

Calendar No. 67118TH CONGRESS
1ST SESSION**S. 794****[Report No. 118-27]**

To require a pilot program on the participation of non-asset-based third-party logistics providers in the Customs-Trade Partnership Against Terrorism.

IN THE SENATE OF THE UNITED STATES

MARCH 14, 2023

Mr. CORNYN (for himself, Mr. CARPER, Mr. LANKFORD, and Ms. HASSAN) introduced the following bill; which was read twice and referred to the Committee on Homeland Security and Governmental Affairs

MAY 11, 2023

Reported by Mr. PETERS, without amendment

A BILL

To require a pilot program on the participation of non-asset-based third-party logistics providers in the Customs-Trade Partnership Against Terrorism.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Customs Trade Part-
3 nership Against Terrorism Pilot Program Act of 2023”
4 or the “CTPAT Pilot Program Act of 2023”.

5 **SEC. 2. DEFINITIONS.**

6 In this Act:

7 (1) APPROPRIATE CONGRESSIONAL COMMIT-
8 TEES.—The term “appropriate congressional com-
9 mittees” means—

10 (A) the Committee on Homeland Security
11 and Governmental Affairs and the Committee
12 on Finance of the Senate; and

13 (B) the Committee on Homeland Security
14 and the Committee on Ways and Means of the
15 House of Representatives.

16 (2) CTPAT.—The term “CTPAT” means the
17 Customs Trade Partnership Against Terrorism es-
18 tablished under subtitle B of title II of the Security
19 and Accountability for Every Port Act (6 U.S.C.
20 961 et seq.).

21 **SEC. 3. PILOT PROGRAM ON PARTICIPATION OF THIRD-**
22 **PARTY LOGISTICS PROVIDERS IN CTPAT.**

23 (a) ESTABLISHMENT.—

24 (1) IN GENERAL.—The Secretary of Homeland
25 Security shall carry out a pilot program to assess
26 whether allowing entities described in subsection (b)

1 to participate in CTPAT would enhance port secu-
2 rity, combat terrorism, prevent supply chain security
3 breaches, or otherwise meet the goals of CTPAT.

4 (2) FEDERAL REGISTER NOTICE.—Not later
5 than one year after the date of the enactment of this
6 Act, the Secretary shall publish in the Federal Reg-
7 ister a notice specifying the requirements for the
8 pilot program required by paragraph (1).

9 (b) ENTITIES DESCRIBED.—An entity described in
10 this subsection is—

11 (1) a non-asset-based third-party logistics pro-
12 vider that—

13 (A) arranges international transportation
14 of freight and is licensed by the Department of
15 Transportation; and

16 (B) meets such other requirements as the
17 Secretary specifies in the Federal Register no-
18 tice required by subsection (a)(2); or

19 (2) an asset-based third-party logistics provider
20 that—

21 (A) facilitates cross border activity and is
22 licensed or bonded by the Federal Maritime
23 Commission, the Transportation Security Ad-
24 ministration, U.S. Customs and Border Protec-
25 tion, or the Department of Transportation;

1 (B) manages and executes logistics services
2 using its own warehousing assets and resources
3 on behalf of its customers; and

4 (C) meets such other requirements as the
5 Secretary specifies in the Federal Register no-
6 tice required by subsection (a)(2).

7 (c) REQUIREMENTS.—In carrying out the pilot pro-
8 gram required by subsection (a)(1), the Secretary shall—

9 (1) ensure that—

10 (A) not more than 10 entities described in
11 paragraph (1) of subsection (b) participate in
12 the pilot program; and

13 (B) not more than 10 entities described in
14 paragraph (2) of that subsection participate in
15 the program;

16 (2) provide for the participation of those enti-
17 ties on a voluntary basis;

18 (3) continue the program for a period of not
19 less than one year after the date on which the Sec-
20 retary publishes the Federal Register notice required
21 by subsection (a)(2); and

22 (4) terminate the pilot program not more than
23 5 years after that date.

24 (d) REPORT REQUIRED.—Not later than 180 days
25 after the termination of the pilot program under sub-

1 section (c)(4), the Secretary shall submit to the appro-
2 priate congressional committees a report on the findings
3 of, and any recommendations arising from, the pilot pro-
4 gram concerning the participation in CTPAT of entities
5 described in subsection (b), including an assessment of
6 participation by those entities.

7 **SEC. 4. REPORT ON EFFECTIVENESS OF CTPAT.**

8 (a) **IN GENERAL.**—Not later than one year after the
9 date of the enactment of this Act, the Comptroller General
10 of the United States shall submit to the appropriate con-
11 gressional committees a report assessing the effectiveness
12 of CTPAT.

13 (b) **ELEMENTS.**—The report required by subsection
14 (a) shall include the following:

15 (1) An analysis of—

16 (A) security incidents in the cargo supply
17 chain during the 5-year period preceding sub-
18 mission of the report that involved criminal ac-
19 tivity, including drug trafficking, human smug-
20 gling, commercial fraud, or terrorist activity;
21 and

22 (B) whether those incidents involved par-
23 ticipants in CTPAT or entities not participating
24 in CTPAT.

1 (2) An analysis of causes for the suspension or
2 removal of entities from participating in CTPAT as
3 a result of security incidents during that 5-year pe-
4 riod.

5 (3) An analysis of the number of active CTPAT
6 participants involved in one or more security inci-
7 dents while maintaining their status as participants.

8 (4) Recommendations to the Commissioner of
9 U.S. Customs and Border Protection for improve-
10 ments to CTPAT to improve prevention of security
11 incidents in the cargo supply chain involving partici-
12 pants in CTPAT.

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