

(2) the C-TPAT participant has entered into a contract with the third party entity under which the C-TPAT participant agrees to pay all costs associated with the validation.

**(g) Monitoring**

**(1) In general**

The Secretary shall regularly monitor and inspect the operations of a third party entity conducting validations under subsection (c) to ensure that the entity is meeting the minimum standard operating procedures and requirements for the validation of C-TPAT participants established by the Secretary and all other applicable requirements for validation services.

**(2) Revocation**

If the Secretary determines that a third party entity is not meeting the minimum standard operating procedures and requirements designated by the Secretary under subsection (d)(1), the Secretary shall—

- (A) revoke the entity's certificate of conformance issued under subsection (d)(1); and
- (B) review any validations conducted by the entity.

**(h) Limitation on authority**

The Secretary may only grant a C-TPAT validation by a third party entity pursuant to subsection (c) if the C-TPAT participant voluntarily submits to validation by such third party entity.

**(i) Report**

Not later than 30 days after the completion of the pilot program conducted pursuant to subsection (c), the Secretary shall submit a report to the appropriate congressional committees that contains—

- (1) the results of the pilot program, including the extent to which the pilot program ensured sufficient protection for proprietary commercial information;
- (2) the cost and efficiency associated with validations under the pilot program;
- (3) the impact of the pilot program on the rate of validations conducted under C-TPAT;
- (4) any impact on national security of the pilot program; and
- (5) any recommendations by the Secretary based upon the results of the pilot program.

(Pub. L. 109-347, title II, §218, Oct. 13, 2006, 120 Stat. 1912.)

**Editorial Notes**

**REFERENCES IN TEXT**

This Act, referred to in subsec. (e), is Pub. L. 109-347, Oct. 13, 2006, 120 Stat. 1884, known as the Security and Accountability For Every Port Act of 2006 or the SAFE Port Act. For complete classification of this Act to the Code, see Tables.

**§ 969. Revalidation**

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

- (1) a revalidation process for Tier 2 and Tier 3 participants;
- (2) a framework based upon objective criteria for identifying participants for periodic

revalidation not less frequently than once during each 4-year period following the initial validation; and

(3) an annual plan for revalidation that includes—

- (A) performance measures;
- (B) an assessment of the personnel needed to perform the revalidations; and
- (C) the number of participants that will be revalidated during the following year.

(Pub. L. 109-347, title II, §219, Oct. 13, 2006, 120 Stat. 1913.)

**§ 970. Noncontainerized cargo**

The Secretary, acting through the Commissioner, shall consider the potential for participation in C-TPAT by importers of noncontainerized cargoes that otherwise meet the requirements under this part.

(Pub. L. 109-347, title II, §220, Oct. 13, 2006, 120 Stat. 1914.)

**§ 971. C-TPAT program management**

**(a) In general**

The Secretary, acting through the Commissioner, shall establish sufficient internal quality controls and record management to support the management systems of C-TPAT. In managing the program, the Secretary shall ensure that the program includes:

**(1) Strategic plan**

A 5-year plan to identify outcome-based goals and performance measures of the program.

**(2) Annual plan**

An annual plan for each fiscal year designed to match available resources to the projected workload.

**(3) Standardized work program**

A standardized work program to be used by agency personnel to carry out the certifications, validations, and revalidations of participants. The Secretary shall keep records and monitor staff hours associated with the completion of each such review.

**(b) Documentation of reviews**

The Secretary, acting through the Commissioner, shall maintain a record management system to document determinations on the reviews of each C-TPAT participant, including certifications, validations, and revalidations.

**(c) Confidential information safeguards**

In consultation with the Commercial Operations Advisory Committee, the Secretary, acting through the Commissioner, shall develop and implement procedures to ensure the protection of confidential data collected, stored, or shared with government agencies or as part of the application, certification, validation, and revalidation processes.

**(d) Resource management staffing plan**

The Secretary, acting through the Commissioner, shall—

- (1) develop a staffing plan to recruit and train staff (including a formalized training