

## Calendar No. 424

109TH CONGRESS  
2D SESSION**S. 2459**

To improve cargo security, and for other purposes.

## IN THE SENATE OF THE UNITED STATES

MARCH 27, 2006

Ms. COLLINS (for herself, Mrs. MURRAY, Mr. COLEMAN, Mr. LIEBERMAN, Mr. DEWINE, Mr. SALAZAR, and Mr. SANTORUM) introduced the following bill; which was read twice and referred to the Committee on Homeland Security and Governmental Affairs

MAY 5, 2006

Reported by Ms. COLLINS, with an amendment

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

**A BILL**

To improve cargo security, 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 the5 ~~“GreenLane Maritime Cargo Security Act”.~~6 (b) ~~TABLE OF CONTENTS.~~—The table of contents for7 ~~this Act~~ is as follows:

Sec. 1: Short title; table of contents.  
 Sec. 2: Findings.  
 Sec. 3: Definitions.  
 Sec. 4: Strategy.  
 Sec. 5: Under Secretary for Policy.  
 Sec. 6: Container security standards and procedures.  
 Sec. 7: Radiation detection and radiation safety.  
 Sec. 8: Container Security Initiative.  
 Sec. 9: Customs-Trade Partnership Against Terrorism.  
 Sec. 10: GreenLane designation.  
 Sec. 11: Joint operations center.  
 Sec. 12: Research, development, test, and evaluation.  
 Sec. 13: Port Security Grant Program.  
 Sec. 14: Authorization of appropriations.

## 1 **SEC. 2. FINDINGS.**

2 Congress makes the following findings:

3 (1) Maritime vessels are the primary mode of  
 4 transportation for international trade and they carry  
 5 over 80 percent of international trade by volume.  
 6 Improving the security of this complex supply chain  
 7 is critical for the prosperity and liberty of all na-  
 8 tions.

9 (2) In 2004, approximately 9,700,000 shipping  
 10 containers came into the United States through the  
 11 Nation's seaports, averaging nearly 27,000 per day.

12 (3) In May 2002, the Brookings Institution es-  
 13 timated that costs associated with United States  
 14 port closures from a detonated terrorist weapon  
 15 could add up to \$1,000,000,000,000 from the result-  
 16 ing economic slump and changes in our Nation's  
 17 ability to trade. Although the October 2002 west  
 18 coast port closures were anticipated, such closures

1 cost the American economy approximately  
2 \$1,000,000,000 per day for the first 5 days.

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

11 (5) The April 2005 Government Accountability  
12 Office report entitled “CONTAINER SECURITY:  
13 A Flexible Staffing Model and Minimum Equipment  
14 Requirements Would Improve Overseas Targeting  
15 and Inspection Efforts” reported that the effective-  
16 ness of the Container Security Initiative is com-  
17 promised when containers screened by the Bureau of  
18 Customs and Border Protection and identified as  
19 high-risk are not properly inspected and examined  
20 by foreign governments.

21 (6) The March 2005 Government Account-  
22 ability Office report entitled, “CARGO SECURITY:  
23 Partnership Program Grants Importers Reduced  
24 Scrutiny with Limited Assurance of Improved Secu-  
25 rity”, reports that the terrorist events of September

1        11, 2001, raised concerns about the potential use of  
2        company supply chains, particularly oceangoing  
3        cargo containers, to move weapons of mass destruc-  
4        tion to the United States. While the likelihood of  
5        such use of containers is considered low, the move-  
6        ment of oceangoing containerized cargo is vulnerable  
7        to some form of terrorist action. Such action, includ-  
8        ing attempts to smuggle either fully assembled weap-  
9        ons of mass destruction or their individual compo-  
10       nents, could lead to widespread death and damage.

11       (7) In August 2005, the President issued the  
12       National Strategy for Maritime Security, which  
13       notes that the probability of a hostile state using a  
14       weapon of mass destruction (referred to in this sec-  
15       tion as “WMD”) will increase during the next dec-  
16       ade. WMD are of great concern since the maritime  
17       sector is the most likely to be used to bring a WMD  
18       into the United States. In addition, the adoption of  
19       a “just-in-time delivery approach to shipping by  
20       most industries, rather than stockpiling or maintain-  
21       ing operating reserves of energy, raw materials, and  
22       key components, means that a disruption or slowing  
23       of the flow of almost any item can have widespread  
24       implications for the overall market and national  
25       economy”.

1           (8) Significant enhancements can be achieved  
2           by applying a layered approach to supply chain secu-  
3           rity, though such layers must be developed in a co-  
4           ordinated fashion. Current supply chain security  
5           programs within the Federal government have been  
6           independently operated, often falling short of gains  
7           which could be made had coordination taken place.

8           (9) In a May 26, 2005, hearing of the Perma-  
9           nent Subcommittee on Investigations of the Com-  
10          mittee on Homeland Security and Governmental Af-  
11          fairs of the Senate, key concerns with the Depart-  
12          ment's supply chain security programs were noted,  
13          including—

14                (A) only 17.5 percent of the cargo that the  
15                Bureau of Customs and Border Protection had  
16                identified as high-risk is inspected overseas;

17                (B) equipment, such as radiation detection  
18                devices and nonintrusive imaging machines,  
19                used overseas for inspections are untested and  
20                of unknown quality;

21                (C) the Bureau of Customs and Border  
22                Protection has failed to develop performance  
23                measures for the Container Security Initiative  
24                that would validate CSI port designations and  
25                justify the deployment of personnel overseas;

1           (D) the lack of such performance measures  
2           and an assessment for staffing allocations has  
3           lead to some CSI ports being overstaffed while  
4           others are inadequately staffed;

5           (E) substantial benefits including fewer in-  
6           spections are provided to importers enrolled in  
7           the C-TPAT program without a thorough re-  
8           view or validation of their supply chain security  
9           profiles; and

10          (F) the validation procedures and require-  
11          ments are not sufficiently rigorous to ensure  
12          the C-TPAT member's security procedures are  
13          adequate.

14          (10) The statement of managers accompanying  
15          the conference report on the Department of Home-  
16          land Security Appropriations Act, 2005 (Public Law  
17          108-334) directed the Under Secretary for Border  
18          and Transportation Security to "submit a report to  
19          the Congress no later than February 8, 2005, which  
20          identified: (1) the steps the Department has taken  
21          to date to enhance shipping container security; (2)  
22          the resources that have been devoted to shipping  
23          container security in prior fiscal years and the pro-  
24          posed resources to continue this security; (3) the re-  
25          sults of on-going projects, such as Operation Safe

1 Commerce, CSI, C-TPAT and others; (4) which de-  
2 partmental entity has primary responsibility for im-  
3 plementing the needed changes; and (5) the steps  
4 the entity with primary responsibility will take to  
5 implement these changes, including a specific sched-  
6 ule for the development and issuance of standards,  
7 policies, procedures, or regulations.”. The statement  
8 of managers accompanying the conference report on  
9 the Department of Homeland Security Appropria-  
10 tions Act, 2006 (Public Law 109-90) directed the  
11 Department of Homeland Security to conduct a new  
12 review regarding cargo container security; stating  
13 “on June 9, 2005, the Department submitted a re-  
14 port on cargo container security which was 4 months  
15 overdue and did not meet the needs outlined in the  
16 statement of managers accompanying the conference  
17 report on the Department of Homeland Security Ap-  
18 propriations Act, 2005 (Public Law 108-334).”.

19 (11) While it is impossible to completely remove  
20 the risk of terrorist attacks, security measures in the  
21 transport sector designed to counter terrorism can  
22 add certainty and stability to the global economy,  
23 raise investor confidence, and facilitate trade. Some  
24 counterterrorism costs are integral to the price that  
25 must be paid to protect society. However, counter-

terrorism measures can also present an opportunity to find and agree on measures that combine the imperative to fight terrorism with the possibility of increased efficiency in the system. These efficiency gains are maximized when all nations adopt them.

(12) The World Customs Organization has taken a positive step in furtherance of international supply chain security in publishing the Framework of Standards to Secure and Facilitate Global Trade, which outlines a set of minimum standards designed to—

(A) establish standards for security and trade facilitation;

(B) enable integrated supply chain management;

(C) enhance the capabilities of customs administrations; and

(D) promote cooperation between the customs and business communities.

(13) The shipping industry has a responsibility to monitor, self-assess, and report on the risks associated with goods under their control or use. The public sector must offer incentives for companies to invest in security in order to promote information sharing and other public-benefit outcomes.



1           (14) Increasing the transparency of the supply  
 2 chain will assist in mitigating the impact of an inci-  
 3 dent by allowing for targeted shutdown of the inter-  
 4 national supply chain and expedited restoration of  
 5 commercial traffic.

6 **SEC. 3. DEFINITIONS.**

7       In this Act:

8           (1) **AUTOMATED TARGETING SYSTEM.**—The  
 9 term “Automated Targeting System” means the sys-  
 10 tem established by the Bureau of Customs and Bor-  
 11 der Protection to assess imports and target those  
 12 imports which pose a high risk of containing contra-  
 13 band.

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

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

23          (4) **CONTAINER SECURITY INITIATIVE; CSI.**—  
 24 The terms “Container Security Initiative” and  
 25 “CSI” mean the program authorized under section

1 8 to identify and examine maritime containers that  
 2 pose a risk for terrorism at foreign ports before they  
 3 are shipped to the United States.

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

11 (6) ~~DEPARTMENT.~~—The term “Department”  
 12 means the Department of Homeland Security.

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

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

24 (9) ~~INSPECTION.~~—The term “inspection”  
 25 means the comprehensive process used by the Bu-

1       reau of Customs and Border Protection for assess-  
2       ing goods entering the United States to appraise  
3       them for duty purposes; to detect the presence of re-  
4       stricted or prohibited items; and to ensure compli-  
5       ance with all applicable laws. This process may in-  
6       clude screening; conducting an examination; or con-  
7       ducting a search.

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

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

22          (12) POINT OF ORIGIN.—The term “point of  
23      origin”, in the case of goods, means the point at  
24      which such goods are assembled into the smallest ex-

1       terior packaging unit for movement through the  
2       international supply chain.

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

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

14          ~~(15)~~   SECRETARY.—The term “Secretary”  
15       means the Secretary of Homeland Security.

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

21          ~~(17)~~   SUPPLY CHAIN VISIBILITY PROCEDURE.—  
22       The term “supply chain visibility procedure” means  
23       a system or process capable of tracking goods at the  
24       smallest exterior packaging unit level from their

1 point of origin to the point of loading into a con-  
 2 tainer entering the international supply chain.

3 ~~(18)~~ ~~TRANSPORTATION SECURITY INCIDENT.~~—

4 The term “transportation security incident” has the  
 5 meaning given such term in section 70101(6) of title  
 6 46, United States Code.

7 **SEC. 4. STRATEGY.**

8 ~~(a)~~ ~~STRATEGIC PLAN.~~—

9 ~~(1)~~ ~~IN GENERAL.~~—Not later than 180 days  
 10 after the date of enactment of this Act, the Sec-  
 11 retary, in consultation with appropriate Federal,  
 12 State, local, and tribal government agencies and pri-  
 13 vate sector stakeholders responsible for security mat-  
 14 ters that affect or relate to the movement of con-  
 15 tainers through the international supply chain, shall  
 16 submit a comprehensive strategic plan to enhance  
 17 international supply chain security for all modes of  
 18 transportation by which containers arrive in, depart  
 19 from, or move through seaports of the United States  
 20 to—

21 ~~(A)~~ the Committee on Homeland Security  
 22 and Governmental Affairs of the Senate;

23 ~~(B)~~ the Committee on Appropriations of  
 24 the Senate;

1           (C) the Committee on Homeland Security  
2 of the House of Representatives; and

3           (D) the Committee on Appropriations of  
4 the House of Representatives.

5           (2) CONTENT.—The strategic plan submitted  
6 under paragraph (1) shall—

7           (A) clarify and delineate the roles, respon-  
8 sibilities, and authorities of Federal, State,  
9 local, and tribal government agencies and pri-  
10 vate sector stakeholders that relate to the secu-  
11 rity of the movement of containers through the  
12 international supply chain;

13           (B) provide measurable goals, including  
14 objectives, mechanisms, and a schedule, for fur-  
15 thering the security of commercial operations  
16 from point of origin to point of destination;

17           (C) build on available resources and con-  
18 sider costs and benefits;

19           (D) identify mandatory, baseline security  
20 goals, and the minimum container security  
21 standards and procedures described in section  
22 6;

23           (E) provide incentives for additional vol-  
24 untary measures to enhance cargo security, as

1 determined by the Secretary and under the  
2 GreenLane Program under section 10;

3 ~~(F)~~ include a process for sharing intel-  
4 ligence and information with private sector  
5 stakeholders to assist in their security efforts;

6 ~~(G)~~ identify a framework for prudent and  
7 measured response in the event of a transpor-  
8 tation security incident involving the inter-  
9 national supply chain;

10 ~~(H)~~ provide a plan for the expeditious re-  
11 sumption of the flow of legitimate trade in ac-  
12 cordance with paragraph ~~(3)~~;

13 ~~(I)~~ focus on the secure movement of con-  
14 tainerized cargo through the international sup-  
15 ply chain; and

16 ~~(J)~~ expand upon and relate to existing  
17 strategies and plans, including the National  
18 Strategy for Maritime Security.

19 ~~(3) RESUMPTION OF TRADE.—~~

20 ~~(A) IN GENERAL.—~~The Secretary shall de-  
21 velop protocols for the resumption of trade in  
22 the event of a transportation security incident  
23 that necessitates the suspension of trade  
24 through contingency and continuity planning

1 that ensure trade lanes are restored as quickly  
 2 as possible.

3 ~~(B) PREFERENCES.—~~In reestablishing the  
 4 flow of cargo through ports of entry in the  
 5 United States after a transportation security in-  
 6 cident, the Secretary shall give preference to  
 7 vessels—

8 (i) having a vessel security plan ap-  
 9 proved or accepted under section 70103(e)  
 10 of title 46, United States Code;

11 (ii) entering a port of entry directly  
 12 from a foreign port designated under CSI  
 13 or from another foreign port, as deter-  
 14 mined by the Secretary;

15 (iii) operated by validated C-TPAT  
 16 participants; and

17 (iv) carrying GreenLane designated  
 18 cargo.

19 ~~(4) UPDATE.—~~Not less than 3 years after the  
 20 strategic plan is submitted under paragraph (1), the  
 21 Secretary shall submit an update of the strategic  
 22 plan to the Committee on Homeland Security and  
 23 Governmental Affairs of the Senate, the Committee  
 24 on Homeland Security of the House of Representa-  
 25 tives, the Committee on Appropriations of the Sen-



1       ate, and the Committee on Appropriations of the  
2       House of Representatives.

3           ~~(5) CONSULTATIONS.—~~Consultations described  
4       in paragraph ~~(1)~~ shall focus on—

5           ~~(A)~~ designing measurable goals, including  
6           objectives, mechanisms, and a schedule, for fur-  
7           thering the security of the international supply  
8           chain;

9           ~~(B)~~ identifying and addressing gaps in ca-  
10          pabilities, responsibilities, or authorities;

11          ~~(C)~~ identifying and streamlining unneces-  
12          sary overlaps in capabilities, responsibilities, or  
13          authorities; and

14          ~~(D)~~ identifying and making recommenda-  
15          tions regarding legislative, regulatory, and orga-  
16          nizational changes necessary to improve coordi-  
17          nation among the entities or to enhance the se-  
18          curity of the international supply chain.

19          ~~(6) UTILIZATION OF ADVISORY COMMITTEES.—~~

20       As part of the consultative process, the Secretary is  
21       encouraged to utilize the Homeland Security Advi-  
22       sory Committee, the National Maritime Security Ad-  
23       visory Committee, and the Commercial Operations  
24       Advisory Committee to review, as necessary, the

1 draft strategic plan and any subsequent update to  
2 that plan.

3 (7) INTERNATIONAL STANDARDS AND PRACTICES.—In furtherance of the strategic plan, the  
4 Secretary is encouraged to consider proposed or es-  
5 tablished standards and practices of foreign govern-  
6 ments and international organizations, including the  
7 International Maritime Organization, the World  
8 Customs Organization, the International Labor Or-  
9 ganization, and the International Organization for  
10 Standardization, as appropriate, to establish stand-  
11 ards and best practices for the security of containers  
12 moving through the international supply chain.

13 (b) IMPROVEMENTS TO AUTOMATED TARGETING  
14 SYSTEM.—

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

21 (2) CONTENTS.—

22 (A) TREATMENT OF RECOMMENDATIONS.—The Secretary shall include in the plan  
23 required under paragraph (1) a schedule for  
24  
25

1 completing all outstanding corrective actions  
2 recommended by the Comptroller General of the  
3 United States, the Inspector General of the De-  
4 partment of the Treasury, and the Inspector  
5 General of the Department with respect to the  
6 operation of the Automated Targeting System.

7 (B) INFORMATION SUBMISSIONS.—In de-  
8 veloping the plan under paragraph (1), the Sec-  
9 retary shall consider the cost, benefit, and feasi-  
10 bility of—

11 (i) requiring additional nonmanifest  
12 documentation for each container, includ-  
13 ing purchase orders, shipper's letters of in-  
14 struction, commercial invoices, letters of  
15 credit, certificates of origin, advance ship-  
16 ping notices, vessel stow plans, and certain  
17 container status messages, when created;

18 (ii) reducing the time period allowed  
19 by law for revisions to a container cargo  
20 manifest;

21 (iii) reducing the time period allowed  
22 by law for submission of entry data for  
23 vessel or cargo; and

24 (iv) such other actions the Secretary  
25 considers beneficial for improving the in-

1 formation relied upon for the Automated  
2 Targeting System and any other targeting  
3 systems in furthering the security and in-  
4 tegrity of the international supply chain.

5 (C) OUTSIDE REVIEW.—The Secretary  
6 shall conduct, through an independent panel, a  
7 review of the Automated Targeting System.  
8 The results of this review shall be included in  
9 the plan submitted under paragraph (1).

10 (D) SMART SYSTEM.—The Secretary shall  
11 consider future iterations of the Automated  
12 Targeting System, which would incorporate  
13 smart features, such as more complex algo-  
14 rithms and real-time intelligence, instead of re-  
15 lying solely on rule sets that are periodically up-  
16 dated.

17 (3) NEW OR EXPANDED INFORMATION SUBMIS-  
18 SIONS.—In considering any new or expanded infor-  
19 mation submission requirements, the Secretary shall  
20 consult with stakeholders and identify the need for  
21 such information, and the appropriate timing of its  
22 submission, in the plan submitted under paragraph  
23 (1).

24 (4) SECURE TRANSMISSION OF CERTAIN INFOR-  
25 MATION.—All information required by the Depart-

1       ment from supply chain partners shall be trans-  
 2       mitted in a secure fashion, as determined by the  
 3       Secretary, so as to protect the information from un-  
 4       authorized access.

5       (c) UNIFORM DATA FOR GOVERNMENT-WIDE  
 6       USAGE.—

7               (1) ESTABLISHMENT.—The Secretary, in con-  
 8       junction with representatives from the Department,  
 9       the Department of Transportation, the Department  
 10      of Health and Human Services, the Department of  
 11      Agriculture, the Department of Commerce, the De-  
 12      partment of State, the Department of Defense, the  
 13      Department of Justice, the Department of the Inte-  
 14      rior, and other appropriate Federal agencies, as de-  
 15      termined by the Secretary, shall establish and imple-  
 16      ment a single, uniform data system for the electronic  
 17      collection, dissemination, and sharing of import and  
 18      export information to increase the efficiency of data  
 19      submission and the security of such data related to  
 20      border security, trade, and public health and safety  
 21      of international cargoes (referred to in this sub-  
 22      section as the “International Trade Data System”).

23              (2) INTERAGENCY STEERING GROUP.—The  
 24      Deputy Director for Management of the Office of  
 25      Management and Budget (referred to in this sub-

1 section as the “Deputy Director”), pursuant to re-  
 2 sponsibilities under chapter 36 of title 44, United  
 3 States Code, shall establish an executive level, inter-  
 4 departmental steering group (referred to in this sub-  
 5 section as the “Interdepartmental Steering Group”),  
 6 comprised of representatives of the departments list-  
 7 ed in paragraph (1), to coordinate, the establish-  
 8 ment, investment in, and implementation of the  
 9 International Trade Data System.

10 (3) IMPLEMENTATION.—Not later than 1 year  
 11 after the date of enactment of this Act, the Deputy  
 12 Director, through the Interdepartmental Steering  
 13 Group, shall complete the development of the har-  
 14 monized data set of import and export information  
 15 submitted to agencies with a presence at the inter-  
 16 national border of the United States.

17 (4) PRIVATE SECTOR CONSULTATION.—The  
 18 Secretary and the Interdepartmental Steering Group  
 19 shall consult with private sector stakeholders in de-  
 20 veloping the uniform data submission requirements,  
 21 procedures, and schedules.

22 (5) JOINT INSPECTIONS PROCEDURES.—The  
 23 Deputy Director, through the Interdepartmental  
 24 Steering Group, shall develop plans for longer term  
 25 uses of the International Trade Data System, in-

1 including facilitating joint cargo inspections by mul-  
 2 tiple Federal agencies to meet their respective re-  
 3 quirements.

4 **SEC. 5. UNDER SECRETARY FOR POLICY.**

5 (a) UNDER SECRETARY FOR POLICY.—The Home-  
 6 land Security Act of 2002 (6 U.S.C. 101 et seq.) is amend-  
 7 ed—

8 (1) by redesignating title VI and section 601 as  
 9 title XVIII and section 1801, respectively, and  
 10 transferring that title to the end of the Act; and

11 (2) by inserting after title V the following:

12 **“TITLE VI—UNDER SECRETARY**  
 13 **FOR POLICY**

14 **“SEC. 601. UNDER SECRETARY FOR POLICY.**

15 “(a) IN GENERAL.—There shall be in the Depart-  
 16 ment an Under Secretary for Policy, who shall be ap-  
 17 pointed by the President, by and with the advice and con-  
 18 sent of the Senate.

19 “(b) RESPONSIBILITIES.—Subject to the direction,  
 20 authority, and control of the Secretary, the responsibilities  
 21 of the Under Secretary for Policy shall be as follows:

22 “(1) POLICY.—

23 “(A) To serve as the principal policy advi-  
 24 sor to the Secretary.

1           “(B) To provide overall direction and su-  
2           pervision for policy development to programs,  
3           offices, and activities of the Department.

4           “(C) To establish and direct a formal pol-  
5           icymaking process for the Department.

6           “(D) To analyze, evaluate, and review  
7           completed, ongoing, and proposed programs, to  
8           ensure they are compatible with the Secretary’s  
9           priorities, strategic plans, and policies.

10          “(2) STRATEGIC PLANNING.—

11           “(A) To conduct long-range, strategic  
12           planning for the Department.

13           “(B) To prepare national and Department  
14           strategies, as appropriate.

15           “(C) To conduct net assessments of issues  
16           facing the Department.

17           “(D) To conduct reviews of the Depart-  
18           ment to ensure the implementation of this para-  
19           graph.

20          “(3) INTERNATIONAL RESPONSIBILITIES.—

21           “(A) To promote informational and edu-  
22           cational exchange with nations friendly to the  
23           United States in order to promote sharing of  
24           best practices and technologies relating to  
25           homeland security, including—



1           “(i) the exchange of information on  
2           research and development on homeland se-  
3           curity technologies;

4           “(ii) joint training exercises of first  
5           responders; and

6           “(iii) exchanging expertise and infor-  
7           mation on terrorism prevention, response,  
8           and crisis management.

9           “(B) To identify areas for homeland secu-  
10          rity informational and training exchange where  
11          the United States has a demonstrated weakness  
12          and another friendly nation or nations have a  
13          demonstrated expertise.

14          “(C) To plan and undertake international  
15          conferences, exchange programs (including the  
16          exchange of scientists, engineers, and other ex-  
17          perts), and other training activities.

18          “(D) To manage international activities  
19          within the Department in coordination with  
20          other Federal officials with responsibility for  
21          counterterrorism matters.

22          “(4) PRIVATE SECTOR.—

23                 “(A) To create and foster strategic com-  
24                 munications with the private sector to enhance

1 the primary mission of the Department to pro-  
2 tect the American homeland.

3 “(B) To advise the Secretary on the im-  
4 pact of the policies, regulations, processes, and  
5 actions of the Department on the private sector.

6 “(C) To interface with other relevant Fed-  
7 eral agencies with homeland security missions  
8 to assess the impact of the actions of such  
9 agencies on the private sector.

10 “(D) To create and manage private sector  
11 advisory councils composed of representatives of  
12 industries and associations designated by the  
13 Secretary—

14 “(i) to advise the Secretary on private  
15 sector products, applications, and solutions  
16 as they relate to homeland security chal-  
17 lenges; and

18 “(ii) to advise the Secretary on home-  
19 land security policies, regulations, proc-  
20 esses, and actions that affect the partici-  
21 pating industries and associations.

22 “(E) To work with Federal laboratories,  
23 federally funded research and development cen-  
24 ters, other federally funded organizations, aca-  
25 demia, and the private sector to develop innova-

1           tive approaches to address homeland security  
2           challenges to produce and deploy the best avail-  
3           able technologies for homeland security mis-  
4           sions.

5           “(F) To promote existing public-private  
6           partnerships and develop new public-private  
7           partnerships to provide for collaboration and  
8           mutual support to address homeland security  
9           challenges.

10          “(G) To assist in the development and pro-  
11          motion of private sector best practices to secure  
12          critical infrastructure.

13          “(H) To coordinate industry efforts, with  
14          respect to functions of the Department, to iden-  
15          tify private sector resources and capabilities  
16          that could be effective in supplementing Fed-  
17          eral, State, and local government agency efforts  
18          to prevent or respond to a terrorist attack.

19          “(I) To coordinate among Department op-  
20          erating entities and with the Assistant Sec-  
21          retary for Trade Development of the Depart-  
22          ment of Commerce on issues related to the trav-  
23          el and tourism industries.”.

1       (b) ~~TECHNICAL AND CONFORMING AMENDMENTS.—~~

2       The Homeland Security Act of 2002 (6 U.S.C. 101 et  
3       seq.) is amended—

4               (1) in section 103—

5                       (A) by redesignating paragraphs (6)  
6                       through (10) as paragraphs (7) through (11),  
7                       respectively; and

8                       (B) by inserting after paragraph (5) the  
9                       following:

10                      “(6) An Under Secretary for Policy.”;

11                      (2) by striking section 879; and

12                      (3) in the table of contents—

13                               (A) by redesignating the items relating to  
14                               title VI and section 601 as items relating to  
15                               title XVIII and section 1801, respectively; and  
16                               transferring the items relating to that title and  
17                               section to the end of the table of contents;

18                               (B) by striking the item relating to section  
19                               879; and

20                               (C) by inserting before the item relating to  
21                               title VII the following:

                              “TITLE VI—UNDER SECRETARY FOR POLICY

                              “Sec. 601. Under Secretary for Policy.”.

22       (c) ~~OFFICE OF CARGO SECURITY POLICY.—~~Subtitle

23       C of title IV of the Homeland Security Act of 2002 (6

1 U.S.C. 231 et seq.) is amended by adding at the end the  
 2 following:

3 **“SEC. 431. OFFICE OF CARGO SECURITY POLICY.**

4       “(a) **ESTABLISHMENT.**—There is established within  
 5 the Department an Office of Cargo Security Policy (re-  
 6 ferred to in this section as the ‘Office’).

7       “(b) **PURPOSE.**—The Office shall—

8               “(1) coordinate all Department policies and  
 9 programs relating to cargo security; and

10              “(2) consult with stakeholders and work with  
 11 other Federal agencies to establish standards and  
 12 regulations and to promote best practices.

13       “(c) **DIRECTOR.**—

14              “(1) **APPOINTMENT.**—The Office shall be head-  
 15 ed by a Director, who shall—

16                      “(A) be appointed by the Secretary; and

17                      “(B) report to the Under Secretary for  
 18 Policy.

19       “(2) **RESPONSIBILITIES.**—The Director shall—

20                      “(A) advise the Secretary and the Under  
 21 Secretary for Policy regarding all aspects of  
 22 Department programs relating to cargo secu-  
 23 rity;

24                      “(B) develop Department-wide policies re-  
 25 garding cargo security;

1           ~~“(C) coordinate the cargo security policies~~  
 2           ~~and programs of the Department with other ex-~~  
 3           ~~ecutive agencies; and~~

4           ~~“(D) coordinate all programs of the De-~~  
 5           ~~partment relating to cargo security.”.~~

6       ~~(d) DESIGNATION OF LIAISON OFFICE OF DEPART-~~  
 7       ~~MENT OF STATE.—The Secretary of State shall designate~~  
 8       ~~a liaison office within the Department of State to assist~~  
 9       ~~the Secretary, as appropriate in negotiating cargo security~~  
 10       ~~related international agreements; in conducting activities~~  
 11       ~~under this Act; and other responsibilities as assigned by~~  
 12       ~~the Secretary of State.~~

13       **SEC. 6. CONTAINER SECURITY STANDARDS AND PROCE-**  
 14       **DURES.**

15       ~~(a) ESTABLISHMENT.—~~

16           ~~(1) IN GENERAL.—Not later than 180 days~~  
 17       ~~after the date of enactment of this Act, the Sec-~~  
 18       ~~retary shall establish, by regulation, minimum stand-~~  
 19       ~~ards and procedures for securing containers in tran-~~  
 20       ~~sit to an importer in the United States.~~

21           ~~(2) INFORMATION SOURCES.—The Secretary~~  
 22       ~~shall use information from C-TPAT, Operation Safe~~  
 23       ~~Commerce, any container security program of the~~  
 24       ~~Directorate of Science and Technology, and other se-~~  
 25       ~~curity initiatives to establish the standards and pro-~~

1       cedures described in paragraph (1). Such standards  
 2       may address operation, technology use, and perform-  
 3       ance.

4           (3) DEADLINE FOR ENFORCEMENT.—Not later  
 5       than 2 years after the establishment of standards  
 6       and procedures under subsection (a), all containers  
 7       bound for ports of entry in the United States shall  
 8       meet such standards and procedures.

9       (b) REVIEW AND ENHANCEMENT.—The Secretary  
 10      shall regularly—

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

13           (2) enhance the security standards and proce-  
 14      dures, as appropriate, based on tests of technologies  
 15      as they become commercially available to detect con-  
 16      tainer intrusion and the highest consequence threats,  
 17      particularly weapons of mass destruction, in accord-  
 18      ance with section 11.

19       (c) INTERNATIONAL CARGO SECURITY STAND-  
 20      ARDS.—The Secretary, in consultation with the Secretary  
 21      of State, is encouraged to promote and establish inter-  
 22      national standards for the security of containers moving  
 23      through the international supply chain with foreign gov-  
 24      ernments and international organizations, including the

1 International Maritime Organization and the World Cus-  
 2 toms Organization.

3 **SEC. 7. RADIATION DETECTION AND RADIATION SAFETY.**

4 (a) EXAMINING CONTAINERS.—Not later than 1 year  
 5 after the date of enactment of this Act, all containers en-  
 6 tering the United States shall be examined for radiation.

7 (b) STRATEGY.—

8 (1) IN GENERAL.—Not later than 90 days after  
 9 the date of enactment of this Act, the Secretary  
 10 shall submit a strategy for the deployment of radi-  
 11 ation detection equipment at all ports of entry to—

12 (A) the Committee on Homeland Security  
 13 and Governmental Affairs of the Senate;

14 (B) the Committee on Appropriations of  
 15 the Senate;

16 (C) the Committee on Homeland Security  
 17 of the House of Representatives; and

18 (D) the Committee on Appropriations of  
 19 the House of Representatives.

20 (2) CONTENTS.—The strategy submitted under  
 21 paragraph (1) shall include—

22 (A) the type of equipment to be used;

23 (B) standard operating procedures for ex-  
 24 amining containers with such equipment;



1           ~~(C)~~ a plan detailing the environmental  
 2           health and safety impacts of nonintrusive in-  
 3           spection technology;

4           ~~(D)~~ the Department policy for the using  
 5           nonintrusive inspection equipment; and

6           ~~(E)~~ a classified annex that details plans  
 7           for covert testing.

8       ~~(c)~~ RADIATION SAFETY.—Not later than 90 days  
 9 after the date of enactment of this Act, the Secretary shall  
 10 submit a plan, to the Committee on Homeland Security  
 11 and Governmental Affairs of the Senate, the Committee  
 12 on Appropriations of the Senate, the Committee on Home-  
 13 land Security of the House of Representatives, and the  
 14 Committee on Appropriations of the House of Representa-  
 15 tives, that—

16           ~~(1)~~ details the health and safety impacts of  
 17           nonintrusive inspection technology; and

18           ~~(2)~~ describes the policy of the Bureau of Cus-  
 19           toms and Border Protection for using nonintrusive  
 20           inspection equipment.

21 **SEC. 8. CONTAINER SECURITY INITIATIVE.**

22       ~~(a)~~ AUTHORIZATION.—The Secretary is authorized to  
 23 establish and implement a program (to be known as the  
 24 “Container Security Initiative” or “CSI”) to identify and  
 25 examine maritime containers that pose a risk for terrorism

1 at foreign ports before the containers are shipped to the  
2 United States.

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

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

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

14 (3) the results of the Coast Guard assessments  
15 conducted pursuant to section 70108 of title 46,  
16 United States Code;

17 (4) the capabilities and level of cooperation ex-  
18 pected of the intended host country;

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

23 (6) the potential for amending trade agree-  
24 ments to reflect participation in CSI; and

1           (7) the potential for C-TPAT and GreenLane  
2           cargo traveling from the foreign port.

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

9           (1) the Committee on Homeland Security and  
10          Governmental Affairs of the Senate;

11          (2) the Committee on Appropriations of the  
12          Senate;

13          (3) the Committee on Homeland Security of the  
14          House of Representatives; and

15          (4) the Committee on Appropriations of the  
16          House of Representatives.

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

21          (e) DESIGNATION OF NEW PORTS.—The Secretary  
22 shall not designate a foreign port under CSI unless the  
23 Secretary has completed the assessment required in sub-  
24 section (b) for that port and submitted a report under sub-  
25 section (c) that includes that port.

1       (f) ~~NEGOTIATIONS.~~—The Secretary of State, in con-  
 2       junction with the United States Trade Representative,  
 3       shall enter into trade negotiations with the government of  
 4       each foreign country with a port designated under CSI;  
 5       as appropriate, to ensure full compliance with the require-  
 6       ments under CSI.

7       (g) ~~INSPECTIONS.~~—

8               (1) ~~REQUIREMENTS AND PROCEDURES.~~—The  
 9       Secretary shall—

10               (A) establish technical capability require-  
 11               ments and standard operating procedures for  
 12               the use of nonintrusive inspection and radiation  
 13               detection equipment in conjunction with CSI;

14               (B) require each port designated under  
 15               CSI to operate the equipment in accordance  
 16               with the requirements and procedures estab-  
 17               lished under subparagraph (A); and

18               (C) continually monitor the technologies,  
 19               processes, and techniques used to inspect cargo  
 20               at ports designated under CSI.

21       (2) ~~FOREIGN ASSISTANCE.~~—

22               (A) ~~IN GENERAL.~~—The Secretary, in co-  
 23               ordination with the Secretary of State, the Sec-  
 24               retary of Energy, and other Federal agencies,  
 25               shall identify foreign assistance programs that

could facilitate the implementation of cargo security antiterrorism measures at ports designated under CSI and foreign ports not designated under CSI that lack effective antiterrorism measures.

(B) ~~ACQUISITION.~~—The Secretary may lease or loan nonintrusive inspection and radiation detection equipment for containers to the government of a foreign country for use in ports participating in CSI.

(C) ~~TRAINING.~~—The Secretary may provide training on the use of equipment to foreign personnel at each port designated under CSI.

(h) ~~PERSONNEL.~~—The Secretary shall—

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

(2) deploy personnel in accordance with the assessment under paragraph (1); and

(3) consider the potential for remote targeting in decreasing the number of personnel.

**SEC. 9. CUSTOMS-TRADE PARTNERSHIP AGAINST TERRORISM.**

(a) ~~IN GENERAL.~~—

(1) ~~AUTHORIZATION.~~—The Secretary is authorized to establish a voluntary program (to be known

as the “~~Customs-Trade Partnership Against Ter-~~  
~~rorism~~” or “~~C-TPAT~~”) to strengthen and improve  
the overall security of the international supply chain  
and United States border security.

(2) ~~CORRECTION OF DEFICIENCIES.~~—The Sec-  
retary shall correct the deficiencies of the ~~C-TPAT~~  
program that were identified in the Government Ac-  
countability Office report entitled “~~CARGO SECU-~~  
~~RITY: Partnership Program Grants Importers Re-~~  
~~duced Scrutiny with Limited Assurance of Improved~~  
~~Security~~” (GAO-05-404).

(3) ~~MINIMUM REQUIREMENTS.~~—The Secretary  
shall promulgate regulations that describe the min-  
imum requirements, program tiers, and program  
benefits of ~~C-TPAT~~.

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

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

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

(2) conduct an assessment of its supply chains based upon security criteria established by the Secretary, including—

- (A) business partner requirements;
- (B) container security;
- (C) physical security and access controls;
- (D) personnel security;
- (E) procedural security;
- (F) security training and threat awareness;

and

- (G) information technology security;

(3) implement and maintain security measures and supply chain security practices meeting security criteria; and

(4) meet all other requirements established by the Secretary.

(d) CERTIFICATION.—

(1) GUIDELINES.—Not later than 180 days after the date of enactment of this Act, the Secretary shall update guidelines for certifying a participant's security measures and supply chain security practices.

(2) TIER ONE BENEFITS.—The Secretary may offer limited benefits to C-TPAT participants whose security measures and supply chain security prac-

1        tices have been certified in accordance with the  
 2        guidelines established pursuant to paragraph (1).  
 3        Such benefits may not include reduced scores in the  
 4        Automated Targeting System.

5        (e) VALIDATION.—

6            (1) IN GENERAL.—Not later than 1 year after  
 7        a participant has been certified under subsection  
 8        (d)(1), the Secretary shall validate, directly or  
 9        through certified third parties, the security measures  
 10       and supply chain security practices of that partici-  
 11       pant. Such validation shall include a visit to foreign  
 12       locations utilized by the C-TPAT participant as part  
 13       of the supply chain.

14          (2) GUIDELINES.—Not later than 180 days  
 15       after the date of enactment of this Act, the Sec-  
 16       retary shall update guidelines for validating a par-  
 17       ticipant's security measures and supply chain secu-  
 18       rity practices.

19          (3) CONSEQUENCES FOR FAILED VALIDA-  
 20       TION.—If a C-TPAT participant's security meas-  
 21       ures and supply chain security practices fail to meet  
 22       validation requirements—

23            (A) the participant may not receive the  
 24       benefits of validation; and



1           ~~(B)~~ the Commissioner of the Bureau of  
 2           Customs and Border Protection may deny the  
 3           participant all benefits under ~~C-TPAT~~.

4           ~~(4) RIGHT OF APPEAL.—~~A ~~C-TPAT~~ partici-  
 5           pant described under paragraph ~~(3)~~ may—

6                 ~~(A)~~ file an appeal with the Secretary of the  
 7           Commissioner’s decision under paragraph  
 8           ~~(3)(B)~~ to deny benefits under ~~C-TPAT~~; and

9                 ~~(B)~~ request revalidation.

10           ~~(5) TIER TWO BENEFITS.—~~The Secretary shall  
 11           extend benefits to each participant who has been  
 12           validated under this subsection, which may include—

13                 ~~(A)~~ reduced searches;

14                 ~~(B)~~ priority processing for searches; and

15                 ~~(C)~~ reduced scores in the Automated Tar-  
 16           geting System.

17           ~~(f) REVALIDATION.—~~The Secretary shall establish a  
 18           process for revalidating ~~C-TPAT~~ participants. Such re-  
 19           validation shall occur not less frequently than once during  
 20           every ~~3~~-year period following validation.

21   **SEC. 10. GREENLANE DESIGNATION.**

22           ~~(a) ESTABLISHMENT.—~~The Secretary shall establish  
 23           a third tier of ~~C-TPAT~~ (referred to in this section as the  
 24           “GreenLane”) that offers additional benefits to validated  
 25           ~~C-TPAT~~ participants that demonstrate a sustained com-

1 mitment beyond the minimum requirements for participa-  
2 tion in C-TPAT.

3 (b) BASIC REQUIREMENTS.—Designated GreenLane  
4 participants shall ensure that—

5 (1) entry data is submitted on shipments before  
6 loading;

7 (2) cargo is loaded at a port designated under  
8 CSI, or other foreign port as determined by the Sec-  
9 retary, for transit to the United States;

10 (3) cargo is loaded on a vessel with a vessel se-  
11 curity plan approved or accepted under section  
12 70103(e) of title 46, United States Code;

13 (4) cargo is made available for screening and  
14 examination before loading using technologies, proc-  
15 esses or techniques, as determined by the Secretary;

16 (5) the supply chain visibility procedures estab-  
17 lished by the Secretary are utilized;

18 (6) container security devices meeting the  
19 standards and procedures established by the Sec-  
20 retary are utilized;

21 (7) cargo complies with additional security cri-  
22 teria established by the Secretary beyond the min-  
23 imum requirements for C-TPAT participation under  
24 section 9(e), particularly in the area of access con-  
25 trols; and

1           (8) cargo complies with any other requirements  
2           determined by the Secretary.

3           (c) ~~CONTAINERS TRANSHIPPED THROUGH CANADA~~  
4 ~~OR MEXICO UNDER GREENLANE.~~—Containers entering  
5 the United States under GreenLane at a land border port  
6 of entry shall undergo the equivalent, appropriate level of  
7 inspection and screening for potential compromise by ter-  
8 rorists or terrorist weapons as containers arriving at a  
9 United States port of entry from a foreign port.

10          (d) ~~CONSEQUENCES FOR LACK OF COMPLIANCE.~~—

11           (1) ~~IN GENERAL.~~—Any participant whose secu-  
12 rity measures and supply chain security practices  
13 have been found by the Secretary to be out of com-  
14 pliance with any requirements of the GreenLane  
15 program shall be denied all benefits under  
16 GreenLane.

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

21          (e) ~~NON-CONTAINERIZED CARGO.~~—The Secretary  
22 may consider the potential for participation in the  
23 GreenLane Program by importers of non-containerized  
24 cargoes that otherwise meet the requirements under this  
25 section.

1       (f) OVERSEAS SCREENING AND EXAMINATIONS.—

2       Not later than 180 days after the date of enactment of  
3       this Act, the Secretary shall submit a strategy for screen-  
4       ing and examining GreenLane containers overseas before  
5       they are loaded on to vessels destined for the United  
6       States to—

7               (1) the Committee on Homeland Security and  
8       Governmental Affairs of the Senate;

9               (2) the Committee on Appropriations of the  
10      Senate;

11              (3) the Committee on Homeland Security of the  
12      House of Representatives; and

13              (4) the Committee on Appropriations of the  
14      House of Representatives.

15      (g) RULEMAKING.—

16              (1) IN GENERAL.—Not later than 1 year after  
17      the date of enactment of this Act, the Secretary, in  
18      consultation with private sector stakeholders, shall  
19      promulgate regulations that establish—

20                      (A) requirements for supply chain visibility  
21                      procedures;

22                      (B) performance standards for container  
23                      security devices and protocols for their use;

24                      (C) procedures for overseas screening and  
25                      examination of GreenLane containers; and

1           ~~(D)~~ any other GreenLane Program re-  
2           quirements that the Secretary considers appro-  
3           priate, including requirements building upon se-  
4           curity measures and supply chain security best  
5           practices contained in the C-TPAT minimum  
6           requirements set forth in section 9(e).

7           ~~(2)~~ BENEFITS.—Not later than 2 years after  
8           the date of enactment of this Act, the Secretary, in  
9           consultation with the Commercial Operations Advi-  
10          sory Committee, shall promulgate regulations pro-  
11          viding benefits for participation in the GreenLane  
12          Program, which may include—

13                ~~(A)~~ the expedited release of GreenLane  
14                cargo into destination ports within the United  
15                States during all threat levels designated by the  
16                Secretary or the Commandant of the Coast  
17                Guard;

18                ~~(B)~~ reduced or eliminated bonding require-  
19                ments for GreenLane cargo;

20                ~~(C)~~ preference to vessels (as described in  
21                section 4(e)(B));

22                ~~(D)~~ further reduced searches;

23                ~~(E)~~ priority processing for searches;

24                ~~(F)~~ further reduced scores in the Auto-  
25                mated Targeting System; and

1                   (G) streamlined billing of any customs du-  
 2                   ties or fees.

3 **SEC. 11. JOINT OPERATIONS CENTER.**

4       (a) **ESTABLISHMENT.**—Not later than 3 years after  
 5 the date of enactment of this Act, the Secretary shall es-  
 6 tablish joint operation centers for maritime and cargo se-  
 7 curity to—

8                   (1) enhance information sharing;

9                   (2) facilitate day-to-day operational coordina-  
 10                  tion; and

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

13       (b) **ORGANIZATION.**—At a minimum, a joint oper-  
 14 ations center shall be collocated with the command center  
 15 for each Coast Guard sector. If a particular port is covered  
 16 by a command center that is not located at that port, the  
 17 Secretary shall consider virtual connectivity to maintain  
 18 awareness of activities of that port and to provide other  
 19 agency participation in accordance with subsection (c).

20       (c) **PARTICIPATION.**—The following entities shall par-  
 21 ticipate in each joint operations center for maritime and  
 22 cargo security:

23                   (1) The United States Coast Guard.

24                   (2) The Bureau of Customs and Border Protec-  
 25                  tion.

1           ~~(3) The Bureau of Immigration and Customs~~  
2           ~~Enforcement.~~

3           ~~(4) The Department of Defense, as appropriate.~~

4           ~~(5) The Federal Bureau of Investigation.~~

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

8           ~~(7) State, local, and international law enforce-~~  
9           ~~ment and first responder agencies responsible for the~~  
10          ~~port, as appropriate, or as otherwise selected by the~~  
11          ~~Secretary.~~

12          ~~(8) Port authority representatives, maritime ex-~~  
13          ~~changes, private sector stakeholders, and other enti-~~  
14          ~~ties subject to an Area Maritime Security Plan, as~~  
15          ~~selected by the Secretary.~~

16          ~~(d) RESPONSIBILITIES.—Each joint operations cen-~~  
17          ~~ter for maritime and cargo security shall—~~

18                 ~~(1) assist, as appropriate, in the implementa-~~  
19                 ~~tion of maritime transportation security plans devel-~~  
20                 ~~oped under section 70103 of title 46, United States~~  
21                 ~~Code;~~

22                 ~~(2) implement the transportation security inci-~~  
23                 ~~dent response plans required under section 70104 of~~  
24                 ~~such title;~~

1           ~~(3)~~ carry out information sharing activities con-  
2           sistent with those required under section 1016 of the  
3           National Security Intelligence Reform Act of 2004  
4           (6 U.S.C. 485) and the Homeland Security Informa-  
5           tion Sharing Act (6 U.S.C. 481 et seq.);

6           ~~(4)~~ conduct short- and long-range vessel track-  
7           ing under sections 70114 and 70115 of such title  
8           46, United States Code; and

9           ~~(5)~~ carry out such other responsibilities as de-  
10          termined by the Secretary.

11       ~~(e)~~ SECURITY CLEARANCES.—The Secretary shall  
12       sponsor and expedite individuals participating in the joint  
13       operations centers in gaining or maintaining their security  
14       clearances. Through the Captain of the Port, the Sec-  
15       retary may identify key individuals who should participate.  
16       In addition, the port or other entities may appeal to the  
17       Captain of the Port for sponsorship.

18       ~~(f)~~ SECURITY INCIDENTS.—During a transportation  
19       security incident involving the port, the Coast Guard Cap-  
20       tain of the Port designated by the Commandant of the  
21       Coast Guard in each joint operations center for maritime  
22       security shall act as the incident commander, unless other-  
23       wise directed under the National Response Plan.

24       ~~(g)~~ IMPLEMENTATION.—



1           ~~(1) IN GENERAL.~~—Not later than 180 days  
 2 after the date of enactment of this Act, the Sec-  
 3 retary shall submit an implementation plan for this  
 4 section to—

5                   ~~(A) the Committee on Homeland Security~~  
 6                   ~~and Governmental Affairs of the Senate;~~

7                   ~~(B) the Committee on Appropriations of~~  
 8                   ~~the Senate;~~

9                   ~~(C) the Committee on Homeland Security~~  
 10                   ~~of the House of Representatives; and~~

11                   ~~(D) the Committee on Appropriations of~~  
 12                   ~~the House of Representatives.~~

13           ~~(2) CONTENTS.~~—The report submitted under  
 14 paragraph ~~(1)~~ shall describe, for each joint oper-  
 15 ations center—

16                   ~~(A) the location;~~

17                   ~~(B) the specific participating entities;~~

18                   ~~(C) the implementation costs; and~~

19                   ~~(D) the necessary resources for operation~~  
 20                   ~~and maintenance, including the cost-sharing re-~~  
 21                   ~~quirements for other agencies and participants.~~

22 **SEC. 12. RESEARCH, DEVELOPMENT, TEST, AND EVALUA-**  
 23 **TION.**

24           ~~(a) REAUTHORIZATION OF HOMELAND SECURITY~~  
 25 ~~SCIENCE AND TECHNOLOGY ADVISORY COMMITTEE.—~~

1           (1) IN GENERAL.—Section 311(j) of the Home-  
 2       land Security Act of 2002 (6 U.S.C. 191(j)) is  
 3       amended by striking “3 years after the effective date  
 4       of this Act” and inserting “on December 31, 2008”.

5           (2) EFFECTIVE DATE AND APPLICATION.—The  
 6       amendment made by paragraph (1) shall be effective  
 7       as if enacted on the date of enactment of the Home-  
 8       land Security Act of 2002.

9           (3) ADVISORY COMMITTEE.—The Under Sec-  
 10      retary for Science and Technology shall utilize the  
 11      Homeland Security Science and Technology Advisory  
 12      Committee, as appropriate, to provide outside exper-  
 13      tise in advancing cargo security technology.

14      (b) DUTIES OF SECRETARY.—The Secretary shall—  
 15          (1) direct research, development, test, and eval-  
 16          uation efforts in furtherance of maritime and cargo  
 17          security;

18          (2) encourage the ingenuity of the private sec-  
 19          tor in developing and testing technologies and proc-  
 20          ess innovations in furtherance of these objectives;  
 21          and

22          (3) evaluate such technologies.

23      (c) COORDINATION.—The Secretary, acting through  
 24      the Under Secretary for Science and Technology, in con-  
 25      sultation with the Under Secretary for Policy, the Director

1 of Cargo Security Policy, and the Chief Financial Officer,  
2 shall ensure that—

3       ~~(1) research, development, test, and evaluation~~  
4       ~~efforts funded by the Department in furtherance of~~  
5       ~~maritime and cargo security are coordinated to avoid~~  
6       ~~duplication of efforts; and~~

7       ~~(2) the results of such efforts are shared~~  
8       ~~throughout the Department, as appropriate.~~

9       ~~(d) OPERATION SAFE COMMERCE.—~~

10       ~~(1) IN GENERAL.—Not later than 1 year after~~  
11       ~~the date of enactment of this Act, the Secretary~~  
12       ~~shall initiate grant projects, as part of Operation~~  
13       ~~Safe Commerce, that—~~

14               ~~(A) integrate nonintrusive inspection and~~  
15               ~~radiation detection equipment with automatic~~  
16               ~~identification methods for containers, vessels,~~  
17               ~~and vehicles;~~

18               ~~(B) test physical access control protocols~~  
19               ~~and technologies;~~

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

1                   ~~(D)~~ otherwise further maritime and cargo  
 2                   security, as determined by the Secretary.

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

11                  ~~(3) ANNUAL REPORT.—~~Not later than March 1  
 12                  of each year, the Secretary shall submit a report de-  
 13                  tailing the results of Operation Safe Commerce to—

14                         ~~(A)~~ the Committee on Homeland Security  
 15                         and Governmental Affairs of the Senate;

16                         ~~(B)~~ the Committee on Homeland Security  
 17                         of the House of Representatives;

18                         ~~(C)~~ the Committee on Appropriations of  
 19                         the Senate; and

20                         ~~(D)~~ the Committee on Appropriations of  
 21                         the House of Representatives.

22                  ~~(e) GREENLANE TECHNOLOGY.—~~The Secretary  
 23                  shall, not less frequently than once every 2 years—

24                         ~~(1)~~ review the technology requirements and  
 25                         standards established under section 10; and

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

6 **SEC. 13. PORT SECURITY GRANT PROGRAM.**

7           (a) GRANTS AUTHORIZED.—The Secretary, acting  
 8           through the Office for Domestic Preparedness, shall estab-  
 9           lish a grant program to fairly and equitably allocate Fed-  
 10          eral financial assistance—

11           (1) to help implement Area Maritime Transpor-  
 12          tation Security plans required under section  
 13          70103(b) of title 46, United States Code;

14           (2) to correct port security vulnerabilities iden-  
 15          tified through vulnerability assessments approved by  
 16          the Secretary; or

17           (3) to non-Federal projects contributing to the  
 18          overall security of an individual port or the system  
 19          of ports in the United States, as determined by the  
 20          Secretary.

21          (b) GRANTEE SELECTION.—In awarding grants  
 22          under this Act, the Secretary shall—

23           (1) take into account national economic and  
 24          strategic defense considerations of individual ports;

25           (2) strongly encourage efforts to promote—

1           (A) integration of port-wide security, in-  
2           cluding supply chain initiatives;

3           (B) information and intelligence sharing;  
4           and

5           (C) joint efforts, such as joint operations  
6           centers, among all port stakeholders; and

7           (3) consider funding major projects in phases  
8           over multiple years.

9           (c) MULTIPLE PHASE PROJECTS.—

10           (1) FUNDING LIMITATION.—Not more than 20  
11           percent of the total grant funds awarded under this  
12           section in any fiscal year may be awarded for  
13           projects that span multiple years.

14           (2) PRIORITY.—In determining grant recipients  
15           under this section, the Secretary may give preference  
16           to continuing to fund multiyear projects that have  
17           previously received funding under this section.

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

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

23           (2) to correct port security vulnerabilities iden-  
24           tified through vulnerability assessments approved by  
25           the Secretary;

1           ~~(3)~~ for the salaries, benefits, overtime com-  
2           pensation, and other costs of additional security per-  
3           sonnel for State and local agencies for activities re-  
4           quired by the Area Maritime Security Plan for a  
5           port area if—

6                   ~~(A)~~ the Secretary increases the threat level  
7                   under the Homeland Security Advisory System  
8                   to Code Orange or Code Red;

9                   ~~(B)~~ the Commandant of the Coast Guard  
10                  raises the Maritime Security level to MARSEC  
11                  Level 2 or 3; or

12                  ~~(C)~~ the Secretary otherwise authorizes  
13                  such costs;

14           ~~(4)~~ for the cost of acquisition, operation, and  
15           maintenance of equipment that contributes to the  
16           overall security of the port area, as identified in the  
17           Area Maritime Security Plan if the need is based  
18           upon vulnerability assessments approved by the Sec-  
19           retary or identified in the Area Maritime Security  
20           Plan;

21           ~~(5)~~ to develop joint operations centers, as de-  
22           scribed under section 10; that bring together Fed-  
23           eral, State, and local officials and stakeholders into  
24           a common operation center that is focused on area  
25           maritime and cargo security;

1           (6) to conduct vulnerability assessments ap-  
2           proved by the Secretary; and

3           (7) to conduct port-wide exercises to strengthen  
4           emergency preparedness of Federal, State, and local  
5           officials responsible for port security, including law  
6           enforcement personnel and firefighters and other  
7           first responders, in support of the Area Maritime  
8           Security Plan.

9           (c) PROHIBITED USES.—Grants awarded under this  
10          section may not be used to—

11           (1) construct buildings or other physical facili-  
12           ties, except those otherwise authorized under section  
13           611 of the Robert T. Stafford Disaster Relief and  
14           Emergency Assistance Act (42 U.S.C. 5121 et seq.);  
15           including those facilities in support of subsection  
16           (d)(5), and specifically approved by the Secretary; or

17           (2) acquire land, unless such use is specifically  
18           approved by the Secretary in support of subsection  
19           (d)(5).

20           (f) MATCHING REQUIREMENTS.—Except as provided  
21          in paragraph (2), Federal funds for any eligible project  
22          under this section shall be determined by the Secretary.

23           (g) APPLICATION.—

24           (1) IN GENERAL.—Any entity subject to an  
25          Area Maritime Transportation Security Plan may



1 submit an application for a grant under this section;  
 2 at such time, in such form, and containing such in-  
 3 formation and assurances as the Secretary, working  
 4 through the Office for Domestic Preparedness, may  
 5 require.

6 ~~(2) MINIMUM STANDARDS FOR PAYMENT OR~~  
 7 ~~REIMBURSEMENT.—~~Each application submitted  
 8 under paragraph (1) shall include—

9 (A) a comprehensive description of—

10 (i) the need for the project;

11 (ii) the methodology for coordinating  
 12 the project into the security of the greater  
 13 port area, as identified in the Area Mari-  
 14 time Security Plan;

15 (iii) any existing cooperation agree-  
 16 ments with other port facilities, vessels, or  
 17 organizations that benefit security of the  
 18 entire port; and

19 (iv) the applicability of the project to  
 20 the Area Maritime Transportation Security  
 21 Plan; and

22 (B) a determination by the Captain of the  
 23 Port that the security project—

24 (i) addresses or corrects port security  
 25 vulnerabilities identified by the Coast

Guard, or through port security vulnerability assessments approved by the Secretary; and

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

(3) ~~PROCEDURAL SAFEGUARDS.~~—The Secretary, in consultation with the Office of the Inspector General, shall issue guidelines to establish appropriate accounting, reporting, and review procedures to ensure that—

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

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

(C) grant funds not used for such purposes and amounts not obligated or expended are returned.

(4) ~~PROJECT APPROVAL REQUIRED.~~—The Secretary may not award a grant under this section unless the Secretary determines that—

(A) the project to be carried out with such grant funding—

(i) is consistent with vulnerability assessments approved by the Secretary;

1                   (ii) supports cooperation or integra-  
 2                   tion of Federal, State, local, and industry  
 3                   stakeholders in the port area; and

4                   (iii) helps to implement the Area Mar-  
 5                   itime Transportation Security Plan;

6                   (B) sufficient funding is available to meet  
 7                   the matching requirement described under sub-  
 8                   section (d);

9                   (C) the project will be completed without  
 10                  unreasonable delay; and

11                  (D) the recipient has authority to carry  
 12                  out the proposed project.

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

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

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

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

1 and audit by the Secretary, the Comptroller General of  
 2 the United States, or the Inspector General of the Depart-  
 3 ment.

4 (j) ANNUAL REPORTS.—Not later than 1 year after  
 5 the date of enactment of this Act, and annually thereafter  
 6 until October 1, 2013, the Secretary shall submit an un-  
 7 classified report describing regarding the progress made  
 8 in meeting the objectives of the port security grant pro-  
 9 gram established under this section to—

10 (1) the Committee on Homeland Security and  
 11 Governmental Affairs of the Senate;

12 (2) the Committee on Homeland Security of the  
 13 House of Representatives;

14 (3) the Committee on Appropriations of the  
 15 Senate; and

16 (4) the Committee on Appropriations of the  
 17 House of Representatives.

18 **SEC. 14. AUTHORIZATION OF APPROPRIATIONS.**

19 (a) IMPROVEMENTS TO AUTOMATED TARGETING  
 20 SYSTEM.—There are authorized to be appropriated  
 21 \$5,000,000 for each of the fiscal years 2007 through 2012  
 22 to carry out the provisions of section 4(b).

23 (b) OFFICE OF CARGO SECURITY POLICY.—There  
 24 are authorized to be appropriated for each of the fiscal  
 25 years 2007 through 2012—

1           (1) \$4,000,000 to carry out the amendment  
2       made by section 5(a); and

3           (2) \$1,000,000 to carry out the provisions of  
4       section 5(b).

5       (c) CONTAINER SECURITY INITIATIVE.—There are  
6       authorized to be appropriated \$175,000,000 for each of  
7       the fiscal years 2007 through 2012 to carry out the provi-  
8       sions of section 8.

9       (d) CUSTOMS-TRADE PARTNERSHIP AGAINST TER-  
10      RORISM.—There are authorized to be appropriated  
11      \$75,000,000 for each of the fiscal years 2007 through  
12      2012 to carry out the provisions of section 9.

13      (e) GREENLANE DESIGNATION.—There are author-  
14      ized to be appropriated \$50,000,000 for each of the fiscal  
15      years 2007 through 2012 to carry out the provisions of  
16      section 10.

17      (f) INCIDENT RESPONSE.—

18           (1) IN GENERAL.—There are authorized to be  
19      appropriated \$100,000,000 for each of the fiscal  
20      years 2007 through 2012 to carry out the provisions  
21      of section 11.

22           (2) BUDGET ANALYSIS.—Not later than 180  
23      days after the date of enactment of this Act, the  
24      Secretary shall submit a budget analysis for imple-  
25      menting the provisions of section 11, including addi-

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

4                (A) the Committee on Homeland Security  
 5                and Governmental Affairs of the Senate;

6                (B) the Committee on Appropriations of  
 7                the Senate;

8                (C) the Committee on Homeland Security  
 9                of the House of Representatives; and

10                (D) the Committee on Appropriations of  
 11                the House of Representatives.

12        ~~(g) OPERATION SAFE COMMERCE.—~~There are au-  
 13        thorized to be appropriated \$25,000,000 for each of fiscal  
 14        years 2007 through 2012 to carry out the provisions of  
 15        section 12(c).

16        ~~(h) PORT SECURITY GRANT PROGRAM.—~~There are  
 17        authorized to be appropriated \$400,000,000 for each of  
 18        fiscal years 2007 through 2012 to carry out the grant pro-  
 19        gram established under section 13.

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

24        ~~(j) SOURCE OF FUNDS.—~~Amounts authorized to be  
 25        appropriated under this section shall originate from duties

1 collected by the Bureau of Customs and Border Protec-  
 2 tion.

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

4 (a) *SHORT TITLE.*—This Act may be cited as the  
 5 “GreenLane Maritime Cargo Security Act”.

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

- Sec. 1. Short title; table of contents.*
- Sec. 2. Findings.*
- Sec. 3. Definitions.*
- Sec. 4. Strategic plan.*
- Sec. 5. Resumption of trade.*
- Sec. 6. Enhancement to targeting capabilities.*
- Sec. 7. Uniform data for governmentwide usage.*
- Sec. 8. Under Secretary for Policy.*
- Sec. 9. Container security standards and procedures.*
- Sec. 10. Domestic radiation detection and imaging.*
- Sec. 11. Container Security Initiative.*
- Sec. 12. Customs-Trade Partnership Against Terrorism.*
- Sec. 13. GreenLane designation.*
- Sec. 14. Joint operations center.*
- Sec. 15. Research, development, test, and evaluation.*
- Sec. 16. Port Security Grant Program.*
- Sec. 17. Deadline for transportation security cards.*
- Sec. 18. Authorization of appropriations.*

8 **SEC. 2. FINDINGS.**

9 Congress makes the following findings:

10 (1) Maritime vessels are the primary mode of  
 11 transportation for international trade and they carry  
 12 over 80 percent of international trade by volume. Im-  
 13 proving the security of this complex supply chain is  
 14 critical for the prosperity and liberty of all nations.

15 (2) In 2005, approximately 11,300,000 shipping  
 16 containers came into the United States through the  
 17 Nation’s seaports, averaging nearly 31,000 per day.

1           (3) *In May 2002, the Brookings Institution esti-*  
2           *mated that costs associated with United States port*  
3           *closures from a detonated terrorist weapon could add*  
4           *up to \$1,000,000,000,000 from the resulting economic*  
5           *slump and changes in our Nation’s ability to trade.*

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

13          (5) *In August 2005, the President issued the Na-*  
14          *tional Strategy for Maritime Security, which notes*  
15          *that the probability of a hostile state using a weapon*  
16          *of mass destruction (referred to in this section as*  
17          *“WMD”) will increase during the next decade. Many*  
18          *experts believe that the maritime sector is the most*  
19          *likely to be used to bring a WMD into the United*  
20          *States. In addition, the adoption of a “just-in-time*  
21          *delivery approach to shipping by most industries,*  
22          *rather than stockpiling or maintaining operating re-*  
23          *serves of energy, raw materials, and key components,*  
24          *means that a disruption or slowing of the flow of al-*



1        *most any item can have widespread implications for*  
2        *the overall market and national economy”.*

3            *(6) Significant enhancements can be achieved by*  
4        *applying a layered approach to supply chain secu-*  
5        *urity, though such layers must be developed in a co-*  
6        *ordinated fashion. Current supply chain security pro-*  
7        *grams within the Federal Government have been inde-*  
8        *pendently operated, often falling short of gains which*  
9        *could be made had coordination taken place.*

10           *(7) The March 2006 report of the Permanent*  
11        *Subcommittee on Investigations of the Committee on*  
12        *Homeland Security and Governmental Affairs of the*  
13        *Senate entitled, “An Assessment of U.S. Efforts to Se-*  
14        *cure the Global Supply Chain,” noted several key con-*  
15        *cerns with the Department’s supply chain security*  
16        *programs, including the following:*

17           *(A) In the Container Security Initiative*  
18        *(CSI), a critical program designed to inspect*  
19        *high-risk shipping containers before they enter*  
20        *United States ports, the Subcommittee found*  
21        *that only 37 percent of such high-risk containers*  
22        *are actually inspected. To make matters worse,*  
23        *the United States Government has not estab-*  
24        *lished minimum standards for these inspections.*

1           (B) Under the Customs-Trade Partnership  
2           Against Terrorism (C-TPAT), the United States  
3           Government grants benefits to private-sector  
4           companies that make specific security commit-  
5           ments. The Subcommittee found, however, that  
6           an overwhelming proportion of participating  
7           companies receive benefits prior to having their  
8           security profile validated. Only 27 percent of the  
9           participating companies had been validated as of  
10          March 28, 2006. Therefore, 73 percent of the  
11          companies have not been subjected to a rigorous,  
12          on-site review of their security practices.

13          (C) The targeting system employed by the  
14          United States Government to identify high-risk  
15          shipping containers entering United States ports  
16          is largely dependent on preliminary data that is  
17          not complete or final. Moreover, the Sub-  
18          committee has found that this targeting system  
19          has never been tested or validated, and may not  
20          discern actual, realistic risks.

21          (D) Less than 40 percent of cargo con-  
22          tainers entering United States ports are screened  
23          for nuclear or radiological materials. One part of  
24          the problem is that the deployment of radiation  
25          detection equipment is woefully behind schedule.

1           (8) *The Department of Homeland Security has*  
2           *twice failed to comply with directives from the Sub-*  
3           *committee on Homeland Security of the Committee on*  
4           *Appropriations of the Senate, requiring the Depart-*  
5           *ment to submit a report to Congress, which identifies:*  
6           *“(1) steps the Department has taken to enhance ship-*  
7           *ping container security; (2) resources devoted to this*  
8           *in prior years and proposed to continue this security;*  
9           *(3) results of ongoing projects such as OSC, CSI, and*  
10          *C-TPAT; (4) the Departmental entity responsible for*  
11          *implementing improvements in security systems and*  
12          *approaches; and (5) specific steps each entity will*  
13          *take to implement these changes, with associated*  
14          *schedules for development and issuance of standards,*  
15          *policies, procedures, or regulations.”.*

16          (9) *While it is impossible to completely remove*  
17          *the risk of terrorist attacks, security measures in the*  
18          *transport sector designed to counter terrorism can*  
19          *add certainty and stability to the global economy,*  
20          *raise investor confidence, and facilitate trade. Some*  
21          *counterterrorism costs are integral to the price that*  
22          *must be paid to protect society. However, counter-ter-*  
23          *rorism measures can also present an opportunity to*  
24          *find and agree on measures that combine the impera-*  
25          *tive to fight terrorism with the possibility of increased*

1       *efficiency in the system. These efficiency gains are*  
 2       *maximized when all nations adopt them.*

3               *(10) The World Customs Organization has taken*  
 4       *a positive step in furtherance of international supply*  
 5       *chain security in publishing the Framework of Stand-*  
 6       *ards to Secure and Facilitate Global Trade, which*  
 7       *outlines a set of minimum standards designed to—*

8               *(A) establish standards for security and*  
 9       *trade facilitation;*

10              *(B) enable integrated supply chain manage-*  
 11       *ment;*

12              *(C) enhance the capabilities of customs ad-*  
 13       *ministrations; and*

14              *(D) promote cooperation between the cus-*  
 15       *toms and business communities.*

16              *(11) The shipping and trade industries have a*  
 17       *responsibility to monitor, self-assess, and report on*  
 18       *the risks associated with goods under their control or*  
 19       *use. The public sector must offer incentives for compa-*  
 20       *nies to invest in security in order to promote infor-*  
 21       *mation sharing and other public-benefit outcomes.*

22              *(12) Increasing the transparency of the supply*  
 23       *chain will assist in mitigating the impact of an inci-*  
 24       *dent by allowing for targeted shutdown of the inter-*

1        *national supply chain and expedited restoration of*  
2        *commercial traffic.*

3            (13) *The special relationship between Canada*  
4        *and the United States has been exemplified through*  
5        *Canada’s partnership and commitment to security*  
6        *following the attacks of September 11, 2001.*

7            (14) *Through both public and private initiatives,*  
8        *the private sector has invested time, money and effort,*  
9        *both in the United States and abroad, aimed at im-*  
10       *proving the security of the international supply*  
11       *chain.*

12    **SEC. 3. DEFINITIONS.**

13        *In this Act:*

14            (1) *APPROPRIATE CONGRESSIONAL COMMIT-*  
15        *TEES.—The term “appropriate congressional commit-*  
16        *tees” has the meaning given the term in section 2(2)*  
17        *of the Homeland Security Act of 2002 (6 U.S.C.*  
18        *101(2)).*

19            (2) *AUTOMATED TARGETING SYSTEM.—The term*  
20        *“Automated Targeting System” means the system es-*  
21        *tablished by United States Customs and Border Pro-*  
22        *tection to assess imports and target those imports*  
23        *which pose a high risk of containing contraband or*  
24        *otherwise pose a security risk.*

1           (3) *CONTAINER.*—*The term “container” has the*  
2           *meaning given the term in the International Conven-*  
3           *tion for Safe Containers, with annexes, done at Gene-*  
4           *va December 2, 1972 (29 UST 3707).*

5           (4) *CONTAINER SECURITY DEVICE.*—*The term*  
6           *“container security device” means a device or system*  
7           *designed to track and monitor containers for, and se-*  
8           *cure them against, tampering or compromise through-*  
9           *out the international supply chain.*

10          (5) *CONTAINER SECURITY INITIATIVE; CSI.*—*The*  
11          *terms “Container Security Initiative” and “CSI”*  
12          *mean the program authorized under section 8 to iden-*  
13          *tify and examine maritime containers that pose a*  
14          *risk for terrorism at foreign ports before they are*  
15          *shipped to the United States.*

16          (6) *CUSTOMS-TRADE PARTNERSHIP AGAINST*  
17          *TERRORISM; C-TPAT.*—*The terms “Customs-Trade*  
18          *Partnership Against Terrorism” and “C-TPAT”*  
19          *mean the voluntary program authorized under section*  
20          *12 to strengthen and improve the overall security of*  
21          *the international supply chain and United States*  
22          *border security.*

23          (7) *DEPARTMENT.*—*The term “Department”*  
24          *means the Department of Homeland Security.*

1           (8) *EXAMINATION.*—*The term “examination”*  
2           *means an inspection of cargo to detect the presence of*  
3           *misdeclared, restricted, or prohibited items, including*  
4           *an inspection using nonintrusive imaging and detec-*  
5           *tion technology.*

6           (9) *GREENLANE.*—*The term “GreenLane” refers*  
7           *to the third tier of C-TPAT, that offers additional*  
8           *benefits to validated C-TPAT participants that dem-*  
9           *onstrate a sustained commitment beyond the min-*  
10          *imum requirements for participation in C-TPAT.*

11          (10) *INSPECTION.*—*The term “inspection” means*  
12          *the process used by United States Customs and Bor-*  
13          *der Protection to detect restricted or prohibited items*  
14          *through an examination or a search.*

15          (11) *INTERNATIONAL SUPPLY CHAIN.*—*The term*  
16          *“international supply chain” means the coordinated*  
17          *network of companies engaged in the movement of*  
18          *goods from a point of origin to a foreign point of des-*  
19          *tination.*

20          (12) *OPERATION SAFE COMMERCE.*—*The term*  
21          *“Operation Safe Commerce” means the research, de-*  
22          *velopment, test, and evaluation grant program that*  
23          *brings together private sector shareholders, port offi-*  
24          *cials, and Federal, State, and local representatives to*  
25          *analyze existing security procedures for cargo and de-*

1        *velop new security protocols that have the potential to*  
2        *increase the security of cargo shipments by moni-*  
3        *toring the movement and integrity of cargo through*  
4        *the international supply chain.*

5            (13) *POINT OF ORIGIN.*—*The term “point of ori-*  
6        *gin” means the point at which goods are assembled*  
7        *into the smallest exterior packaging unit for initial*  
8        *movement through the international supply chain.*

9            (14) *SCAN.*—*The term “scan” means utilizing*  
10        *nonintrusive imaging equipment, radiation detection*  
11        *equipment, or both, to capture data, including images*  
12        *of a container.*

13            (15) *SCREENING.*—*The term “screening” means*  
14        *a visual or automated review of information about*  
15        *goods, including manifest or entry documentation ac-*  
16        *companying a shipment being imported into the*  
17        *United States, to determine or assess the threat of*  
18        *such cargo.*

19            (16) *SEARCH.*—*The term “search” means an in-*  
20        *trusive examination in which a container is opened*  
21        *and its contents are devanned and visually inspected*  
22        *by inspection personnel for the presence of*  
23        *misdeclared, restricted, or prohibited items.*

24            (17) *SECRETARY.*—*The term “Secretary” means*  
25        *the Secretary of Homeland Security.*



1           (18) *SMALLEST EXTERIOR PACKAGING UNIT.*—

2           *The term “smallest exterior packaging unit” has the*  
 3           *meaning given such term in section 4.7a of title 19,*  
 4           *Code of Federal Regulations (as in effect on the date*  
 5           *of enactment of this Act).*

6           (19) *SUPPLY CHAIN VISIBILITY PROCEDURE.*—

7           *The term “supply chain visibility procedure” means*  
 8           *a system or process capable of tracking goods at the*  
 9           *smallest exterior packaging unit level, as described on*  
 10          *a shipping manifest, from their point of origin to the*  
 11          *point of unloading in the United States.*

12          (20) *TRANSPORTATION SECURITY INCIDENT.*—

13          *The term “transportation security incident” has the*  
 14          *meaning given such term in section 70101(6) of title*  
 15          *46, United States Code.*

16 **SEC. 4. STRATEGIC PLAN.**

17          (a) *IN GENERAL.*—*Not later than 180 days after the*  
 18          *date of enactment of this Act, the Secretary, in consultation*  
 19          *with appropriate Federal, State, local, and tribal govern-*  
 20          *ment agencies, public port authorities, and private sector*  
 21          *stakeholders responsible for security matters that affect or*  
 22          *relate to the movement of containers through the inter-*  
 23          *national supply chain, shall submit, to appropriate con-*  
 24          *gressional committees, a comprehensive strategic plan to en-*  
 25          *hance international supply chain security for all modes of*

1 *transportation by which containers arrive in, depart from,*  
 2 *or move through seaports of the United States.*

3 (b) *CONTENT.—The strategic plan submitted under*  
 4 *subsection (a) shall—*

5 (1) *clarify and delineate the roles, responsibil-*  
 6 *ities, and authorities of Federal, State, local, and*  
 7 *tribal government agencies and private sector stake-*  
 8 *holders that relate to the security of the movement of*  
 9 *containers arriving in, departing from, or moving*  
 10 *through seaports of the United States;*

11 (2) *provide measurable goals, including objec-*  
 12 *tives, mechanisms, and a schedule, for furthering the*  
 13 *security of commercial operations from point of ori-*  
 14 *gin to point of destination;*

15 (3) *build on available resources and consider*  
 16 *costs and benefits;*

17 (4) *identify mandatory, baseline security goals,*  
 18 *and the minimum container security standards and*  
 19 *procedures described in section 9;*

20 (5) *provide incentives for additional voluntary*  
 21 *measures to enhance cargo security, as determined by*  
 22 *the Secretary and under the GreenLane Program*  
 23 *under section 13;*

1           (6) *include a process for sharing intelligence and*  
2           *information with private sector stakeholders to assist*  
3           *in their security efforts;*

4           (7) *identify a framework for prudent and meas-*  
5           *ured response in the event of a transportation secu-*  
6           *urity incident in a United States seaport;*

7           (8) *provide a plan for the expeditious resump-*  
8           *tion of the flow of legitimate trade in accordance with*  
9           *section 5;*

10          (9) *focus on the secure movement of containerized*  
11          *cargo;*

12          (10) *consider the linkages between supply chain*  
13          *security and security programs within other systems*  
14          *of movement, including travel security and terrorist*  
15          *financing programs;*

16          (11) *expand upon and relate to existing strate-*  
17          *gies and plans, including the National Strategy for*  
18          *Maritime Security; and*

19          (12) *ensure that supply chain security mandates*  
20          *and voluntary programs, to the extent practicable,*  
21          *provide even-handed treatment for affected parties of*  
22          *the same type, regardless of the size of the particular*  
23          *business.*

24          (c) *UPDATE.*—*Not less than 3 years after the strategic*  
25          *plan is submitted under subsection (a), the Secretary shall*

1 *submit an update of the strategic plan to appropriate con-*  
 2 *gressional committees.*

3 (d) *CONSULTATIONS.—Consultations described in sub-*  
 4 *section (a) shall focus on—*

5 (1) *designing measurable goals, including objec-*  
 6 *tives, mechanisms, and a schedule, for furthering the*  
 7 *security of the international supply chain;*

8 (2) *identifying and addressing gaps in capabili-*  
 9 *ties, responsibilities, resources, or authorities;*

10 (3) *identifying and streamlining unnecessary*  
 11 *overlaps in capabilities, responsibilities, or authori-*  
 12 *ties; and*

13 (4) *identifying and making recommendations re-*  
 14 *garding legislative, regulatory, and organizational*  
 15 *changes necessary to improve coordination among the*  
 16 *entities or to enhance the security of the international*  
 17 *supply chain.*

18 (e) *UTILIZATION OF ADVISORY COMMITTEES.—As part*  
 19 *of the consultative process, the Secretary shall utilize the*  
 20 *Homeland Security Advisory Committee, the National Mar-*  
 21 *itime Security Advisory Committee, and the Commercial*  
 22 *Operations Advisory Committee to review the draft stra-*  
 23 *tegic plan and any subsequent update to that plan.*

24 (f) *INTERNATIONAL STANDARDS AND PRACTICES.—In*  
 25 *furtherance of the strategic plan, the Secretary is encour-*

1 *aged to consider proposed or established standards and*  
 2 *practices of foreign governments and international organi-*  
 3 *zations, including, as appropriate, the International Mari-*  
 4 *time Organization, the World Customs Organization, the*  
 5 *International Labor Organization, and the International*  
 6 *Organization for Standardization to establish standards*  
 7 *and best practices for the security of containers moving*  
 8 *through the international supply chain.*

9 **SEC. 5. RESUMPTION OF TRADE.**

10 (a) *IN GENERAL.*—*The Secretary shall develop proto-*  
 11 *cols for the resumption of trade through contingency and*  
 12 *continuity planning that ensure trade lanes are restored as*  
 13 *quickly as possible in the event of a transportation security*  
 14 *incident that necessitates the suspension of trade.*

15 (b) *PREFERENCES.*—*In reestablishing the flow of cargo*  
 16 *through ports of entry in the United States after a transpor-*  
 17 *tation security incident, the Secretary shall, to the extent*  
 18 *practicable, give preference to vessels—*

19 (1) *having a vessel security plan approved or ac-*  
 20 *cepted under section 70103(c) of title 46, United*  
 21 *States Code, or on a vessel with a valid International*  
 22 *Ship Security Certificate as provided for under part*  
 23 *104 of title 33, Code of Federal Regulations;*

24 (2) *entering a port of entry directly from a for-*  
 25 *eign port designated under CSI, from another foreign*

1        *port, as determined by the Secretary, or transiting*  
 2        *from a United States port of call;*

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

4            *(4) carrying GreenLane designated cargo; and*

5            *(5) carrying commodities that the President de-*  
 6        *termines to be critical for response and recovery, such*  
 7        *as military shipments or necessary medical supplies.*

8        *(c) COMMUNICATION.—To the extent practicable, the*  
 9        *protocols developed under subsection (a) shall provide for*  
 10        *coordination with, and lines of communication between, ap-*  
 11        *propriate Federal, State, local and private sector stake-*  
 12        *holders on law enforcement actions, intermodal rerouting*  
 13        *plans, and other strategic infrastructure issues.*

14        *(d) CONSULTATION.—In developing protocols under*  
 15        *subsection (a), the Secretary shall consult with Federal,*  
 16        *State, local and private sector stakeholders, including the*  
 17        *National Maritime Security Advisory Committee and the*  
 18        *Commercial Operations Advisory Committee.*

19        **SEC. 6. ENHANCEMENT TO TARGETING CAPABILITIES.**

20        *(a) PLAN FOR IMPROVING THE AUTOMATED TAR-*  
 21        *GETING SYSTEM.—*

22            *(1) DEVELOPMENT AND IMPLEMENTATION.—Not*  
 23        *later than 180 days after the date of enactment of this*  
 24        *Act, the Secretary shall develop and implement a*

1       *plan for improving the Automated Targeting System*  
2       *in accordance with this subsection.*

3               (2) *CORRECTIVE ACTIONS.—The Secretary shall*  
4       *include—*

5                       (A) *a schedule for completing all out-*  
6                       *standing corrective actions recommended by the*  
7                       *Comptroller General of the United States, the In-*  
8                       *pector General of the Department of the Treas-*  
9                       *ury, and the Inspector General of the Depart-*  
10                      *ment with respect to the operation of the Auto-*  
11                      *mated Targeting System; or*

12                     (B) *an explanation for not taking corrective*  
13                     *actions.*

14               (3) *ASSESSMENT OF INFORMATION SUBMISSION*  
15       *REQUIREMENTS.—In determining the viability of ad-*  
16       *ditional information submission requirements, either*  
17       *by regulation or voluntary means, the Secretary shall*  
18       *consider the cost, benefit, and feasibility of—*

19                     (A) *requiring additional nonmanifest docu-*  
20                     *mentation;*

21                     (B) *reducing the time period allowed by law*  
22                     *for revisions to a container cargo manifest;*

23                     (C) *reducing the time period allowed by law*  
24                     *for submission of entry data, or certain elements*  
25                     *of such data, for vessel or cargo; and*

1           (D) such other actions the Secretary con-  
2           siders beneficial for improving the information  
3           relied upon for the Automated Targeting System  
4           and any other targeting systems in furthering  
5           the security and integrity of the international  
6           supply chain.

7           (4) CONSULTATIONS.—In assessing information  
8           submission requirements, the Secretary shall consult  
9           with stakeholders, including the Commercial Oper-  
10          ations Advisory Committee, and identify to them the  
11          need for such information, and the appropriate tim-  
12          ing of its submission.

13          (5) OUTSIDE REVIEW.—The Secretary shall con-  
14          duct, through an independent panel, a review of the  
15          effectiveness and capabilities of the Automated Tar-  
16          geting System and shall include the results of such re-  
17          view in the report submitted under paragraph (6).

18          (6) REPORT.—The Secretary shall submit a re-  
19          port, containing the plan developed under paragraph  
20          (1) and the results of the review conducted under  
21          paragraph (5), to appropriate congressional commit-  
22          tees.

23          (b) NEW OR EXPANDED INFORMATION SUBMIS-  
24          SIONS.—



1           (1) *IN GENERAL.*—Any additional information  
2           submissions allowable within the Secretary’s existing  
3           authority or submitted voluntarily by supply chain  
4           participants shall be transmitted in a secure fashion,  
5           as determined by the Secretary and in accordance  
6           with this subsection, to protect the information from  
7           unauthorized access.

8           (2) *CONFIDENTIALITY OF INFORMATION.*—Not-  
9           withstanding any other provision of law, information  
10          that is required of, or voluntarily submitted by, sup-  
11          ply chain participants to the Department for pur-  
12          poses of this section—

13                (A) shall be exempt from disclosure under  
14                section 552 of title 5, United States Code (com-  
15                monly referred to as the Freedom of Information  
16                Act);

17                (B) shall not, without the written consent of  
18                the person or entity submitting such informa-  
19                tion, be used directly by the Department or a  
20                third party, in any civil action arising under  
21                Federal or State law if such information is sub-  
22                mitted in good faith; and

23                (C) shall not, without the written consent of  
24                the person or entity submitting such informa-  
25                tion, be used or disclosed by any officer or em-

1            *ployee of the United States for purposes other*  
 2            *than the purposes of this section, except—*

3                    *(i) in furtherance of an investigation*  
 4                    *or other prosecution of a criminal act; or*

5                    *(ii) when disclosure of the information*  
 6                    *would be—*

7                    *(I) to either House of Congress, or*  
 8                    *to the extent of matter within its juris-*  
 9                    *diction, any committee or sub-*  
 10                   *committee thereof, any joint committee*  
 11                   *thereof or subcommittee of any such*  
 12                   *joint committee; or*

13                   *(II) to the Comptroller General, or*  
 14                   *any authorized representative of the*  
 15                   *Comptroller General, in the course of*  
 16                   *the performance of the duties of the*  
 17                   *Comptroller General.*

18            *(3) INDEPENDENTLY OBTAINED INFORMATION.—*

19            *Nothing in this subsection shall be construed to limit*  
 20            *or otherwise affect the ability of a Federal, State, or*  
 21            *local, government entity, under applicable law, to ob-*  
 22            *tain supply chain security information, including*  
 23            *any information lawfully and properly disclosed gen-*  
 24            *erally or broadly to the public and to use such infor-*  
 25            *mation in any manner permitted by law.*

1           (4) *PENALTIES.*—Any person who is an officer  
2           or employee of the United States and knowingly pub-  
3           lishes, divulges, discloses, or makes known in any  
4           manner or to any extent not authorized by law, any  
5           supply chain security information protected in this  
6           section from disclosure, shall be—

7                   (A) *fined under title 18, United States*  
8                   *Code, imprisoned not more than 1 year, or both;*  
9                   *and*

10                  (B) *removed from office or employment.*

11           (5) *AUTHORITY TO ISSUE WARNINGS.*—The Sec-  
12           retary may provide advisories, alerts, and warnings  
13           to relevant companies, targeted sectors, other govern-  
14           mental entities, or the general public regarding poten-  
15           tial risks to the supply chain as appropriate. In  
16           issuing a warning under this paragraph, the Sec-  
17           retary shall take appropriate actions to protect from  
18           disclosure—

19                   (A) *the source of any voluntarily submitted*  
20                   *supply chain security information that forms the*  
21                   *basis for the warning; and*

22                   (B) *information that is proprietary, busi-*  
23                   *ness sensitive, relates specifically to the submit-*  
24                   *ting person or entity, or is otherwise not appro-*  
25                   *priately in the public domain.*

1       (c) *NEXT GENERATION TARGETING SYSTEM.*—

2               (1) *IN GENERAL.*—*The Secretary shall consider*  
3       *future iterations of the Automated Targeting System,*  
4       *which would incorporate smart features, such as more*  
5       *rigorous algorithms and real-time intelligence, instead*  
6       *of relying solely on rule sets that are periodically up-*  
7       *dated.*

8               (2) *COOPERATION.*—*The Secretary shall work*  
9       *closely with supply chain participants and foreign*  
10       *governments, to the maximum extent practicable, in*  
11       *developing the next generation targeting system.*

12              (3) *SECURE FREIGHT.*—*To implement the next*  
13       *generation targeting system, the Secretary is author-*  
14       *ized to initiate the Secure Freight Program to im-*  
15       *prove the data collection process by using alternative*  
16       *methods including third parties to capture, collect,*  
17       *and transmit data related to the movement of goods*  
18       *through the international supply chain.*

19              (4) *REPORT.*—*Not later than 30 days before the*  
20       *initiation of the Secure Freight Program in a pilot*  
21       *phase, the Secretary shall submit a report, to appro-*  
22       *priate congressional committees, that contains a plan*  
23       *for the next generation targeting system, including a*  
24       *schedule and concept of operations for initial and full*  
25       *operating capability.*

1 **SEC. 7. UNIFORM DATA FOR GOVERNMENTWIDE USAGE.**

2       (a) *ESTABLISHMENT.*—The Secretary, in conjunction  
3 with representatives from the Department, the Department  
4 of Transportation, the Department of Health and Human  
5 Services, the Department of Agriculture, the Department of  
6 Commerce, the Department of State, the Department of De-  
7 fense, the Department of Justice, the Department of the In-  
8 terior, and other appropriate Federal agencies, as deter-  
9 mined by the Secretary, shall establish and implement a  
10 single, uniform data system for the electronic collection, dis-  
11 semination, and sharing of import and export information  
12 to increase the efficiency of data submission and the secu-  
13 rity of such data related to border security, trade, and pub-  
14 lic health and safety of international cargoes (referred to  
15 in this subsection as the “International Trade Data Sys-  
16 tem”).

17       (b) *INTERAGENCY STEERING GROUP.*—The Deputy  
18 Director for Management of the Office of Management and  
19 Budget (referred to in this subsection as the “Deputy Direc-  
20 tor”), pursuant to responsibilities under chapter 36 of title  
21 44, United States Code, shall establish an executive level,  
22 interagency steering group (referred to in this subsection  
23 as the “Interagency Steering Group”), comprised of rep-  
24 resentatives of the departments listed in paragraph (1), to  
25 coordinate, the establishment, investment in, and imple-  
26 mentation of the International Trade Data System.

1       (c) *HARMONIZED DATA SET.*—Not later than 1 year  
 2 after the date of enactment of this Act, the Deputy Director,  
 3 through the Interagency Steering Group, shall complete the  
 4 development and publication of the harmonized data set of  
 5 import and export information submitted to agencies with  
 6 a presence at the international border of the United States.

7       (d) *IMPLEMENTATION.*—

8           (1) *IN GENERAL.*—The Secretary and the Inter-  
 9 agency Steering Group, in consultation with private  
 10 sector stakeholders, including the Commercial Oper-  
 11 ations Advisory Committee, shall develop the uniform  
 12 data submission requirements, procedures, and sched-  
 13 ules for implementation.

14          (2) *CONSIDERATIONS.*—In developing the sub-  
 15 mission requirements, procedures and schedules, the  
 16 Secretary shall consider—

17           (A) the unique features of each mode of  
 18 transportation by which goods may be traveling;

19           (B) the appropriate timing for submission  
 20 of data during the importation or exportation  
 21 process; and

22           (C) the appropriate party engaged in a  
 23 particular transaction to submit the data.

24       (e) *JOINT INSPECTIONS PROCEDURES.*—The Deputy  
 25 Director, through the Interagency Steering Group, shall de-

1 *velop plans for longer term uses of the International Trade*  
 2 *Data System, including facilitating joint cargo inspections*  
 3 *by multiple Federal agencies to meet their respective re-*  
 4 *quirements in a more efficient manner.*

5 **SEC. 8. UNDER SECRETARY FOR POLICY.**

6 *(a) UNDER SECRETARY FOR POLICY.—The Homeland*  
 7 *Security Act of 2002 (6 U.S.C. 101 et seq.) is amended—*

8 *(1) by redesignating title VI as title XVIII, and*  
 9 *transferring that title to the end of the Act;*

10 *(2) in title XVIII, as redesignated, by redesign-*  
 11 *ating section 601 as section 1801; and*

12 *(3) by inserting after title V the following:*

13 **“TITLE VI—UNDER SECRETARY**  
 14 **FOR POLICY**

15 **“SEC. 601. UNDER SECRETARY FOR POLICY.**

16 *“(a) IN GENERAL.—There shall be in the Department*  
 17 *an Under Secretary for Policy, who shall be appointed by*  
 18 *the President, by and with the advice and consent of the*  
 19 *Senate.*

20 *“(b) RESPONSIBILITIES.—Subject to the direction, au-*  
 21 *thority, and control of the Secretary, the Under Secretary*  
 22 *for Policy shall be responsible for—*

23 *“(1) policy development within the Department,*  
 24 *by—*

1           “(A) *serving as the principal policy advisor*  
2           *to the Secretary;*

3           “(B) *providing overall direction and super-*  
4           *vision for policy development to programs, of-*  
5           *fices, and activities of the Department;*

6           “(C) *establishing and directing a formal*  
7           *polycymaking process for the Department;*

8           “(D) *analyzing, evaluating, and reviewing*  
9           *completed, ongoing, and proposed programs, to*  
10          *ensure they are compatible with the statutory*  
11          *and regulatory responsibilities of the Department*  
12          *and with the Secretary’s priorities, strategic*  
13          *plans, and policies; and*

14          “(E) *ensuring, in conjunction with other*  
15          *Department officials, that the budget of the De-*  
16          *partment (including the development of future*  
17          *year budgets) is compatible with the statutory*  
18          *and regulatory responsibilities of the Department*  
19          *and with the Secretary’s priorities, strategic*  
20          *plans, and policies;*

21          “(2) *strategic planning for the Department, by—*

22               “(A) *conducting long-range, strategic plan-*  
23               *ning for the Department;*

24               “(B) *preparing national and Department*  
25               *strategies, as appropriate;*



1           “(C) *conducting net assessments of issues*  
2           *facing the Department; and*

3           “(D) *conducting reviews of the Department*  
4           *to ensure the implementation of this paragraph;*  
5           “(3) *international issues of the Department,*  
6           *by—*

7           “(A) *promoting informational and edu-*  
8           *cational exchange with nations friendly to the*  
9           *United States in order to promote sharing of best*  
10          *practices and technologies relating to homeland*  
11          *security, including—*

12           “(i) *the exchange of information on re-*  
13           *search and development on homeland secu-*  
14           *rity technologies;*

15           “(ii) *joint training exercises of first re-*  
16           *sponders; and*

17           “(iii) *exchanging expertise and infor-*  
18           *mation on terrorism prevention, response,*  
19           *and crisis management;*

20           “(B) *identifying areas for homeland secu-*  
21           *rity informational and training exchange where*  
22           *the United States has a demonstrated weakness*  
23           *and another friendly nation or nations have a*  
24           *demonstrated expertise;*

1           “(C) planning and carrying out inter-  
2           national conferences, exchange programs (includ-  
3           ing the exchange of scientists, engineers, and  
4           other experts), and other training activities; and

5           “(D) managing international activities  
6           within the Department in coordination with  
7           other Federal officials with responsibility for  
8           counterterrorism matters; and

9           “(4) private sector coordination, by—

10           “(A) creating and fostering strategic com-  
11           munications with the private sector to enhance  
12           the primary mission of the Department to pro-  
13           tect the United States;

14           “(B) advising the Secretary on the impact  
15           of the policies, regulations, processes, and actions  
16           of the Department on the private sector;

17           “(C) interfacing with other relevant Federal  
18           agencies with homeland security missions to as-  
19           sess the impact of the actions of such agencies on  
20           the private sector;

21           “(D) creating and managing private sector  
22           advisory councils composed of representatives of  
23           industries and associations designated by the  
24           Secretary—

1                   “(i) to advise the Secretary on private  
2                   sector products, applications, and solutions  
3                   as they relate to homeland security chal-  
4                   lenges; and

5                   “(ii) to advise the Secretary on home-  
6                   land security policies, regulations, processes,  
7                   and actions that affect the participating in-  
8                   dustries and associations.

9                   “(E) working with Federal laboratories, fed-  
10                  erally funded research and development centers,  
11                  other federally funded organizations, academia,  
12                  and the private sector to develop innovative ap-  
13                  proaches to address homeland security challenges  
14                  to produce and deploy the best available tech-  
15                  nologies for homeland security missions;

16                  “(F) promoting existing public-private  
17                  partnerships and develop new public-private  
18                  partnerships to provide for collaboration and  
19                  mutual support to address homeland security  
20                  challenges;

21                  “(G) assisting in the development and pro-  
22                  motion of private sector best practices to secure  
23                  critical infrastructure;

24                  “(H) coordinating industry efforts, with re-  
25                  spect to functions of the Department, to identify

1       *private sector resources and capabilities that*  
 2       *could be effective in supplementing Federal,*  
 3       *State, and local government agency efforts to*  
 4       *prevent or respond to a terrorist attack; and*

5               *“(I) coordinating among Department oper-*  
 6       *ating entities and with the Assistant Secretary*  
 7       *for Trade Development of the Department of*  
 8       *Commerce on issues related to the travel and*  
 9       *tourism industries.”.*

10       (b) *TECHNICAL AND CONFORMING AMENDMENTS.—*  
 11       *The Homeland Security Act of 2002 (6 U.S.C. 101 et seq.)*  
 12       *is amended—*

13               (1) *in section 103—*

14                       (A) *by redesignating paragraphs (6)*  
 15       *through (10) as paragraphs (7) through (11), re-*  
 16       *spectively; and*

17                       (B) *by inserting after paragraph (5) the fol-*  
 18       *lowing:*

19                       *“(6) An Under Secretary for Policy.”;*

20                       (2) *by striking section 879; and*

21                       (3) *in the table of contents—*

22                       (A) *by redesignating the items relating to*  
 23       *title VI and section 601 as items relating to title*  
 24       *XVIII and section 1801, respectively, and trans-*

1        *ferring such items to the end of the table of con-*  
 2        *tents;*

3                *(B) by striking the item relating to section*  
 4        *879; and*

5                *(C) by inserting before the item relating to*  
 6        *title VII the following:*

“TITLE VI—UNDER SECRETARY FOR POLICY

“Sec. 601. *Under Secretary for Policy.*”.

7        *(c) OFFICE OF CARGO SECURITY POLICY.—*

8                *(1) IN GENERAL.—*Subtitle C of title IV of the  
 9        *Homeland Security Act of 2002 (6 U.S.C. 231 et seq.)*  
 10        *is amended by adding at the end the following:*

11    **“SEC. 431. OFFICE OF CARGO SECURITY POLICY.**

12        *“(a) ESTABLISHMENT.—*There is established within  
 13        *the Department an Office of Cargo Security Policy (referred*  
 14        *to in this section as the ‘Office’).*

15        *“(b) PURPOSE.—*The Office shall—

16                *“(1) coordinate all Department policies and pro-*  
 17        *grams relating to cargo security; and*

18                *“(2) consult with stakeholders and work with*  
 19        *other Federal agencies to establish standards and reg-*  
 20        *ulations and to promote best practices.*

21        *“(c) DIRECTOR.—*

22                *“(1) APPOINTMENT.—*The Office shall be headed  
 23        *by a Director, who shall—*

24                *“(A) be appointed by the Secretary; and*

1                   “(B) report to the Under Secretary for Pol-  
2                   icy.

3                   “(2) *RESPONSIBILITIES.*—*The Director shall—*

4                   “(A) advise the Secretary and the Under  
5                   Secretary for Policy regarding all aspects of De-  
6                   partment programs relating to cargo security;

7                   “(B) develop Department-wide policies re-  
8                   garding cargo security;

9                   “(C) coordinate the cargo security policies  
10                  and programs of the Department with other exec-  
11                  utive agencies, including by working with offi-  
12                  cials of the Department of Energy and the De-  
13                  partment of State, as appropriate, in negoti-  
14                  ating international agreements relating to cargo  
15                  security; and

16                  “(D) coordinate all programs of the Depart-  
17                  ment relating to cargo security.”.

18                  (2) *CLERICAL AMENDMENT.*—*The table of con-*  
19                  *tents of the Homeland Security Act of 2002 (6 U.S.C.*  
20                  *101 et seq.) is amended by inserting after the item re-*  
21                  *lating to section 430 the following:*

                  “Sec. 431. *Office of Cargo Security Policy.*”.

22                  (d) *DESIGNATION OF LIAISON OFFICE OF DEPART-*  
23                  *MENT OF STATE.*—*The Secretary of State shall designate*  
24                  *a liaison office within the Department of State to assist*  
25                  *the Secretary, as appropriate, in—*

- 1           (1) *negotiating international agreements related*  
 2           *to cargo security;*  
 3           (2) *conducting activities under this Act; and*  
 4           (3) *carrying out related responsibilities, as as-*  
 5           *signed by the Secretary of State.*

6 **SEC. 9. CONTAINER SECURITY STANDARDS AND PROCE-**  
 7           **DURES.**

8           (a) *ESTABLISHMENT.*—

9           (1) *RULEMAKING.*—*Not later than 180 days*  
 10          *after the date of enactment of this Act, the Secretary*  
 11          *shall establish, by regulation, minimum standards*  
 12          *and procedures for securing containers in transit to*  
 13          *an importer in the United States.*

14          (2) *INFORMATION SOURCES.*—*The Secretary*  
 15          *shall use information from C-TPAT, Operation Safe*  
 16          *Commerce, any container security program of the Di-*  
 17          *rectorate for Science and Technology of the Depart-*  
 18          *ment, and other security initiatives to establish the*  
 19          *standards and procedures described in paragraph (1).*  
 20          *Such standards and procedures may address oper-*  
 21          *ation, technology use, and performance.*

22          (3) *DEADLINE FOR ENFORCEMENT.*—*Not later*  
 23          *than 2 years after the establishment of standards and*  
 24          *procedures under subsection (a), all containers bound*

1       for ports of entry in the United States shall meet such  
2       standards and procedures.

3       (b) *REVIEW AND ENHANCEMENT.*—*The Secretary shall*  
4       *regularly—*

5               (1) *review the standards and procedures estab-*  
6       *lished pursuant to subsection (a); and*

7               (2) *enhance the security standards and proce-*  
8       *dures, as appropriate, based on tests of technologies as*  
9       *they become commercially available to detect con-*  
10      *tainer intrusion and the highest consequence threats,*  
11      *particularly weapons of mass destruction, in accord-*  
12      *ance with section 15.*

13      (c) *INTERNATIONAL CARGO SECURITY STANDARDS.*—  
14      *The Secretary, in consultation with the Secretary of State*  
15      *and the Secretary of Energy, is encouraged to promote and*  
16      *establish international standards for the security of con-*  
17      *tainers moving through the international supply chain with*  
18      *foreign governments and international organizations, in-*  
19      *cluding the International Maritime Organization and the*  
20      *World Customs Organization.*

21      **SEC. 10. DOMESTIC RADIATION DETECTION AND IMAGING.**

22      (a) *EXAMINING CONTAINERS.*—*Not later than Decem-*  
23      *ber 31, 2007, all containers entering the United States*  
24      *through the busiest 22 seaports of entry shall be examined*  
25      *for radiation.*



1       (b) *STRATEGY.*—*The Secretary shall develop a strategy*  
2 *for the deployment of radiation detection capabilities that*  
3 *includes—*

4           (1) *a risk-based prioritization of ports of entry*  
5 *at which radiation detection equipment will be de-*  
6 *ployed;*

7           (2) *a proposed time line of when radiation detec-*  
8 *tion equipment will be deployed at each of the ports*  
9 *of entry identified under paragraph (1);*

10          (3) *the type of equipment to be used at each of*  
11 *the ports of entry identified under paragraph (1), in-*  
12 *cluding the joint deployment and utilization of radi-*  
13 *ation detection equipment and nonintrusive imaging*  
14 *equipment;*

15          (4) *standard operating procedures for examining*  
16 *containers with such equipment, including sensor*  
17 *alarms, networking and communications and re-*  
18 *sponse protocols;*

19          (5) *operator training plans;*

20          (6) *an evaluation of the environmental health*  
21 *and safety impacts of nonintrusive inspection tech-*  
22 *nology;*

23          (7) *the Department policy for the using non-*  
24 *intrusive inspection equipment;*

25          (8) *a classified annex that—*

1                   (A) details plans for covert testing; and

2                   (B) outlines the risk-based prioritization of  
3                   ports of entry used under paragraph (1).

4           (c) *REPORT*.—Not later than 90 days after the date  
5 of enactment of this Act, the Secretary shall submit the  
6 strategy developed under subsection (b) to appropriate con-  
7 gressional committees.

8           (d) *UPDATE*.—Not later than 180 days after the date  
9 of enactment of this Act, the Secretary may update the  
10 strategy submitted under subsection (c) to provide a more  
11 complete evaluation under subsection (b)(6).

12          (e) *OTHER WMD THREATS*.—Not later than 180 days  
13 after the date of enactment of this Act, the Secretary shall  
14 submit a strategy for the deployment of equipment to detect  
15 chemical, biological, and other weapons at all ports of entry  
16 into the United States to appropriate congressional com-  
17 mittees.

18          (f) *IMPLEMENTATION*.—Not later than 3 years after the  
19 date of enactment of this Act, the Secretary shall fully im-  
20 plement the strategy developed under subsection (b).

21 **SEC. 11. CONTAINER SECURITY INITIATIVE.**

22          (a) *AUTHORIZATION*.—The Secretary is authorized to  
23 establish and implement a program (to be known as the  
24 “Container Security Initiative” or “CSI”) to identify and  
25 examine maritime containers that pose a security risk at

1 *foreign ports before the containers are shipped to the United*  
2 *States.*

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

8               (1) *the level of risk for the potential compromise*  
9       *of containers by terrorists or terrorist weapons;*

10              (2) *the economic impact of cargo traveling from*  
11 *the foreign port to the United States in terms of trade*  
12 *value and volume;*

13              (3) *the results of the Coast Guard assessments*  
14 *conducted pursuant to section 70108 of title 46,*  
15 *United States Code;*

16              (4) *the capabilities and level of cooperation ex-*  
17 *pected of the government of the intended host country;*

18              (5) *the willingness of the government of the in-*  
19 *tended host country to permit validation of security*  
20 *practices within the country in which the foreign port*  
21 *is located, for the purposes of C-TPAT or similar pro-*  
22 *grams; and*

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

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

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

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

16      (f) *NEGOTIATIONS.*—The Secretary may request that  
 17   the Secretary of State, in conjunction with the United  
 18   States Trade Representative, enter into trade negotiations  
 19   with the government of each foreign country with a port  
 20   designated under CSI, as appropriate, to ensure full com-  
 21   pliance with the requirements under CSI.

22      (g) *INSPECTIONS.*—

23           (1) *REQUIREMENTS AND PROCEDURES.*—The  
 24   Secretary shall—

1           (A) *establish technical capability require-*  
2           *ments and standard operating procedures for the*  
3           *use of nonintrusive inspection and radiation de-*  
4           *tection equipment in conjunction with CSI;*

5           (B) *require that the equipment operated at*  
6           *each port designated under CSI be operated in*  
7           *accordance with the requirements and procedures*  
8           *established under subparagraph (A); and*

9           (C) *continually monitor the technologies,*  
10          *processes, and techniques used to inspect cargo at*  
11          *ports designated under CSI.*

12          (2) *CONSIDERATIONS.—*

13           (A) *CONSISTENCY OF STANDARDS AND PRO-*  
14           *CEDURES.—In establishing the technical capa-*  
15           *bility requirements and standard operating pro-*  
16           *cedures under paragraph (1)(A), the Secretary*  
17           *shall take into account any such relevant stand-*  
18           *ards and procedures utilized by other Federal de-*  
19           *partments or agencies as well as those developed*  
20           *by international bodies.*

21           (B) *APPLICABILITY.—The technical capa-*  
22           *bility requirements and standard operating pro-*  
23           *cedures established pursuant to paragraph (1)(A)*  
24           *shall not apply to activities conducted under the*

1       *Megaports Initiative of the Department of En-*  
2       *ergy.*

3       (3) *FOREIGN ASSISTANCE.*—

4               (A) *IN GENERAL.*—*The Secretary, in coordi-*  
5       *nation with the Secretary of State, the Secretary*  
6       *of Energy, and other Federal agencies, shall*  
7       *identify foreign assistance programs that could*  
8       *facilitate the implementation of cargo security*  
9       *antiterrorism measures at ports designated*  
10       *under CSI and foreign ports not designated*  
11       *under CSI that lack effective antiterrorism meas-*  
12       *ures.*

13              (B) *ACQUISITION.*—*Notwithstanding any*  
14       *other provision of law, the Secretary may—*

15                   (i) *lease, loan, provide, or otherwise as-*  
16       *sist in the deployment of non-intrusive in-*  
17       *spection and handheld radiation detection*  
18       *equipment at foreign air, land, and sea*  
19       *ports under such terms and conditions as*  
20       *the Secretary prescribes, including non-*  
21       *reimbursable loans or the transfer of owner-*  
22       *ship of equipment; and*

23                   (ii) *provide training and technical as-*  
24       *sistance for domestic or foreign personnel*

1                    *responsible for operating or maintaining*  
2                    *such equipment.*

3                    (C) *TRAINING.*—*The Secretary may provide*  
4                    *training on the use of inspection equipment, or*  
5                    *other training that the Secretary determines to*  
6                    *be appropriate to secure the international supply*  
7                    *chain, to foreign personnel at each port des-*  
8                    *ignated under CSI.*

9                    (h) *PERSONNEL.*—*The Secretary shall—*

10                    (1) *annually assess the personnel needs at each*  
11                    *port designated under CSI;*

12                    (2) *deploy personnel in accordance with the as-*  
13                    *essment under paragraph (1); and*

14                    (3) *consider the potential for remote targeting in*  
15                    *decreasing the number of personnel.*

16                    (i) *PILOT INTEGRATED SCANNING SYSTEM.*—

17                    (1) *DESIGNATIONS.*—*Not later than 90 days*  
18                    *after the date of the enactment of this Act, the Sec-*  
19                    *retary shall designate 3 foreign seaports through*  
20                    *which containers pass or are transshipped to the*  
21                    *United States to pilot an integrated scanning system*  
22                    *that couples nonintrusive inspection equipment and*  
23                    *radiation detection equipment, which may be pro-*  
24                    *vided by the Megaports Initiative of the Department*  
25                    *of Energy. In making designations under this para-*

1        *graph, the Secretary shall consider 3 distinct ports*  
 2        *with unique features and differing levels of trade vol-*  
 3        *ume.*

4            (2) *COLLABORATION AND COOPERATION.—The*  
 5        *Secretary shall collaborate with the Secretary of En-*  
 6        *ergy and cooperate with the private sector and host*  
 7        *foreign government to implement this pilot.*

8            (3) *IMPLEMENTATION.—Not later than 1 year*  
 9        *after the date of enactment of this Act, the Secretary*  
 10       *shall achieve a full-scale implementation of the pilot*  
 11       *integrated screening system, which shall—*

12            (A) *scan all containers destined for the*  
 13        *United States that transit through the port;*

14            (B) *electronically transmit the images and*  
 15        *information to CSI personnel in the host country*  
 16        *and the National Targeting Center for evalua-*  
 17        *tion and analysis;*

18            (C) *utilize, to the maximum extent prac-*  
 19        *ticable, container security devices or other con-*  
 20        *tainer sealing devices on all containers;*

21            (D) *resolve every radiation alarm according*  
 22        *to established Department procedures;*

23            (E) *utilize the information collected to en-*  
 24        *hance the Automated Targeting System or other*  
 25        *relevant programs; and*



1           (F) store the information for later retrieval  
2           and analysis.

3           (4) *REPORT.*—Not later than 120 days after  
4           achieving full-scale implementation under paragraph  
5           (3), the Secretary, in consultation with the Secretary  
6           of Energy and the Secretary of State, shall submit a  
7           report, to appropriate congressional committees, that  
8           includes—

9                   (A) an evaluation of the lessons derived  
10                  from the pilot program implemented under this  
11                  subsection;

12                   (B) an analysis of the efficacy of the Auto-  
13                  mated Targeted System or other relevant pro-  
14                  grams in utilizing the images captured to exam-  
15                  ine high-risk containers;

16                   (C) an evaluation of software that is capa-  
17                  ble of automatically identifying potential anom-  
18                  alies in scanned containers; and

19                   (D) a plan and schedule to expand this in-  
20                  tegrated scanning system to other CSI ports.

21           (5) *IMPLEMENTATION.*—As soon as practicable  
22           and possible, an integrated scanning system shall be  
23           implemented to scan all containers entering the  
24           United States prior to arrival in the United States.

1 **SEC. 12. CUSTOMS-TRADE PARTNERSHIP AGAINST TER-**  
2 **RORISM.**

3 (a) *IN GENERAL.*—

4 (1) *AUTHORIZATION.*—*The Secretary is author-*  
5 *ized to establish a voluntary program (to be known*  
6 *as the “Customs-Trade Partnership Against Ter-*  
7 *rorism” or “C-TPAT”)* *to strengthen and improve the*  
8 *overall security of the international supply chain and*  
9 *United States border security.*

10 (2) *MINIMUM REQUIREMENTS.*—*The Secretary*  
11 *shall promulgate regulations that describe the min-*  
12 *imum requirements, program tiers, and program ben-*  
13 *efits of C-TPAT.*

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

19 (c) *MINIMUM REQUIREMENTS.*—*An applicant seeking*  
20 *to participate in C-TPAT shall—*

21 (1) *demonstrate a history of moving commerce in*  
22 *the international supply chain to and from the*  
23 *United States;*

24 (2) *conduct an assessment of its supply chains*  
25 *based upon security criteria established by the Sec-*  
26 *retary, including—*

- 1                   (A) *business partner requirements;*
- 2                   (B) *container security;*
- 3                   (C) *physical security and access controls;*
- 4                   (D) *personnel security;*
- 5                   (E) *procedural security;*
- 6                   (F) *security training and threat awareness;*

7                   *and*

- 8                   (G) *information technology security;*

9                   (3) *implement and maintain security measures*  
 10                   *and supply chain security practices meeting security*  
 11                   *criteria; and*

12                   (4) *meet all other requirements established by the*  
 13                   *Secretary.*

14                   (d) *CERTIFICATION.—*

15                   (1) *GUIDELINES.—Not later than 180 days after*  
 16                   *the date of enactment of this Act, the Secretary shall*  
 17                   *update guidelines for certifying a participant’s secu-*  
 18                   *urity measures and supply chain security practices.*

19                   (2) *TIER ONE BENEFITS.—The Secretary may*  
 20                   *offer limited benefits to C-TPAT participants whose*  
 21                   *security measures and supply chain security practices*  
 22                   *have been certified in accordance with the guidelines*  
 23                   *established pursuant to paragraph (1). Such benefits*  
 24                   *may not include reduced scores in the Automated*  
 25                   *Targeting System.*

1       (e) *VALIDATION.*—

2               (1) *IN GENERAL.*—Not later than 1 year after a  
 3       C-TPAT participant has been certified under sub-  
 4       section (d)(1), the Secretary shall validate, directly or  
 5       through certified third parties (as provided under  
 6       subsection (f)), the security measures and supply  
 7       chain security practices of that participant. Such val-  
 8       idation shall include visits to foreign locations uti-  
 9       lized by the C-TPAT participant as part of the par-  
 10      ticipant's supply chain or chains.

11              (2) *GUIDELINES.*—Not later than 180 days after  
 12      the date of enactment of this Act, the Secretary shall  
 13      update guidelines for validating a participant's secu-  
 14      rity measures and supply chain security practices.

15              (3) *CONSEQUENCES FOR FAILED VALIDATION.*—  
 16      If a C-TPAT participant's security measures and  
 17      supply chain security practices fail to meet validation  
 18      requirements—

19                      (A) the participant may not receive the ben-  
 20                      efits of validation; and

21                      (B) the Commissioner of United States Cus-  
 22                      toms and Border Protection may deny the par-  
 23                      ticipant all benefits under C-TPAT.

24              (4) *RIGHT OF APPEAL.*—A C-TPAT participant  
 25      described under paragraph (3) may—

1           (A) file an appeal with the Secretary of the  
 2           Commissioner's decision under paragraph (3)(B)  
 3           to deny benefits under C-TPAT; and

4           (B) request revalidation.

5           (5) *TIER TWO BENEFITS.*—The Secretary shall  
 6           extend benefits to each participant who has been vali-  
 7           dated under this subsection, which may include—

8           (A) reduced searches;

9           (B) priority processing for searches; and

10          (C) reduced scores in the Automated Tar-  
 11          geting System.

12          (f) *THIRD PARTY CERTIFICATION.*—

13           (1) *IN GENERAL.*—Not later than 1 year after  
 14           the date of enactment of this Act, the Secretary shall  
 15           develop and issue minimum standard operating pro-  
 16           cedures and requirements for third parties to conduct  
 17           validations of C-TPAT participants. These third par-  
 18           ties shall be certified and monitored as outlined in  
 19           this subsection.

20           (2) *CERTIFICATION OF THIRD PARTY ENTI-*  
 21           *TIES.*—The Secretary shall issue a certificate of con-  
 22           formance to a third party to conduct validations  
 23           under this section if the third party—

24           (A) demonstrates to the satisfaction of the  
 25           Secretary that the third party is capable of per-

1       *forming validations in accordance with standard*  
 2       *operating procedures and requirements;*

3               *(B) agrees to perform validations in accord-*  
 4       *ance with such standard operating procedures*  
 5       *and requirements;*

6               *(C) signs an agreement to protect all pro-*  
 7       *prietary information of C-TPAT participants*  
 8       *with respect to which the entity will conduct*  
 9       *validations;*

10              *(D) has no beneficial interest in or any di-*  
 11       *rect or indirect control over the C-TPAT partici-*  
 12       *pant that is contracting for the validation serv-*  
 13       *ices; and*

14              *(E) has no other conflict of interest with re-*  
 15       *spect to the C-TPAT participant.*

16              *(3) MONITORING.—The Secretary shall regularly*  
 17       *monitor and inspect the operations of a third party*  
 18       *conducting validations under this section to ensure*  
 19       *that the third party is meeting the minimum stand-*  
 20       *ard operating procedures and requirements for the*  
 21       *validation of C-TPAT participants established under*  
 22       *subsection (e) and all other applicable requirements*  
 23       *for validation services as determined by the Secretary.*

24              *(4) REVOCATION.—If the Secretary finds that a*  
 25       *third party is not meeting the minimum standard op-*

1       erating procedures and requirements, the Secretary  
2       shall—

3               (A) revoke the entity's certificate of con-  
4       formance issued under subsection; and

5               (B) review any validations conducted by the  
6       entity.

7       (5) *VALIDATION DECISION.*—The decision to des-  
8       ignate a C-TPAT participant as a tier 2 or  
9       GreenLane member is solely within the discretion of  
10      the Secretary or the Secretary's designee.

11      (6) *EXCLUSION.*—A certified third party may  
12      not determine the status of a C-TPAT participant.

13      (g) *REVALIDATION.*—The Secretary shall establish a  
14      process for revalidating C-TPAT participants. Such re-  
15      validation shall occur on the basis of risk not less frequently  
16      than once during every 4-year period following validation.

17      **SEC. 13. GREENLANE DESIGNATION.**

18      (a) *ESTABLISHMENT.*—The Secretary shall establish a  
19      third tier of C-TPAT (referred to in this section as the  
20      “GreenLane”) that offers additional benefits to validated  
21      C-TPAT participants that demonstrate a sustained com-  
22      mitment beyond the minimum requirements for participa-  
23      tion in C-TPAT.

1       (b) *BASIC REQUIREMENTS.*—*The Secretary shall des-*  
2 *ignate requirements for GreenLane participants, which*  
3 *shall include—*

4           (1) *voluntary submission of additional data ele-*  
5 *ments, as determined by the Secretary and as in-*  
6 *formed by the plan required under section 6 sub-*  
7 *mitted on shipments before loading;*

8           (2) *cargo is loaded at a port designated under*  
9 *CSI, or other designated foreign port as determined*  
10 *by the Secretary, for transit to the United States;*

11          (3) *cargo is loaded on a vessel with a vessel secu-*  
12 *rity plan approved or accepted under section*  
13 *70103(c) of title 46, United States Code, or on a ves-*  
14 *sel with a valid International Ship Security Certifi-*  
15 *cate as provided for under part 104 of title 33, Code*  
16 *of Federal Regulations;*

17          (4) *the supply chain visibility procedures estab-*  
18 *lished by the Secretary under subsection (f)(1)(A) are*  
19 *utilized;*

20          (5) *container security devices meeting the stand-*  
21 *ards and procedures established by the Secretary*  
22 *under subsection (f)(1)(B) are utilized;*

23          (6) *cargo complies with additional security cri-*  
24 *teria established by the Secretary beyond the min-*  
25 *imum requirements for C-TPAT participation under*



1        *section 12(c), particularly in the area of access con-*  
 2        *trols; and*

3                *(7) cargo complies with any other requirements*  
 4        *determined by the Secretary.*

5        *(c) NON-CONTAINERIZED CARGO.—The Secretary shall*  
 6        *designate requirements for GreenLane participation spe-*  
 7        *cific to non-containerized cargoes. Nothing in this section*  
 8        *shall be construed to preclude participation in GreenLane*  
 9        *by importers of non-containerized cargoes that otherwise*  
 10       *meet the requirements under this section.*

11       *(d) CONTAINERS TRANSHIPPED THROUGH CANADA OR*  
 12       *MEXICO UNDER GREENLANE.—Containers entering the*  
 13       *United States under GreenLane at a land border port of*  
 14       *entry shall undergo the equivalent, appropriate level of*  
 15       *scrutiny, through screening, examination, or search, as con-*  
 16       *tainers arriving at a United States port of entry from a*  
 17       *foreign seaport, and as provided by bilateral commitments*  
 18       *between the United States and Canada and the United*  
 19       *States and Mexico, respectively.*

20       *(e) CONSEQUENCES FOR LACK OF COMPLIANCE.—*

21                *(1) IN GENERAL.—Any participant whose secu-*  
 22        *rity measures and supply chain security practices*  
 23        *have been found by the Secretary to be out of compli-*  
 24        *ance with any requirements of GreenLane shall be de-*  
 25        *nied all benefits under GreenLane.*

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

5           (f) *RULEMAKING.*—

6           (1) *IN GENERAL.*—*Not later than 1 year after*  
 7           *the date of enactment of this Act, the Secretary, in*  
 8           *consultation with private sector stakeholders, shall*  
 9           *promulgate regulations that establish—*

10                   (A) *requirements for supply chain visibility*  
 11                   *procedures;*

12                   (B) *performance standards for container se-*  
 13                   *curity devices and protocols for their use; and*

14                   (C) *any other GreenLane requirements that*  
 15                   *the Secretary considers appropriate, including*  
 16                   *requirements building upon security measures*  
 17                   *and supply chain security best practices con-*  
 18                   *tained in the C-TPAT minimum requirements*  
 19                   *set forth in section 12(c).*

20           (2) *BENEFITS.*—*Not later than 2 years after the*  
 21           *date of enactment of this Act, the Secretary, in con-*  
 22           *sultation with the Commercial Operations Advisory*  
 23           *Committee, shall promulgate regulations providing*  
 24           *benefits for participation in GreenLane, which may*  
 25           *include—*

1           (A) the expedited release of GreenLane  
 2 cargo into destination ports within the United  
 3 States during all threat levels designated by the  
 4 Secretary or the Commandant of the Coast  
 5 Guard;

6           (B) reduced or eliminated bonding require-  
 7 ments for GreenLane cargo;

8           (C) preference to vessels (as described in sec-  
 9 tion 5(b));

10          (D) further reduced inspections;

11          (E) priority processing for inspections;

12          (F) further reduced scores in the Automated  
 13 Targeting System; and

14          (G) streamlined billing of any customs du-  
 15 ties or fees.

16          (3) *OTHER MODES OF TRANSPORTATION.*—The  
 17 Secretary shall consider establishment of GreenLane  
 18 requirements and benefits for cargo entering the  
 19 United States by non-maritime modes of transpor-  
 20 tation.

21 **SEC. 14. JOINT OPERATIONS CENTER.**

22          (a) *ESTABLISHMENT.*—Not later than 3 years after the  
 23 date of enactment of this Act, the Secretary shall establish  
 24 joint operation centers for maritime and cargo security  
 25 to—

1           (1) *enhance information sharing;*

2           (2) *facilitate day-to-day operational coordina-*  
3       *tion; and*

4           (3) *in the case of a maritime transportation se-*  
5       *curity incident, facilitate incident management and*  
6       *response.*

7       (b) *ORGANIZATION.—To the extent practicable, a joint*  
8       *operations center shall be colocated with the command cen-*  
9       *ter for each Coast Guard sector and shall utilize existing*  
10      *facilities. The Secretary may utilize virtual connectivity to*  
11      *accomplish the goals of this section.*

12      (c) *PARTICIPATION.—The following entities shall par-*  
13      *ticipate in each joint operations center for maritime and*  
14      *cargo security:*

15           (1) *The United States Coast Guard.*

16           (2) *United States Customs and Border Protec-*  
17      *tion.*

18           (3) *United States Immigration and Customs En-*  
19      *forcement.*

20           (4) *The Department of Defense, as appropriate.*

21           (5) *The Federal Bureau of Investigation.*

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

1           (7) *State, local, and international law enforce-*  
 2           *ment and first responder agencies responsible for the*  
 3           *port, as appropriate, or as otherwise selected by the*  
 4           *Secretary.*

5           (8) *Port authority representatives, maritime ex-*  
 6           *changes, private sector stakeholders, and other entities*  
 7           *subject to an Area Maritime Security Plan, as se-*  
 8           *lected by the Secretary.*

9           (d) *RESPONSIBILITIES.—Each joint operations center*  
 10          *for maritime and cargo security shall—*

11           (1) *assist, as appropriate, in the implementation*  
 12           *of maritime transportation security plans developed*  
 13           *under section 70103 of title 46, United States Code;*

14           (2) *assist, as appropriate, in the implementation*  
 15           *of transportation security incident response plans re-*  
 16           *quired under section 70104 of such title;*

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

22           (4) *conduct, as appropriate to the vessel traffic*  
 23           *criteria within the center's area of responsibility,*  
 24           *short- and long-range vessel tracking under sections*  
 25           *70114 and 70115 of such title 46, United States Code;*

1           (5) *facilitate communication and coordination*  
2           *with private sector stakeholders during a transpor-*  
3           *tation security incident involving the port; and*

4           (6) *carry out such other responsibilities as deter-*  
5           *mined by the Secretary.*

6           (e) *SECURITY CLEARANCES.—The Secretary shall*  
7           *sponsor and expedite individuals participating in the joint*  
8           *operations centers in gaining or maintaining their security*  
9           *clearances. Through the Captain of the Port, the Secretary*  
10          *may identify key individuals who should participate. In*  
11          *addition, the port or other entities may appeal to the Cap-*  
12          *tain of the Port for sponsorship.*

13          (f) *SECURITY INCIDENTS.—During a transportation*  
14          *security incident involving the port, the Coast Guard Cap-*  
15          *tain of the Port designated by the Commandant of the Coast*  
16          *Guard shall act as the initial incident commander, unless*  
17          *otherwise directed by the President.*

18          (g) *RULE OF CONSTRUCTION.—Nothing in this section*  
19          *shall be construed to affect the standard command and con-*  
20          *trol procedures for operational entities in the Department,*  
21          *unless so directed by the Secretary.*

22          (h) *IMPLEMENTATION.—Not later than 180 days after*  
23          *the date of enactment of this Act, the Secretary shall submit*  
24          *an implementation plan for this section, to appropriate*

1 congressional committees, which describes, for each joint op-  
 2 erations center—

3 (1) the location;

4 (2) the specific participating entities;

5 (3) the implementation costs; and

6 (4) the necessary resources for operation and  
 7 maintenance, including the cost-sharing requirements  
 8 for other agencies and participants.

9 **SEC. 15. RESEARCH, DEVELOPMENT, TEST, AND EVALUA-**  
 10 **TION.**

11 (a) *REAUTHORIZATION OF HOMELAND SECURITY*  
 12 *SCIENCE AND TECHNOLOGY ADVISORY COMMITTEE.*—

13 (1) *IN GENERAL.*—Section 311(j) of the *Home-*  
 14 *land Security Act of 2002* (6 U.S.C. 191(j)) is amend-  
 15 ed by striking “3 years after the effective date of this  
 16 Act” and inserting “on December 31, 2008”.

17 (2) *EFFECTIVE DATE AND APPLICATION.*—The  
 18 amendment made by paragraph (1) shall be effective  
 19 as if enacted on the date of enactment of the *Home-*  
 20 *land Security Act of 2002*.

21 (3) *ADVISORY COMMITTEE.*—The Under Sec-  
 22 retary for Science and Technology shall utilize the  
 23 Homeland Security Science and Technology Advisory  
 24 Committee, as appropriate, to provide outside exper-  
 25 tise in advancing cargo security technology.

1       (b) *DUTIES OF SECRETARY.*—*The Secretary shall—*

2               (1) *direct research, development, test, and eval-*  
 3       *uation efforts in furtherance of maritime and cargo*  
 4       *security;*

5               (2) *encourage the ingenuity of the private sector*  
 6       *in developing and testing technologies and process in-*  
 7       *novations in furtherance of these objectives; and*

8               (3) *evaluate such technologies.*

9       (c) *COORDINATION.*—*The Secretary, acting through the*  
 10       *Under Secretary for Science and Technology, in consulta-*  
 11       *tion with the Under Secretary for Policy, the Director of*  
 12       *Cargo Security Policy, and the Chief Financial Officer,*  
 13       *shall ensure that—*

14              (1) *research, development, test, and evaluation*  
 15       *efforts funded by the Department in furtherance of*  
 16       *maritime and cargo security are coordinated to avoid*  
 17       *duplication of efforts; and*

18              (2) *the results of such efforts are shared through-*  
 19       *out the Department, as appropriate.*

20       (d) *OPERATION SAFE COMMERCE.*—

21              (1) *IN GENERAL.*—*Not later than 1 year after*  
 22       *the date of enactment of this Act, the Secretary shall*  
 23       *initiate a grant program, as part of Operation Safe*  
 24       *Commerce, to—*



1           (A) *integrate nonintrusive inspection and*  
2           *radiation detection equipment with automatic*  
3           *identification methods for containers, vessels,*  
4           *and vehicles;*

5           (B) *test physical access control protocols*  
6           *and technologies;*

7           (C) *create a data sharing network capable*  
8           *of transmitting in a secure manner, data regard-*  
9           *ing the movement of cargo in the international*  
10          *supply chain submitted by entities participating*  
11          *in the international supply chain to the Depart-*  
12          *ment for use in targeting efforts; and*

13          (D) *otherwise further maritime and cargo*  
14          *security, as determined by the Secretary.*

15          (2) *SUPPLY CHAIN SECURITY FOR SPECIAL CON-*  
16          *TAINER AND NONCONTAINERIZED CARGO.—The Sec-*  
17          *retary shall consider demonstration projects that fur-*  
18          *ther the security of the international supply chain for*  
19          *special container cargo, including refrigerated con-*  
20          *tainers, and noncontainerized cargo, including roll-*  
21          *on/roll-off, break-bulk, liquid, and dry bulk cargo.*

22          (3) *COMPETITIVE SELECTION PROCESS.—The*  
23          *Secretary shall select grant recipients under para-*  
24          *graph (1) through a competitive process based on—*

1           (A) *the extent to which the applicant can*  
 2           *demonstrate that personnel, laboratory, and or-*  
 3           *ganizational resources will be available to the*  
 4           *applicant to carry out the activities authorized*  
 5           *under this subsection;*

6           (B) *the applicant's capability to provide*  
 7           *leadership in making national and regional con-*  
 8           *tributions to the solution of maritime and cargo*  
 9           *security issues;*

10          (C) *the extent to which the applicant's pro-*  
 11          *grams, projects, and activities under the grant*  
 12          *will address highest risk priorities as determined*  
 13          *by the Secretary; and*

14          (D) *any other criteria the Secretary deter-*  
 15          *mines to be appropriate.*

16          (4) *ADMINISTRATIVE PROVISIONS.—*

17               (A) *PROHIBITION ON DUPLICATION OF EF-*  
 18               *FORT.—Before awarding any grant under this*  
 19               *subsection, the Secretary shall coordinate with*  
 20               *other Federal departments and agencies to ensure*  
 21               *the grant will not duplicate work already being*  
 22               *carried out with Federal funding.*

23               (B) *ACCOUNTING, REPORTING, AND REVIEW*  
 24               *PROCEDURES.—The Secretary shall establish ac-*

1           *counting, reporting, and review procedures to en-*  
2           *sure that—*

3                     *(i) amounts made available under this*  
4                     *subsection are used for the purpose for*  
5                     *which such amounts were made available;*

6                     *(ii) amounts made available under this*  
7                     *subsection are properly accounted for; and*

8                     *(iii) amounts not used for such pur-*  
9                     *pose and amounts not expended are recov-*  
10                    *ered.*

11           *(C) RECORD KEEPING.—Grant recipients*  
12           *under this subsection shall—*

13                    *(i) maintain all records related to ex-*  
14                    *penditures and obligations of amounts pro-*  
15                    *vided under the grant; and*

16                    *(ii) make such records available upon*  
17                    *request to the Secretary for audit and exam-*  
18                    *ination.*

19           *(D) REVIEW.—The Secretary shall annually*  
20           *review the programs, projects, and activities car-*  
21           *ried out using amounts made available under*  
22           *grants awarded under this subsection to ensure*  
23           *that obligations and expenditures of such*  
24           *amounts are consistent with the purposes for*  
25           *which such amounts are made available.*

1           (5) *ANNUAL REPORT*.—*Not later than March 1 of*  
 2           *each year, the Secretary shall submit a report detail-*  
 3           *ing the results of Operation Safe Commerce to appro-*  
 4           *priate congressional committees.*

5           (e) *GREENLANE TECHNOLOGY*.—*The Secretary shall,*  
 6           *not less frequently than once every 2 years—*

7                 (1) *review the technology requirements and*  
 8                 *standards established under section 10; and*

9                 (2) *test future supply chain visibility procedures,*  
 10                *container security devices, and other systems as they*  
 11                *become commercially available to track and secure*  
 12                *containers and the smallest exterior packaging units*  
 13                *loaded into containers.*

14   **SEC. 16. PORT SECURITY GRANT PROGRAM.**

15           (a) *GRANTS AUTHORIZED*.—*The Secretary, acting*  
 16           *through the Office for Domestic Preparedness, shall establish*  
 17           *a grant program to allocate Federal financial assistance,*  
 18           *on the basis of risk and need—*

19                 (1) *to mitigate risks as identified by the Sec-*  
 20                 *retary;*

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

1           (3) *to correct port security vulnerabilities identi-*  
 2           *fied through vulnerability assessments approved by*  
 3           *the Secretary; or*

4           (4) *to non-Federal projects contributing to the*  
 5           *overall security of an individual port or the system*  
 6           *of ports in the United States, as determined by the*  
 7           *Secretary.*

8           (b) *GRANTEE SELECTION.—In awarding grants under*  
 9           *this Act, the Secretary shall—*

10           (1) *take into account national economic and*  
 11           *strategic defense considerations of individual ports;*

12           (2) *strongly encourage efforts to promote—*

13                   (A) *integration of port-wide security, in-*  
 14                   *cluding supply chain initiatives;*

15                   (B) *information and intelligence sharing;*  
 16                   *and*

17                   (C) *joint efforts, such as joint operations*  
 18                   *centers, among all port stakeholders; and*

19           (3) *consider funding major projects in phases*  
 20           *over multiple years.*

21           (c) *MULTIPLE PHASE PROJECTS.—*

22           (1) *FUNDING LIMITATION.—Not more than 20*  
 23           *percent of the total grant funds awarded under this*  
 24           *section in any fiscal year may be awarded for*  
 25           *projects that span multiple years.*

1           (2) *PRIORITY.*—*In determining grant recipients*  
 2           *under this section, the Secretary may give preference*  
 3           *to continuing to fund multiyear projects that have*  
 4           *previously received funding under this section.*

5           (d) *USE OF FUNDS.*—*Grants awarded under this sec-*  
 6           *tion may be used—*

7                 (1) *to mitigate risks, as identified by the Sec-*  
 8                 *retary;*

9                 (2) *to help implement Area Maritime Transpor-*  
 10                *tation Security Plans required under section 70103(b)*  
 11                *of title 46, United States Code;*

12                (3) *to correct port security vulnerabilities identi-*  
 13                *fied through vulnerability assessments approved by*  
 14                *the Secretary;*

15                (4) *for the salaries, benefits, overtime compensa-*  
 16                *tion, and other costs of additional security personnel*  
 17                *for State and local agencies for activities required by*  
 18                *the Area Maritime Security Plan for a port area if—*

19                         (A) *the Secretary increases the threat level*  
 20                         *under the Homeland Security Advisory System*  
 21                         *to Code Orange or Code Red;*

22                         (B) *the Commandant of the Coast Guard*  
 23                         *raises the Maritime Security level to MARSEC*  
 24                         *Level 2 or 3; or*

1                   (C) the Secretary otherwise authorizes such  
2                   costs;

3                   (5) for the cost of acquisition, operation, and  
4                   maintenance of equipment that contributes to the  
5                   overall security of the port area, as identified in the  
6                   Area Maritime Security Plan if the need is based  
7                   upon vulnerability assessments approved by the Sec-  
8                   retary or identified in the Area Maritime Security  
9                   Plan;

10                  (6) to purchase or upgrade equipment, including  
11                  computer software;

12                  (7) to establish or enhance mechanisms for infor-  
13                  mation sharing, including classified information;

14                  (8) to develop joint operations centers (as de-  
15                  scribed in section 14) that bring together Federal,  
16                  State, and local officials and stakeholders into a com-  
17                  mon operation center that is focused on area mari-  
18                  time and cargo security;

19                  (9) to conduct vulnerability assessments ap-  
20                  proved by the Secretary; and

21                  (10) to conduct port-wide exercises to strengthen  
22                  emergency preparedness of Federal, State, and local  
23                  officials responsible for port security, including law  
24                  enforcement personnel and firefighters and other first

1        *responders, in support of the Area Maritime Security*  
2        *Plan.*

3        *(e) PROHIBITED USES.—Grants awarded under this*  
4        *section may not be used to—*

5                *(1) construct buildings or other physical facili-*  
6        *ties, except those otherwise authorized under section*  
7        *611 of the Robert T. Stafford Disaster Relief and*  
8        *Emergency Assistance Act (42 U.S.C. 5121 et seq.),*  
9        *including those facilities in support of subsection*  
10       *(d)(5), and specifically approved by the Secretary; or*

11               *(2) acquire land, unless such use is specifically*  
12       *approved by the Secretary in support of subsection*  
13       *(d)(5).*

14       *(f) MATCHING REQUIREMENTS.—Except as provided*  
15       *in paragraph (2), Federal funds for any eligible project*  
16       *under this section shall be determined by the Secretary.*

17       *(g) APPLICATION.—*

18               *(1) IN GENERAL.—Any entity subject to an Area*  
19       *Maritime Transportation Security Plan may submit*  
20       *an application for a grant under this section, at such*  
21       *time, in such form, and containing such information*  
22       *and assurances as the Secretary, working through the*  
23       *Office for Domestic Preparedness, may require.*



1           (2) *MINIMUM STANDARDS FOR PAYMENT OR RE-*  
 2           *IMBURSEMENT.—Each application submitted under*  
 3           *paragraph (1) shall include—*

4                   (A) *a comprehensive description of—*

5                           (i) *the need for the project;*

6                           (ii) *the methodology for coordinating*  
 7                           *the project into the security of the greater*  
 8                           *port area, as identified in the Area Mari-*  
 9                           *time Security Plan;*

10                          (iii) *any existing cooperation agree-*  
 11                          *ments with other port facilities, vessels, or*  
 12                          *organizations that benefit security of the en-*  
 13                          *tire port; and*

14                          (iv) *the applicability of the project to*  
 15                          *the Area Maritime Transportation Security*  
 16                          *Plan; and*

17                          (B) *a determination by the Captain of the*  
 18           *Port that the security project—*

19                           (i) *addresses or corrects port security*  
 20                           *vulnerabilities identified by the Coast*  
 21                           *Guard, or through port security vulner-*  
 22                           *ability assessments approved by the Sec-*  
 23                           *retary; and*

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

4                   (3) *PROCEDURAL SAFEGUARDS.*—The Secretary,  
 5                   in consultation with the Office of the Inspector Gen-  
 6                   eral, shall issue guidelines to establish appropriate ac-  
 7                   counting, reporting, and review procedures to ensure  
 8                   that—

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

11                  (B) grantees have properly accounted for all  
 12                  expenditures of grant funds; and

13                  (C) grant funds not used for such purposes  
 14                  and amounts not obligated or expended are re-  
 15                  turned.

16                  (4) *PROJECT APPROVAL REQUIRED.*—The Sec-  
 17                  retary may not award a grant under this section un-  
 18                  less the Secretary determines that—

19                  (A) the project to be carried out with such  
 20                  grant funding—

21                   (i) is consistent with vulnerability as-  
 22                   sessments approved by the Secretary;

23                   (ii) supports cooperation or integration  
 24                   of Federal, State, local, and industry stake-  
 25                   holders in the port area; and

1                   (iii) helps to implement the Area Mar-  
2                   itime Transportation Security Plan;

3                   (B) sufficient funding is available to meet  
4                   the matching requirement described under sub-  
5                   section (d);

6                   (C) the project will be completed without  
7                   unreasonable delay; and

8                   (D) the recipient has authority to carry out  
9                   the proposed project.

10           (h) COORDINATION AND COOPERATION.—The Sec-  
11   retary—

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

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

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

1       (j) *ANNUAL REPORTS*.—Not later than 1 year after the  
 2   date of enactment of this Act, and annually thereafter until  
 3   October 1, 2013, the Secretary shall submit an unclassified  
 4   report describing the progress made in meeting the objec-  
 5   tives of the port security grant program established under  
 6   this section to appropriate congressional committees.

7       (k) *RISK ASSESSMENTS*.—The Secretary shall make  
 8   available to grant applicants a risk assessment tool, which  
 9   uses standardized risk criteria, such as the Maritime Secu-  
 10   rity Risk Assessment Model used by the Coast Guard.

11   **SEC. 17. DEADLINE FOR TRANSPORTATION SECURITY**  
 12                           **CARDS.**

13       Section 70105 of title 46, United States Code, is  
 14   amended—

15           (1) in subsection (a)(1), by striking “The Sec-  
 16       retary shall prescribe” and inserting “Not later than  
 17       December 1, 2006, the Secretary shall prescribe  
 18       final”; and

19           (2) in subsection (c)—

20                   (A) in paragraph (2), by striking “The Sec-  
 21       retary shall prescribe” and inserting “Not later  
 22       than December 1, 2006, the Secretary shall pre-  
 23       scribe final”; and

1                   (B) in paragraph (3), by striking “The Sec-  
 2                   retary” and inserting “Not later than December  
 3                   1, 2006, the Secretary”.

4 **SEC. 18. AUTHORIZATION OF APPROPRIATIONS.**

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

9           (b) *OFFICE OF CARGO SECURITY POLICY.*—There are  
 10 authorized to be appropriated for each of the fiscal years  
 11 2007 through 2012—

12                   (1) \$4,000,000 to carry out the amendment made  
 13 by section 8(c); and

14                   (2) \$1,000,000 to carry out the provisions of sec-  
 15 tion 8(d).

16           (c) *CONTAINER SECURITY INITIATIVE.*—There are au-  
 17 thorized to be appropriated \$175,000,000 for each of the fis-  
 18 cal years 2007 through 2012 to carry out the provisions  
 19 of section 11.

20           (d) *CUSTOMS-TRADE PARTNERSHIP AGAINST TER-*  
 21 *RORISM.*—There are authorized to be appropriated  
 22 \$75,000,000 for each of the fiscal years 2007 through 2012  
 23 to carry out the provisions of section 12.

24           (e) *GREENLANE DESIGNATION.*—There are authorized  
 25 to be appropriated \$50,000,000 for each of the fiscal years

1 2007 through 2012 to carry out the provisions of section  
2 13.

3 (f) *INCIDENT RESPONSE.*—

4 (1) *IN GENERAL.*—There are authorized to be ap-  
5 propriated \$100,000,000 for each of the fiscal years  
6 2007 through 2012 to carry out the provisions of sec-  
7 tion 14.

8 (2) *BUDGET ANALYSIS.*—Not later than 180 days  
9 after the date of enactment of this Act, the Secretary  
10 shall submit a budget analysis for implementing the  
11 provisions of section 14, including additional cost-  
12 sharing arrangements with other Federal departments  
13 and other participants involved in the joint operation  
14 centers, to appropriate congressional committees.

15 (g) *OPERATION SAFE COMMERCE.*—There are author-  
16 ized to be appropriated \$25,000,000 for each of fiscal years  
17 2007 through 2012 to carry out the provisions of section  
18 15(d).

19 (h) *PORT SECURITY GRANT PROGRAM.*—There are au-  
20 thorized to be appropriated \$400,000,000 for each of fiscal  
21 years 2007 through 2012 to carry out the grant program  
22 established under section 16.

23 (i) *OTHER PROVISIONS.*—There are authorized to be  
24 appropriated such sums as may be necessary for each of

1 *fiscal years 2007 through 2012 to carry out the provisions*  
2 *of this Act not otherwise provided for under this section.*

3       *(j) SOURCE OF FUNDS.—Amounts authorized to be ap-*  
4 *propriated under this section shall originate from duties*  
5 *collected by United States Customs and Border Protection.*

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109<sup>TH</sup> CONGRESS  
2<sup>D</sup> Session

**S. 2459**

**A BILL**

To improve cargo security, and for other purposes.

MAY 5, 2006

Reported with an amendment