of the United States designated by the Commissioner of U.S. Customs and Border Protection or the Director of U.S. Customs and Immigration Enforcement to have access to the contents of the report;

“(2) the chairperson and ranking member of each of the Committees; and

“(3) such Members of Congress and staff of such Members as the chairperson or ranking member of either of the Committees may authorize to have access to the contents of the report.”.

(b) CONFORMING AMENDMENT.—The table of contents for the Customs and Trade Act of 1990 is amended by striking the item relating to section 123 and inserting the following:

“Sec. 123. Annual illegal drug control law enforcement strategy.”.

SEC. 213. REPORT ON OVERSIGHT OF REVENUE PROTECTION AND ENFORCEMENT MEASURES BY THE INSPECTOR GENERAL.

Not later than June 30, 2015, the Inspector General of the Department of the Treasury shall submit to the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives a report assessing the following:
(1) The effectiveness of the measures taken by the U.S. Customs and Border Protection Agency with respect to revenue protection, including—
   (A) the collection of countervailing and antidumping duties;
   (B) the assessment and collection of commercial fines and penalties; and
   (C) the adequacy of the policies of the Agency with respect to monitoring and tracking of merchandise transported in bond and collecting duties, as appropriate.

(2) The effectiveness of actions taken by the Agency to measure accountability and performance with respect to revenue protection.

(3) The number of entries resulting in the underpayment of duties and a summary of the actions taken to address the underpayment of duties.

(4) The effectiveness of training with respect to the collection of duties provided for personnel of the Agency.

SEC. 214. REPORT ON SECURITY AND REVENUE MEASURES WITH RESPECT TO MERCHANDISE TRANSPORTED IN BOND.

(a) In general.—Not later than December 31 of 2014, 2015, and 2016, the Secretary of Homeland Secu-
rity and the Secretary of the Treasury shall jointly submit
to the Committee on Finance of the Senate and the Com-
mittee on Ways and Means of the House of Representa-
tives a report on efforts undertaken by the U.S. Customs
and Border Protection Agency to ensure the secure trans-
portation of merchandise in bond through the United
States and the collection of revenue owed upon the entry
of such merchandise into the United States for consump-
tion.

(b) CONTENTS.—The report required by subsection
(a) shall include information, for the 2 fiscal years pre-
ceeding the submission of the report, on—

(1) the overall number of entries of merchan-
dise for transportation in bond through the United
States;

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

(3) the average time taken to reconcile such
records with the records at the final destination of
the merchandise in the United States to demonstrate
that the merchandise reaches its final destination or
is reexported;
(4) the average time taken to transport merchandise in bond from the port at which the merchandise arrives in the United States to the final destination of the merchandise in the United States;

(5) the total amount of duties, taxes, and fees owed with respect to shipments of merchandise transported in bond and the total amount of such duties, taxes, and fees paid;

(6) the total number of notifications by carriers of merchandise being transported in bond that the destination of the merchandise has changed while in transit in the United States; and

(7) the number of entries that remain unreconciled.

SEC. 215. IMPORTER OF RECORD PROGRAM.

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

(b) REQUIREMENTS.—The Secretary of Homeland Security shall ensure that, as part of the importer of record program, the U.S. Customs and Border Protection Agency—
(1) develops criteria that importers must meet in order to obtain an importer of record number;

(2) provides a process by which importers are assigned importer of record numbers;

(3) maintains a centralized database of importer of record numbers, including a history of importer of record numbers associated with each importer;

(4) evaluates the accuracy of the database on a regular basis; and

(5) takes measures to ensure that duplicate importer of record numbers are not issued to the same importer.

(e) Report.—Not later than one year after the date of the enactment of this Act, the Secretary of Homeland Security shall submit to the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives a report on the importer of record program established under subsection (a).

(d) Number Defined.—In this subsection, the term “number”, with respect to an importer of record, means a filing identification number described in section 24.5 of title 19, Code of Federal Regulations (or any corresponding similar regulation).
CHAPTER 2—IMPORT HEALTH AND SAFETY

SEC. 221. INTERAGENCY IMPORT SAFETY WORKING GROUP.

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

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

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

(2) The Secretary of Health and Human Services, who shall serve as the Vice Chair.

(3) The Secretary of the Treasury.

(4) The Secretary of Commerce.

(5) The Secretary of Agriculture.

(6) The United States Trade Representative.

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

(8) The Commissioner of Food and Drugs.

(9) The Commissioner of U.S. Customs and Border Protection.


(11) The Director of U.S. Immigration and Customs Enforcement.
(12) The head of any other Federal agency designated by the President to participate in the interagency Import Safety Working Group, as appropriate.

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

(1) consulting on the development of the joint import safety rapid response plan required by section 222;

(2) periodically evaluating the adequacy of the plans, practices, and resources of the Federal Government dedicated to ensuring the safety of merchandise imported in the United States and the expeditious entry of such merchandise, including—

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

(B) recommending additional administrative actions, as appropriate, designed to ensure the safety of merchandise imported into the United States and the expeditious entry of such merchandise and considering the impact of those actions on private sector entities;
(3) reviewing the engagement and cooperation of foreign governments and foreign manufacturers in facilitating the inspection and certification, as appropriate, of such merchandise to be imported into the United States and the facilities producing such merchandise to ensure the safety of the merchandise and the expeditious entry of the merchandise into the United States; and

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

(A) the inspection of manufacturing facilities in foreign countries;

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

(C) the protection of the international supply chain (as defined in section 2 of the Security and Accountability For Every Port Act of 2006 (6 U.S.C. 901));

(5) identifying best practices to assist Federal, State, and local governments and agencies, and port
authorities, to improve communication and coordina-
tion among such agencies and authorities with re-
spect to ensuring the safety of merchandise imported
into the United States and the expeditious entry of
such merchandise; and

(6) otherwise identifying appropriate steps to
increase the accountability of United States import-
ers and the engagement of foreign government agen-
cies with respect to ensuring the safety of merchan-
dise imported into the United States and the expedi-
tious entry of such merchandise.

SEC. 222. JOINT IMPORT SAFETY RAPID RESPONSE PLAN.

(a) IN GENERAL.—Not later than December 31,
2014, the Secretary of Homeland Security, in consultation
with the interagency Import Safety Working Group, shall
develop a plan (to be known as the “joint import safety
rapid response plan”) that sets forth protocols and defines
practices for the U.S. Customs and Border Protection
Agency to use—

(1) in taking action in response to, and coordi-
nating Federal responses to, an incident in which
cargo destined for or merchandise entering the
United States has been identified as posing a threat
to the health or safety of consumers in the United
States; and
(2) in recovering from or mitigating the effects of actions and responses to an incident described in paragraph (1).

(b) CONTENTS.—The joint import safety rapid response plan shall address—

(1) the statutory and regulatory authorities and responsibilities of the U.S. Customs and Border Protection Agency and other Federal agencies in responding to an incident described in subsection (a)(1);

(2) the protocols and practices to be used by the Agency when taking action in response to, and coordinating Federal responses to, such an incident;

(3) the measures to be taken by the Agency and other Federal agencies in recovering from or mitigating the effects of actions taken in response to such an incident after the incident to ensure the resumption of the entry of merchandise into the United States; and

(4) exercises that the Agency may conduct in conjunction with Federal, State, and local agencies, and private sector entities, to simulate responses to such an incident.

(c) UPDATES OF PLAN.—The Secretary of Homeland Security shall review and update the joint import safety
rapid response plan, as appropriate, after conducting exercises under subsection (d).

(d) **Import Health and Safety Exercises.**—

(1) **In General.**—The Secretary of Homeland Security and the Commissioner shall periodically engage in the exercises referred to in subsection (b)(4), in conjunction with Federal, State, and local agencies and private sector entities, as appropriate, to test and evaluate the protocols and practices identified in the joint import safety rapid response plan at United States ports of entry.

(2) **Requirements for Exercises.**—In conducting exercises under paragraph (1), the Secretary and the Commissioner shall—

(A) make allowance for the resources, needs, and constraints of United States ports of entry of different sizes in representative geographic locations across the United States;

(B) base evaluations on current risk assessments of merchandise entering the United States at representative United States ports of entry located across the United States;

(C) ensure that such exercises are conducted in a manner consistent with the National Incident Management System, the Na-
tional Response Plan, the National Infrastructure Protection Plan, the National Preparedness Guidelines, the Maritime Transportation System Security Plan, and other such national initiatives of the Department of Homeland Security, as appropriate; and

(D) develop metrics with respect to the resumption of the entry of merchandise into the United States after an incident described in subsection (a)(1).

(3) REQUIREMENTS FOR TESTING AND EVALUATION.—The Secretary and the Commissioner shall ensure that the testing and evaluation carried out in conducting exercises under paragraph (1)—

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

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

(4) DISSEMINATION OF RECOMMENDATIONS AND BEST PRACTICES.—The Secretary and the Commissioner shall—

(A) share the recommendations or best practices identified under paragraph (3)(B)
among the members of the interagency Import Safety Working Group and with, as appropriate—

(i) State, local, and tribal governments;

(ii) foreign governments; and

(iii) private sector entities; and

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

SEC. 223. TRAINING.

The Commissioner shall ensure that personnel of the U.S. Customs and Border Protection Agency assigned to United States ports of entry are trained to effectively administer the provisions of this chapter and to otherwise assist in ensuring the safety of merchandise imported into the United States and the expeditious entry of such merchandise.
CHAPTER 3—IMPORT-RELATED PROTECTION OF INTELLECTUAL PROPERTY RIGHTS

Subchapter A—National Intellectual Property Rights Coordination Center

SEC. 231. NATIONAL INTELLECTUAL PROPERTY RIGHTS COORDINATION CENTER.

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

(1) establish within the U.S. Immigration and Customs Enforcement Agency a National Intellectual Property Rights Coordination Center; and

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

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

(1) coordinate the investigation of sources of merchandise that infringes intellectual property rights to identify organizations that produce, smuggle, or distribute such merchandise;

(2) coordinate training with other domestic and international law enforcement agencies on investigative best practices—
(A) to develop and expand the capability of such agencies to enforce intellectual property rights; and

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

(3) coordinate, with the U.S. Customs and Border Protection Agency, activities conducted by the United States to prevent the importation or exportation of merchandise that infringes intellectual property rights;

(4) support the international interdiction of merchandise destined for the United States that infringes intellectual property rights;

(5) collect and integrate information regarding infringements of intellectual property rights from domestic and international law enforcement agencies and other non-Federal sources;

(6) develop a single platform or portal to receive information regarding infringements of intellectual property rights from such agencies and other sources and a database to organize and search that information;
(7) disseminate information regarding infringements of intellectual property rights to other Federal agencies, as appropriate;

(8) develop and implement risk-based alert systems to be shared with the U.S. Customs and Border Protection Agency to improve the targeting of persons that repeatedly infringe intellectual property rights;

(9) coordinate with the United States attorneys’ offices to develop expertise in, and assist with the investigation and prosecution of, crimes relating to the infringement of intellectual property rights; and

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

(c) COORDINATION WITH OTHER AGENCIES.—In carrying out the duties described in subsection (b), the Assistant Director of the National Intellectual Property Rights Coordination Center shall coordinate with—

(1) the U.S. Customs and Border Protection Agency;

(2) the Food and Drug Administration;

(3) the Department of Justice;

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

(5) the United States Postal Inspection Service;
(6) the Office of the United States Trade Representative;

(7) any Federal, State, local, or international law enforcement agencies the Director of U.S. Immigration and Customs Enforcement considers appropriate; and

(8) any other entities the Director considers appropriate.

(d) PRIVATE SECTOR OUTREACH.—

(1) IN GENERAL.—The Assistant Director of the National Intellectual Property Rights Coordination Center shall work with the U.S. Customs and Border Protection Agency and other Federal agencies to conduct outreach to private sector entities to determine trends in and methods of infringing intellectual property rights.

(2) INFORMATION SHARING.—The Assistant Director shall share information and best practices with respect to the enforcement of intellectual property rights with private sector entities, as appropriate, to coordinate public and private sector efforts to combat the infringement of intellectual property rights.
Subchapter B—Amendments to the Tariff Act of 1930

SEC. 241. PROVISION TO RIGHTS OWNERS OF INFORMATION ABOUT AND SAMPLES OF MERCHANDISE SUSPECTED OF INFRINGING TRADEMARKS OR COPYRIGHTS.

The Tariff Act of 1930 is amended by inserting after section 526 (19 U.S.C. 1526) the following:

“SEC. 526A. PROVISION TO RIGHTS OWNERS OF INFORMATION ABOUT AND SAMPLES OF MERCHANDISE SUSPECTED OF INFRINGING TRADEMARKS OR COPYRIGHTS.

“(a) In General.—Subject to subsections (c) and (d), if the Commissioner of U.S. Customs and Border Protection suspects that merchandise is being imported into the United States in violation of section 526 or section 602, 1201(a)(1), or 1201(b)(1) of title 17, United States Code, and determines that the examination or testing of the merchandise by a person described in subsection (b) would assist the Commissioner in determining if the merchandise is being imported in violation of that section, the Commissioner, to permit the person to conduct the examination and testing—

“(1) shall provide to the person information that appears on the merchandise and its packaging
and labels, including unredacted images of the merchandise and its packaging and labels; and

“(2) may, subject to any applicable bonding requirements, provide to the person unredacted samples of the merchandise.

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

“(1) in the case of merchandise suspected of being imported in violation of section 526, the owner of the trademark suspected of being copied or simulated by the merchandise;

“(2) in the case of merchandise suspected of being imported in violation of section 602 of title 17, United States Code, the owner of the copyright suspected of being infringed by the merchandise;

“(3) in the case of merchandise suspected of being primarily designed or produced for the purpose of circumventing a technological measure that effectively controls access to a work protected under that title, and being imported in violation of section 1201(a)(2) of that title, the owner of a copyright in the work; and

“(4) in the case of merchandise suspected of being primarily designed or produced for the purpose of circumventing protection afforded by a tech-
nological measure that effectively protects a right of
an owner of a copyright in a work or a portion of
a work, and being imported in violation of section
1201(b)(1) of that title, the owner of the copyright.
“(c) LIMITATION.—Subsection (a) applies only with
respect to merchandise suspected of infringing a trade-
mark or copyright that is recorded with the U.S. Customs
and Border Protection Agency.
“(d) EXCEPTION.—The Commissioner of U.S. Cus-
toms and Border Protection may not provide under sub-
section (a) information, photographs, or samples to a per-
son described in subsection (b) if providing such informa-
tion, photographs, or samples would compromise an ongo-
ing law enforcement investigation or national security.”.

SEC. 242. ENFORCEMENT BY THE U.S. CUSTOMS AND BOR-
DER PROTECTION AGENCY OF WORKS FOR
WHICH A COPYRIGHT REGISTRATION IS
PENDING.

Not later than 180 days after the date of the enact-
ment of this Act, the Secretary of Homeland Security shall
establish a process pursuant to which the Commissioner
shall enforce a copyright for which the owner has sub-
mitted an application for registration under title 17,
United States Code, with the Copyright Office of the Li-
brary of Congress to the same extent and in the same
manner as if the copyright were registered with the Copyright Office, including by sharing information, images, and samples of merchandise suspected of infringing the copyright under section 526A of the Tariff Act of 1930, as added by section 241.

SEC. 243. SEIZURE OF CIRCUMVENTION DEVICES.

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

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

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

(3) by adding at the end the following:

“(G) the U.S. Customs and Border Protection Agency determines it is a technology, product, service, device, component, or part thereof the importation of which is prohibited under subsection (a)(2) or (b)(1) of section 1201 of title 17, United States Code.”.

(b) PUBLICATION.—

(1) IN GENERAL.—Except as provided in paragraph (2), not later than 30 days after seizing merchandise pursuant to subparagraph (G) of section 596(c)(2) of the Tariff Act of 1930, as added by subsection (a), the Commissioner shall publish on the Internet website of the U.S. Customs and Bor-
der Protection Agency information regarding the
merchandise seized to permit any person to identify
the merchandise and determine whether the mer-
chandise is—

(A) a technology, product, service, device,
component, or part thereof described in section
1201(a)(2) of title 17, United States Code,
that—

(i) is primarily designed or produced
for the purpose of circumventing a techno-
logical measure that effectively controls ac-
cess to a work for which the person has a
copyright that is registered under title 17,
United States Code, or that is otherwise
recorded with the Agency;

(ii) has only limited commercially sig-
nificant purpose or use other than to cir-
cumvent such a technological measure; or

(iii) is marketed for use in circum-
venting such a technological measure; or

(B) a technology, product, service, device,
component, or part thereof described in section
1201(b)(1) of title 17, United States Code,
(i) is primarily designed or produced for the purpose of circumventing protection afforded by a technological measure that effectively protects a right of the person in a work or a portion of a work that is registered under title 17, United States Code, or that is otherwise recorded with the Agency;

(ii) has only limited commercially significant purpose or use other than to circumvent protection afforded by such a technological measure; or

(iii) is marketed for use in circumventing protection afforded such a technological measure.

(2) Exception.—The Commissioner may not publish information under paragraph (1) if publishing that information would compromise an ongoing law enforcement investigation or national security.

(c) Application.—Not later than 30 days after publishing the information required under subsection (b) with respect to seized merchandise, any person that determines that the seized merchandise is merchandise that infringes a right of the person as described in subsection (b) (or
an agent of such a person) may submit to the U.S. Customs and Border Protection Agency an application that—

(1) identifies the person as a person that holds such a right (or an agent of such a person); and

(2) requests the information described in subsection (d).

(d) DISCLOSURE.—Subject to subsection (f), the Commissioner shall disclose to a person that submitted an application described in subsection (c) with respect to seized merchandise the following information:

(1) The date of importation of the seized merchandise.

(2) The United States port of entry at which the merchandise was seized.

(3) A description of the merchandise.

(4) The quantity of merchandise seized.

(5) The country of origin of the merchandise.

(6) The name and address of the foreign manufacturer of the merchandise.

(7) The name and address of the exporter of the merchandise.

(8) The name and address of the importer of the merchandise.

(e) EXPEDITED DISCLOSURE.—Subject to subsection (f), the Commissioner may, on an expedited basis, disclose
information pursuant to subsection (d) with respect to merchandise seized pursuant to subparagraph (G) of section 526(c)(2) of the Tariff Act of 1930, as added by subsection (a), and with respect to which information is published pursuant to subsection (b), to a person that has previously submitted an application under subsection (c) with respect to such merchandise.

(f) LIMITATION ON DISCLOSURE.—The Commissioner may not disclose information under subsection (d) or (e) with respect to merchandise seized pursuant to subparagraph (G) of section 526(c)(2) of the Tariff Act of 1930, as added by subsection (a), until the Commissioner has made a final determination with respect to whether the merchandise is a technology, product, service, device, component, or part thereof the importation of which is prohibited under subsection (a)(2) or (b)(1) of section 1201 of title 17, United States Code.

Subchapter C—Other Matters

SEC. 251. DEFINITION OF INTELLECTUAL PROPERTY RIGHTS.

In this subchapter, the term “intellectual property rights” refers to copyrights, trademarks, and other forms of intellectual property rights that are enforced by the U.S. Customs and Border Protection Agency or the U.S. Immigration and Customs Enforcement Agency.
SEC. 252. JOINT STRATEGIC PLAN FOR THE ENFORCEMENT
OF INTELLECTUAL PROPERTY RIGHTS.

The Commissioner and the Director of U.S. Immigration and Customs Enforcement shall include in the joint strategic plan on trade facilitation and trade enforcement required by section 123A of the Customs and Trade Act of 1990, as amended by section 131—

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

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

(3) a recommendation for the optimal allocation of personnel, resources, and technology to ensure that the U.S. Customs and Border Protection Agency and the U.S. Immigration and Customs Enforcement Agency are adequately enforcing intellectual property rights.

SEC. 253. PERSONNEL DEDICATED TO THE ENFORCEMENT
OF INTELLECTUAL PROPERTY RIGHTS.

(a) PERSONNEL OF THE U.S. CUSTOMS AND BORDER PROTECTION AGENCY.—The Commissioner and the Di-
rector of U.S. Immigration and Customs Enforcement shall ensure that sufficient personnel are assigned throughout the U.S. Customs and Border Protection Agency and the U.S. Immigration and Customs Enforcement Agency, respectively, who have responsibility for preventing the importation of merchandise that infringes intellectual property rights into the United States.

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

(1) assign not fewer than 3 full-time employees of the U.S. Customs and Border Protection Agency to the National Intellectual Property Rights Coordination Center established under section 231; and

(2) ensure that sufficient personnel are assigned to United States ports of entry to carry out the directives of the Center.

SEC. 254. TRAINING WITH RESPECT TO THE ENFORCEMENT OF INTELLECTUAL PROPERTY RIGHTS.

(a) TRAINING.—The Commissioner shall ensure that officers of the U.S. Customs and Border Protection Agency are trained to effectively detect and identify merchandise destined for the United States that infringes intellectual property rights, including through the use of technologies identified under subsection (c).
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(b) Consultation With Private Sector.—The Commissioner shall consult with private sector entities to better identify opportunities for collaboration between the U.S. Customs and Border Protection Agency and such entities with respect to training for officers of the Agency to enforce intellectual property rights.

(e) Identification of New Technologies.—In consultation with private sector entities, the Commissioner shall identify—

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

(2) cost-effective programs for training officers of the U.S. Customs and Border Protection Agency to use such technologies.

(d) Donations of Technology.—Not later than 180 days after the date of the enactment of this Act, the Commissioner shall promulgate regulations to enable the U.S. Customs and Border Protection Agency to receive donations of hardware, software, equipment, and similar technologies, and to accept training and other support services from private sector entities, for the purpose of enforcing intellectual property rights.
SEC. 255. INFORMATION FOR TRAVELERS REGARDING VIOLATIONS OF INTELLECTUAL PROPERTY RIGHTS.

(a) IN GENERAL.—The Secretary of Homeland Security shall develop and carry out an educational campaign to inform travelers entering or leaving the United States about the legal, economic, and public health and safety implications of acquiring merchandise that infringes intellectual property rights outside the United States and importing such merchandise into the United States in violation of United States law.

(b) DECLARATION FORMS.—The Commissioner shall ensure that all versions of Declaration Form 6059B of the U.S. Customs and Border Protection Agency, or a successor form, printed on or after the date that is 30 days after the date of the enactment of this Act include a written warning to inform travelers arriving in the United States that importation of merchandise into the United States that infringes intellectual property rights may subject travelers to civil or criminal penalties and may pose serious risks to safety or health.

SEC. 256. INTERNATIONAL COOPERATION AND INFORMATION SHARING.

(a) COOPERATION.—The Secretary of Homeland Security shall coordinate with the competent law enforcement and customs authorities of foreign countries, includ-
ing by sharing information relevant to enforcement ac-
tions, to enhance the efforts of United States and such
authorities to enforce intellectual property rights.

(b) TECHNICAL ASSISTANCE.—The Secretary of
Homeland Security shall provide technical assistance to
competent law enforcement and customs authorities of for-
eign countries to enhance the ability of such authorities
to enforce intellectual property rights.

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

SEC. 257. SENSE OF CONGRESS REGARDING RECORDATION
PROCESS.

It is the sense of Congress that the Commissioner
should work with the Under Secretary for Intellectual
Property and Director of the United States Patent and
Trademark Office of the Department of Commerce and
the Register of Copyrights of the Library of Congress to
consider a system under which—

(1) a trademark may be recorded with the U.S.
Customs and Border Protection Agency simulta-
neously with the issuance of trademark registration
by the United States Patent and Trademark Office;

and

(2) a copyright may be recorded with the U.S. Customs and Border Protection Agency simultaneously with the registration of a copyright by the Register of Copyrights.

SEC. 258. REPORT ON INTELLECTUAL PROPERTY RIGHTS ENFORCEMENT.

Not later than June 30, 2014, and annually thereafter, the Commissioner and the Director of U.S. Immigration and Customs Enforcement shall jointly submit to the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives a report that contains the following:

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

(A) The number of referrals from the U.S. Customs and Border Protection Agency to the U.S. Immigration and Customs Enforcement Agency relating to infringements of intellectual property rights during the preceding year.

(B) The number of investigations relating to the infringement of intellectual property rights referred by the U.S. Immigration and Customs Enforcement Agency to a United
States Attorney’s office for prosecution and the United States Attorneys’ offices to which those investigations were referred.

(C) The number of such investigations accepted by each such United States Attorney’s office and the status or outcome of each such investigation.

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

(E) A description of the efforts of the U.S. Custom and Border Protection Agency and the U.S. Immigration and Customs Enforcement Agency to improve the success rates of investigations and prosecutions relating to the infringement of intellectual property rights.

(2) An estimate of the average time required by the Office of Trade of the U.S. Customs and Border Protection Agency to respond to a request from port personnel for advice with respect to whether merchandise detained by the Agency infringed intellectual property rights, distinguished by types of intellectual property rights infringed.

(3) A summary of the outreach efforts of the U.S. Customs and Border Protection Agency and
the U.S. Immigration and Customs Enforcement Agency with respect to—

(A) the interdiction and investigation of, and the sharing of information between those Agencies and other Federal agencies to prevent the infringement of intellectual property rights;

(B) collaboration with private sector entities—

(i) to identify trends in the infringement of, and technologies that infringe, intellectual property rights;

(ii) to identify opportunities for enhanced training of officers of those Agencies; and

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

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

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

(5) A summary of training relating to the en-
forcement of intellectual property rights conducted
under section 254 and expenditures for such train-
ing.

CHAPTER 4—COORDINATION OF TRADE
ENFORCEMENT PRIORITIES

SEC. 261. ESTABLISHMENT OF PRIORITY TRADE ENFORCE-
MENT COORDINATION CENTERS.

The Secretary of Homeland Security may establish
in the U.S. Immigration and Customs Enforcement Agen-
cy additional enforcement coordination centers—

(1) to address the issues relating to trade en-
forcement designated as priority trade issues in the
joint strategic plan on trade facilitation and trade
enforcement required by section 123A of the Cus-
toms and Trade Act of 1990, as added by section
131; and

(2) that are modeled on the structure of the
National Intellectual Property Rights Coordination
Center established under section 231.
TITLE III—EVASION OF ANTI-DUMPING AND COUNTER-VAILING DUTY ORDERS

SEC. 301. SHORT TITLE.

This title may be cited as the “Enforcing Orders and Reducing Customs Evasion Act of 2013”.

SEC. 302. PROCEDURES FOR INVESTIGATING CLAIMS OF EVASION OF ANTIDUMPING AND COUNTER-VAILING DUTY ORDERS.

(a) IN GENERAL.—The Tariff Act of 1930 is amended by inserting after section 516A (19 U.S.C. 1516a) the following:

“SEC. 517. PROCEDURES FOR INVESTIGATING CLAIMS OF EVASION OF ANTIDUMPING AND COUNTER-VAILING DUTY ORDERS.

“(a) DEFINITIONS.—In this section:

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

“(2) COMMISSIONER.—The term ‘Commissioner’ means the Commissioner of U.S. Customs and Border Protection, acting pursuant to the delegation by the Secretary of the Treasury of the authority of the Secretary with respect to customs rev-
enue functions (as defined in section 415 of the Homeland Security Act of 2002 (6 U.S.C. 215)).

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

“(A) an antidumping duty order issued
under section 736;

“(B) a finding issued under the Anti-
dumping Act, 1921; or

“(C) a countervailing duty order issued
under section 706.

“(4) ENTER; ENTRY.—The terms ‘enter’ and
‘entry’ refer to the entry, or withdrawal from ware-
house for consumption, of merchandise in the cus-
toms territory of the United States.

“(5) EVASION.—

“(A) IN GENERAL.—Except as provided in
subparagraph (B), the term ‘evasion’ refers to
entering covered merchandise into the customs
territory of the United States by means of any
document or electronically transmitted data or
information, written or oral statement, or act
that is material and false, or any omission that
is material, and that results in any cash deposit
or other security or any amount of applicable
antidumping or countervailing duties being reduced or not being applied with respect to the merchandise.

“(B) EXCEPTION FOR ClerICAL ERROR.—

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

“(I) a document or electronically transmitted data or information, written or oral statement, or act that is false as a result of a clerical error; or

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

“(ii) PATTERNS OF NEGLIGENCE CON-duct.—If the Commissioner determines that a person has entered covered merchandise into the customs territory of the United States by means of a clerical error referred to in subclause (I) or (II) of clause (i) and that the clerical error is part of a pattern of negligent conduct on the part of that person, the Commissioner may determine, notwithstanding clause (i), that
the person has entered such covered merchandise into the customs territory of the United States through evasion.

“(iii) Electronic repetition of errors.—For purposes of clause (ii), the mere nonintentional repetition by an electronic system of an initial clerical error does not constitute a pattern of negligent conduct.

“(iv) Rule of construction.—A determination by the Commissioner that a person has entered covered merchandise into the customs territory of the United States by means of a clerical error referred to in subclause (I) or (II) of clause (i) rather than through evasion shall not be construed to excuse that person from the payment of any duties applicable to the merchandise.

“(b) Investigations.—

“(1) In general.—Not later than 10 business days after receiving an allegation described in paragraph (2) or a referral described in paragraph (3), the Commissioner shall initiate an investigation if the Commissioner determines that the information
provided in the allegation or the referral, as the case may be, reasonably suggests that covered merchandise has been entered into the customs territory of the United States through evasion.

“(2) Allegation described.—An allegation described in this paragraph is an allegation that a person has entered covered merchandise into the customs territory of the United States through evasion that is—

“(A) filed with the Commissioner by a person that is a producer in the United States of merchandise—

“(i) that is like, or in the absence of like, most similar in characteristics and uses with, such covered merchandise; or

“(ii) into which merchandise described in clause (i) is incorporated; and

“(B) accompanied by information reasonably available to the person that filed the allegation.

“(3) Referral described.—A referral described in this paragraph is information submitted to the Commissioner by any other Federal agency, including the Department of Commerce or the United States International Trade Commission, that
reasonably suggests that a person has entered covered merchandise into the customs territory of the United States through evasion.

“(4) Consolidation of allegations and referrals.—

“(A) In general.—The Commissioner may consolidate multiple allegations described in paragraph (2) and referrals described in paragraph (3) into a single investigation if the Commissioner determines it is appropriate to do so.

“(B) Effect on timing requirements.—If the Commissioner consolidates multiple allegations or referrals into a single investigation under subparagraph (A), the date on which the Commissioner receives the first such allegation or referral shall be used for purposes of the requirement under paragraph (1) with respect to the timing of the initiation of the investigation.

“(5) Information-sharing to protect health and safety.—If, during the course of conducting an investigation under paragraph (1) with respect to covered merchandise, the Commissioner has reason to suspect that such covered merchandise
may pose a health or safety risk to consumers, the
Commissioner shall provide, as appropriate, informa-
tion to the appropriate Federal agencies for pur-
poses of mitigating the risk.

“(c) Determinations.—

“(1) In general.—Not later than 270 cal-
endar days after the date on which the Commis-
sioner initiates an investigation under subsection (b)
with respect to covered merchandise, the Commis-
sioner shall make a determination, based on sub-
stantial evidence, with respect to whether such cov-
ered merchandise was entered into the customs terri-
tory of the United States through evasion.

“(2) Authority to collect and verify ad-
ditional information.—In making a determina-
tion under paragraph (1) with respect to covered
merchandise, the Commissioner may collect such ad-
ditional information as is necessary to make the de-
termination through such methods as the Commis-
sioner considers appropriate, including by—

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

“(i) a person that filed an allegation
under paragraph (2) of subsection (b) that
resulted in the initiation of an investiga-
tion under paragraph (1) of that sub-
section with respect to such covered mer-
chandise;

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

“(iii) a person that is a foreign pro-
derer or exporter of such covered merchan-
dise; or

“(iv) the government of a country
from which such covered merchandise was
exported; and

“(B) conducting verifications, including on-
site verifications, of any relevant information.

“(3) ADVERSE INFERENCE.—If the Commiss-
ioner finds that a person described in clause (i),
(ii), or (iii) of paragraph (2)(A) has failed to cooper-
ate by not acting to the best of the person’s ability
to comply with a request for information, the Com-
missioner may, in making a determination under
paragraph (1), use an inference that is adverse to
the interests of that person in selecting from among
the facts otherwise available to make the determina-
tion.
“(4) Notification.—Not later than 5 business days after making a determination under paragraph (1) with respect to covered merchandise, the Commissioner—

“(A) shall provide to each person that filed an allegation under paragraph (2) of subsection (b) that resulted in the initiation of an investigation under paragraph (1) of that subsection with respect to such covered merchandise a notification of the determination and may, in addition, include an explanation of the basis for the determination; and

“(B) may provide to importers, in such manner as the Commissioner determines appropriate, information discovered in the investigation that the Commissioner determines will help educate importers with respect to importing merchandise into the customs territory of the United States in accordance with all applicable laws and regulations.

“(d) Effect of Determinations.—

“(1) In general.—If the Commissioner makes a determination under subsection (e) that covered merchandise was entered into the customs territory
of the United States through evasion, the Commissioner shall—

“(A)(i) suspend the liquidation of unliquidated entries of such covered merchandise that are subject to the determination and that enter on or after the date of the initiation of the investigation under subsection (b) with respect to such covered merchandise and on or before the date of the determination; or

“(ii) if the Commissioner has already suspended the liquidation of such entries pursuant to subsection (e)(1), continue to suspend the liquidation of such entries;

“(B) pursuant to the Commissioner’s authority under section 504(b)—

“(i) extend the period for liquidating unliquidated entries of such covered merchandise that are subject to the determination and that entered before the date of the initiation of the investigation; or

“(ii) if the Commissioner has already extended the period for liquidating such entries pursuant to subsection (e)(1), continue to extend the period for liquidating such entries;
“(C) notify the administering authority of the determination and request that the administering authority—

“(i) identify the applicable antidumping or countervailing duty assessment rates for entries described in subparagraphs (A) and (B); or

“(ii) if no such assessment rate for such an entry is available at the time, identify the applicable cash deposit rate to be applied to the entry, with the applicable antidumping or countervailing duty assessment rate to be provided as soon as that rate becomes available;

“(D) require the posting of cash deposits and assess duties on entries described in subparagraphs (A) and (B) in accordance with the instructions received from the administering authority under paragraph (2); and

“(E) take such additional enforcement measures as the Commissioner determines appropriate, such as—

“(i) initiating proceedings under section 592 or 596;
“(ii) implementing, in consultation with the relevant Federal agencies, rule sets or modifications to rule sets for identifying, particularly through the Automated Targeting System and the Automated Commercial Environment, importers, other parties, and merchandise that may be associated with evasion;

“(iii) requiring, with respect to merchandise for which the importer has repeatedly provided incomplete or erroneous entry summary information in connection with determinations of evasion, the importer to deposit estimated duties at the time of entry; and

“(iv) referring the record in whole or in part to the U.S. Immigration and Customs Enforcement Agency for civil or criminal investigation.

“(2) COOPERATION OF ADMINISTERING AUTHORITY.—

“(A) IN GENERAL.—Upon receiving a notification from the Commissioner under paragraph (1)(C), the administering authority shall promptly provide to the Commissioner the ap-
applicable cash deposit rates and antidumping or
countervailing duty assessment rates and any
necessary liquidation instructions.

“(B) SPECIAL RULE FOR CASES IN WHICH
THE PRODUCER OR EXPORTER IS UNKNOWN.—
If the Commissioner and the administering au-
thority are unable to determine the producer or
exporter of the merchandise with respect to
which a notification is made under paragraph
(1)(C), the administering authority shall iden-
tify, as the applicable cash deposit rate or anti-
dumping or countervailing duty assessment
rate, the cash deposit or duty (as the case may
be) in the highest amount applicable to any
producer or exporter, including the ‘all-others’
rate of the merchandise subject to an anti-
dumping order or countervailing duty order
under section 736 or 706, respectively, or a
finding issued under the Antidumping Act,
1921, or any administrative review conducted
under section 751.

“(e) INTERIM MEASURES.—Not later than 90 cal-
endar days after initiating an investigation under sub-
section (b) with respect to covered merchandise, the Com-
missioner shall decide based on the investigation if there
is a reasonable suspicion that such covered merchandise
was entered into the customs territory of the United
States through evasion and, if the Commissioner decides
there is such a reasonable suspicion, the Commissioner
shall—

“(1) suspend the liquidation of each unliquidated entry of such covered merchandise that en-
tered on or after the date of the initiation of the in-
vestigation;

“(2) pursuant to the Commissioner’s authority
under section 504(b), extend the period for liqui-
dating each unliquidated entry of such covered mer-
chandise that entered before the date of the initi-
ation of the investigation; and

“(3) pursuant to the Commissioner’s authority
under section 623, take such additional measures as
the Commissioner determines necessary to protect
the revenue of the United States, including requiring
a single transaction bond or additional security or
the posting of a cash deposit with respect to such
covered merchandise.

“(f) Administrative Review.—

“(1) In general.—Not later than 30 business
days after the Commissioner makes a determination
under subsection (e) with respect to whether covered
merchandise was entered into the customs territory
of the United States through evasion, a person de-
termined to have entered such covered merchandise
through evasion or a person that filed an allegation
under paragraph (2) of subsection (b) that resulted
in the initiation of an investigation under paragraph
(1) of that subsection with respect to such covered
merchandise may file an appeal with the Commis-
sioner for de novo review of the determination.

“(2) TIMELINE FOR REVIEW.—Not later than
60 business days after an appeal of a determination
is filed under paragraph (1), the Commissioner shall
complete the review of the determination.

“(g) JUDICIAL REVIEW.—

“(1) IN GENERAL.—Not later than 30 business
days after the Commissioner completes a review
under subsection (f) of a determination under sub-
section (c) with respect to whether covered merchan-
dise was entered into the customs territory of the
United States through evasion, a person determined
to have entered such covered merchandise through
evasion or a person that filed an allegation under
paragraph (2) of subsection (b) that resulted in the
initiation of an investigation under paragraph (1) of
that subsection with respect to such covered mer-

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chandise may commence a civil action in the United States Court of International Trade by filing concurrently a summons and complaint contesting any factual findings or legal conclusions upon which the determination is based.

“(2) STANDARD OF REVIEW.—In a civil action under this subsection, the court shall hold unlawful any determination, finding, or conclusion found to be arbitrary, capricious, an abuse of discretion, or otherwise not in accordance with law.

“(h) RULE OF CONSTRUCTION WITH RESPECT TO OTHER CIVIL AND CRIMINAL PROCEEDINGS AND INVESTIGATIONS.—No determination under subsection (c) or action taken by the Commissioner pursuant to this section shall be construed to limit the authority to carry out, or the scope of, any other proceeding or investigation pursuant to any other provision of Federal or State law, including sections 592 and 596.”.

(b) CONFORMING AMENDMENT.—Section 1581(c) of title 28, United States Code, is amended by inserting “or 517” after “516A”.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date that is 180 days after the date of the enactment of this Act.
(d) **Regulations.**—Not later than the date that is 180 days after the date of the enactment of this Act, the Secretary of the Treasury shall prescribe such regulations as may be necessary to implement the amendments made by this section.

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

**SEC. 303. ANNUAL REPORT ON PREVENTION AND INVESTIGATION OF EVASION OF ANTIDUMPING AND COUNTERVAILING DUTY ORDERS.**

(a) **In General.**—Not later than January 15 of each calendar year that begins on or after the date that is 270 days after the date of the enactment of this Act, the Commissioner, in consultation with the Secretary of Commerce and the Director of U.S. Immigration and Customs Enforcement, shall submit to the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives a report on the efforts being taken to prevent and investigate the entry of covered merchandise into the customs territory of the United States through evasion.
(b) CONTENTS.—Each report required under subsection (a) shall include—

(1) for the calendar year preceding the submission of the report—

(A) a summary of the efforts of the U.S. Customs and Border Protection Agency to prevent and investigate the entry of covered merchandise into the customs territory of the United States through evasion;

(B) the number of allegations of evasion received under subsection (b) of section 517 of the Tariff Act of 1930, as added by section 302, and the number of such allegations resulting in investigations by the U.S. Customs and Border Protection Agency or any other agency;

(C) a summary of investigations initiated under subsection (b) of such section 517, including—

(i) the number and nature of the investigations initiated, conducted, and completed; and

(ii) the resolution of each completed investigation;

(D) the number of investigations initiated under that subsection not completed during the
time provided for making determinations under subsection (e) of such section 517 and an explanation for why the investigations could not be completed on time;

(E) the amount of additional duties that were determined to be owed as a result of such investigations, the amount of such duties that were collected, and, for any such duties not collected, a description of the reasons those duties were not collected;

(F) with respect to each such investigation that led to the imposition of a penalty, the amount of the penalty;

(G) an identification of the countries of origin of covered merchandise determined under subsection (e) of such section 517 to be entered into the customs territory of the United States through evasion;

(H) the amount of antidumping and countervailing duties collected as a result of any investigations or other actions by the U.S. Customs and Border Protection Agency or any other agency;

(I) a description of the allocation of personnel and other resources of the U.S. Customs
and Border Protection Agency and the U.S. Immigration and Customs Enforcement Agency to prevent and investigate evasion, including any assessments conducted regarding the allocation of such personnel and resources; and

(J) a description of training conducted to increase expertise and effectiveness in the prevention and investigation of evasion; and

(2) a description of processes and procedures of the U.S. Customs and Border Protection Agency to prevent and investigate evasion, including—

(A) the specific guidelines, policies, and practices used by the Agency to ensure that allegations of evasion are promptly evaluated and acted upon in a timely manner;

(B) an evaluation of the efficacy of those guidelines, policies, and practices;

(C) an identification of any changes since the last report required by this section, if any, that have materially improved or reduced the effectiveness of the Agency in preventing and investigating evasion;

(D) a description of the development and implementation of policies for the application of single entry and continuous bonds for entries of
covered merchandise to sufficiently protect the
collection of antidumping and countervailing
duties commensurate with the level of risk of
not collecting those duties;

(E) a description of the processes and pro-
cedures for increased cooperation and informa-
tion sharing with the Department of Commerce,
the U.S. Immigration and Customs Enforce-
ment Agency, and any other relevant Federal
agencies to prevent and investigate evasion; and

(F) an identification of any recommended
policy changes for other Federal agencies or
legislative changes to improve the effectiveness
of the U.S. Customs and Border Protection
Agency in preventing and investigating evasion.

(e) PUBLIC SUMMARY.—The Commissioner shall
make available to the public a summary of the report re-
quired by subsection (a) that includes, at a minimum—

(1) a description of the type of merchandise
with respect to which investigations were initiated
under subsection (b) of section 517 of the Tariff Act
of 1930, as added by section 302;

(2) the amount of additional duties determined
to be owed as a result of such investigations and the
amount of such duties that were collected;
(3) an identification of the countries of origin of covered merchandise determined under subsection (c) of such section 517 to be entered into the customs territory of the United States through evasion;

and

(4) a description of the types of measures used by the U.S. Customs and Border Protection Agency to prevent and investigate evasion.

(d) DEFINITIONS.—In this section, the terms “covered merchandise” and “evasion” have the meanings given those terms in section 517(a) of the Tariff Act of 1930, as added by section 302.

TITLE IV—MISCELLANEOUS PROVISIONS

SEC. 401. CONSULTATION ON TRADE AND CUSTOMS REVENUE FUNCTIONS.

Section 401(c) of the Safety and Accountability for Every Port Act (6 U.S.C. 115(c)) is amended—

(1) in paragraph (1), by striking “on Department policies and actions that have” and inserting “not later than 30 days after proposing, and not later than 30 days before finalizing, any Department policies, initiatives, or actions that will have”; and

(2) in paragraph (2)(A), by striking “not later than 30 days prior to the finalization of” and insert-
ing “not later than 60 days before proposing, and
not later than 60 days before finalizing;”.

SEC. 402. DRAWBACK SIMPLIFICATION.

(a) In General.—Section 313 of the Tariff Act of
1930 (19 U.S.C. 1313) is amended to read as follows:

“SEC. 313. DRAWBACK.

“(a) Definitions.—In this section:

“(1) Bill of Materials; Formula.—The
terms ‘bill of materials’ and ‘formula’ mean records
kept in the ordinary course of business that identify
each component incorporated into merchandise or
that identify the quantity of each element, material,
chemical, mixture, or other substance incorporated
into merchandise.

“(2) Commissioner.—The term ‘Commis-
sioner’ means the Commissioner of U.S. Customs
and Border Protection.

“(3) Destroyed Merchandise.—The term
‘destroyed merchandise’ means merchandise that has
undergone destruction.

“(4) Destruction.—The term ‘destruction’
means a process by which merchandise loses all com-
mercial value, other than the value of any material
that may be recovered when the merchandise is de-
stroyed.
“(5) Direct identification.—The term ‘direct identification’ means the identification of merchandise that is exported or destroyed to claim drawback with respect to imported merchandise as the imported merchandise or merchandise into which the imported merchandise is incorporated using—

“(A) the serial number or other unique identifier of the exported merchandise or destroyed merchandise and the imported merchandise; or

“(B) such accounting methods as are provided for by regulation by the Commissioner.

“(6) Directly.—The term ‘directly’ means a transfer of merchandise from one person to another person without any intermediate transfer.

“(7) Fungible.—The term ‘fungible’ means, with respect to merchandise, merchandise that is interchangeable for commercial purposes with other merchandise and has properties that are essentially identical to the properties of the other merchandise.

“(8) Good subject to Chile FTA drawback.—The term ‘good subject to Chile FTA drawback’ has the meaning given that term in section 203(a) of the United States-Chile Free Trade Agreement Implementation Act (19 U.S.C. 3805 note).
“(9) **GOOD SUBJECT TO NAFTA DRAWBACK.**—
The term ‘good subject to NAFTA drawback’ has
the meaning given that term in section 203(a) of the
North American Free Trade Agreement Implement-
tion Act (19 U.S.C. 3333(a)).

“(10) **HTS.**—The term ‘HTS’ means the Har-
monized Tariff Schedule of the United States.

“(11) **INCORPORATED.**—The term ‘incor-
porated’ means any operation by which merchandise
becomes classifiable in a different 8-digit HTS sub-
heading number.

“(12) **INDIRECTLY.**—The term ‘indirectly’
means a transfer of merchandise from one person to
another person with one or more intermediate trans-
fers.

“(13) **LINE ITEM.**—

“(A) **IMPORTED MERCHANDISE.**—The term
‘line item’, with respect to imported merchan-
dise, means the identification, in an entry filed
pursuant to section 484, of merchandise im-
ported from one country by net quantity, en-
tered value, 8-digit HTS subheading number,
and applicable duties, taxes, and fees.

“(B) **EXPORTED MERCHANDISE.**—The
term ‘line item’, with respect to exported mer-
chandise, means the identification of the mer-
chandise by 8-digit HTS subheading number or
Schedule B number, declared value, and quan-
tity.

“(14) NAFTA COUNTRY.—The term ‘NAFTA
country’ has the meaning given that term in section
2 of the North American Free Trade Agreement Im-

“(15) SCHEDULE B.—The term ‘Schedule B’
means the Department of Commerce Schedule B,
Statistical Classification of Domestic and Foreign
Commodities Exported from the United States.

“(16) SUBSTITUTE MERCHANDISE.—The term
‘substitute merchandise’ means merchandise that is
substituted for other merchandise for drawback pur-
poses pursuant to subsection (g).

“(17) VESSEL.—The term ‘vessel’ includes ves-
sels, parts of vessels, aircraft, and parts of aircraft.

“(b) ELIGIBILITY FOR DRAWBACK.—

“(1) IN GENERAL.—A person described in sub-
section (c) is eligible for drawback of duties, taxes,
and fees imposed under Federal law paid on im-
ported merchandise in an amount determined under
subsection (h) if—
“(A) the imported merchandise meets the requirements of subsection (d);

“(B)(i) merchandise that meets the requirements of subsection (e) is exported; or

“(ii) merchandise that meets the requirements of subsection (f) is destroyed; and

“(C) the person files a claim for drawback with respect to the imported merchandise in accordance with subsection (i).

“(2) MULTIPLE DRAWBACK CLAIMS.—If a person claims drawback under paragraph (1) with respect to imported merchandise based on exported merchandise or destroyed merchandise, the exported merchandise or destroyed merchandise (as the case may be) may not be the basis of any other claim for drawback, except that appropriate credit and deductions for claims covering components or ingredients of exported merchandise or destroyed merchandise shall be made in determining the amount of drawback under subsection (h).

“(c) PERSONS ELIGIBLE TO CLAIM DRAWBACK.—

“(1) IN GENERAL.—A person may claim drawback under this section if the person—

“(A)(i) imports the merchandise on which the claim is based; or
“(ii) obtains the authorization of the importer to claim the drawback; and

“(B)(i) exports or destroys the merchandise that was exported or destroyed to claim drawback with respect to the imported merchandise; or

“(ii) obtains the authorization of the exporter or the person that destroyed the merchandise (as the case may be) to claim drawback.

“(2) LIABILITY FOR CLAIMS.—

“(A) IN GENERAL.—Any person making a claim for drawback with respect to imported merchandise shall be liable for the full amount of the drawback claimed against the imported merchandise.

“(B) LIABILITY OF IMPORTERS.—An importer shall be liable for any drawback claim made by another person with respect to imported merchandise in an amount equal to the lesser of—

“(i) the amount of duties, taxes, and fees that the person claimed with respect to the imported merchandise; or
“(ii) the amount of duties, taxes, and fees that the importer authorized the other person to claim with respect to the imported merchandise.

“(C) JOINT AND SEVERAL LIABILITY.—Persons described in subparagraph (A) and (B) shall be jointly and severally liable for the amount described in subparagraph (B).

“(D) ORDER OF RECOVERY.—The Secretary of the Treasury shall seek to recover the amount of the drawback from a person described in subparagraph (A) before seeking recovery from an importer described in subparagraph (B).

“(d) REQUIREMENTS FOR IMPORTED MERCHANDISE.—Imported merchandise meets the requirements of this subsection if—

“(1) all applicable duties, taxes, and fees have been paid on the imported merchandise; and

“(2) the imported merchandise is entered or withdrawn from warehouse for consumption.

“(e) REQUIREMENTS FOR EXPORTED MERCHANDISE.—
“(1) IN GENERAL.—Exported merchandise meets the requirements of this subsection if the exported merchandise is—

“(A) the imported merchandise;

“(B) merchandise that is substituted for the imported merchandise pursuant to subsection (g);

“(C) merchandise into which the imported merchandise or substitute merchandise is incorporated; or

“(D) merchandise that is substituted, pursuant to subsection (g), for merchandise into which the imported merchandise or substitute merchandise is incorporated.

“(2) SPECIAL RULES WITH RESPECT TO INCORPORATION OF MERCHANDISE INTO OTHER MERCHANDISE.—For purposes of subparagraphs (C) and (D) of paragraph (1), imported merchandise or substitute merchandise is incorporated into other merchandise—

“(A) if the bill of materials or formula for such other merchandise submitted with the claim for drawback under subsection (i) includes the imported merchandise or substitute merchandise; and
“(B) without regard to the number of times the imported merchandise or substitute merchandise is incorporated into such other merchandise.

“(f) REQUIREMENTS FOR DESTROYED MERCHANDISE.—

“(1) IN GENERAL.—Destroyed merchandise meets the requirements of this subsection if—

“(A) the merchandise is—

“(i) the imported merchandise;

“(ii) merchandise that is substituted for the imported merchandise pursuant to subsection (g);

“(iii) merchandise into which the imported merchandise or substitute merchandise is incorporated; or

“(iv) merchandise that is substituted, pursuant to subsection (g), for merchandise into which the imported merchandise or substitute merchandise is incorporated; and

“(B) the merchandise—

“(i) is not exported because of its destruction; and
“(ii) was not used in the United States before its destruction.

“(2) TREATMENT OF RETURNED MERCHANDISE.—For purposes of paragraph (1)(B)(ii), merchandise is not used in the United States solely because the merchandise is—

“(A) sold at retail by the importer or another person that received the merchandise from the importer under a certificate of delivery; and

“(B) subsequently returned to and accepted by the importer or other person described in subparagraph (A).

“(g) SUBSTITUTION.—

“(1) IN GENERAL.—Except as provided in this subsection, merchandise may be substituted for other merchandise if it can be demonstrated that the merchandise was classifiable under the same 8-digit HTS subheading number as such other merchandise at some point during the 5-year period beginning on the date on which the merchandise was imported.

“(2) CLASSIFICATION.—The Schedule B number for merchandise may be used for purposes of determining under paragraph (1) if the merchandise is or has been classified under the same 8-digit HTS
subheading number as other merchandise, without regard to whether the Schedule B number encompasses more than one 8-digit HTS subheading number.

“(3) SPECIAL SUBSTITUTION RULES.—

“(A)(i) Merchandise that is classifiable under any heading or subheading of the HTS specified in clause (ii) may be substituted for other merchandise if the merchandise is classifiable under the same 8-digit HTS subheading number as the other merchandise under the HTS as in effect on January 1, 2000.

“(ii) A heading or subheading of the HTS specified in this clause is—

“(I) any of headings 2707 through 2715, 2901, or 2902;

“(II) any of headings 3901 through 3914 (as such headings apply to the primary forms provided under Note 6 to chapter 39 of the HTS); or

“(III) subheading 2903.21.00, 2909.19.14, 2917.36, 2917.39.04, 2917.39.15, 2926.10.00, 3811.21.00, or 3811.90.00.
“(B) Merchandise that is classifiable under subheading 2204.21.50, 2204.29.20, or 2204.29.60 of the HTS may be substituted for other merchandise that is classifiable under any such subheading.

“(C) Merchandise that is classifiable under subheading 2204.21.80, 2204.29.40, or 2204.29.80 of the HTS may be substituted for other merchandise that is classifiable under any such subheading.

“(4) SPECIAL RULE FOR ETHYL ALCOHOL.—Notwithstanding any other provision of law, in the case of any duty paid under subheading 9901.00.50 of the HTS on imports of ethyl alcohol or a mixture of ethyl alcohol, such duty may not be refunded if the exported merchandise upon which a drawback claim is based does not contain ethyl alcohol or a mixture of ethyl alcohol.

“(h) AMOUNT OF DRAWBACK.—

“(1) CLAIMS BASED ON EXPORTATION OF IMPORTED OR SUBSTITUTE MERCHANDISE.—If a person claims drawback with respect to imported merchandise or substitute merchandise based on the exportation of the imported merchandise or substitute merchandise, the amount
of drawback paid pursuant to this section shall be
equal to 99 percent of the product of—

“(A) the number of units of the imported
merchandise or substitute merchandise exported
to claim drawback with respect to the imported
merchandise, and

“(B) the lesser of—

“(i) the amount of duties, taxes, and
fees paid with respect to the line item for
the imported merchandise divided by the
total number of units of the imported mer-
chandise included in the line item, or

“(ii) the amount of duties, taxes, and
fees that would apply to the exported mer-
chandise if the exported merchandise were
imported divided by the number of units of
the exported merchandise.

“(2) Claims based on destruction of im-
ported merchandise, merchandise into which
imported merchandise is incorporated, or
merchandise substituted for merchandise
into which imported merchandise is incor-
porated.—If a person claims drawback with re-
spect to imported merchandise based on the destruc-
tion of the imported merchandise, merchandise into
which the imported merchandise is incorporated, or
merchandise substituted for merchandise into which
the imported merchandise is incorporated, the
amount of drawback paid pursuant to this section
shall be equal to 99 percent of—

“(A) the product of—

“(i) the number of units of the im-
ported merchandise destroyed to claim
drawback with respect to the imported
merchandise or incorporated into merchan-
dise for which the destroyed merchandise
is substituted, and

“(ii) the amount of duties, taxes, and
fees paid with respect to the line item for
the imported merchandise divided by the
total number of units of the imported mer-
chandise included in the line item, minus

“(B) the value of any materials recovered
during the destruction of the destroyed mer-
chandise (including the value of any tax benefit
or royalty payment with respect to such mate-
rials).

“(3) Claims based on exportation of mer-
chandise into which imported or substitute
merchandise is incorporated or merchandise
SUBSTITUTED FOR MERCHANDISE INTO WHICH IMPORTED OR SUBSTITUTE MERCHANDISE IS INCORPORATED.—If a person claims drawback with respect to imported merchandise based on the exportation of merchandise into which the imported merchandise or substitute merchandise is incorporated, or merchandise substituted for merchandise into which the imported merchandise or substitute merchandise is incorporated, the amount of drawback paid pursuant to this section shall be equal to 99 percent of the product of—

“(A) the number of units of the imported merchandise or substitute merchandise incorporated into the exported merchandise or the merchandise for which the exported merchandise is substituted, and

“(B)(i) in the case of exported merchandise into which the imported merchandise is incorporated or exported merchandise substituted for merchandise into which the imported merchandise is incorporated, the amount of duties, taxes, and fees paid with respect to the line item for the imported merchandise divided by the number of units of the imported merchandise included in the line item, or
“(ii) in the case of exported merchandise into which substitute merchandise is incorporated or exported merchandise substituted for merchandise into which substitute merchandise is incorporated, the lesser of—

“(I) the amount of duties, taxes, and fees paid with respect to the line item for the imported merchandise divided by the total number of units of the imported merchandise included in the line item, or

“(II) the amount of duties, taxes, and fees that would apply to the substitute merchandise, if the substitute merchandise were imported, divided by the number of units of the substitute merchandise incorporated into the exported merchandise or the merchandise for which the exported merchandise is substituted.

“(4) Claims based on destruction of substitute merchandise, merchandise into which substitute merchandise is incorporated, or merchandise substituted for merchandise into which substitute merchandise is incorporated.—If a person claims drawback with respect to imported merchandise based on the destruc-
tion of substitute merchandise, merchandise into which substitute merchandise is incorporated, or merchandise substituted for merchandise into which substitute merchandise is incorporated, the amount of drawback paid pursuant to this section shall be equal to 99 percent of the lesser of—

“(A) the amount of—

“(i) duties, taxes, and fees that would apply to the substitute merchandise destroyed, incorporated into destroyed merchandise, or incorporated into merchandise for which the destroyed merchandise is substituted, if the substitute merchandise were imported, minus

“(ii) the value of any materials recovered during the destruction of the destroyed merchandise (including the value of any tax benefit or royalty payment with respect to such materials), or

“(B) the amount of drawback the person could have claimed under paragraph (2) if the person had destroyed the imported merchandise.

“(5) LIMITATION FOR DUTIES, TAXES, AND FEES PREVIOUSLY REFUNDED.—The amount of du-
ties, taxes, and fees that may be refunded as drawback with respect to imported merchandise pursuant to this subsection shall be reduced by the amount of any duties, taxes, and fees previously refunded to a person with respect to such merchandise.

“(i) Filing Requirements.—The requirements for filing a claim for drawback under this subsection are the following:

“(1) Electronic filing.—The claim shall be filed electronically.

“(2) Time limit for claim.—The claim shall be filed not later than 5 years after the date—

“(A) on which the merchandise with respect to which drawback is claimed is imported; or

“(B) if the claim is based on merchandise imported on more than one date, the earliest date on which any such merchandise was imported.

“(3) Identification of merchandise.—The claim shall include an identification of the merchandise with respect to which the claim is filed as follows:

“(A) If drawback is claimed with respect to imported merchandise based on the expor-
tation of merchandise, a demonstration that the exported merchandise meets the requirements of subsection (e) using—

“(i)(I) the information contained in the line item for the imported merchandise and information contained in the line item for the exported merchandise; and

“(II) in the case of imported merchandise or substitute merchandise incorporated into the exported merchandise or merchandise that is substituted for merchandise into which imported merchandise or substitute merchandise is incorporated, a bill of materials or formula identifying the imported merchandise or substitute merchandise and the exported merchandise by the 8-digit HTS subheading number and the quantity of the imported merchandise or substitute merchandise and the exported merchandise; or

“(ii) direct identification.

“(B) If drawback is claimed with respect to imported merchandise based on the destruction of merchandise, an identification of the im-
imported merchandise and the destroyed merchandise using—

“(i)(I) the information contained in the line item for the imported merchandise and information identifying the destroyed merchandise by 8-digit HTS subheading number and quantity; and

“(II) in the case of imported merchandise or substitute merchandise incorporated into the destroyed merchandise or merchandise that is substituted for merchandise into which imported merchandise or substitute merchandise is incorporated, a bill of materials or formula identifying the imported merchandise or substitute merchandise and the destroyed merchandise by the 8-digit HTS subheading number and the quantity of the imported merchandise or substitute merchandise and the destroyed merchandise; or

“(ii) using direct identification.

“(4) PROOF OF EXPORTATION.—If drawback is claimed with respect to imported merchandise based on the exportation of merchandise, the claim shall include, as proof of exportation, one of the following:
“(A) The record of exportation entered in the automated export system of the United States Government or, if the exporter is unable to use that system, information similar to the information contained in such a record that is kept by the exporter in the ordinary course of business.

“(B) In the case of a deemed export, any record that establishes the deemed export, or a copy of such a record, that is kept by the exporter in the ordinary course of business.

“(5) PROOF OF AUTHORIZATION.—The claim shall include, as proof of the authorization under subsection (c)(1) of the importer, exporter, or person who destroyed merchandise, as appropriate, for another person to claim drawback, records kept in the ordinary course of business demonstrating the authorization.

“(j) SPECIAL RULES.—

“(1) VESSELS BUILT FOR RESIDENTS OF A FOREIGN COUNTRY.—Drawback under this section may be claimed for materials imported and used in the construction and equipment of vessels built for foreign account and ownership, or for the government of any foreign country, notwithstanding that
such vessels may not within the strict meaning of
the term be exported.

“(2) AGRICULTURAL PRODUCTS.—No drawback
may be claimed under this section for an agricul-
tural product with respect to which an over-quota
rate of duty has been paid, unless the product is
identified as the imported agricultural product using
direct identification.

“(3) CERTAIN EXPORTED MERCHANDISE.—

“(A) IN GENERAL.—Except as provided in
subsection (B), upon the exportation of fla-
voring extracts, flavors, medicines, medicinal
preparations, or perfumes manufactured or pro-
duced in the United States in part from domes-
tic alcohol on which an internal revenue tax has
been paid, there shall be allowed a drawback in
an amount equal to the tax found to have been
paid on the alcohol so used.

“(B) LIMITATION.—If drawback has been
claimed under section 5114 of the Internal Rev-
ue Code of 1986 with respect to flavoring ex-
tracts, flavors, medicines, medicinal prepara-
tions, or perfumes manufactured or produced in
the United States, the amount of drawback
under this paragraph shall be limited to $1 per proof gallon.

“(C) FORM OF CLAIM.—A claim for drawback under this paragraph shall be submitted in such form, at such times, and under such conditions as the Secretary of the Treasury shall prescribe by regulation.

“(4) PAYMENT FROM RECEIPTS OF PUERTO RICO.—A drawback under this section for merchandise shall be paid from the customs receipts of Puerto Rico if the duties for such merchandise were originally paid into the Treasury of Puerto Rico.

“(k) DRAWBACK ON EXPORTED GOODS UNDER CERTAIN FREE TRADE AGREEMENTS.—

“(1) SPECIAL RULES FOR NAFTA COUNTRIES.—

“(A) IN GENERAL.—Subject to section 508(b)(2)(B) of the Tariff Act of 1930 (19 U.S.C. 1508(b)(2)(B)), and for purposes of this section, if merchandise that is exported to a NAFTA country is a good subject to NAFTA drawback, no customs duties on the good may be refunded, waived, or reduced in an amount that exceeds the lesser of—
“(i) the total amount of customs duties paid or owed on the good on importation into the United States; or

“(ii) the total amount of customs duties paid on the good on importation into the NAFTA country.

“(B) Special rule for Canada.—If Canada ceases to be a NAFTA country and the suspension of the operation of the United States-Canada Free-Trade Agreement thereafter terminates, then for purposes of this section, the shipment to Canada during the period such Agreement is in operation of merchandise made from or substituted for a good eligible for drawback under section 204(a) of the United States-Canada Free-Trade Agreement Implementation Act of 1988 (Public Law 100–449; 19 U.S.C. 2112 note) does not constitute an exportation.

“(C) Fungible merchandise exported to NAFTA countries.—The exportation to a NAFTA country of merchandise that is fungible with and substituted for imported merchandise, other than merchandise described in paragraphs (1) through (8) of section 203(a) of the North
American Free Trade Agreement Implementation Act (19 U.S.C. 3333(a)), shall not be treated as an exportation of substitute merchandise for purposes of drawback under this section.

“(D) Proof of Exportation to Canada or Mexico.—Notwithstanding subsection (i)(4), a person filing a claim under this paragraph shall submit, as proof of exportation, the entry records from Canada or Mexico.

“(2) Special Rules for Chile.—

“(A) In General.—For purposes of this section, if merchandise that is exported to Chile is a good subject to Chile FTA drawback, no customs duties on the good may be refunded, waived, or reduced, except as provided in subparagraph (B).

“(B) Amount of Customs Duties.—The customs duties referred to in subparagraph (A) may be refunded, waived, or reduced by—

“(i) 100 percent during the 8-year period beginning on January 1, 2004;

“(ii) 75 percent during the 1-year period beginning on January 1, 2012;
“(iii) 50 percent during the 1-year period beginning on January 1, 2013; and
“(iv) 25 percent during the 1-year period beginning on January 1, 2014.
“(C) FUNGIBLE MERCHANDISE EXPORTED TO CHILE.—Beginning on January 1, 2015, the exportation to Chile of merchandise that is fungible with and substituted for imported merchandise, other than merchandise described in paragraphs (1) through (5) of section 203(a) of the United States-Chile Free Trade Agreement Implementation Act (19 U.S.C. 3805 note), shall not be treated as an exportation of substitute merchandise for purposes of drawback under this section. The preceding sentence shall not be construed to permit the substitution of merchandise under this section with respect to merchandise described in paragraph (2) of section 203(a) of the United States-Chile Free Trade Agreement Implementation Act.”.

(b) TECHNICAL AND CONFORMING AMENDMENTS.—
(1) REFUNDS.—Section 505(b) of the Tariff Act of 1930 (19 U.S.C. 1505(b)) is amended by adding at the end the following: “Refunds of excess moneys deposited, as determined on a liquidation or
reliquidation, shall be reduced by any amount paid, on an accelerated basis or otherwise, to a person claiming drawback pursuant to section 313.”

(2) Review of protests.—The second sentence of section 515(a) of the Tariff Act of 1930 (19 U.S.C. 1515(a)) is amended by striking the period at the end and inserting “in accordance with section 505.”.

(3) Refunds, waivers, and reductions of duty under NAFTA.—Section 508(b)(2)(B)(i)(III) of the Tariff Act of 1930 (19 U.S.C. 1508(b)(2)(B)(i)(III)) is amended by striking “section 313(n)(2) or (o)(1)” and inserting “section 313(k)(1)”.

(c) Effective date.—

(1) In general.—Except as provided in paragraph (2), the amendments made by this section shall apply to drawback claims filed with respect to merchandise that enters the United States on or after the date that is 2 years after the date of the enactment of this Act.

(2) Transition rule.—During the 1-year period beginning on the date specified in paragraph (1), a person may elect to file a claim for drawback under—
(A) section 313 of the Tariff Act of 1930, as amended by this section; or

(B) section 313 of the Tariff Act of 1930, as in effect on the day before the date specified in paragraph (1).

(d) Government Accountability Office Report.—Not later than the date that is 4 years after the date of the enactment of this Act, the Comptroller General of the United States shall submit to the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives a report that contains—

(1) an evaluation of the costs and benefits to the Federal Government, and the benefits to the private sector, resulting from the implementation of section 313 of the Tariff Act of 1930, as amended by this section; and

(2) an assessment of the extent to which the implementation of that section may permit a person claiming drawback with respect to imported merchandise to receive drawback in excess of the duties, taxes, or fees paid on the imported merchandise.

SEC. 403. PENALTIES FOR CUSTOMS BROKERS.

(a) In General.—Section 641(d)(1) of the Tariff Act of 1930 (19 U.S.C. 1641(d)(1)) is amended—
(1) in subparagraph (E), by striking “; or” and inserting a semicolon;

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

(3) by adding at the end the following:

“(G) has been convicted of committing or conspiring to commit an act of terrorism described in section 2332b of title 18, United States Code.”.

(b) Technical Amendments.—Section 641 of the Tariff Act of 1930 (19 U.S.C. 1641) is amended—

(1) in subsection (g)(2)(B), by striking “Secretary’s notice” and inserting “notice under subparagraph (A)”;

(2) by striking “Customs Service” each place it appears and inserting “U.S. Customs and Border Protection Agency”.

SEC. 404. AMENDMENTS TO CHAPTER 98 OF THE HARMONIZED TARIFF SCHEDULE OF THE UNITED STATES.

(a) Articles Exported and Returned, Advanced or Improved Abroad.—Subchapter II of chapter 98 of the Harmonized Tariff Schedule of the United States is amended by adding at the end of U.S. Note 3 the following:
“(f)(i) For purposes of subheadings 9802.00.40 and 9802.00.50, fungible articles exported from the United States for the purposes described in such subheadings—

“(A) may be commingled; and

“(B) the origin, value, and classification of such articles may be accounted for using an inventory management method.

“(ii) If a person chooses to use an inventory management method under this subdivision with respect to fungible articles, the person shall use the same inventory management method for those articles with respect to which the person claims fungibility.

“(iii) For purposes of this subdivision—

“(A) the term ‘fungible articles’ means articles that are interchangeable for commercial purposes and have essentially identical properties; and

“(B) the term ‘inventory management method’ means any method for managing inventory that is based on generally accepted accounting principles.”.

(b) MODIFICATION OF PROVISIONS RELATING TO RETURNED PROPERTY.—The article description for sub-
heading 9801.00.10 of the Harmonized Tariff Schedule of
the United States is amended by inserting after “ex-
ported” the following: “, or any other products when re-
turned within 3 years after having been exported”.

(c) Duty-Free Treatment for Certain United States Government Property Returned to the United States.—Subchapter I of chapter 98 of the Har-
onized Tariff Schedule of the United States is amended
by inserting in numerical sequence the following new sub-
heading:

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                9801.00.11 United States Government property, returned to the
            United States without having been advanced in value or im-
            proved in condition by any means while abroad, entered
            by the United States Government or a contractor to the
            United States Government, and certificated by the importer
            as United States Government property ................................. Free
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SEC. 405. CHARTER FLIGHTS.

Section 13031(e)(1) of the Consolidated Omnibus Budget Reconciliation Act of 1985 (19 U.S.C. 58e(e)(1))
is amended—

(1) by striking “(1) Notwithstanding section 451 of the Tariff Act of 1930 (19 U.S.C. 1451) or
any other provision of law (other than paragraph (2))” and inserting the following:

“(1)(A) Notwithstanding section 451 of the Tariff
Act of 1930 (19 U.S.C. 1451) or any other provision of
law (other than subparagraph (B) and paragraph (2))’’; and

(2) by adding at the end the following:

“(B)(i) An appropriate officer of the U.S. Customs and Border Protection Agency may assign a sufficient number of employees from the Agency (if available) to perform services described in clause (ii) for a charter air carrier (as defined in section 40102 of title 49, United States Code) for a charter flight arriving after normal operating hours at an airport that is an established port of entry serviced by the Agency, notwithstanding that overtime funds for those services are not available, if the charter air carrier—

“(I) not later than 4 hours before the flight arrives, specifically requests that such services be provided; and

“(II) pays any overtime fees incurred in connection with such services.

“(ii) Services described in this clause are customs services for passengers and their baggage or any other such service that could lawfully be performed during regular hours of operation.”.

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SEC. 406. PILOT PROGRAM TO DESIGNATE ADDITIONAL 24-HOUR COMMERCIAL PORTS OF ENTRY.

(a) Establishment of Pilot Program.—The President shall establish a pilot program under which the President shall—

(1) pursuant to the Act of August 1, 1914 (38 Stat. 623, chapter 223; 19 U.S.C. 2), designate certain land border crossings as 24-hour commercial ports of entry in accordance with subsections (b) and (c); and

(2) ensure that each land border crossing designated as a commercial port of entry under the pilot program has sufficient resources—

(A) to carry out the functions of a commercial port of entry, including accepting entries of merchandise, collecting duties, and enforcing the customs and trade laws of the United States; and

(B) to perform those functions 24 hours a day.

(b) Designation.—Not later than 180 days after the date of the enactment of this Act, the President shall, after considering the criteria set forth in subsection (c) and any input provided by the public, designate not fewer than 2 and not more than 6 land border crossings, equally divided between land border crossings on the northern and
southern borders of the United States, as 24-hour commercial ports of entry under the pilot program established under subsection (a).

(c) CRITERIA.—In designating a land border crossing as a 24-hour commercial port of entry under the pilot program established under subsection (a), the President shall consider the following:

(1) The number of 24-hour commercial ports of entry already located in the State in which the land border crossing is located.

(2) The costs associated with operating the land border crossing as a 24-hour commercial port of entry, including whether the Federal Government would be required to acquire or lease additional land.

(3) The positive economic impact of designating the land border crossing as a 24-hour commercial port of entry on the community in which the land border crossing is located.

(4) Any commitment of resources by the government of Canada or Mexico, as applicable, to a similar designation of a corresponding foreign port of entry.

(5) The support demonstrated by the government of the State or locality in which the land bor-
der crossing is located, including through infrastruc-
ture improvements, to facilitate the operation of the
land border crossing as a 24-hour commercial port
of entry.

(d) TERMINATION.—

(1) DETERMINATION OF ECONOMIC BENEFIT.—
Not later than the date that is 2 years after the date
on which a land border crossing designated as a 24-
hour commercial port of entry under the pilot pro-
gram established under subsection (a) becomes fully
operational as a 24-hour commercial port of entry,
the President shall—

(A) determine whether the operation of the
land border crossing as a port of entry 24
hours a day provides a net economic benefit to
the United States; and

(B) submit to the Committee on Finance
of the Senate and Committee on Ways and
Means of the House of Representatives a report
on that determination and the reasons for that
determination.

(2) TERMINATION.—If the President deter-
mines under paragraph (1) that operating a land
border crossing as a port of entry 24 hours a day
does not provide a net economic benefit to the
United States, the land border crossing shall cease
to operate as a port of entry 24 hours a day on the
date on which the President submits the report
under paragraph (1)(B).

(e) REPORT.—Not later than 90 days before the
President makes a determination under subsection (d)(1)
with respect to a land border crossing designated as a 24-
hour commercial port of entry under the pilot program
established under subsection (a), the President shall sub-
mit to the Committee on Finance of the Senate and Com-
mittee on Ways and Means of the House of Representa-
tives a report that provides—

(1) a comparison of the vehicle traffic, the esti-
imated total volume of commercial merchandise en-
tered, and the wait times at the land border cross-
ing—

(A) during the 2-year period preceding the
designation of the land border crossing as a 24-
hour commercial port of entry; and

(B) after the land border crossing becomes
fully operational as a 24-hour commercial port
of entry;

(2) a comparison of the total value of commer-
cial merchandise transported through the land bor-
der crossing—
(A) during the 2-year period preceding the
designation of the land border crossing as a 24-
hour commercial port of entry; and

(B) after the land border crossing becomes
fully operational as a 24-hour commercial port
of entry; and

(3) a comparison of wait times at other ports
of entry in the State in which the land border cross-
ing is located—

(A) during the 2-year period preceding the
designation of the land border crossing as a 24-
hour commercial port of entry; and

(B) after the land border crossing becomes
fully operational as a 24-hour commercial port
of entry.

SEC. 407. ELIMINATION OF CONSUMPTIVE DEMAND EXCEP-
TION TO PROHIBITION ON IMPORTATION OF
GOODS MADE WITH CONVICT LABOR,
FORCED LABOR, OR INDENTURED LABOR; RE-
PORT.

(a) ELIMINATION OF CONSUMPTIVE DEMAND EX-
CEPTION.—

(1) IN GENERAL.—Section 307 of the Tariff
Act of 1930 (19 U.S.C. 1307) is amended by strik-
ing “The provisions of this section” and all that fol-

ows through “of the United States.”

(2) **EFFECTIVE DATE.**—The amendment made

by paragraph (1) shall take effect on the date that

is 15 days after the date of the enactment of this

Act.

(b) **REPORT REQUIRED.**—Not later than 180 days

after the date of the enactment of this Act, and annually

thereafter, the Commissioner shall submit to the Com-

mittee on Finance of the Senate and the Committee on

Ways and Means of the House of Representatives a report

on compliance with section 307 of the Tariff Act of 1930

(19 U.S.C. 1307) that includes the following:

(1) The number of instances in which merchan-

dise was denied entry pursuant to that section dur-

ing the 1-year period preceding the submission of

the report.

(2) A description of the merchandise denied

entry pursuant to that section.

(3) Such other information as the Commis-

sioner considers appropriate with respect to moni-

toring and enforcing compliance with that section.

**SEC. 408. HONEY TRANSSHIPMENT.**

(a) **IN GENERAL.**—The Commissioner of U.S. Cus-

toms and Border Protection shall direct appropriate per-
sonnel and resources of the U.S. Customs and Border Protection Agency to address concerns that honey is being imported into the United States in violation of the customs and trade laws of the United States.

(b) Country of Origin.—

(1) In General.—The Commissioner of U.S. Customs and Border Protection shall compile a database of the individual characteristics of honey produced in foreign countries to facilitate the verification of country of origin markings of imported honey.

(2) Engagement with Foreign Governments.—The Commissioner shall seek to engage the customs agencies of foreign governments for assistance in compiling the database described in paragraph (1).

(3) Consultation with Industry.—In compiling the database described in paragraph (1), the Commissioner shall consult with entities in the honey industry regarding the development of industry standards for honey identification.

(4) Consultation with Food and Drug Administration.—In compiling the database described in paragraph (1), the Commissioner shall consult with the Commissioner of Food and Drugs.
(c) REPORT REQUIRED.—Not later than 180 days after the date of the enactment of this Act, the Commissioner of U.S. Customs and Border Protection shall submit to Congress a report that—

(1) describes and assesses the limitations in the existing analysis capabilities of laboratories with respect to determining the country of origin of honey samples or the percentage of honey contained in a sample; and

(2) includes any recommendations of the Commissioner for improving such capabilities.

(d) SENSE OF CONGRESS.—It is the sense of Congress that the Commissioner of Food and Drugs should promptly establish a national standard of identity for honey for the Commissioner of U.S. Customs and Border Protection to use to ensure that imports of honey are—

(1) classified accurately for purposes of assessing duties; and

(2) denied entry into the United States if such imports pose a threat to the health or safety of consumers in the United States.

SEC. 409. CONTRABAND ARCHAEOLOGICAL OR ETHNOLOGICAL MATERIALS.

(a) IN GENERAL.—The Commissioner shall ensure that appropriate personnel of the U.S. Customs and Bor-
der Protection Agency are trained in the detection, identification, and detention of archaeological or ethnological materials the importation of which violates the customs and trade laws of the United States.

(b) Training.—The Commissioner is authorized to accept training and other support services from experts outside of the Federal Government in the detection, identification, and detention of archaeological or ethnological materials described in subsection (a).

SEC. 410. DE MINIMIS VALUE AND ENTRY UNDER REGULATIONS.

(a) Increase in Maximum Value of Articles That May Be Imported Duty-Free by One Person on One Day.—

(1) In General.—Section 321(a)(2)(C) of the Tariff Act of 1930 (19 U.S.C. 1321(a)(2)(C)) is amended by striking “$200” and inserting “$800”.

(2) Effective Date.—The amendment made by paragraph (1) shall apply with respect to articles entered, or withdrawn from warehouse for consumption, on or after the 15th day after the date of the enactment of this Act.

(b) Entry Under Regulations.—Section 498 of the Tariff Act of 1930 (19 U.S.C. 1498) is amended—
(1) in subsection (a), by striking paragraph (1) and inserting the following:

“(1) Merchandise, when different commercial facilitation and risk considerations that may vary for different classes or kinds of merchandise or different classes of transactions may dictate;”;

(2) by redesignating subsection (b) as subsection (c); and

(3) by inserting after subsection (a) the following:

“(b) ENTRY OF MERCHANDISE VALUED AT $2,500 OR LESS.—

“(1) IN GENERAL.—Except as provided in paragraph (2), the Secretary of the Treasury shall prescribe rules and regulations for the declaration and entry of merchandise if the aggregate value of the shipment of merchandise does not exceed $2,500.

“(2) EXCEPTION.—The rules and regulations prescribed under paragraph (1) shall not apply to merchandise that—

“(A) has a value in excess of $250; and

“(B) is classified under section VII, VIII, XI, or XII, chapter 94, or subchapter III or IV of chapter 99 of the Harmonized Tariff Schedule of the United States.”.
SEC. 411. REPEAL OF AUTHORITY OF U.S. CUSTOMS AND
BORDER PROTECTION AGENCY TO ENTER
INTO CERTAIN REIMBURSABLE FEE AGREEMENTS.

Section 560 of the Department of Homeland Security Appropriations Act, 2013 (division D of the Consolidated and Further Continuing Appropriations Act, 2013) is repealed.