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(Original Signature of Member)

114TH CONGRESS  
1ST SESSION

# H. R. 1907

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

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## IN THE HOUSE OF REPRESENTATIVES

Mr. TIBERI introduced the following bill; which was referred to the Committee  
on \_\_\_\_\_

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## A BILL

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

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

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

4       (a) SHORT TITLE.—This Act may be cited as the  
5       “Trade Facilitation and Trade Enforcement Act of 2015”.

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. Definitions.

### TITLE I—TRADE FACILITATION AND TRADE ENFORCEMENT

- Sec. 101. Improving partnership programs.
- Sec. 102. Report on effectiveness of trade enforcement activities.
- Sec. 103. Priorities and performance standards for customs modernization, trade facilitation, and trade enforcement functions and programs.
- Sec. 104. Educational seminars to improve efforts to classify and appraise imported articles, to improve trade enforcement efforts, and to otherwise facilitate legitimate international trade.
- Sec. 105. Joint strategic plan.
- Sec. 106. Automated Commercial Environment.
- Sec. 107. International Trade Data System.
- Sec. 108. Consultations with respect to mutual recognition arrangements.
- Sec. 109. Commercial Customs Operations Advisory Committee.
- Sec. 110. Centers of Excellence and Expertise.
- Sec. 111. Commercial Targeting Division and National Targeting and Analysis Groups.
- Sec. 112. Report on oversight of revenue protection and enforcement measures.
- Sec. 113. Report on security and revenue measures with respect to merchandise transported in bond.
- Sec. 114. Importer of record program.
- Sec. 115. Establishment of new importer program.
- Sec. 116. Customs broker identification of importers.
- Sec. 117. Requirements applicable to non-resident importers.

#### TITLE II—IMPORT HEALTH AND SAFETY

- Sec. 201. Interagency import safety working group.
- Sec. 202. Joint import safety rapid response plan.
- Sec. 203. Training.

#### TITLE III—IMPORT-RELATED PROTECTION OF INTELLECTUAL PROPERTY RIGHTS

- Sec. 301. Definition of intellectual property rights.
- Sec. 302. Exchange of information related to trade enforcement.
- Sec. 303. Seizure of circumvention devices.
- Sec. 304. Enforcement by U.S. Customs and Border Protection of works for which copyright registration is pending.
- Sec. 305. National Intellectual Property Rights Coordination Center.
- Sec. 306. Joint strategic plan for the enforcement of intellectual property rights.
- Sec. 307. Personnel dedicated to the enforcement of intellectual property rights.
- Sec. 308. Training with respect to the enforcement of intellectual property rights.
- Sec. 309. International cooperation and information sharing.
- Sec. 310. Report on intellectual property rights enforcement.
- Sec. 311. Information for travelers regarding violations of intellectual property rights.

#### TITLE IV—PREVENTION OF EVASION OF ANTIDUMPING AND COUNTERVAILING DUTY ORDERS

- Sec. 401. Short title.
- Sec. 402. Definitions.
- Sec. 403. Application to Canada and Mexico.

#### Subtitle A—Actions Relating to Enforcement of Trade Remedy Laws

- Sec. 411. Trade remedy law enforcement division.
- Sec. 412. Collection of information on evasion of trade remedy laws.
- Sec. 413. Access to information.
- Sec. 414. Cooperation with foreign countries on preventing evasion of trade remedy laws.
- Sec. 415. Trade negotiating objectives.

#### Subtitle B—Investigation of Evasion of Trade Remedy Laws

- Sec. 421. Procedures for investigation of evasion of antidumping and countervailing duty orders.
- Sec. 422. Government Accountability Office report.

#### Subtitle C—Other Matters

- Sec. 431. Allocation and training of personnel.
- Sec. 432. Annual report on prevention of evasion of antidumping and countervailing duty orders.
- Sec. 433. Addressing circumvention by new shippers.

### TITLE V—ADDITIONAL ENFORCEMENT PROVISIONS

- Sec. 501. Trade enforcement priorities.
- Sec. 502. Exercise of WTO authorization to suspend concessions or other obligations under trade agreements.
- Sec. 503. Trade monitoring.

### TITLE VI—MISCELLANEOUS PROVISIONS

- Sec. 601. De minimis value.
- Sec. 602. Consultation on trade and customs revenue functions.
- Sec. 603. Penalties for customs brokers.
- Sec. 604. Amendments to chapter 98 of the Harmonized Tariff Schedule of the United States.
- Sec. 605. Exemption from duty of residue of bulk cargo contained in instruments of international traffic previously exported from the United States.
- Sec. 606. Drawback and refunds.
- Sec. 607. Office of the United States Trade Representative.
- Sec. 608. United States-Israel Trade and Commercial Enhancement.
- Sec. 609. Elimination of consumptive demand exception to prohibition on importation of goods made with convict labor, forced labor, or indentured labor; report.
- Sec. 610. Customs user fees.
- Sec. 611. Report on certain U.S. Customs and Border Protection agreements.

## 1 **SEC. 2. DEFINITIONS.**

2 In this Act:

- 3 (1) **AUTOMATED COMMERCIAL ENVIRON-**
- 4 **MENT.**—The term “Automated Commercial Environ-
- 5 **ment”** means the Automated Commercial Environ-

1       ment computer system authorized under section  
2       13031(f)(4) of the Consolidated Omnibus Budget  
3       Reconciliation Act of 1985 (19 U.S.C. 58c(f)(4)).

4           (2) COMMISSIONER.—The term “Commis-  
5       sioner” means the Commissioner responsible for  
6       U.S. Customs and Border Protection.

7           (3) CUSTOMS AND TRADE LAWS OF THE  
8       UNITED STATES.—The term “customs and trade  
9       laws of the United States” includes the following:

10           (A) The Tariff Act of 1930 (19 U.S.C.  
11       1202 et seq.).

12           (B) Section 249 of the Revised Statutes  
13       (19 U.S.C. 3).

14           (C) Section 2 of the Act of March 4, 1923  
15       (42 Stat. 1453, chapter 251; 19 U.S.C. 6).

16           (D) The Act of March 3, 1927 (44 Stat.  
17       1381, chapter 348; 19 U.S.C. 2071 et seq.).

18           (E) Section 13031 of the Consolidated  
19       Omnibus Budget Reconciliation Act of 1985  
20       (19 U.S.C. 58c).

21           (F) Section 251 of the Revised Statutes  
22       (19 U.S.C. 66).

23           (G) Section 1 of the Act of June 26, 1930  
24       (46 Stat. 817, chapter 617; 19 U.S.C. 68).

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

3 (I) Section 1 of the Act of March 2, 1911  
4 (36 Stat. 965, chapter 191; 19 U.S.C. 198).

5 (J) The Trade Act of 1974 (19 U.S.C.  
6 2102 et seq.).

7 (K) The Trade Agreements Act of 1979  
8 (19 U.S.C. 2501 et seq.).

9 (L) The North American Free Trade  
10 Agreement Implementation Act (19 U.S.C.  
11 3301 et seq.).

12 (M) The Uruguay Round Agreements Act  
13 (19 U.S.C. 3501 et seq.).

14 (N) The Caribbean Basin Economic Recov-  
15 ery Act (19 U.S.C. 2701 et seq.).

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

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

20 (Q) The Customs Enforcement Act of  
21 1986 (Public Law 99–570; 100 Stat. 3207–79).

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

1           (S) The Customs Procedural Reform and  
2 Simplification Act of 1978 (Public Law 95–  
3 410; 92 Stat. 888).

4           (T) The Trade Act of 2002 (Public Law  
5 107–210; 116 Stat. 933).

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

8           (V) The Act of March 28, 1928 (45 Stat.  
9 374, chapter 266; 19 U.S.C. 2077 et seq.)

10          (W) The Act of August 7, 1939 (53 Stat.  
11 1263, chapter 566).

12          (X) Any other provision of law imple-  
13 menting a trade agreement.

14          (Y) Any other provision of law vesting cus-  
15 toms revenue functions in the Secretary of the  
16 Treasury.

17          (Z) Any other provision of law relating to  
18 trade facilitation or trade enforcement that is  
19 administered by U.S. Customs and Border Pro-  
20 tection on behalf of any Federal agency that is  
21 required to participate in the International  
22 Trade Data System.

23          (AA) Any other provision of customs or  
24 trade law administered by U.S. Customs and

1           Border Protection or U.S. Immigration and  
2           Customs Enforcement.

3           (4) PRIVATE SECTOR ENTITY.—The term “pri-  
4   vate sector entity” means—

5                   (A) an importer;

6                   (B) an exporter;

7                   (C) a forwarder;

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

9                   (E) a contract logistics provider;

10                  (F) a customs broker; or

11                  (G) any other person (other than an em-  
12   ployee of a government) affected by the imple-  
13   mentation of the customs and trade laws of the  
14   United States.

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

18           (6) TRADE FACILITATION.—The term “trade  
19   facilitation” refers to policies and activities of U.S.  
20   Customs and Border Protection with respect to fa-  
21   cilitating the movement of merchandise into and out  
22   of the United States in a manner that complies with  
23   the customs and trade laws of the United States.

1     **TITLE I—TRADE FACILITATION**  
2     **AND TRADE ENFORCEMENT**

3     **SEC. 101. IMPROVING PARTNERSHIP PROGRAMS.**

4         (a) IN GENERAL.—In order to advance the security,  
5 trade enforcement, and trade facilitation missions of U.S.  
6 Customs and Border Protection, the Commissioner shall  
7 ensure that partnership programs of U.S. Customs and  
8 Border Protection established before the date of the enact-  
9 ment of this Act, such as the Customs–Trade Partnership  
10 Against Terrorism established under subtitle B of title II  
11 of the Security and Accountability for Every Port Act of  
12 2006 (6 U.S.C. 961 et seq.), and partnership programs  
13 of U.S. Customs and Border Protection established after  
14 such date of enactment, provide trade benefits to private  
15 sector entities that meet the requirements for participation  
16 in those programs established by the Commissioner under  
17 this section.

18         (b) ELEMENTS.—In developing and operating part-  
19 nership programs under subsection (a), the Commissioner  
20 shall—

21             (1) consult with private sector entities, the pub-  
22 lic, and other Federal agencies when appropriate, to  
23 ensure that participants in those programs receive  
24 commercially significant and measurable trade bene-  
25 fits, including providing pre-clearance of merchan-



1       dise for qualified persons that demonstrate the high-  
2       est levels of compliance with the customs and trade  
3       laws of the United States, regulations of U.S. Cus-  
4       toms and Border Protection, and other requirements  
5       the Commissioner determines to be necessary;

6           (2) ensure an integrated and transparent sys-  
7       tem of trade benefits and compliance requirements  
8       for all partnership programs of U.S. Customs and  
9       Border Protection;

10          (3) consider consolidating partnership programs  
11       in situations in which doing so would support the  
12       objectives of such programs, increase participation in  
13       such programs, enhance the trade benefits provided  
14       to participants in such programs, and enhance the  
15       allocation of the resources of U.S. Customs and Bor-  
16       der Protection;

17          (4) coordinate with the Director of U.S. Immi-  
18       gration and Customs Enforcement, and other Fed-  
19       eral agencies with authority to detain and release  
20       merchandise entering the United States—

21           (A) to ensure coordination in the release of  
22       such merchandise through the Automated Com-  
23       mercial Environment, or its predecessor, and  
24       the International Trade Data System;

1 (B) to ensure that the partnership pro-  
2 grams of those agencies are compatible with the  
3 partnership programs of U.S. Customs and  
4 Border Protection;

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

11 (D) to create pathways, within and among  
12 the appropriate Federal agencies, for qualified  
13 persons that demonstrate the highest levels of  
14 compliance to receive immediate clearance ab-  
15 sent information that a transaction may pose a  
16 national security or compliance threat; and

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

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

1           (1) identifies each partnership program referred  
2       to in subsection (a);

3           (2) for each such program, identifies—

4                (A) the requirements for participants in  
5       the program;

6                (B) the commercially significant and meas-  
7       urable trade benefits provided to participants in  
8       the program;

9                (C) the number of participants in the pro-  
10      gram; and

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

14           (3) identifies the number of participants en-  
15      rolled in more than one such partnership program;

16           (4) assesses the effectiveness of each such part-  
17      nership program in advancing the security, trade en-  
18      forcement, and trade facilitation missions of U.S.  
19      Customs and Border Protection, based on historical  
20      developments, the level of participation in the pro-  
21      gram, and the evolution of benefits provided to par-  
22      ticipants in the program;

23           (5) summarizes the efforts of U.S. Customs and  
24      Border Protection to work with other Federal agen-  
25      cies with authority to detain and release merchan-

1       dise entering the United States to ensure that part-  
2       nership programs of those agencies are compatible  
3       with partnership programs of U.S. Customs and  
4       Border Protection;

5           (6) summarizes criteria developed with those  
6       agencies for authorizing the release, on an expedited  
7       basis, of merchandise for which documentation is re-  
8       quired from one or more of those agencies to clear  
9       or license the merchandise for entry into the United  
10      States;

11          (7) summarizes the efforts of U.S. Customs and  
12      Border Protection to work with private sector enti-  
13      ties and the public to develop and improve partner-  
14      ship programs referred to in subsection (a);

15          (8) describes measures taken by U.S. Customs  
16      and Border Protection to make private sector enti-  
17      ties aware of the trade benefits available to partici-  
18      pants in such programs; and

19          (9) summarizes the plans, targets, and goals of  
20      U.S. Customs and Border Protection with respect to  
21      such programs for the 2 years following the submis-  
22      sion of the report.

1 **SEC. 102. REPORT ON EFFECTIVENESS OF TRADE EN-**  
2 **FORCEMENT ACTIVITIES.**

3 (a) IN GENERAL.—Not later than one year after the  
4 date of the enactment of this Act, the Comptroller General  
5 of the United States shall submit to the Committee on  
6 Finance of the Senate and the Committee on Ways and  
7 Means of the House of Representatives a report on the  
8 effectiveness of trade enforcement activities of U.S. Cus-  
9 toms and Border Protection.

10 (b) CONTENTS.—The report required by subsection  
11 (a) shall include—

12 (1) a description of the use of resources, results  
13 of audits and verifications, targeting, organization,  
14 and training of personnel of U.S. Customs and Bor-  
15 der Protection; and

16 (2) a description of trade enforcement activities  
17 to address undervaluation, transshipment, legitimacy  
18 of entities making entry, protection of revenues,  
19 fraud prevention and detection, and penalties, in-  
20 cluding intentional misclassification, inadequate  
21 bonding, and other misrepresentations.

22 **SEC. 103. PRIORITIES AND PERFORMANCE STANDARDS**  
23 **FOR CUSTOMS MODERNIZATION, TRADE FA-**  
24 **CILITATION, AND TRADE ENFORCEMENT**  
25 **FUNCTIONS AND PROGRAMS.**

26 (a) PRIORITIES AND PERFORMANCE STANDARDS.—

1           (1) IN GENERAL.—The Commissioner, in con-  
2           sultation with the Committee on Finance of the Sen-  
3           ate and the Committee on Ways and Means of the  
4           House of Representatives, shall establish priorities  
5           and performance standards to measure the develop-  
6           ment and levels of achievement of the customs mod-  
7           ernization, trade facilitation, and trade enforcement  
8           functions and programs described in subsection (b).

9           (2) MINIMUM PRIORITIES AND STANDARDS.—  
10          Such priorities and performance standards shall, at  
11          a minimum, include priorities and standards relating  
12          to efficiency, outcome, output, and other types of ap-  
13          plicable measures.

14          (b) FUNCTIONS AND PROGRAMS DESCRIBED.—The  
15          functions and programs referred to in subsection (a) are  
16          the following:

17               (1) The Automated Commercial Environment.

18               (2) Each of the priority trade issues described  
19               in paragraph (3)(B)(ii) of section 2(d) of the Act of  
20               March 3, 1927 (44 Stat. 1381, chapter 348; 19  
21               U.S.C. 2072(d)), as added by section 111(a) of this  
22               Act.

23               (3) The Centers of Excellence and Expertise de-  
24               scribed in section 110 of this Act.

1           (4) Drawback for exported merchandise under  
2           section 313 of the Tariff Act of 1930 (19 U.S.C.  
3           1313), as amended by section 406 of this Act.

4           (5) Transactions relating to imported merchan-  
5           dise in bond.

6           (6) Collection of countervailing duties assessed  
7           under subtitle A of title VII of the Tariff Act of  
8           1930 (19 U.S.C. 1671 et seq.) and antidumping du-  
9           ties assessed under subtitle B of title VII of the Tar-  
10          iff Act of 1930 (19 U.S.C. 1673 et seq.).

11          (7) The expedited clearance of cargo.

12          (8) The issuance of regulations and rulings.

13          (9) The issuance of Regulatory Audit Reports.

14          (c) CONSULTATIONS AND NOTIFICATION.—

15           (1) CONSULTATIONS.—The consultations re-  
16           quired by subsection (a)(1) shall occur, at a min-  
17           imum, on an annual basis.

18           (2) NOTIFICATION.—The Commissioner shall  
19           notify the Committee on Finance of the Senate and  
20           the Committee on Ways and Means of the House of  
21           Representatives of any changes to the priorities re-  
22           ferred to in subsection (a) not later than 30 days be-  
23           fore such changes are to take effect.

1   **SEC. 104. EDUCATIONAL SEMINARS TO IMPROVE EFFORTS**  
2                   **TO CLASSIFY AND APPRAISE IMPORTED AR-**  
3                   **TICLES, TO IMPROVE TRADE ENFORCEMENT**  
4                   **EFFORTS, AND TO OTHERWISE FACILITATE**  
5                   **LEGITIMATE INTERNATIONAL TRADE.**

6       (a) IN GENERAL.—

7           (1) ESTABLISHMENT.—The Commissioner and  
8       the Director shall establish and carry out on a fiscal  
9       year basis educational seminars to—

10           (A) improve the ability of U.S. Customs  
11       and Border Protection personnel to classify and  
12       appraise articles imported into the United  
13       States in accordance with the customs and  
14       trade laws of the United States;

15           (B) improve the trade enforcement efforts  
16       of U.S. Customs and Border Protection per-  
17       sonnel and U.S. Immigration and Customs En-  
18       forcement personnel; and

19           (C) otherwise improve the ability and effec-  
20       tiveness of U.S. Customs and Border Protection  
21       personnel and U.S. Immigration and Customs  
22       Enforcement personnel to facilitate legitimate  
23       international trade.

24       (b) CONTENT.—

25           (1) CLASSIFYING AND APPRAISING IMPORTED  
26       ARTICLES.—In carrying out subsection (a)(1)(A),



1 the Commissioner, the Director, and interested par-  
2 ties in the private sector selected under subsection  
3 (c) shall provide instruction and related instructional  
4 materials at each educational seminar under this  
5 section to U.S. Customs and Border Protection per-  
6 sonnel and, as appropriate, to U.S. Immigration and  
7 Customs Enforcement personnel on the following:

8 (A) Conducting a physical inspection of an  
9 article imported into the United States, includ-  
10 ing testing of samples of the article, to deter-  
11 mine if the article is mislabeled in the manifest  
12 or other accompanying documentation.

13 (B) Reviewing the manifest and other ac-  
14 companying documentation of an article im-  
15 ported into the United States to determine if  
16 the country of origin of the article listed in the  
17 manifest or other accompanying documentation  
18 is accurate.

19 (C) Customs valuation.

20 (D) Industry supply chains and other re-  
21 lated matters as determined to be appropriate  
22 by the Commissioner.

23 (2) TRADE ENFORCEMENT EFFORTS.—In car-  
24 rying out subsection (a)(1)(B), the Commissioner,  
25 the Director, and interested parties in the private

1 sector selected under subsection (c) shall provide in-  
2 struction and related instructional materials at each  
3 educational seminar under this section to U.S. Cus-  
4 toms and Border Protection personnel and, as ap-  
5 propriate, to U.S. Immigration and Customs En-  
6 forcement personnel to identify opportunities to en-  
7 hance enforcement of the following:

8 (A) Collection of countervailing duties as-  
9 sessed under subtitle A of title VII of the Tariff  
10 Act of 1930 (19 U.S.C. 1671 et seq.) and anti-  
11 dumping duties assessed under subtitle B of  
12 title VII of the Tariff Act of 1930 (19 U.S.C.  
13 1673 et seq.).

14 (B) Addressing evasion of duties on im-  
15 ports of textiles.

16 (C) Protection of intellectual property  
17 rights.

18 (D) Enforcement of child labor laws.

19 (3) APPROVAL OF COMMISSIONER AND DIREC-  
20 TOR.—The instruction and related instructional ma-  
21 terials at each educational seminar under this sec-  
22 tion shall be subject to the approval of the Commis-  
23 sioner and the Director.

24 (c) SELECTION PROCESS.—

1           (1) IN GENERAL.—The Commissioner shall es-  
2       tablish a process to solicit, evaluate, and select inter-  
3       ested parties in the private sector for purposes of as-  
4       sisting in providing instruction and related instruc-  
5       tional materials described in subsection (b) at each  
6       educational seminar under this section.

7           (2) CRITERIA.—The Commissioner shall evalu-  
8       ate and select interested parties in the private sector  
9       under the process established under paragraph (1)  
10      based on—

11                (A) availability and usefulness;

12                (B) the volume, value, and incidence of  
13       mislabeling or misidentification of origin of im-  
14       ported articles; and

15                (C) other appropriate criteria established  
16       by the Commissioner.

17           (3) PUBLIC AVAILABILITY.—The Commissioner  
18       and the Director shall publish in the Federal Reg-  
19       ister a detailed description of the process established  
20       under paragraph (1) and the criteria established  
21       under paragraph (2).

22       (d) SPECIAL RULE FOR ANTIDUMPING AND COUN-  
23       TERVAILING DUTY ORDERS.—

24           (1) IN GENERAL.—The Commissioner shall give  
25       due consideration to carrying out an educational

1 seminar under this section in whole or in part to im-  
2 prove the ability of U.S. Customs and Border Pro-  
3 tection personnel to enforce a countervailing or anti-  
4 dumping duty order issued under section 706 or 736  
5 of the Tariff Act of 1930 (19 U.S.C. 1671e or  
6 1673e) upon the request of a petitioner in an action  
7 underlying such countervailing or antidumping duty  
8 order.

9 (2) INTERESTED PARTY.—A petitioner de-  
10 scribed in paragraph (1) shall be treated as an inter-  
11 ested party in the private sector for purposes of the  
12 requirements of this section.

13 (e) PERFORMANCE STANDARDS.—The Commissioner  
14 and the Director shall establish performance standards to  
15 measure the development and level of achievement of edu-  
16 cational seminars under this section.

17 (f) REPORTING.—Beginning September 30, 2016, the  
18 Commissioner and the Director shall submit to the Com-  
19 mittee of Finance of the Senate and the Committee of  
20 Ways and Means of the House of Representatives an an-  
21 nual report on the effectiveness of educational seminars  
22 under this section.

23 (g) DEFINITIONS.—In this section:

1           (1) DIRECTOR.—The term “Director” means  
2           the Director of U.S. Immigration and Customs En-  
3           forcement.

4           (2) UNITED STATES.—The term “United  
5           States” means the customs territory of the United  
6           States, as defined in General Note 2 to the Har-  
7           monized Tariff Schedule of the United States.

8           (3) U.S. CUSTOMS AND BORDER PROTECTION  
9           PERSONNEL.—The term “U.S. Customs and Border  
10          Protection personnel” means import specialists,  
11          auditors, and other appropriate employees of the  
12          U.S. Customs and Border Protection.

13          (4) U.S. IMMIGRATION AND CUSTOMS ENFORCE-  
14          MENT PERSONNEL.—The term “U.S. Immigrations  
15          and Customs Enforcement personnel” means Home-  
16          land Security Investigations Directorate personnel  
17          and other appropriate employees of U.S. Immigra-  
18          tions and Customs Enforcement.

19 **SEC. 105. JOINT STRATEGIC PLAN.**

20          (a) IN GENERAL.—Not later than one year after the  
21          date of the enactment of this Act, and every 2 years there-  
22          after, the Commissioner and the Director of U.S. Immi-  
23          gration and Customs Enforcement shall jointly develop  
24          and submit to the Committee on Finance of the Senate

1 and the Committee on Ways and Means of the House of  
2 Representatives, a joint strategic plan.

3 (b) CONTENTS.—The joint strategic plan required  
4 under this section shall be comprised of a comprehensive  
5 multi-year plan for trade enforcement and trade facilita-  
6 tion, and shall include—

7 (1) a summary of actions taken during the 2-  
8 year period preceding the submission of the plan to  
9 improve trade enforcement and trade facilitation, in-  
10 cluding a description and analysis of specific per-  
11 formance measures to evaluate the progress of U.S.  
12 Customs and Border Protection and U.S. Immigra-  
13 tion and Customs Enforcement in meeting each such  
14 responsibility;

15 (2) a statement of objectives and plans for fur-  
16 ther improving trade enforcement and trade facilita-  
17 tion;

18 (3) a specific identification of the priority trade  
19 issues described in paragraph (3)(B)(ii) of section  
20 2(d) of the Act of March 3, 1927 (44 Stat. 1381,  
21 chapter 348; 19 U.S.C. 2072(d)), as added by sec-  
22 tion 111(a) of this Act, that can be addressed in  
23 order to enhance trade enforcement and trade facili-  
24 tation, and a description of strategies and plans for  
25 addressing each such issue;

1           (4) a description of efforts made to improve  
2       consultation and coordination among and within  
3       Federal agencies, and in particular between U.S.  
4       Customs and Border Protection and U.S. Immigra-  
5       tion and Customs Enforcement, regarding trade en-  
6       forcement and trade facilitation;

7           (5) a description of the training that has oc-  
8       curred to date within U.S. Customs and Border Pro-  
9       tection and U.S. Immigration and Customs Enforce-  
10      ment to improve trade enforcement and trade facili-  
11      tation, including training under section 104 of this  
12      Act;

13          (6) a description of efforts to work with the  
14      World Customs Organization and other international  
15      organizations, in consultation with other Federal  
16      agencies as appropriate, with respect to enhancing  
17      trade enforcement and trade facilitation;

18          (7) a description of U.S. Custom and Border  
19      Protection organizational benchmarks for optimizing  
20      staffing and wait times at ports of entry;

21          (8) a specific identification of any domestic or  
22      international best practices that may further im-  
23      prove trade enforcement and trade facilitation;

1           (9) any legislative recommendations to further  
2       improve trade enforcement and trade facilitation;  
3       and

4           (10) a description of efforts made to improve  
5       consultation and coordination with the private sector  
6       to enhance trade enforcement and trade facilitation.

7       (c) CONSULTATIONS.—

8           (1) IN GENERAL.—In developing the joint strategic  
9       plan required under this section, the Commissioner  
10      and the Director shall consult with—

11           (A) appropriate officials from the relevant  
12      Federal agencies, including—

- 13                   (i) the Department of the Treasury;  
14                   (ii) the Department of Agriculture;  
15                   (iii) the Department of Commerce;  
16                   (iv) the Department of Justice;  
17                   (v) the Department of the Interior;  
18                   (vi) the Department of Health and  
19      Human Services;  
20                   (vii) the Food and Drug Administration;  
21      tion;  
22                   (viii) the Consumer Product Safety  
23      Commission; and  
24                   (ix) the Office of the United States  
25      Trade Representative; and



1 (B) the Commercial Customs Operations  
2 Advisory Committee established by section 109  
3 of this Act.

4 (2) OTHER CONSULTATIONS.—In developing  
5 the joint strategic plan required under this section,  
6 the Commissioner and the Director shall seek to  
7 consult with—

8 (A) appropriate officials from relevant for-  
9 eign law enforcement agencies and international  
10 organizations, including the World Customs Or-  
11 ganization; and

12 (B) interested parties in the private sector.

13 **SEC. 106. AUTOMATED COMMERCIAL ENVIRONMENT.**

14 (a) FUNDING.—Section 13031(f)(4)(B) of the Con-  
15 solidated Omnibus Budget Reconciliation Act of 1985 (19  
16 U.S.C. 58c(f)(4)(B)) is amended—

17 (1) by striking “2003 through 2005” and in-  
18 serting “2016 through 2018”;

19 (2) by striking “such amounts as are available  
20 in that Account” and inserting “not less than  
21 \$153,736,000”; and

22 (3) by striking “for the development” and in-  
23 serting “to complete the development and implemen-  
24 tation”.

1 (b) REPORT.—Section 311(b)(3) of the Customs Bor-  
2 der Security Act of 2002 (19 U.S.C. 2075 note) is amend-  
3 ed to read as follows:

4 “(3) REPORT.—

5 “(A) IN GENERAL.—Not later than De-  
6 cember 31, 2016, the Commissioner responsible  
7 for U.S. Customs and Border Protection shall  
8 submit to the Committee on Appropriations and  
9 the Committee on Finance of the Senate and  
10 the Committee on Appropriations and the Com-  
11 mittee on Ways and Means of the House of  
12 Representatives a report detailing—

13 “(i) U.S. Customs and Border Protec-  
14 tion’s incorporation of all core trade proc-  
15 essing capabilities, including cargo release,  
16 entry summary, cargo manifest, cargo fi-  
17 nancial data, and export data elements  
18 into the Automated Commercial Environ-  
19 ment computer system authorized under  
20 section 13031(f)(4) of the Consolidated  
21 Omnibus Budget and Reconciliation Act of  
22 1985 (19 U.S.C. 58c(f)(4)) not later than  
23 September 30, 2016, to conform with the  
24 admissibility criteria of agencies partici-  
25 pating in the International Trade Data

1 System identified pursuant to section  
2 411(d)(4)(A)(iii) of the Tariff Act of 1930;

3 “(ii) U.S. Customs and Border Pro-  
4 tection’s remaining priorities for processing  
5 entry summary data elements, cargo mani-  
6 fest data elements, cargo financial data  
7 elements, and export elements in the Auto-  
8 mated Commercial Environment computer  
9 system, and the objectives and plans for  
10 implementing these remaining priorities;

11 “(iii) the components of the National  
12 Customs Automation Program specified in  
13 subsection (a)(2) of section 411 of the  
14 Tariff Act of 1930 that have not been im-  
15 plemented; and

16 “(iv) any additional components of the  
17 National Customs Automation Program  
18 initiated by the Commissioner to complete  
19 the development, establishment, and imple-  
20 mentation of the Automated Commercial  
21 Environment computer system.

22 “(B) UPDATE OF REPORTS.—Not later  
23 than September 30, 2017, the Commissioner  
24 shall submit to the Committee on Appropria-  
25 tions and the Committee on Finance of the

1 Senate and the Committee on Appropriations  
2 and the Committee on Ways and Means of the  
3 House of Representatives an updated report ad-  
4 dressing each of the matters referred to in sub-  
5 paragraph (A), and—

6 “(i) evaluating the effectiveness of the  
7 implementation of the Automated Commer-  
8 cial Environment computer system; and

9 “(ii) detailing the percentage of trade  
10 processed in the Automated Commercial  
11 Environment every month since September  
12 30, 2016.”.

13 (c) GOVERNMENT ACCOUNTABILITY OFFICE RE-  
14 PORT.—Not later than December 31, 2017, the Comp-  
15 troller General of the United States shall submit to the  
16 Committee on Appropriations and the Committee on Fi-  
17 nance of the Senate and the Committee on Appropriations  
18 and the Committee on Ways and Means of the House of  
19 Representatives a report—

20 (1) assessing the progress of other Federal  
21 agencies in accessing and utilizing the Automated  
22 Commercial Environment; and

23 (2) assessing the potential cost savings to the  
24 United States Government and importers and ex-  
25 porters and the potential benefits to enforcement of

1 the customs and trade laws of the United States if  
2 the elements identified in clauses (i) through (iv) of  
3 section 311(b)(3)(A) of the Customs Border Secu-  
4 rity Act of 2002, as amended by subsection (b) of  
5 this section, are implemented.

6 **SEC. 107. INTERNATIONAL TRADE DATA SYSTEM.**

7 (a) INFORMATION TECHNOLOGY INFRASTRUC-  
8 TURE.—Section 411(d) of the Tariff Act of 1930 (19  
9 U.S.C. 1411(d)) is amended—

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

12 (2) by inserting after paragraph (3) the fol-  
13 lowing:

14 “(4) INFORMATION TECHNOLOGY INFRASTRUC-  
15 TURE.—

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

20 “(i) develops and maintains the nec-  
21 essary information technology infrastruc-  
22 ture to support the operation of the ITDS  
23 and to submit all data to the ITDS elec-  
24 tronically;

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

8           “(iii) not later than June 30, 2016,  
9           identifies and transmits to the Commis-  
10          sioner responsible for U.S. Customs and  
11          Border Protection the admissibility criteria  
12          and data elements required by the agency  
13          to authorize the release of cargo by U.S.  
14          Customs and Border Protection for incor-  
15          poration into the operational functionality  
16          of the Automated Commercial Environ-  
17          ment computer system authorized under  
18          section 13031(f)(4) of the Consolidated  
19          Omnibus Budget and Reconciliation Act of  
20          1985 (19 U.S.C. 58c(f)(4)); and

21          “(iv) not later than December 31,  
22          2016, utilizes the ITDS as the primary  
23          means of receiving from users the standard  
24          set of data and other relevant documenta-  
25          tion, exclusive of applications for permits,

1 licenses, or certifications required for the  
2 release of imported cargo and clearance of  
3 cargo for export.

4 “(B) RULE OF CONSTRUCTION.—Nothing  
5 in this paragraph shall be construed to require  
6 any action to be taken that would compromise  
7 an ongoing law enforcement investigation or na-  
8 tional security.”; and

9 (3) in paragraph (8), as redesignated, by strik-  
10 ing “section 9503(c) of the Omnibus Budget Rec-  
11 onciliation Act of 1987 (19 U.S.C. 2071 note)” and  
12 inserting “section 109 of the Trade Facilitation and  
13 Trade Enforcement Act of 2015”.

14 **SEC. 108. CONSULTATIONS WITH RESPECT TO MUTUAL**  
15 **RECOGNITION ARRANGEMENTS.**

16 (a) CONSULTATIONS.—The Secretary of Homeland  
17 Security, with respect to any proposed mutual recognition  
18 arrangement or similar agreement between the United  
19 States and a foreign government providing for mutual rec-  
20 ognition of supply chain security programs and customs  
21 revenue functions, shall consult—

22 (1) not later than 30 days before initiating ne-  
23 gotiations to enter into any such arrangement or  
24 similar agreement, with the Committee on Finance

1 of the Senate and the Committee on Ways and  
2 Means of the House of Representatives; and

3 (2) not later than 30 days before entering into  
4 any such arrangement or similar agreement, with  
5 the Committee on Finance of the Senate and the  
6 Committee on Ways and Means of the House of  
7 Representatives.

8 (b) NEGOTIATING OBJECTIVE.—It shall be a negoti-  
9 ating objective of the United States in any negotiation for  
10 a mutual recognition arrangement with a foreign country  
11 on partnership programs, such as the Customs-Trade  
12 Partnership Against Terrorism established under subtitle  
13 B of title II of the Security and Accountability for Every  
14 Port Act of 2006 (6 U.S.C. 961 et seq.), to seek to ensure  
15 the compatibility of the partnership programs of that  
16 country with the partnership programs of U.S. Customs  
17 and Border Protection to enhance trade facilitation and  
18 trade enforcement.

19 **SEC. 109. COMMERCIAL CUSTOMS OPERATIONS ADVISORY**  
20 **COMMITTEE.**

21 (a) ESTABLISHMENT.—Not later than the date that  
22 is 60 days after the date of the enactment of this Act,  
23 the Secretary of the Treasury and the Secretary of Home-  
24 land Security shall jointly establish a Commercial Customs



1 Operations Advisory Committee (in this section referred  
2 to as the “Advisory Committee”).

3 (b) MEMBERSHIP.—

4 (1) IN GENERAL.—The Advisory Committee  
5 shall be comprised of—

6 (A) 20 individuals appointed under para-  
7 graph (2);

8 (B) the Assistant Secretary for Tax Policy  
9 of the Department of the Treasury and the  
10 Commissioner, who shall jointly co-chair meet-  
11 ings of the Advisory Committee; and

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

17 (2) APPOINTMENT.—

18 (A) IN GENERAL.—The Secretary of the  
19 Treasury and the Secretary of Homeland Secu-  
20 rity shall jointly appoint 20 individuals from  
21 the private sector to the Advisory Committee.

22 (B) REQUIREMENTS.—In making appoint-  
23 ments under subparagraph (A), the Secretary  
24 of the Treasury and the Secretary of Homeland  
25 Security shall appoint members—

1 (i) to ensure that the membership of  
2 the Advisory Committee is representative  
3 of the individuals and firms affected by the  
4 commercial operations of U.S. Customs  
5 and Border Protection; and

6 (ii) without regard to political affili-  
7 ation.

8 (C) TERMS.—Each individual appointed to  
9 the Advisory Committee under this paragraph  
10 shall be appointed for a term of not more than  
11 3 years, and may be reappointed to subsequent  
12 terms, but may not serve more than 2 terms se-  
13 quentially.

14 (3) TRANSFER OF MEMBERSHIP.—The Sec-  
15 retary of the Treasury and the Secretary of Home-  
16 land Security may transfer members serving on the  
17 Advisory Committee on Commercial Operations of  
18 the United States Customs Service established under  
19 section 9503(c) of the Omnibus Budget Reconcili-  
20 ation Act of 1987 (19 U.S.C. 2071 note) on the day  
21 before the date of the enactment of this Act to the  
22 Advisory Committee established under subsection  
23 (a).

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

1           (1) advise the Secretary of the Treasury and  
2           the Secretary of Homeland Security on all matters  
3           involving the commercial operations of U.S. Customs  
4           and Border Protection, including advising with re-  
5           spect to significant changes that are proposed with  
6           respect to regulations, policies, or practices of U.S.  
7           Customs and Border Protection;

8           (2) provide recommendations to the Secretary  
9           of the Treasury and the Secretary of Homeland Se-  
10          curity on improvements to the commercial operations  
11          of U.S. Customs and Border Protection;

12          (3) collaborate in developing the agenda for Ad-  
13          visory Committee meetings; and

14          (4) perform such other functions relating to the  
15          commercial operations of U.S. Customs and Border  
16          Protection as prescribed by law or as the Secretary  
17          of the Treasury and the Secretary of Homeland Se-  
18          curity jointly direct.

19          (d) MEETINGS.—

20               (1) IN GENERAL.—The Advisory Committee  
21               shall meet at the call of the Secretary of the Treas-  
22               ury and the Secretary of Homeland Security, or at  
23               the call of not less than  $\frac{2}{3}$  of the membership of the  
24               Advisory Committee. The Advisory Committee shall  
25               meet at least 4 times each calendar year.

1           (2) OPEN MEETINGS.—Notwithstanding section  
2       10(a) of the Federal Advisory Committee Act (5  
3       U.S.C. App.), the Advisory Committee meetings  
4       shall be open to the public unless the Secretary of  
5       the Treasury or the Secretary of Homeland Security  
6       determines that the meeting will include matters the  
7       disclosure of which would compromise the develop-  
8       ment of policies, priorities, or negotiating objectives  
9       or positions that could impact the commercial oper-  
10      ations of U.S. Customs and Border Protection or  
11      the operations or investigations of U.S. Immigration  
12      and Customs Enforcement.

13      (e) ANNUAL REPORT.—Not later than December 31,  
14      2016, and annually thereafter, the Advisory Committee  
15      shall submit to the Committee on Finance of the Senate  
16      and the Committee on Ways and Means of the House of  
17      Representatives a report that—

18           (1) describes the activities of the Advisory Com-  
19      mittee during the preceding fiscal year; and

20           (2) sets forth any recommendations of the Advi-  
21      sory Committee regarding the commercial operations  
22      of U.S. Customs and Border Protection.

23      (f) TERMINATION.—Section 14(a)(2) of the Federal  
24      Advisory Committee Act (5 U.S.C. App.; relating to the

1 termination of advisory committees) shall not apply to the  
2 Advisory Committee.

3 (g) CONFORMING AMENDMENT.—

4 (1) IN GENERAL.—Effective on the date on  
5 which the Advisory Committee is established under  
6 subsection (a), section 9503(c) of the Omnibus  
7 Budget Reconciliation Act of 1987 (19 U.S.C. 2071  
8 note) is repealed.

9 (2) REFERENCE.—Any reference in law to the  
10 Advisory Committee on Commercial Operations of  
11 the United States Customs Service established under  
12 section 9503(c) of the Omnibus Budget Reconcili-  
13 ation Act of 1987 (19 U.S.C. 2071 note) made on  
14 or after the date on which the Advisory Committee  
15 is established under subsection (a), shall be deemed  
16 a reference to the Commercial Customs Operations  
17 Advisory Committee established under subsection  
18 (a).

19 **SEC. 110. CENTERS OF EXCELLENCE AND EXPERTISE.**

20 (a) IN GENERAL.—The Commissioner shall, in con-  
21 sultation with the Committee on Finance of the Senate,  
22 the Committee on Ways and Means of the House of Rep-  
23 resentatives, and the Commercial Customs Operations Ad-  
24 visory Committee established by section 109 of this Act,  
25 develop and implement Centers of Excellence and Exper-

1 tise throughout U.S. Customs and Border Protection  
2 that—

3           (1) enhance the economic competitiveness of the  
4       United States by consistently enforcing the laws and  
5       regulations of the United States at all ports of entry  
6       of the United States and by facilitating the flow of  
7       legitimate trade through increasing industry-based  
8       knowledge;

9           (2) improve enforcement efforts, including en-  
10      forcement of priority trade issues described in sub-  
11      paragraph (B)(ii) of section 2(d)(3) of the Act of  
12      March 3, 1927 (44 Stat. 1381, chapter 348; 19  
13      U.S.C. 2072(d)), as added by section 111(a) of this  
14      Act, in specific industry sectors through the applica-  
15      tion of targeting information from the Commercial  
16      Targeting Division established under subparagraph  
17      (A) of such section 2(d)(3) and from other means of  
18      verification;

19           (3) build upon the expertise of U.S. Customs  
20      and Border Protection in particular industry oper-  
21      ations, supply chains, and compliance requirements;

22           (4) promote the uniform implementation at  
23      each port of entry of the United States of policies  
24      and regulations relating to imports;

1           (5) centralize the trade enforcement and trade  
2           facilitation efforts of U.S. Customs and Border Pro-  
3           tection;

4           (6) formalize an account-based approach to  
5           apply, as the Commissioner determines appropriate,  
6           to the importation of merchandise into the United  
7           States;

8           (7) foster partnerships through the expansion of  
9           trade programs and other trusted partner programs;

10          (8) develop applicable performance measure-  
11          ments to meet internal efficiency and effectiveness  
12          goals; and

13          (9) whenever feasible, facilitate a more efficient  
14          flow of information between Federal agencies.

15          (b) REPORT.—Not later than December 31, 2016,  
16          the Commissioner shall submit to the Committee on Fi-  
17          nance of the Senate and the Committee on Ways and  
18          Means of the House of Representatives a report describ-  
19          ing—

20               (1) the scope, functions, and structure of each  
21               Center of Excellence and Expertise developed and  
22               implemented under subsection (a);

23               (2) the effectiveness of each such Center of Ex-  
24               cellence and Expertise in improving enforcement ef-

1        forts, including enforcement of priority trade issues,  
2        and facilitating legitimate trade;

3            (3) the quantitative and qualitative benefits of  
4        each such Center of Excellence and Expertise to the  
5        trade community, including through fostering part-  
6        nerships through the expansion of trade programs  
7        such as the Importer Self Assessment program and  
8        other trusted partner programs;

9            (4) all applicable performance measurements  
10       with respect to each such Center of Excellence and  
11       Expertise, including performance measures with re-  
12       spect to meeting internal efficiency and effectiveness  
13       goals;

14           (5) the performance of each such Center of Ex-  
15       cellence and Expertise in increasing the accuracy  
16       and completeness of data with respect to inter-  
17       national trade and facilitating a more efficient flow  
18       of information between Federal agencies; and

19           (6) any planned changes in the number, scope,  
20       functions or any other aspect of the Centers of Ex-  
21       cellence and Expertise developed and implemented  
22       under subsection (a).



1 **SEC. 111. COMMERCIAL TARGETING DIVISION AND NA-**  
2 **TIONAL TARGETING AND ANALYSIS GROUPS.**

3 (a) IN GENERAL.—Section 2(d) of the Act of March  
4 3, 1927 (44 Stat. 1381, chapter 348; 19 U.S.C. 2072(d))  
5 is amended by adding at the end the following:

6 “(3) COMMERCIAL TARGETING DIVISION AND  
7 NATIONAL TARGETING AND ANALYSIS GROUPS.—

8 “(A) ESTABLISHMENT OF COMMERCIAL  
9 TARGETING DIVISION.—

10 “(i) IN GENERAL.—The Secretary of  
11 Homeland Security shall establish and  
12 maintain within the Office of International  
13 Trade a Commercial Targeting Division.

14 “(ii) COMPOSITION.—The Commercial  
15 Targeting Division shall be composed of—

16 “(I) headquarters personnel led  
17 by an Executive Director, who shall  
18 report to the Assistant Commissioner  
19 for Trade; and

20 “(II) individual National Tar-  
21 geting and Analysis Groups, each led  
22 by a Director who shall report to the  
23 Executive Director of the Commercial  
24 Targeting Division.

25 “(iii) DUTIES.—The Commercial Tar-  
26 geting Division shall be dedicated—

1 “(I) to the development and con-  
2 duct of commercial risk assessment  
3 targeting with respect to cargo des-  
4 tined for the United States in accord-  
5 ance with subparagraph (C); and

6 “(II) to issuing Trade Alerts de-  
7 scribed in subparagraph (D).

8 “(B) NATIONAL TARGETING AND ANALYSIS  
9 GROUPS.—

10 “(i) IN GENERAL.—A National Tar-  
11 geting and Analysis Group referred to in  
12 subparagraph (A)(ii)(II) shall, at a min-  
13 imum, be established for each priority  
14 trade issue described in clause (ii).

15 “(ii) PRIORITY TRADE ISSUES.—

16 “(I) IN GENERAL.—The priority  
17 trade issues described in this clause  
18 are the following:

19 “(aa) Agriculture programs.

20 “(bb) Antidumping and  
21 countervailing duties.

22 “(cc) Import safety.

23 “(dd) Intellectual property  
24 rights.

25 “(ee) Revenue.

1                   “(ff) Textiles and wearing  
2                   apparel.

3                   “(gg) Trade agreements and  
4                   preference programs.

5                   “(II) MODIFICATION.—The Com-  
6                   missioner is authorized to establish  
7                   new priority trade issues and elimi-  
8                   nate, consolidate, or otherwise modify  
9                   the priority trade issues described in  
10                  this paragraph if the Commissioner—

11                  “(aa) determines it nec-  
12                  essary and appropriate to do so;

13                  “(bb) submits to the Com-  
14                  mittee on Finance of the Senate  
15                  and the Committee on Ways and  
16                  Means of the House of Rep-  
17                  resentatives a summary of pro-  
18                  posals to consolidate, eliminate,  
19                  or otherwise modify existing pri-  
20                  ority trade issues not later than  
21                  60 days before such changes are  
22                  to take effect; and

23                  “(cc) submits to the Com-  
24                  mittee on Finance of the Senate  
25                  and the Committee on Ways and

1 Means of the House of Rep-  
2 resentatives a summary of pro-  
3 posals to establish new priority  
4 trade issues not later than 30  
5 days after such changes are to  
6 take effect.

7 “(iii) DUTIES.—The duties of each  
8 National Targeting and Analysis Group  
9 shall include—

10 “(I) directing the trade enforce-  
11 ment and compliance assessment ac-  
12 tivities of U.S. Customs and Border  
13 Protection that relate to the Group’s  
14 priority trade issue;

15 “(II) facilitating, promoting, and  
16 coordinating cooperation and the ex-  
17 change of information between U.S.  
18 Customs and Border Protection, U.S.  
19 Immigration and Customs Enforce-  
20 ment, and other relevant Federal de-  
21 partments and agencies regarding the  
22 Group’s priority trade issue; and

23 “(III) serving as the primary liai-  
24 son between U.S. Customs and Bor-  
25 der Protection and the public regard-

1 ing United States Government activi-  
2 ties regarding the Group's priority  
3 trade issue, including—

4 “(aa) providing for receipt  
5 and transmission to the appro-  
6 priate U.S. Customs and Border  
7 Protection office of allegations  
8 from interested parties in the pri-  
9 vate sector of violations of cus-  
10 toms and trade laws of the  
11 United States of merchandise re-  
12 lating to the priority trade issue;

13 “(bb) obtaining information  
14 from the appropriate U.S. Cus-  
15 toms and Border Protection of-  
16 fice on the status of any activi-  
17 ties resulting from the submis-  
18 sion of any such allegation, in-  
19 cluding any decision not to pur-  
20 sue the allegation, and providing  
21 any such information to each in-  
22 terested party in the private sec-  
23 tor that submitted the allegation  
24 every 90 days after the allegation  
25 was received by U.S. Customs

1 and Border Protection unless  
2 providing such information would  
3 compromise an ongoing law en-  
4 forcement investigation; and

5 “(cc) notifying on a timely  
6 basis each interested party in the  
7 private sector that submitted  
8 such allegation of any civil or  
9 criminal actions taken by U.S.  
10 Customs and Border Protection  
11 or other Federal department or  
12 agency resulting from the allega-  
13 tion.

14 “(C) COMMERCIAL RISK ASSESSMENT TAR-  
15 GETING.—In carrying out its duties with re-  
16 spect to commercial risk assessment targeting,  
17 the Commercial Targeting Division shall—

18 “(i) establish targeted risk assessment  
19 methodologies and standards—

20 “(I) for evaluating the risk that  
21 cargo destined for the United States  
22 may violate the customs and trade  
23 laws of the United States, particularly  
24 those laws applicable to merchandise

1 subject to the priority trade issues de-  
2 scribed in subparagraph (B)(ii); and

3 “(II) for issuing, as appropriate,  
4 Trade Alerts described in subpara-  
5 graph (D); and

6 “(ii) to the extent practicable and oth-  
7 erwise authorized by law, use, to admin-  
8 ister the methodologies and standards es-  
9 tablished under clause (i) —

10 “(I) publicly available informa-  
11 tion;

12 “(II) information available from  
13 the Automated Commercial System,  
14 the Automated Commercial Environ-  
15 ment computer system, the Auto-  
16 mated Targeting System, the Auto-  
17 mated Export System, the Inter-  
18 national Trade Data System, the  
19 TECS (formerly known as the ‘Treas-  
20 ury Enforcement Communications  
21 System’), the case management sys-  
22 tem of U.S. Immigration and Customs  
23 Enforcement, and any successor sys-  
24 tems; and

1 “(III) information made available  
2 to the Commercial Targeting Division,  
3 including information provided by pri-  
4 vate sector entities.

5 “(D) TRADE ALERTS.—

6 “(i) ISSUANCE.—Based upon the ap-  
7 plication of the targeted risk assessment  
8 methodologies and standards established  
9 under subparagraph (C), the Executive Di-  
10 rector of the Commercial Targeting Divi-  
11 sion and the Directors of the National  
12 Targeting and Analysis Groups may issue  
13 Trade Alerts to directors of United States  
14 ports of entry directing further inspection,  
15 or physical examination or testing, of spe-  
16 cific merchandise to ensure compliance  
17 with all applicable customs and trade laws  
18 and regulations administered by U.S. Cus-  
19 toms and Border Protection.

20 “(ii) DETERMINATIONS NOT TO IM-  
21 PLEMENT TRADE ALERTS.—The director  
22 of a United States port of entry may deter-  
23 mine not to conduct further inspections, or  
24 physical examination or testing, pursuant



1 to a Trade Alert issued under clause (i)  
2 if—

3 “(I) the director finds that such  
4 a determination is justified by security  
5 interests; and

6 “(II) notifies the Assistant Com-  
7 missioner of the Office of Field Oper-  
8 ations and the Assistant Commis-  
9 sioner of International Trade of U.S.  
10 Customs and Border Protection of the  
11 determination and the reasons for the  
12 determination not later than 48 hours  
13 after making the determination.

14 “(iii) SUMMARY OF DETERMINATIONS  
15 NOT TO IMPLEMENT.—The Assistant Com-  
16 missioner of the Office of Field Operations  
17 of U.S. Customs and Border Protection  
18 shall—

19 “(I) compile an annual public  
20 summary of all determinations by di-  
21 rectors of United States ports of entry  
22 under clause (ii) and the reasons for  
23 those determinations;

1                   “(II) conduct an evaluation of  
2                   the utilization of Trade Alerts issued  
3                   under clause (i); and

4                   “(III) submit the summary to the  
5                   Committee on Finance of the Senate  
6                   and the Committee on Ways and  
7                   Means of the House of Representa-  
8                   tives not later than December 31 of  
9                   each year.

10                  “(iv) INSPECTION DEFINED.—In this  
11                  subparagraph, the term ‘inspection’ means  
12                  the comprehensive evaluation process used  
13                  by U.S. Customs and Border Protection,  
14                  other than physical examination or testing,  
15                  to permit the entry of merchandise into the  
16                  United States, or the clearance of mer-  
17                  chandise for transportation in bond  
18                  through the United States, for purposes  
19                  of—

20                         “(I) assessing duties;

21                         “(II) identifying restricted or  
22                         prohibited items; and

23                         “(III) ensuring compliance with  
24                         all applicable customs and trade laws

1 and regulations administered by U.S.  
2 Customs and Border Protection.”.

3 (b) USE OF TRADE DATA FOR COMMERCIAL EN-  
4 FORCEMENT PURPOSES.—Section 343(a)(3)(F) of the  
5 Trade Act of 2002 (19 U.S.C. 2071 note) is amended to  
6 read as follows:

7 “(F) The information collected pursuant to  
8 the regulations shall be used exclusively for en-  
9 suring cargo safety and security, preventing  
10 smuggling, and commercial risk assessment tar-  
11 geting, and shall not be used for any commer-  
12 cial enforcement purposes, including for deter-  
13 mining merchandise entry. Notwithstanding the  
14 preceding sentence, nothing in this section shall  
15 be treated as amending, repealing, or otherwise  
16 modifying title IV of the Tariff Act of 1930 or  
17 regulations prescribed thereunder.”.

18 **SEC. 112. REPORT ON OVERSIGHT OF REVENUE PROTEC-**  
19 **TION AND ENFORCEMENT MEASURES.**

20 (a) IN GENERAL.—Not later the March 31, 2016,  
21 and not later than March 31 of each second year there-  
22 after, the Inspector General of the Department of the  
23 Treasury shall submit to the Committee on Finance of the  
24 Senate and the Committee on Ways and Means of the  
25 House of Representatives a report assessing, with respect

1 to the period covered by the report, as specified in sub-  
2 section (b), the following:

3 (1) The effectiveness of the measures taken by  
4 U.S. Customs and Border Protection with respect to  
5 protection of revenue, including—

6 (A) the collection of countervailing duties  
7 assessed under subtitle A of title VII of the  
8 Tariff Act of 1930 (19 U.S.C. 1671 et seq.)  
9 and antidumping duties assessed under subtitle  
10 B of title VII of the Tariff Act of 1930 (19  
11 U.S.C. 1673 et seq.);

12 (B) the assessment, collection, and mitiga-  
13 tion of commercial fines and penalties;

14 (C) the use of bonds, including continuous  
15 and single transaction bonds, to secure that  
16 revenue; and

17 (D) the adequacy of the policies of U.S.  
18 Customs and Border Protection with respect to  
19 the monitoring and tracking of merchandise  
20 transported in bond and collecting duties, as  
21 appropriate.

22 (2) The effectiveness of actions taken by U.S.  
23 Customs and Border Protection to measure account-  
24 ability and performance with respect to protection of  
25 revenue.

1           (3) The number and outcome of investigations  
2           instituted by U.S. Customs and Border Protection  
3           with respect to the underpayment of duties.

4           (4) The effectiveness of training with respect to  
5           the collection of duties provided for personnel of  
6           U.S. Customs and Border Protection.

7           (b) PERIOD COVERED BY REPORT.—Each report re-  
8           quired by subsection (a) shall cover the period of 2 fiscal  
9           years ending on September 30 of the calendar year pre-  
10          ceding the submission of the report.

11   **SEC. 113. REPORT ON SECURITY AND REVENUE MEASURES**  
12                   **WITH RESPECT TO MERCHANDISE TRANS-**  
13                   **PORTED IN BOND.**

14          (a) IN GENERAL.—Not later than December 31 of  
15          2016, 2017, and 2018, the Secretary of Homeland Secu-  
16          rity and the Secretary of the Treasury shall jointly submit  
17          to the Committee on Finance of the Senate and the Com-  
18          mittee on Ways and Means of the House of Representa-  
19          tives a report on efforts undertaken by U.S. Customs and  
20          Border Protection to ensure the secure transportation of  
21          merchandise in bond through the United States and the  
22          collection of revenue owed upon the entry of such mer-  
23          chandise into the United States for consumption.

1 (b) ELEMENTS.—Each report required by subsection  
2 (a) shall include, for the fiscal year preceding the submis-  
3 sion of the report, information on—

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

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

11 (3) the average time taken to reconcile such  
12 records with the records at the final destination of  
13 the merchandise in the United States to demonstrate  
14 that the merchandise reaches its final destination or  
15 is re-exported;

16 (4) the average time taken to transport mer-  
17 chandise in bond from the port at which the mer-  
18 chandise arrives in the United States to its final des-  
19 tination in the United States;

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

1           (6) the total number of notifications by carriers  
2           of merchandise being transported in bond that the  
3           destination of the merchandise has changed; and

4           (7) the number of entries that remain  
5           unreconciled.

6 **SEC. 114. IMPORTER OF RECORD PROGRAM.**

7           (a) ESTABLISHMENT.—Not later than the date that  
8           is 180 days after the date of the enactment of this Act,  
9           the Secretary of Homeland Security shall establish an im-  
10          porter of record program to assign and maintain importer  
11          of record numbers.

12          (b) REQUIREMENTS.—The Secretary shall ensure  
13          that, as part of the importer of record program, U.S. Cus-  
14          toms and Border Protection—

15                (1) develops criteria that importers must meet  
16                in order to obtain an importer of record number, in-  
17                cluding—

18                    (A) criteria to ensure sufficient informa-  
19                    tion is collected to allow U.S. Customs and Bor-  
20                    der Protection to verify the existence of the im-  
21                    porter requesting the importer of record num-  
22                    ber;

23                    (B) criteria to ensure sufficient informa-  
24                    tion is collected to allow U.S. Customs and Bor-  
25                    der Protection to identify linkages or other af-

1           filiations between importers that are requesting  
2           or have been assigned importer of record num-  
3           bers; and

4           (C) criteria to ensure sufficient informa-  
5           tion is collected to allow U.S. Customs and Bor-  
6           der Protection to identify changes in address  
7           and corporate structure of importers;

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

10          (3) maintains a centralized database of im-  
11          porter of record numbers, including a history of im-  
12          porter of record numbers associated with each im-  
13          porter, and the information described in subpara-  
14          graphs (A), (B), and (C) of paragraph (1);

15          (4) evaluates and maintains the accuracy of the  
16          database if such information changes; and

17          (5) takes measures to ensure that duplicate im-  
18          porter of record numbers are not issued.

19          (c) REPORT.—Not later than one year after the date  
20          of the enactment of this Act, the Secretary shall submit  
21          to the Committee on Finance of the Senate and the Com-  
22          mittee on Ways and Means of the House of Representa-  
23          tives a report on the importer of record program estab-  
24          lished under subsection (a).



1 (d) NUMBER DEFINED.—In this subsection, the term  
2 “number”, with respect to an importer of record, means  
3 a filing identification number described in section 24.5 of  
4 title 19, Code of Federal Regulations (or any cor-  
5 responding similar regulation) that fully supports the re-  
6 quirements of subsection (b) with respect to the collection  
7 and maintenance of information.

8 **SEC. 115. ESTABLISHMENT OF NEW IMPORTER PROGRAM.**

9 (a) IN GENERAL.—Not later than the date that is  
10 180 days after the date of the enactment of this Act, the  
11 Commissioner shall establish a new importer program that  
12 directs U.S. Customs and Border Protection to adjust  
13 bond amounts for new importers based on the level of risk  
14 assessed by U.S. Customs and Border Protection for pro-  
15 tection of revenue of the Federal Government.

16 (b) REQUIREMENTS.—The Commissioner shall en-  
17 sure that, as part of the new importer program established  
18 under subsection (a), U.S. Customs and Border Protec-  
19 tion—

20 (1) develops risk-based criteria for determining  
21 which importers are considered to be new importers  
22 for the purposes of this subsection;

23 (2) develops risk assessment guidelines for new  
24 importers to determine if and to what extent—

1 (A) to adjust bond amounts of imported  
2 products of new importers; and

3 (B) to increase screening of imported prod-  
4 ucts of new importers;

5 (3) develops procedures to ensure increased  
6 oversight of imported products of new importers re-  
7 lating to the enforcement of the priority trade issues  
8 described in paragraph (3)(B)(ii) of section 2(d) of  
9 the Act of March 3, 1927 (44 Stat. 1381, chapter  
10 348; 19 U.S.C. 2072(d)), as added by section 111(a)  
11 of this Act;

12 (4) develops procedures to ensure increased  
13 oversight of imported products of new importers by  
14 Centers of Excellence and Expertise established  
15 under section 110 of this Act; and

16 (5) establishes a centralized database of new  
17 importers to ensure accuracy of information that is  
18 required to be provided by new importers to U.S.  
19 Customs and Border Protection.

20 **SEC. 116. CUSTOMS BROKER IDENTIFICATION OF IMPORT-**  
21 **ERS.**

22 (a) IN GENERAL.—Section 641 of the Tariff Act of  
23 1930 (19 U.S.C. 1641) is amended by adding at the end  
24 the following:

25 “(i) IDENTIFICATION OF IMPORTERS.—

1           “(1) IN GENERAL.—The Secretary shall pre-  
2       scribe regulations setting forth the minimum stand-  
3       ards for customs brokers and importers, including  
4       nonresident importers, regarding the identity of the  
5       importer that shall apply in connection with the im-  
6       portation of merchandise into the United States.

7           “(2) MINIMUM REQUIREMENTS.—The regula-  
8       tions shall, at a minimum, require customs brokers  
9       to implement, and importers (after being given ade-  
10      quate notice) to comply with, reasonable procedures  
11      for—

12           “(A) collecting the identity of importers,  
13       including nonresident importers, seeking to im-  
14       port merchandise into the United States to the  
15       extent reasonable and practicable; and

16           “(B) maintaining records of the informa-  
17       tion used to substantiate a person’s identity, in-  
18       cluding name, address, and other identifying in-  
19       formation.

20           “(3) PENALTIES.—Any customs broker who  
21       fails to collect information required under the regu-  
22       lations prescribed under this subsection shall be lia-  
23       ble to the United States, at the discretion of the  
24       Secretary, for a monetary penalty not to exceed  
25       \$10,000 for each violation of those regulations and

1 subject to revocation or suspension of a license or  
2 permit of the customs broker pursuant to the proce-  
3 dures set forth in subsection (d).

4 “(4) DEFINITIONS.—In this subsection—

5 “(A) the term ‘importer’ means one of the  
6 parties qualifying as an importer of record  
7 under section 484(a)(2)(B); and

8 “(B) the term ‘nonresident importer’  
9 means an importer who is—

10 “(i) an individual who is not a citizen  
11 of the United States or an alien lawfully  
12 admitted for permanent residence in the  
13 United States; or

14 “(ii) a partnership, corporation, or  
15 other commercial entity that is not orga-  
16 nized under the laws of a jurisdiction with-  
17 in the customs territory of the United  
18 States (as such term is defined in General  
19 Note 2 of the Harmonized Tariff Schedule  
20 of the United States) or in the Virgin Is-  
21 lands of the United States.”.

22 (b) STUDY AND REPORT REQUIRED.—Not later than  
23 180 days after the date of enactment of this Act, the Com-  
24 missioner shall submit to Congress a report containing  
25 recommendations for—

1           (1) determining the most timely and effective  
2       way to require foreign nationals to provide customs  
3       brokers with appropriate and accurate information,  
4       comparable to that which is required of United  
5       States nationals, concerning the identity, address,  
6       and other related information relating to such for-  
7       eign nationals necessary to enable customs brokers  
8       to comply with the requirements of section 641(i) of  
9       the Tariff Act of 1930 (as added by subsection (a));  
10      and

11           (2) establishing a system for customs brokers to  
12      review information maintained by relevant Federal  
13      agencies for purposes of verifying the identities of  
14      importers, including nonresident importers, seeking  
15      to import merchandise into the United States.

16 **SEC. 117. REQUIREMENTS APPLICABLE TO NON-RESIDENT**  
17 **IMPORTERS.**

18       (a) IN GENERAL.—Part III of title IV of the Tariff  
19      Act of 1930 (19 U.S.C. 1481 et seq.) is amended by in-  
20      serting after section 484b the following new section:

21 **“SEC. 484c. REQUIREMENTS APPLICABLE TO NON-RESI-**  
22 **DENT IMPORTERS.**

23       “(a) IN GENERAL.—Except as provided in subsection  
24      (c), if an importer of record under section 484 of this Act  
25      is not a resident of the United States, the Commissioner

1 of U.S. Customs and Border Protection shall require the  
2 non-resident importer to designate a resident agent in the  
3 United States subject to the requirements described in  
4 subsection (b).

5 “(b) REQUIREMENTS.—The requirements described  
6 in this subsection are the following:

7 “(1) The resident agent shall be authorized to  
8 accept service of process against the non-resident  
9 importer in connection with the importation of mer-  
10 chandise.

11 “(2) The Commissioner of U.S. Customs and  
12 Border Protection shall require the non-resident im-  
13 porter to establish a power of attorney with the resi-  
14 dent agent in connection with the importation of  
15 merchandise.

16 “(c) NON-APPLICABILITY.—The requirements of this  
17 section shall not apply with respect to a non-resident im-  
18 porter who is a validated Tier 2 or Tier 3 participant in  
19 the Customs-Trade Partnership Against Terrorism pro-  
20 gram established under subtitle B of title II of the SAFE  
21 Port Act (6 U.S.C. 961 et seq.).

22 “(d) PENALTIES.—

23 “(1) IN GENERAL.—It shall be unlawful for any  
24 person to import into the United States any mer-  
25 chandise in violation of this section.

1           “(2) CIVIL PENALTIES.—Any person who vio-  
2           lates paragraph (1) shall be liable for a civil penalty  
3           of \$50,000 for each such violation.

4           “(3) OTHER PENALTIES.—In addition to the  
5           penalties specified in paragraph (2), any violation of  
6           this section that violates any other customs and  
7           trade laws of the United States shall be subject to  
8           any applicable civil and criminal penalty, including  
9           seizure and forfeiture, that may be imposed under  
10          such customs or trade law or title 18, United States  
11          Code, with respect to the importation of merchan-  
12          dise.

13          “(4) DEFINITION.—In this subsection, the term  
14          ‘customs and trade laws of the United States’ has  
15          the meaning given such term in section 2 of the  
16          Customs Trade Facilitation and Enforcement Act of  
17          2015.”.

18          (b) EFFECTIVE DATE.—Section 484c of the Tariff  
19          Act of 1930, as added by subsection (a), takes effect on  
20          the date of the enactment of this Act and applies with  
21          respect to the importation of merchandise of an importer  
22          of record under section 484 of the Tariff Act of 1930 who  
23          is not resident of the United States on or after the date  
24          that is 180 days after such date of enactment.

1     **TITLE II—IMPORT HEALTH AND**  
2                     **SAFETY**

3     **SEC. 201. INTERAGENCY IMPORT SAFETY WORKING GROUP.**

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

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

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

11                (2) The Secretary of Health and Human Serv-  
12     ices, who shall serve as the Vice Chair.

13                (3) The Secretary of the Treasury.

14                (4) The Secretary of Commerce.

15                (5) The Secretary of Agriculture.

16                (6) The United States Trade Representative.

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

19                (8) The Commissioner of Food and Drugs.

20                (9) The Commissioner responsible for U.S. Cus-  
21     toms and Border Protection.

22                (10) The Chairman of the Consumer Product  
23     Safety Commission.

24                (11) The Director of U.S. Immigration and  
25     Customs Enforcement.



1           (12) The head of any other Federal agency des-  
2           ignated by the President to participate in the inter-  
3           agency Import Safety Working Group, as appro-  
4           priate.

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

7           (1) consulting on the development of the joint  
8           import safety rapid response plan required by sec-  
9           tion 202 of this Act;

10          (2) periodically evaluating the adequacy of the  
11          plans, practices, and resources of the Federal Gov-  
12          ernment dedicated to ensuring the safety of mer-  
13          chandise imported in the United States and the ex-  
14          peditious entry of such merchandise, including—

15                (A) minimizing the duplication of efforts  
16                among agencies the heads of which are mem-  
17                bers of the interagency Import Safety Working  
18                Group and ensuring the compatibility of the  
19                policies and regulations of those agencies; and

20                (B) recommending additional administra-  
21                tive actions, as appropriate, designed to ensure  
22                the safety of merchandise imported into the  
23                United States and the expeditious entry of such  
24                merchandise and considering the impact of  
25                those actions on private sector entities;

1           (3) reviewing the engagement and cooperation  
2           of foreign governments and foreign manufacturers in  
3           facilitating the inspection and certification, as appro-  
4           priate, of such merchandise to be imported into the  
5           United States and the facilities producing such mer-  
6           chandise to ensure the safety of the merchandise  
7           and the expeditious entry of the merchandise into  
8           the United States;

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

14                (A) the inspection of manufacturing facili-  
15               ties in foreign countries;

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

20                (C) the protection of the international sup-  
21              ply chain (as defined in section 2 of the Secu-  
22              rity and Accountability For Every Port Act of  
23              2006 (6 U.S.C. 901));

24           (5) identifying best practices to assist Federal,  
25          State, and local governments and agencies, and port

1 authorities, to improve communication and coordina-  
2 tion among such agencies and authorities with re-  
3 spect to ensuring the safety of merchandise imported  
4 into the United States and the expeditious entry of  
5 such merchandise; and

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

12 **SEC. 202. JOINT IMPORT SAFETY RAPID RESPONSE PLAN.**

13 (a) IN GENERAL.—Not later than December 31,  
14 2016, the Secretary of Homeland Security, in consultation  
15 with the interagency Import Safety Working Group, shall  
16 develop a plan (to be known as the “joint import safety  
17 rapid response plan”) that sets forth protocols and defines  
18 practices for U.S. Customs and Border Protection to  
19 use—

20 (1) in taking action in response to, and coordi-  
21 nating Federal responses to, an incident in which  
22 cargo destined for or merchandise entering the  
23 United States has been identified as posing a threat  
24 to the health or safety of consumers in the United  
25 States; and

1           (2) in recovering from or mitigating the effects  
2       of actions and responses to an incident described in  
3       paragraph (1).

4       (b) CONTENTS.—The joint import safety rapid re-  
5       sponse plan shall address—

6           (1) the statutory and regulatory authorities and  
7       responsibilities of U.S. Customs and Border Protec-  
8       tion and other Federal agencies in responding to an  
9       incident described in subsection (a)(1);

10          (2) the protocols and practices to be used by  
11       U.S. Customs and Border Protection when taking  
12       action in response to, and coordinating Federal re-  
13       sponses to, such an incident;

14          (3) the measures to be taken by U.S. Customs  
15       and Border Protection and other Federal agencies in  
16       recovering from or mitigating the effects of actions  
17       taken in response to such an incident after the inci-  
18       dent to ensure the resumption of the entry of mer-  
19       chandise into the United States; and

20          (4) exercises that U.S. Customs and Border  
21       Protection may conduct in conjunction with Federal,  
22       State, and local agencies, and private sector entities,  
23       to simulate responses to such an incident.

24       (c) UPDATES OF PLAN.—The Secretary of Homeland  
25       Security shall review and update the joint import safety

1 rapid response plan, as appropriate, after conducting exer-  
2 cises under subsection (d).

3 (d) IMPORT HEALTH AND SAFETY EXERCISES.—

4 (1) IN GENERAL.—The Secretary of Homeland  
5 Security and the Commissioner shall periodically en-  
6 gage in the exercises referred to in subsection (b)(4),  
7 in conjunction with Federal, State, and local agen-  
8 cies and private sector entities, as appropriate, to  
9 test and evaluate the protocols and practices identi-  
10 fied in the joint import safety rapid response plan at  
11 United States ports of entry.

12 (2) REQUIREMENTS FOR EXERCISES.—In con-  
13 ducting exercises under paragraph (1), the Secretary  
14 and the Commissioner shall—

15 (A) make allowance for the resources,  
16 needs, and constraints of United States ports of  
17 entry of different sizes in representative geo-  
18 graphic locations across the United States;

19 (B) base evaluations on current risk as-  
20 sessments of merchandise entering the United  
21 States at representative United States ports of  
22 entry located across the United States;

23 (C) ensure that such exercises are con-  
24 ducted in a manner consistent with the Na-  
25 tional Incident Management System, the Na-

1           tional Response Plan, the National Infrastruc-  
2           ture Protection Plan, the National Prepared-  
3           ness Guidelines, the Maritime Transportation  
4           System Security Plan, and other such national  
5           initiatives of the Department of Homeland Se-  
6           curity, as appropriate; and

7           (D) develop metrics with respect to the re-  
8           sumption of the entry of merchandise into the  
9           United States after an incident described in  
10          subsection (a)(1).

11          (3) REQUIREMENTS FOR TESTING AND EVALUA-  
12          TION.—The Secretary and the Commissioner shall  
13          ensure that the testing and evaluation carried out in  
14          conducting exercises under paragraph (1)—

15               (A) are performed using clear and objec-  
16               tive performance measures; and

17               (B) result in the identification of specific  
18               recommendations or best practices for respond-  
19               ing to an incident described in subsection  
20               (a)(1).

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

24               (A) share the recommendations or best  
25               practices identified under paragraph (3)(B)

1 among the members of the interagency Import  
2 Safety Working Group and with, as appro-  
3 priate—

4 (i) State, local, and tribal govern-  
5 ments;

6 (ii) foreign governments; and

7 (iii) private sector entities; and

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

11 **SEC. 203. TRAINING.**

12 The Commissioner shall ensure that personnel of  
13 U.S. Customs and Border Protection assigned to United  
14 States ports of entry are trained to effectively administer  
15 the provisions of this title and to otherwise assist in ensur-  
16 ing the safety of merchandise imported into the United  
17 States and the expeditious entry of such merchandise.

18 **TITLE III—IMPORT-RELATED**  
19 **PROTECTION OF INTELLEC-**  
20 **TUAL PROPERTY RIGHTS**

21 **SEC. 301. DEFINITION OF INTELLECTUAL PROPERTY**  
22 **RIGHTS.**

23 In this title, the term “intellectual property rights”  
24 refers to copyrights, trademarks, and other forms of intel-  
25 lectual property rights that are enforced by U.S. Customs

1 and Border Protection or U.S. Immigration and Customs  
2 Enforcement.

3 **SEC. 302. EXCHANGE OF INFORMATION RELATED TO**  
4 **TRADE ENFORCEMENT.**

5 (a) IN GENERAL.—The Tariff Act of 1930 is amend-  
6 ed by inserting after section 628 (19 U.S.C. 1628) the  
7 following new section:

8 **“SEC. 628A. EXCHANGE OF INFORMATION RELATED TO**  
9 **TRADE ENFORCEMENT.**

10 “(a) IN GENERAL.—Subject to subsections (c) and  
11 (d), if the Commissioner responsible for U.S. Customs and  
12 Border Protection suspects that merchandise is being im-  
13 ported into the United States in violation of section 526  
14 of this Act or section 602, 1201(a)(2), or 1201(b)(1) of  
15 title 17, United States Code, and determines that the ex-  
16 amination or testing of the merchandise by a person de-  
17 scribed in subsection (b) would assist the Commissioner  
18 in determining if the merchandise is being imported in vio-  
19 lation of that section, the Commissioner, to permit the  
20 person to conduct the examination and testing—

21 “(1) shall provide to the person information  
22 that appears on the merchandise and its packaging  
23 and labels, including unredacted images of the mer-  
24 chandise and its packaging and labels; and



1           “(2) may, subject to any applicable bonding re-  
2           quirements, provide to the person unredacted sam-  
3           ples of the merchandise.

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

6           “(1) in the case of merchandise suspected of  
7           being imported in violation of section 526, the owner  
8           of the trademark suspected of being copied or simu-  
9           lated by the merchandise;

10          “(2) in the case of merchandise suspected of  
11          being imported in violation of section 602 of title 17,  
12          United States Code, the owner of the copyright sus-  
13          pected of being infringed by the merchandise;

14          “(3) in the case of merchandise suspected of  
15          being primarily designed or produced for the pur-  
16          pose of circumventing a technological measure that  
17          effectively controls access to a work protected under  
18          that title, and being imported in violation of section  
19          1201(a)(2) of that title, the owner of a copyright in  
20          the work; and

21          “(4) in the case of merchandise suspected of  
22          being primarily designed or produced for the pur-  
23          pose of circumventing protection afforded by a tech-  
24          nological measure that effectively protects a right of  
25          an owner of a copyright in a work or a portion of

1 a work, and being imported in violation of section  
2 1201(b)(1) of that title, the owner of the copyright.

3 “(c) LIMITATION.—Subsection (a) applies only with  
4 respect to merchandise suspected of infringing a trade-  
5 mark or copyright that is recorded with U.S. Customs and  
6 Border Protection.

7 “(d) EXCEPTION.—The Commissioner may not pro-  
8 vide under subsection (a) information, photographs, or  
9 samples to a person described in subsection (b) if pro-  
10 viding such information, photographs, or samples would  
11 compromise an ongoing law enforcement investigation or  
12 national security.”.

13 (b) TERMINATION OF PREVIOUS AUTHORITY.—Not-  
14 withstanding paragraph (2) of section 818(g) of the Na-  
15 tional Defense Authorization Act for Fiscal Year 2012  
16 (Public Law 112–81; 125 Stat. 1496; 10 U.S.C. 2302  
17 note), paragraph (1) of that section shall have no force  
18 or effect on or after the date of the enactment of this Act.

19 **SEC. 303. SEIZURE OF CIRCUMVENTION DEVICES.**

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

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

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

25 (3) by adding at the end the following:

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

7           (b) NOTIFICATION OF PERSONS INJURED.—

8           (1) IN GENERAL.—Not later than the date that  
9           is 30 business days after seizing merchandise pursu-  
10          ant to subparagraph (G) of section 596(c)(2) of the  
11          Tariff Act of 1930, as added by subsection (a), the  
12          Commissioner shall provide to any person identified  
13          under paragraph (2) information regarding the mer-  
14          chandise seized that is equivalent to information  
15          provided to copyright owners under regulations of  
16          U.S. Customs and Border Protection for merchan-  
17          dise seized for violation of the copyright laws.

18          (2) PERSONS TO BE PROVIDED INFORMA-  
19          TION.—Any person injured by the violation of (a)(2)  
20          or (b)(1) of section 1201 of title 17, United States  
21          Code, that resulted in the seizure of the merchandise  
22          shall be provided information under paragraph (1),  
23          if that person is included on a list maintained by the  
24          Commissioner that is revised annually through publi-  
25          cation in the Federal Register.

1           (3) REGULATIONS.—Not later than one year  
2           after the date of the enactment of this Act, the Sec-  
3           retary of the Treasury shall prescribe regulations es-  
4           tablishing procedures that implement this sub-  
5           section.

6 **SEC. 304. ENFORCEMENT BY U.S. CUSTOMS AND BORDER**  
7                           **PROTECTION OF WORKS FOR WHICH COPY-**  
8                           **RIGHT REGISTRATION IS PENDING.**

9           Not later than the date that is 180 days after the  
10          date of the enactment of this Act, the Secretary of Home-  
11          land Security shall authorize a process pursuant to which  
12          the Commissioner shall enforce a copyright for which the  
13          owner has submitted an application for registration under  
14          title 17, United States Code, with the United States Copy-  
15          right Office, to the same extent and in the same manner  
16          as if the copyright were registered with the Copyright Of-  
17          fice, including by sharing information, images, and sam-  
18          ples of merchandise suspected of infringing the copyright  
19          under section 628A of the Tariff Act of 1930, as added  
20          by section 302.

21 **SEC. 305. NATIONAL INTELLECTUAL PROPERTY RIGHTS**  
22                           **COORDINATION CENTER.**

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

1           (1) establish within U.S. Immigration and Cus-  
2           toms Enforcement a National Intellectual Property  
3           Rights Coordination Center; and

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

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

9           (1) coordinate the investigation of sources of  
10          merchandise that infringe intellectual property rights  
11          to identify organizations and individuals that  
12          produce, smuggle, or distribute such merchandise;

13          (2) conduct and coordinate training with other  
14          domestic and international law enforcement agencies  
15          on investigative best practices—

16                (A) to develop and expand the capability of  
17                such agencies to enforce intellectual property  
18                rights; and

19                (B) to develop metrics to assess whether  
20                the training improved enforcement of intellec-  
21                tual property rights;

22          (3) coordinate, with U.S. Customs and Border  
23          Protection, activities conducted by the United States  
24          to prevent the importation or exportation of mer-  
25          chandise that infringes intellectual property rights;

1           (4) support the international interdiction of  
2 merchandise destined for the United States that in-  
3 fringes intellectual property rights;

4           (5) collect and integrate information regarding  
5 infringement of intellectual property rights from do-  
6 mestic and international law enforcement agencies  
7 and other non-Federal sources;

8           (6) develop a means to receive and organize in-  
9 formation regarding infringement of intellectual  
10 property rights from such agencies and other  
11 sources;

12           (7) disseminate information regarding infringe-  
13 ment of intellectual property rights to other Federal  
14 agencies, as appropriate;

15           (8) develop and implement risk-based alert sys-  
16 tems, in coordination with U.S. Customs and Border  
17 Protection, to improve the targeting of persons that  
18 repeatedly infringe intellectual property rights;

19           (9) coordinate with the offices of United States  
20 attorneys in order to develop expertise in, and assist  
21 with the investigation and prosecution of, crimes re-  
22 lating to the infringement of intellectual property  
23 rights; and

24           (10) carry out such other duties as the Sec-  
25 retary of Homeland Security may assign.

1       (c) COORDINATION WITH OTHER AGENCIES.—In  
2 carrying out the duties described in subsection (b), the As-  
3 sistant Director of the National Intellectual Property  
4 Rights Coordination Center shall coordinate with—

- 5           (1) U.S. Customs and Border Protection;
- 6           (2) the Food and Drug Administration;
- 7           (3) the Department of Justice;
- 8           (4) the Department of Commerce, including the  
9 United States Patent and Trademark Office;
- 10          (5) the United States Postal Inspection Service;
- 11          (6) the Office of the United States Trade Rep-  
12 resentative;
- 13          (7) any Federal, State, local, or international  
14 law enforcement agencies that the Director of U.S.  
15 Immigration and Customs Enforcement considers  
16 appropriate; and
- 17          (8) any other entities that the Director con-  
18 sider appropriate.

19       (d) PRIVATE SECTOR OUTREACH.—

- 20           (1) IN GENERAL.—The Assistant Director of  
21 the National Intellectual Property Rights Coordina-  
22 tion Center shall work with U.S. Customs and Bor-  
23 der Protection and other Federal agencies to con-  
24 duct outreach to private sector entities in order to

1       determine trends in and methods of infringing intel-  
2       lectual property rights.

3           (2) INFORMATION SHARING.—The Assistant Di-  
4       rector shall share information and best practices  
5       with respect to the enforcement of intellectual prop-  
6       erty rights with private sector entities, as appro-  
7       priate, in order to coordinate public and private sec-  
8       tor efforts to combat the infringement of intellectual  
9       property rights.

10   **SEC. 306. JOINT STRATEGIC PLAN FOR THE ENFORCEMENT**  
11                   **OF INTELLECTUAL PROPERTY RIGHTS.**

12       The Commissioner and the Director of U.S. Immigra-  
13       tion and Customs Enforcement shall include in the joint  
14       strategic plan required by section 105 of this Act—

15           (1) a description of the efforts of the Depart-  
16       ment of Homeland Security to enforce intellectual  
17       property rights;

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

24           (3) a recommendation for the optimal allocation  
25       of personnel, resources, and technology to ensure



1       that U.S. Customs and Border Protection and U.S.  
2       Immigration and Customs Enforcement are ade-  
3       quately enforcing intellectual property rights.

4   **SEC. 307. PERSONNEL DEDICATED TO THE ENFORCEMENT**  
5       **OF INTELLECTUAL PROPERTY RIGHTS.**

6       (a) PERSONNEL OF U.S. CUSTOMS AND BORDER  
7   PROTECTION.—The Commissioner and the Director of  
8   U.S. Immigration and Customs Enforcement shall ensure  
9   that sufficient personnel are assigned throughout U.S.  
10   Customs and Border Protection and U.S. Immigration  
11   and Customs Enforcement, respectively, who have respon-  
12   sibility for preventing the importation into the United  
13   States of merchandise that infringes intellectual property  
14   rights.

15       (b) STAFFING OF NATIONAL INTELLECTUAL PROP-  
16   ERTY RIGHTS COORDINATION CENTER.—The Commis-  
17   sioner shall—

18           (1) assign not fewer than 3 full-time employees  
19       of U.S. Customs and Border Protection to the Na-  
20       tional Intellectual Property Rights Coordination  
21       Center established under section 305 of this Act;  
22       and

23           (2) ensure that sufficient personnel are as-  
24       signed to United States ports of entry to carry out  
25       the directives of the Center.

1   **SEC. 308. TRAINING WITH RESPECT TO THE ENFORCEMENT**  
2                   **OF INTELLECTUAL PROPERTY RIGHTS.**

3           (a) **TRAINING.**—The Commissioner shall ensure that  
4 officers of U.S. Customs and Border Protection are  
5 trained to effectively detect and identify merchandise des-  
6 tined for the United States that infringes intellectual  
7 property rights, including through the use of technologies  
8 identified under subsection (c).

9           (b) **CONSULTATION WITH PRIVATE SECTOR.**—The  
10 Commissioner shall consult with private sector entities to  
11 better identify opportunities for collaboration between  
12 U.S. Customs and Border Protection and such entities  
13 with respect to training for officers of U.S. Customs and  
14 Border Protection in enforcing intellectual property rights.

15          (c) **IDENTIFICATION OF NEW TECHNOLOGIES.**—In  
16 consultation with private sector entities, the Commissioner  
17 shall identify—

18               (1) technologies with the cost-effective capa-  
19 bility to detect and identify merchandise at United  
20 States ports of entry that infringes intellectual prop-  
21 erty rights; and

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

25          (d) **DONATIONS OF TECHNOLOGY.**—Not later than  
26 the date that is 180 days after the date of the enactment

1 of this Act, the Commissioner shall prescribe regulations  
2 to enable U.S. Customs and Border Protection to receive  
3 donations of hardware, software, equipment, and similar  
4 technologies, and to accept training and other support  
5 services, from private sector entities, for the purpose of  
6 enforcing intellectual property rights.

7 **SEC. 309. INTERNATIONAL COOPERATION AND INFORMA-**  
8 **TION SHARING.**

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

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

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

1 **SEC. 310. REPORT ON INTELLECTUAL PROPERTY RIGHTS**  
2 **ENFORCEMENT.**

3 Not later than June 30, 2016, and annually there-  
4 after, the Commissioner and the Director of U.S. Immi-  
5 gration and Customs Enforcement shall jointly submit to  
6 the Committee on Finance of the Senate and the Com-  
7 mittee on Ways and Means of the House of Representa-  
8 tives a report that contains the following:

9 (1) With respect to the enforcement of intellec-  
10 tual property rights, the following:

11 (A) The number of referrals from U.S.  
12 Customs and Border Protection to U.S. Immi-  
13 gration and Customs Enforcement relating to  
14 infringement of intellectual property rights dur-  
15 ing the preceding year.

16 (B) The number of investigations relating  
17 to the infringement of intellectual property  
18 rights referred by U.S. Immigration and Cus-  
19 toms Enforcement to a United States attorney  
20 for prosecution and the United States attorneys  
21 to which those investigations were referred.

22 (C) The number of such investigations ac-  
23 cepted by each such United States attorney and  
24 the status or outcome of each such investiga-  
25 tion.

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

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

10          (2) An estimate of the average time required by  
11          the Office of International Trade of U.S. Customs  
12          and Border Protection to respond to a request from  
13          port personnel for advice with respect to whether  
14          merchandise detained by U.S. Customs and Border  
15          Protection infringed intellectual property rights, distinguished  
16          by types of intellectual property rights infringed.  
17

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

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

1 (B) collaboration with private sector enti-  
2 ties—

3 (i) to identify trends in the infringe-  
4 ment of, and technologies that infringe, in-  
5 tellectual property rights;

6 (ii) to identify opportunities for en-  
7 hanced training of officers of U.S. Cus-  
8 toms and Border Protection and U.S. Im-  
9 migration and Customs Enforcement; and

10 (iii) to develop best practices to en-  
11 force intellectual property rights; and

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

15 (4) A summary of the efforts of U.S. Customs  
16 and Border Protection and U.S. Immigration and  
17 Customs Enforcement to address the challenges with  
18 respect to the enforcement of intellectual property  
19 rights presented by Internet commerce and the tran-  
20 sit of small packages and an identification of the  
21 volume, value, and type of merchandise seized for in-  
22 fringing intellectual property rights as a result of  
23 such efforts.

24 (5) A summary of training relating to the en-  
25 forcement of intellectual property rights conducted

1 under section 308 of this Act and expenditures for  
2 such training.

3 **SEC. 311. INFORMATION FOR TRAVELERS REGARDING VIO-**  
4 **LATIONS OF INTELLECTUAL PROPERTY**  
5 **RIGHTS.**

6 (a) IN GENERAL.—The Secretary of Homeland Secu-  
7 rity shall develop and carry out an educational campaign  
8 to inform travelers entering or leaving the United States  
9 about the legal, economic, and public health and safety  
10 implications of acquiring merchandise that infringes intel-  
11 lectual property rights outside the United States and im-  
12 porting such merchandise into the United States in viola-  
13 tion of United States law.

14 (b) DECLARATION FORMS.—The Commissioner shall  
15 ensure that all versions of Declaration Form 6059B of  
16 U.S. Customs and Border Protection, or a successor form,  
17 including any electronic equivalent of Declaration Form  
18 6059B or a successor form, printed or displayed on or  
19 after the date that is 30 days after the date of the enact-  
20 ment of this Act include a written warning to inform trav-  
21 elers arriving in the United States that importation of  
22 merchandise into the United States that infringes intellec-  
23 tual property rights may subject travelers to civil or crimi-  
24 nal penalties and may pose serious risks to safety or  
25 health.

1 **TITLE IV—PREVENTION OF EVA-**  
2 **SION OF ANTIDUMPING AND**  
3 **COUNTERVAILING DUTY OR-**  
4 **DERS**

5 **SEC. 401. SHORT TITLE.**

6 This title may be cited as the “Preventing Recurring  
7 Trade Evasion and Circumvention Act” or “PROTECT  
8 Act”.

9 **SEC. 402. DEFINITIONS.**

10 In this title:

11 (1) APPROPRIATE CONGRESSIONAL COMMIT-  
12 TEES.—The term “appropriate congressional com-  
13 mittees” means—

14 (A) the Committee on Finance and the  
15 Committee on Appropriations of the Senate;  
16 and

17 (B) the Committee on Ways and Means  
18 and the Committee on Appropriations of the  
19 House of Representatives.

20 (2) COVERED MERCHANDISE.—The term “cov-  
21 ered merchandise” means merchandise that is sub-  
22 ject to—

23 (A) a countervailing duty order issued  
24 under section 706 of the Tariff Act of 1930; or



1 (B) an antidumping duty order issued  
2 under section 736 of the Tariff Act of 1930.

3 (3) ELIGIBLE SMALL BUSINESS.—

4 (A) IN GENERAL.—The term “eligible  
5 small business” means any business concern  
6 which, in the Commissioner’s judgment, due to  
7 its small size, has neither adequate internal re-  
8 sources nor financial ability to obtain qualified  
9 outside assistance in preparing and submitting  
10 for consideration allegations of evasion.

11 (B) NON-REVIEWABILITY.—Any agency  
12 decision regarding whether a business concern  
13 is an eligible small business for purposes of sec-  
14 tion 411(b)(4)(E) is not reviewable by any  
15 other agency or by any court.

16 (4) ENTER; ENTRY.—The terms “enter” and  
17 “entry” refer to the entry, or withdrawal from ware-  
18 house for consumption, in the customs territory of  
19 the United States.

20 (5) EVADE; EVASION.—The terms “evade” and  
21 “evasion” refer to entering covered merchandise into  
22 the customs territory of the United States by means  
23 of any document or electronically transmitted data  
24 or information, written or oral statement, or act that  
25 is material and false, or any omission that is mate-

1       rial, and that results in any cash deposit or other se-  
2       curity or any amount of applicable antidumping or  
3       countervailing duties being reduced or not being ap-  
4       plied with respect to the merchandise.

5           (6) SECRETARY.—The term “Secretary” means  
6       the Secretary of the Treasury.

7           (7) TRADE REMEDY LAWS.—The term “trade  
8       remedy laws” means title VII of the Tariff Act of  
9       1930.

10 **SEC. 403. APPLICATION TO CANADA AND MEXICO.**

11       Pursuant to article 1902 of the North American Free  
12       Trade Agreement and section 408 of the North American  
13       Free Trade Agreement Implementation Act (19 U.S.C.  
14       3438), this title and the amendments made by this title  
15       shall apply with respect to goods from Canada and Mexico.

16 **Subtitle A—Actions Relating to En-**  
17 **forcement of Trade Remedy**  
18 **Laws**

19 **SEC. 411. TRADE REMEDY LAW ENFORCEMENT DIVISION.**

20       (a) ESTABLISHMENT.—

21           (1) IN GENERAL.—The Secretary of Homeland  
22       Security shall establish and maintain within the Of-  
23       fice of International Trade of U.S. Customs and  
24       Border Protection, established under section 2(d) of  
25       the Act of March 3, 1927 (44 Stat. 1381, chapter

1       348; 19 U.S.C. 2072(d)), a Trade Remedy Law En-  
2       forcement Division.

3           (2) COMPOSITION.—The Trade Law Remedy  
4       Enforcement Division shall be composed of—

5           (A) headquarters personnel led by a Direc-  
6       tor, who shall report to the Assistant Commis-  
7       sioner of the Office of International Trade; and

8           (B) a National Targeting and Analysis  
9       Group dedicated to preventing and countering  
10      evasion.

11          (3) DUTIES.—The Trade Remedy Law Enforce-  
12      ment Division shall be dedicated—

13          (A) to the development and administration  
14      of policies to prevent and counter evasion;

15          (B) to direct enforcement and compliance  
16      assessment activities concerning evasion;

17          (C) to the development and conduct of  
18      commercial risk assessment targeting with re-  
19      spect to cargo destined for the United States in  
20      accordance with subsection (c);

21          (D) to issuing Trade Alerts described in  
22      subsection (d); and

23          (E) to the development of policies for the  
24      application of single entry and continuous  
25      bonds for entries of covered merchandise to suf-

1           ficiently protect the collection of antidumping  
2           and countervailing duties commensurate with  
3           the level of risk of noncollection.

4       (b) DUTIES OF DIRECTOR.—The duties of the Direc-  
5   tor of the Trade Remedy Law Enforcement Division shall  
6   include—

7           (1) directing the trade enforcement and compli-  
8           ance assessment activities of U.S. Customs and Bor-  
9           der Protection that concern evasion;

10          (2) facilitating, promoting, and coordinating co-  
11          operation and the exchange of information between  
12          U.S. Customs and Border Protection, U.S. Immigra-  
13          tion and Customs Enforcement, and other relevant  
14          agencies regarding evasion;

15          (3) notifying on a timely basis the admin-  
16          istering authority (as defined in section 771(1) of  
17          the Tariff Act of 1930 (19 U.S.C. 1677(1))) and the  
18          Commission (as defined in section 771(2) of the  
19          Tariff Act of 1930 (19 U.S.C. 1677(2))) of any  
20          finding, determination, civil action, or criminal ac-  
21          tion taken by U.S. Customs and Border Protection  
22          or other Federal agency regarding evasion;

23          (4) serving as the primary liaison between U.S.  
24          Customs and Border Protection and the public re-

1       garding United States Government activities con-  
2       cerning evasion, including—

3               (A) receive and transmit to the appropriate  
4       U.S. Customs and Border Protection office alle-  
5       gations from parties of evasion;

6               (B) upon request by the party or parties  
7       that submitted an allegation of evasion, provide  
8       information to such party or parties on the sta-  
9       tus of U.S. Customs and Border Protection's  
10      consideration of the allegation and decision to  
11      pursue or not pursue any administrative inquir-  
12      ies or other actions, such as changes in policies,  
13      procedures, or resource allocation as a result of  
14      the allegation;

15              (C) as needed, request from the party or  
16      parties that submitted an allegation of evasion  
17      any additional information that may be relevant  
18      for U.S. Customs and Border Protection deter-  
19      mining whether to initiate an administrative in-  
20      quiry or take any other action regarding the al-  
21      legation;

22              (D) notify on a timely basis the party or  
23      parties that submitted such an allegation of the  
24      results of any administrative, civil or criminal  
25      actions taken by U.S. Customs and Border Pro-

1           tection or other Federal agency regarding eva-  
2           sion as a direct or indirect result of the allega-  
3           tion;

4           (E) upon request, provide technical assist-  
5           ance and advice to eligible small businesses to  
6           enable such businesses to prepare and submit  
7           allegations of evasion, except that the Director  
8           may deny assistance if the Director concludes  
9           that the allegation, if submitted, would not lead  
10          to the initiation of an administrative inquiry or  
11          any other action to address the allegation;

12          (F) in cooperation with the public, the  
13          Commercial Customs Operations Advisory Com-  
14          mittee, the Trade Support Network, and any  
15          other relevant parties and organizations, de-  
16          velop guidelines on the types and nature of in-  
17          formation that may be provided in allegations  
18          of evasion; and

19          (G) regularly consult with the public, the  
20          Commercial Customs Operations Advisory Com-  
21          mittee, the Trade Support Network, and any  
22          other relevant parties and organizations regard-  
23          ing the development and implementation of reg-  
24          ulations, interpretations, and policies related to  
25          countering evasion.

1           (c) PREVENTING AND COUNTERING EVASION OF THE  
2 TRADE REMEDY LAWS.—In carrying out its duties with  
3 respect to preventing and countering evasion, the National  
4 Targeting and Analysis Group dedicated to preventing and  
5 countering evasion shall—

6           (1) establish targeted risk assessment meth-  
7 odologies and standards—

8           (A) for evaluating the risk that cargo des-  
9 tined for the United States may constitute  
10 evading covered merchandise; and

11           (B) for issuing, as appropriate, Trade  
12 Alerts described in subsection (d); and

13           (2) to the extent practicable and otherwise au-  
14 thorized by law, use information available from the  
15 Automated Commercial System, the Automated  
16 Commercial Environment computer system, the  
17 Automated Targeting System, the Automated Ex-  
18 port System, the International Trade Data System,  
19 and the TECS, and any similar and successor sys-  
20 tems, to administer the methodologies and standards  
21 established under paragraph (1).

22           (d) TRADE ALERTS.—Based upon the application of  
23 the targeted risk assessment methodologies and standards  
24 established under subsection (c), the Director of the Trade  
25 Remedy Law Enforcement Division shall issue Trade

1 Alerts or other such means of notification to directors of  
2 United States ports of entry directing further inspection,  
3 physical examination, or testing of merchandise to ensure  
4 compliance with the trade remedy laws and to require ad-  
5 ditional bonds, cash deposits, or other security to ensure  
6 collection of any duties, taxes and fees owed.

7 **SEC. 412. COLLECTION OF INFORMATION ON EVASION OF**  
8 **TRADE REMEDY LAWS.**

9 (a) **AUTHORITY TO COLLECT INFORMATION.**—To de-  
10 termine whether covered merchandise is being entered into  
11 the customs territory of the United States through eva-  
12 sion, the Secretary, acting through the Commissioner—

13 (1) shall exercise all existing authorities to col-  
14 lect information needed to make the determination;  
15 and

16 (2) may collect such additional information as  
17 is necessary to make the determination through such  
18 methods as the Commissioner considers appropriate,  
19 including by issuing questionnaires with respect to  
20 the entry or entries at issue to—

21 (A) a person who filed an allegation with  
22 respect to the covered merchandise;

23 (B) a person who is alleged to have en-  
24 tered the covered merchandise into the customs



1           territory of the United States through evasion;  
2           or

3           (C) any other person who is determined to  
4           have information relevant to the allegation of  
5           entry of covered merchandise into the customs  
6           territory of the United States through evasion.

7       (b) ADVERSE INFERENCE.—

8           (1) IN GENERAL.—If the Secretary finds that a  
9           person who filed an allegation, a person alleged to  
10          have entered covered merchandise into the customs  
11          territory of the United States through evasion, or a  
12          foreign producer or exporter of covered merchandise  
13          that is alleged to have entered into the customs ter-  
14          ritory of the United States through evasion, has  
15          failed to cooperate by not acting to the best of the  
16          person's ability to comply with a request for infor-  
17          mation, the Secretary may, in making a determina-  
18          tion whether an entry or entries of covered merchan-  
19          dise may constitute merchandise that is entered into  
20          the customs territory of the United States through  
21          evasion, use an inference that is adverse to the inter-  
22          ests of that person in selecting from among the facts  
23          otherwise available to determine whether evasion has  
24          occurred.

1           (2) ADVERSE INFERENCE DESCRIBED.—An ad-  
2       verse inference used under paragraph (1) may in-  
3       clude reliance on information derived from—

4           (A) the allegation of evasion of the trade  
5       remedy laws, if any, submitted to U.S. Customs  
6       and Border Protection;

7           (B) a determination by the Commissioner  
8       in another investigation, proceeding, or other  
9       action regarding evasion of the unfair trade  
10      laws; or

11          (C) any other available information.

12 **SEC. 413. ACCESS TO INFORMATION.**

13       (a) IN GENERAL.—Section 777(b)(1)(A)(ii) of the  
14   Trade Act of 1930 (19 U.S.C. 1677f(b)(1)(A)(ii)) is  
15   amended by inserting “negligence, gross negligence, or”  
16   after “regarding”.

17       (b) ADDITIONAL INFORMATION.—Notwithstanding  
18   any other provision of law, the Secretary is authorized to  
19   provide to the Secretary of Commerce or the United States  
20   International Trade Commission any information that is  
21   necessary to enable the Secretary of Commerce or the  
22   United States International Trade Commission to assist  
23   the Secretary to identify, through risk assessment tar-  
24   geting or otherwise, covered merchandise that is entered

1 into the customs territory of the United States through  
2 evasion.

3 **SEC. 414. COOPERATION WITH FOREIGN COUNTRIES ON**  
4 **PREVENTING EVASION OF TRADE REMEDY**  
5 **LAWS.**

6 (a) BILATERAL AGREEMENTS.—

7 (1) IN GENERAL.—The Secretary shall seek to  
8 negotiate and enter into bilateral agreements with  
9 the customs authorities or other appropriate authori-  
10 ties of foreign countries for purposes of cooperation  
11 on preventing evasion of the trade remedy laws of  
12 the United States and the trade remedy laws of the  
13 other country.

14 (2) PROVISIONS AND AUTHORITIES.—The Sec-  
15 retary shall seek to include in each such bilateral  
16 agreement the following provisions and authorities:

17 (A) On the request of the importing coun-  
18 try, the exporting country shall provide, con-  
19 sistent with its laws, regulations, and proce-  
20 dures, production, trade, and transit documents  
21 and other information necessary to determine  
22 whether an entry or entries exported from the  
23 exporting country are subject to the importing  
24 country's trade remedy laws.

1 (B) On the written request of the import-  
2 ing country, the exporting country shall conduct  
3 a verification for purposes of enabling the im-  
4 porting country to make a determination de-  
5 scribed in subparagraph (A).

6 (C) The exporting country may allow the  
7 importing country to participate in a  
8 verification described in subparagraph (B), in-  
9 cluding through a site visit.

10 (D) If the exporting country does not allow  
11 participation of the importing country in a  
12 verification described in subparagraph (B), the  
13 importing country may take this fact into con-  
14 sideration in its trade enforcement and compli-  
15 ance assessment activities regarding the compli-  
16 ance of the exporting country's exports with the  
17 importing country's trade remedy laws.

18 (b) CONSIDERATION.—The Commissioner is author-  
19 ized to take into consideration whether a country is a sig-  
20 natory to a bilateral agreement described in subsection (a)  
21 and the extent to which the country is cooperating under  
22 the bilateral agreement for purposes of trade enforcement  
23 and compliance assessment activities of U.S. Customs and  
24 Border Protection that concern evasion by such country's  
25 exports.

1       (c) REPORT.—Not later than December 31 of each  
2 year beginning after the date of the enactment of this Act,  
3 the Secretary shall submit to the appropriate congres-  
4 sional committees a report summarizing—

5           (1) the status of any ongoing negotiations of bi-  
6 lateral agreements described in subsection (a), in-  
7 cluding the identities of the countries involved in  
8 such negotiations;

9           (2) the terms of any completed bilateral agree-  
10 ments described in subsection (a); and

11           (3) bilateral cooperation and other activities  
12 conducted pursuant to or enabled by any completed  
13 bilateral agreements described in subsection (a).

14 **SEC. 415. TRADE NEGOTIATING OBJECTIVES.**

15       The principal negotiating objectives of the United  
16 States shall include obtaining the objectives of the bilat-  
17 eral agreements described under section 414(a) for any  
18 trade agreements under negotiation as of the date of the  
19 enactment of this Act or future trade agreement negotia-  
20 tions.

1           **Subtitle B—Investigation of**  
2           **Evasion of Trade Remedy Laws**

3   **SEC. 421. PROCEDURES FOR INVESTIGATION OF EVASION**  
4                   **OF ANTIDUMPING AND COUNTERVAILING**  
5                   **DUTY ORDERS.**

6           (a) IN GENERAL.—Title VII of the Tariff Act of  
7   1930 (19 U.S.C. 1671 et seq.) is amended by inserting  
8   after section 781 the following:

9   **“SEC. 781A. PROCEDURES FOR PREVENTION OF EVASION**  
10                   **OF ANTIDUMPING AND COUNTERVAILING**  
11                   **DUTY ORDERS.**

12           “(a) DEFINITIONS.—In this section:

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

16                   “(2) COMMISSIONER.—The term ‘Commis-  
17           sioner’ means the Commissioner responsible for U.S.  
18           Customs and Border Protection.

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

22                           “(A) a countervailing duty order issued  
23                           under section 706; or

24                           “(B) an antidumping duty order issued  
25                           under section 736.

1 “(4) EVASION.—

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

14 “(B) EXCEPTION FOR CLERICAL ERROR.—

15 “(i) IN GENERAL.—Except as pro-  
16 vided in clause (ii), the term ‘evasion’ does  
17 not include entering covered merchandise  
18 into the customs territory of the United  
19 States by means of—

20 “(I) a document or electronically  
21 transmitted data or information, writ-  
22 ten or oral statement, or act that is  
23 false as a result of a clerical error; or

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

1                   “(ii) PATTERNS OF NEGLIGENT CON-  
2                   DUCT.—If the Commissioner determines  
3                   that a person has entered covered mer-  
4                   chandise into the customs territory of the  
5                   United States by means of a clerical error  
6                   referred to in subclause (I) or (II) of  
7                   clause (i) and that the clerical error is part  
8                   of a pattern of negligent conduct on the  
9                   part of that person, the Commissioner may  
10                  determine, notwithstanding clause (i), that  
11                  the person has entered such covered mer-  
12                  chandise into the customs territory of the  
13                  United States through evasion.

14               “(iii) ELECTRONIC REPETITION OF  
15               ERRORS.—For purposes of clause (ii), the  
16               mere nonintentional repetition by an elec-  
17               tronic system of an initial clerical error  
18               does not constitute a pattern of negligent  
19               conduct.

20               “(iv) RULE OF CONSTRUCTION.—A  
21               determination by the Commissioner that a  
22               person has entered covered merchandise  
23               into the customs territory of the United  
24               States by means of a clerical error referred  
25               to in subclause (I) or (II) of clause (i)



1                   rather than through evasion shall not be  
2                   construed to excuse that person from the  
3                   payment of any duties applicable to the  
4                   merchandise.

5           “(b) PREVENTION BY ADMINISTERING AUTHOR-  
6   ITY.—

7                   “(1) PROCEDURES FOR INITIATING INVESTIGA-  
8   TIONS.—

9                   “(A) INITIATION BY ADMINISTERING AU-  
10   THORITY.—An investigation under this sub-  
11   section shall be initiated with respect to mer-  
12   chandise imported into the United States when-  
13   ever the administering authority determines,  
14   from information available to the administering  
15   authority, that an investigation is warranted  
16   with respect to whether the merchandise is cov-  
17   ered merchandise.

18                   “(B) INITIATION BY PETITION OR REFER-  
19   RAL.—

20                   “(i) IN GENERAL.—The administering  
21   authority shall determine whether to ini-  
22   tiate an investigation under this subpara-  
23   graph not later than 30 days after the date  
24   on which the administering authority re-

ceives a petition described in clause (ii) or  
a referral described in clause (iii).

“(ii) PETITION DESCRIBED.—A petition described in this clause is a petition that—

“(I) is filed with the administering authority by an interested party specified in subparagraph (A), (C), (D), (E), (F), or (G) of section 771(9);

“(II) alleges that merchandise imported into the United States is covered merchandise; and

“(III) is accompanied by information reasonably available to the petitioner supporting those allegations.

“(iii) REFERRAL DESCRIBED.—A referral described in this clause is a referral made by the Commissioner pursuant to subsection (c)(1).

“(2) TIME LIMITS FOR DETERMINATIONS.—

“(A) PRELIMINARY DETERMINATION.—

“(i) IN GENERAL.—Not later than 90 days after the administering authority initiates an investigation under paragraph (1)

1 with respect to merchandise, the admin-  
2 istering authority shall issue a preliminary  
3 determination, based on information avail-  
4 able to the administering authority at the  
5 time of the determination, with respect to  
6 whether there is a reasonable basis to be-  
7 lieve or suspect that the merchandise is  
8 covered merchandise.

9 “(ii) EXPEDITED PROCEDURES.—If  
10 the administering authority determines  
11 that expedited action is warranted with re-  
12 spect to an investigation initiated under  
13 paragraph (1), the administering authority  
14 may publish the notice of initiation of the  
15 investigation and the notice of the prelimi-  
16 nary determination in the Federal Register  
17 at the same time.

18 “(B) FINAL DETERMINATION BY THE AD-  
19 MINISTERING AUTHORITY.—The administering  
20 authority shall issue a final determination with  
21 respect to whether merchandise is covered mer-  
22 chandise not later than 300 days after the date  
23 on which the administering authority initiates  
24 an investigation under paragraph (1) with re-  
25 spect to the merchandise.

1 “(3) ACCESS TO INFORMATION.—

2 “(A) ENTRY DOCUMENTS, RECORDS, AND  
3 OTHER INFORMATION.—Upon receiving a re-  
4 quest from the administering authority, and not  
5 later than 10 days after receiving the admin-  
6 istering authority’s request, the Commissioner  
7 shall transmit to the administering authority  
8 copies of the documentation and information re-  
9 quired by section 484(a)(1) with respect to the  
10 entry of the merchandise, as well as any other  
11 documentation or information requested by the  
12 administering authority.

13 “(B) ACCESS OF INTERESTED PARTIES.—  
14 Not later than 10 business days after the date  
15 on which the administering authority initiates  
16 an investigation under paragraph (1) with re-  
17 spect to merchandise, the administering author-  
18 ity shall provide to the authorized representa-  
19 tive of each interested party that filed a petition  
20 under paragraph (1) or otherwise participates  
21 in a proceeding, pursuant to a protective order,  
22 the copies of the entry documentation and any  
23 other information received by the administering  
24 authority under subparagraph (A).

1                   “(C) BUSINESS PROPRIETARY INFORMA-  
2                   TION FROM PRIOR SEGMENTS.—Where an au-  
3                   thorized representative to an interested party  
4                   participating in an investigation under para-  
5                   graph (1) has access to business proprietary in-  
6                   formation released pursuant to administrative  
7                   protective order in a proceeding under 19  
8                   U.S.C. §§ 1671 et seq., 1673 et seq., or 1675  
9                   et seq. that is relevant to the investigation con-  
10                  ducted under paragraph (1), that authorized  
11                  representative may submit such information to  
12                  the administering authority for its consideration  
13                  in the context of the investigation conducted  
14                  under paragraph (1).

15               “(4) AUTHORITY TO COLLECT AND VERIFY AD-  
16               DITIONAL INFORMATION.—In making a determina-  
17               tion under paragraph (2) with respect to covered  
18               merchandise, the administering authority may collect  
19               such additional information as is necessary to make  
20               the determination through such methods as the ad-  
21               ministering authority considers appropriate, includ-  
22               ing by—

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

1           “(i) a person that filed an allegation  
2           under paragraph (1)(B)(ii) that resulted in  
3           the initiation of an investigation under  
4           paragraph (1)(A) with respect to such cov-  
5           ered merchandise;

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

10          “(iii) a person that is a foreign pro-  
11          ducer or exporter of such covered merchan-  
12          dise; or

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

16          “(B) conducting verifications, including on-  
17          site verifications, of any relevant information;  
18          and

19          “(C) requesting—

20                 “(i) that the Commissioner provide  
21                 any information and data available to U.S.  
22                 Customs and Border Protection, and

23                 “(ii) that the Commissioner gather  
24                 additional necessary information from the

1 importer of covered merchandise and other  
2 relevant parties.

3 “(5) ADVERSE INFERENCE.—If the admin-  
4 istering authority finds that a person described in  
5 clause (i), (ii), or (iii) of paragraph (4)(A) has failed  
6 to cooperate by not acting to the best of the person’s  
7 ability to comply with a request for information, the  
8 administering authority may, in making a deter-  
9 mination under paragraph (2), use an inference that  
10 is adverse to the interests of that person in selecting  
11 from among the facts otherwise available to make  
12 the determination.

13 “(6) EFFECT OF AFFIRMATIVE PRELIMINARY  
14 DETERMINATION.—If the administering authority  
15 makes a preliminary determination under paragraph  
16 (2)(A) that merchandise is covered merchandise, the  
17 administering authority shall instruct U.S. Customs  
18 and Border Protection—

19 “(A) to suspend liquidation of each entry  
20 of the merchandise that—

21 “(i) enters on or after the date of the  
22 preliminary determination; or

23 “(ii) enters before that date, if the liq-  
24 uidation of the entry is not final on that  
25 date; and

1           “(B) to require the posting of a cash de-  
2           posit for each entry of the merchandise in an  
3           amount determined pursuant to the order or  
4           finding described in subsection (a)(2)(A)(i), or  
5           administrative review conducted under section  
6           751, that applies to the merchandise.

7           “(7) EFFECT OF AFFIRMATIVE FINAL DETER-  
8           MINATION.—

9           “(A) IN GENERAL.—If the administering  
10          authority makes a final determination under  
11          paragraph (2)(B) that merchandise is covered  
12          merchandise, the administering authority shall  
13          instruct U.S. Customs and Border Protection—

14               “(i) to assess duties on the merchan-  
15               dise in an amount determined pursuant to  
16               the order or finding described in subsection  
17               (a)(2)(A)(i), or administrative review con-  
18               ducted under section 751, that applies to  
19               the merchandise;

20               “(ii) notwithstanding section 501, to  
21               reliquidate, in accordance with such order,  
22               finding, or administrative review, each  
23               entry of the merchandise that was liq-  
24               uidated and is determined to include cov-  
25               ered merchandise; and



1                   “(iii) to review and reassess the  
2                   amount of bond or other security the im-  
3                   porter is required to post for such mer-  
4                   chandise entered on or after the date of  
5                   the final determination to ensure the pro-  
6                   tection of revenue and compliance with the  
7                   law.

8                   “(B) ADDITIONAL AUTHORITY.—If the ad-  
9                   ministering authority makes a final determina-  
10                  tion under paragraph (2)(B) that merchandise  
11                  is covered merchandise, the administering au-  
12                  thority may instruct U.S. Customs and Border  
13                  Protection to require the importer of the mer-  
14                  chandise to post a cash deposit or bond on such  
15                  merchandise entered on or after the date of the  
16                  final determination in an amount the admin-  
17                  istering authority determines in the final deter-  
18                  mination to be owed with respect to the mer-  
19                  chandise.

20                  “(8) EFFECT OF NEGATIVE FINAL DETERMINA-  
21                  TION.—If the administering authority makes a final  
22                  determination under paragraph (2)(B) that mer-  
23                  chandise is not covered merchandise, the admin-  
24                  istering authority shall terminate the suspension of  
25                  liquidation and refund any cash deposit imposed

1       pursuant to paragraph (6) with respect to the mer-  
2       chandise.

3               “(9) NOTIFICATION.—Not later than 5 business  
4       days after making a determination under paragraph  
5       (2) with respect to covered merchandise, the admin-  
6       istering authority may provide to importers, in such  
7       manner as the administering authority determines  
8       appropriate, information discovered in the investiga-  
9       tion that the administering authority determines will  
10      help educate importers with respect to importing  
11      merchandise into the customs territory of the United  
12      States in accordance with all applicable laws and  
13      regulations.

14              “(10) SPECIAL RULE FOR CASES IN WHICH THE  
15      PRODUCER OR EXPORTER IS UNKNOWN.—If the ad-  
16      ministering authority is unable to determine the ac-  
17      tual producer or exporter of the merchandise with  
18      respect to which the administering authority initi-  
19      ated an investigation under paragraph (1), the ad-  
20      ministering authority shall, in requiring the posting  
21      of a cash deposit under paragraph (6) or assessing  
22      duties pursuant to paragraph (7)(A), impose the  
23      cash deposit or duties (as the case may be) in the  
24      highest amount applicable to any producer or ex-  
25      porter of the merchandise pursuant to any order or

1 finding described in subsection (a)(2)(A)(i), or any  
2 administrative review conducted under section 751.

3 “(11) PUBLICATION OF DETERMINATIONS.—

4 The administering authority shall publish each no-  
5 tice of initiation of investigation made under para-  
6 graph (1)(A), each preliminary determination made  
7 under paragraph (2)(A) and each final determina-  
8 tion made under paragraph (2)(B) in the Federal  
9 Register.

10 “(12) REFERRALS TO OTHER AGENCIES.—

11 “(A) AFTER PRELIMINARY DETERMINA-  
12 TION.—Notwithstanding section 777 and sub-  
13 ject to subparagraph (C), when the admin-  
14 istering authority makes an affirmative prelimi-  
15 nary determination under paragraph (2)(A), the  
16 administering authority shall—

17 “(i) transmit the administrative  
18 record to the Commissioner for such addi-  
19 tional action as the Commissioner deter-  
20 mines appropriate, including proceedings  
21 under section 592; and

22 “(ii) at the request of the head of an-  
23 other agency, transmit the administrative  
24 record to the head of that agency.

1 “(B) AFTER FINAL DETERMINATION.—

2 Notwithstanding section 777 and subject to  
3 subparagraph (C), when the administering au-  
4 thority makes an affirmative final determina-  
5 tion under paragraph (2)(B), the administering  
6 authority shall—

7 “(i) transmit the complete administra-  
8 tive record to the Commissioner; and

9 “(ii) at the request of the head of an-  
10 other agency, transmit the complete ad-  
11 ministrative record to the head of that  
12 agency.

13 “(c) PREVENTION BY U.S. CUSTOMS AND BORDER  
14 PROTECTION.—

15 “(1) REFERRALS.—In the event the Commis-  
16 sioner receives information that a person is entered  
17 covered merchandise into the customs territory of  
18 the United States through evasion, but is not able  
19 to determine whether the merchandise is in fact cov-  
20 ered merchandise, the Commissioner shall—

21 “(A) refer the matter to the administering  
22 authority for additional proceedings under sub-  
23 section (b); and

24 “(B) transmit to the administering author-  
25 ity—

1 “(i) copies of the entry documents and  
2 information required by section 484(a)(1)  
3 relating to the merchandise; and

4 “(ii) any additional records or infor-  
5 mation that the Commissioner considers  
6 appropriate.

7 “(d) COOPERATION BETWEEN U.S. CUSTOMS AND  
8 BORDER PROTECTION AND THE DEPARTMENT OF COM-  
9 MERCE.—

10 “(1) NOTIFICATION OF INVESTIGATIONS.—  
11 Upon receiving a petition and upon initiating an in-  
12 vestigation under subsection (b), the administering  
13 authority shall notify the Commissioner.

14 “(2) PROCEDURES FOR COOPERATION.—Not  
15 later than 180 days after the date of the enactment  
16 of this Act , the Commissioner and the admin-  
17 istering authority shall establish procedures to en-  
18 sure maximum cooperation and communication be-  
19 tween U.S. Customs and Border Protection and the  
20 administering authority in order to quickly, effi-  
21 ciently, and accurately investigate allegations of eva-  
22 sion of antidumping and countervailing duty orders.

23 “(e) ANNUAL REPORT ON PREVENTING EVASION OF  
24 ANTIDUMPING AND COUNTERVAILING DUTY ORDERS.—

1           “(1) IN GENERAL.—Not later than February  
2       28 of each year beginning in 2016, the Under Sec-  
3       retary for International Trade of the Department of  
4       Commerce shall submit to the Committee on Fi-  
5       nance and the Committee on Appropriations of the  
6       Senate and the Committee on Ways and Means and  
7       the Committee on Appropriations of the House of  
8       Representatives a report on the efforts being taken  
9       under subsection (b) to prevent evasion of anti-  
10      dumping and countervailing duty orders.

11          “(2) CONTENTS.—Each report required by  
12      paragraph (1) shall include, for the year preceding  
13      the submission of the report—

14              “(A)(i) the number of investigations initi-  
15              ated pursuant to subsection (b); and

16              “(ii) a description of such investigations,  
17              including—

18                  “(I) the results of such investigations;  
19                  and

20                  “(II) the amount of antidumping and  
21                  countervailing duties collected as a result  
22                  of such investigations; and

23              “(B) the number of referrals made by the  
24      Commissioner pursuant to subsection (c).”.

1 (b) TECHNICAL AMENDMENT.—The table of contents  
2 for title VII of the Tariff Act of 1930 is amended by in-  
3 serting after the item relating to section 781 the following:

“Sec. 781A. Procedures for prevention of evasion of antidumping and counter-  
vailing duty orders.”.

4 (c) JUDICIAL REVIEW.—Section 516A(a)(2) of the  
5 Tariff Act of 1930 (19 U.S.C. 1516a(a)(2)) is amended—

6 (1) in subparagraph (A)(i)(I), by striking “or  
7 (viii)” and inserting “(viii), or (ix)”; and

8 (2) in subparagraph (B), by inserting at the  
9 end the following:

10 “(ix) A determination by the admin-  
11 istering authority under section 781A.”.

12 (d) REGULATIONS.—Not later than 180 days after  
13 the date of the enactment of this Act—

14 (1) the Secretary of Commerce shall prescribe  
15 such regulations as may be necessary to carry out  
16 subsection (b) of section 781A of the Tariff Act of  
17 1930 (as added by subsection (a) of this section);  
18 and

19 (2) the Commissioner responsible for U.S. Cus-  
20 toms and Border Protection shall prescribe such reg-  
21 ulations as may be necessary to carry out subsection  
22 (c) of such section 781A.

23 (e) EFFECTIVE DATE.—The amendments made by  
24 this section shall—

1           (1) take effect on the date that is 180 days  
2           after the date of the enactment of this Act; and

3           (2) apply with respect to merchandise entered  
4           on or after such date of enactment.

5 **SEC. 422. GOVERNMENT ACCOUNTABILITY OFFICE RE-**  
6 **PORT.**

7           Not later than 2 years after the date of the enact-  
8           ment of this Act, the Comptroller General of the United  
9           States shall submit to the Committee on Finance and the  
10          Committee on Appropriations of the Senate and the Com-  
11          mittee on Ways and Means and the Committee on Appro-  
12          priations of the House of Representatives a report assess-  
13          ing the effectiveness of—

14               (1) the provisions of, and amendments made  
15               by, this Act; and

16               (2) the actions taken and procedures developed  
17               by the Secretary of Commerce and the Commis-  
18               sioner pursuant to such provisions and amendments  
19               to prevent evasion of antidumping and counter-  
20               vailing duty orders under title VII of the Tariff Act  
21               of 1930 (19 U.S.C. 1671 et seq.).

22 **Subtitle C—Other Matters**

23 **SEC. 431. ALLOCATION AND TRAINING OF PERSONNEL.**

24           The Commissioner shall, to the maximum extent pos-  
25           sible, ensure that U.S. Customs and Border Protection—



1           (1) employs sufficient personnel who have ex-  
2       pertise in, and responsibility for, preventing and in-  
3       vestigating the entry of covered merchandise into the  
4       customs territory of the United States through eva-  
5       sion;

6           (2) on the basis of risk assessment metrics, as-  
7       signs sufficient personnel with primary responsibility  
8       for preventing the entry of covered merchandise into  
9       the customs territory of the United States through  
10      evasion to the ports of entry in the United States at  
11      which the Commissioner determines potential eva-  
12      sion presents the most substantial threats to the rev-  
13      enue of the United States; and

14          (3) provides adequate training to relevant per-  
15      sonnel to increase expertise and effectiveness in the  
16      prevention and identification of entries of covered  
17      merchandise into the customs territory of the United  
18      States through evasion.

19   **SEC. 432. ANNUAL REPORT ON PREVENTION OF EVASION**  
20                   **OF ANTIDUMPING AND COUNTERVAILING**  
21                   **DUTY ORDERS.**

22      (a) IN GENERAL.—Not later than February 28 of  
23   each year, beginning in 2014, the Commissioner, in con-  
24   sultation with the Secretary of Commerce and the Director  
25   for U.S. Immigration and Customs Enforcement, shall

1 submit to the appropriate congressional committees a re-  
2 port on the efforts being taken to prevent and investigate  
3 evasion.

4 (b) CONTENTS.—Each report required under sub-  
5 section (a) shall include—

6 (1) for the calendar year preceding the submis-  
7 sion of the report—

8 (A) a summary of the efforts of U.S. Cus-  
9 toms and Border Protection to prevent and  
10 identify evasion;

11 (B) the number of allegations of evasion  
12 received and the number of allegations of eva-  
13 sion resulting in any administrative, civil, or  
14 criminal actions by U.S. Customs and Border  
15 Protection or any other agency;

16 (C) a summary of the completed adminis-  
17 trative inquiries of evasion, including the num-  
18 ber and nature of the inquiries initiated, con-  
19 ducted, or completed, as well as their resolu-  
20 tion;

21 (D) with respect to inquiries that lead to  
22 lead to issuance of a penalty notice, the penalty  
23 amounts;

24 (E) the amounts of antidumping and coun-  
25 tervailing duties collected as a result of any ac-

1           tions by U.S. Customs and Border Protection  
2           or any other agency;

3                 (F) a description of the allocation of per-  
4           sonnel and other resources of U.S. Customs and  
5           Border Protection and U.S. Immigration and  
6           Customs Enforcement to prevent, identify and  
7           investigate evasion, including any assessments  
8           conducted regarding the allocation of such per-  
9           sonnel and resources; and

10                (G) a description of training conducted to  
11           increase expertise and effectiveness in the pre-  
12           vention, identification and investigation of eva-  
13           sion; and

14                (2) a description of U.S. Customs and Border  
15           Protection processes and procedures to prevent and  
16           identify evasion, including—

17                 (A) the specific guidelines, policies, and  
18           practices used by U.S. Customs and Border  
19           Protection to ensure that allegations of evasion  
20           are promptly evaluated and acted upon in a  
21           timely manner;

22                 (B) an evaluation of the efficacy of such  
23           existing guidelines, policies, and practices;

24                 (C) identification of any changes since the  
25           last report that have materially improved or re-

1           duced the effectiveness of U.S. Customs and  
2           Border Protection to prevent and identify eva-  
3           sion;

4                   (D) a description of the development and  
5           implementation of policies for the application of  
6           single entry and continuous bonds for entries of  
7           covered merchandise to sufficiently protect the  
8           collection of antidumping and countervailing  
9           duties commensurate with the level of risk on  
10          noncollection;

11                   (E) the processes and procedures for in-  
12          creased cooperation and information sharing  
13          with the Department of Commerce, U.S. Immi-  
14          gration and Customs Enforcement, and any  
15          other relevant Federal agencies to prevent and  
16          identify evasion; and

17                   (F) identification of any recommended pol-  
18          icy changes of other Federal agencies or legisla-  
19          tive changes to improve the effectiveness of  
20          U.S. Customs and Border Protection to prevent  
21          and identify evasion.

22   **SEC. 433. ADDRESSING CIRCUMVENTION BY NEW SHIP-**  
23                   **PERS.**

24          Section 751(a)(2)(B) of the Tariff Act of 1930 (19  
25   U.S.C. 1675(a)(2)(B)) is amended—

- 1 (1) by striking clause (iii);
- 2 (2) by redesignating clause (iv) as clause (iii);
- 3 and
- 4 (3) inserting after clause (iii), as redesignated
- 5 by paragraph (2) of this section, the following:

6 “(iv) Any weighted average dumping  
7 margin or individual countervailing duty  
8 rate determined for an exporter or pro-  
9 ducer in a review conducted under clause  
10 (i) shall be based solely on the bona fide  
11 United States sales of an exporter or pro-  
12 ducer, as the case may be, made during  
13 the period covered by the review. In deter-  
14 mining whether the United States sales of  
15 an exporter or producer made during the  
16 period covered by the review were bona  
17 fide, the administering authority shall con-  
18 sider, depending on the circumstances sur-  
19 rounding such sales—

20 “(I) the prices of such sales;

21 “(II) whether such sales were  
22 made in commercial quantities;

23 “(III) the timing of such sales;

24 “(IV) the expenses arising from  
25 such sales;

1 “(V) whether the subject mer-  
2 chandise involved in such sales were  
3 resold in the United States at a prof-  
4 it;

5 “(VI) whether such sales were  
6 made on an arms-length basis; and

7 “(VII) any other factor the ad-  
8 ministering authority determines to be  
9 relevant as to whether such sales are,  
10 or are not, likely to be typical of those  
11 the exporter or producer will make  
12 after completion of the review.”.

## 13 **TITLE V—ADDITIONAL** 14 **ENFORCEMENT PROVISIONS**

### 15 **SEC. 501. TRADE ENFORCEMENT PRIORITIES.**

16 (a) IN GENERAL.—Section 310 of the Trade Act of  
17 1974 (19 U.S.C. 2420) is amended to read as follows:

#### 18 **“SEC. 310. TRADE ENFORCEMENT PRIORITIES.**

19 “(a) TRADE ENFORCEMENT PRIORITIES, CONSULTA-  
20 TIONS, AND REPORT.—

21 “(1) TRADE ENFORCEMENT PRIORITIES CON-  
22 SULTATIONS.—Not later than May 31 of each cal-  
23 endar year that begins after the date of the enact-  
24 ment of the Trade Facilitation and Trade Enforce-  
25 ment Act of 2015, the United States Trade Rep-

1       representative (in this section referred to as the ‘Trade  
2       Representative’) shall consult with the Committee on  
3       Finance of the Senate and the Committee on Ways  
4       and Means of the House of Representatives with re-  
5       spect to the prioritization of acts, policies, or prac-  
6       tices of foreign governments that raise concerns with  
7       respect to obligations under the WTO Agreements or  
8       any other trade agreement to which the United  
9       States is a party, or otherwise create or maintain  
10      barriers to United States goods, services, or invest-  
11      ment.

12           “(2) IDENTIFICATION OF TRADE ENFORCE-  
13      MENT PRIORITIES.—In identifying acts, policies, or  
14      practices of foreign governments as trade enforce-  
15      ment priorities under this subsection, the United  
16      States Trade Representative shall focus on those  
17      acts, policies, and practices the elimination of which  
18      is likely to have the most significant potential to in-  
19      crease United States economic growth, and take into  
20      account all relevant factors, including—

21           “(A) the economic significance of any po-  
22      tential inconsistency between an obligation as-  
23      sumed by a foreign government pursuant to a  
24      trade agreement to which both the foreign gov-  
25      ernment and the United States are parties and

1 the acts, policies, or practices of that govern-  
2 ment;

3 “(B) the impact of the acts, policies, or  
4 practices of a foreign government on maintain-  
5 ing and creating United States jobs and pro-  
6 ductive capacity;

7 “(C) the major barriers and trade dis-  
8 torting practices described in the most recent  
9 National Trade Estimate required under section  
10 181(b);

11 “(D) the major barriers and trade dis-  
12 torting practices described in other relevant re-  
13 ports addressing international trade and invest-  
14 ment barriers prepared by a Federal agency or  
15 congressional commission during the 12 months  
16 preceding the date of the most recent report  
17 under paragraph (3);

18 “(E) a foreign government’s compliance  
19 with its obligations under any trade agreements  
20 to which both the foreign government and the  
21 United States are parties;

22 “(F) the implications of a foreign govern-  
23 ment’s procurement plans and policies; and



1           “(G) the international competitive position  
2           and export potential of United States products  
3           and services.

4           “(3) REPORT ON TRADE ENFORCEMENT PRIOR-  
5           ITIES AND ACTIONS TAKEN TO ADDRESS.—

6           “(A) IN GENERAL.—Not later than July  
7           31 of each calendar year that begins after the  
8           date of the enactment of the Trade Facilitation  
9           and Trade Enforcement Act of 2015, the Trade  
10          Representative shall report to the Committee on  
11          Finance of the Senate and the Committee on  
12          Ways and Means of the House of Representa-  
13          tives on acts, policies, or practices of foreign  
14          governments identified as trade enforcement  
15          priorities based on the consultations under  
16          paragraph (1) and the criteria set forth in  
17          paragraph (2).

18          “(B) REPORT IN SUBSEQUENT YEARS.—  
19          The Trade Representative shall include, when  
20          reporting under subparagraph (A) in any cal-  
21          endar year after the calendar year that begins  
22          after the date of the enactment of the Trade  
23          Facilitation and Trade Enforcement Act of  
24          2015, a description of actions taken to address  
25          any acts, policies, or practices of foreign gov-

1 ernments identified as trade enforcement prior-  
2 ities under this subsection in the calendar year  
3 preceding that report and, as relevant, any year  
4 before that calendar year.

5 “(b) SEMI-ANNUAL ENFORCEMENT CONSULTA-  
6 TIONS.—

7 “(1) IN GENERAL.—At the same time as the re-  
8 porting under subsection (a)(3), and not later than  
9 January 31 of each following year, the Trade Rep-  
10 resentative shall consult with the Committee on Fi-  
11 nance of the Senate and the Committee on Ways  
12 and Means of the House of Representatives with re-  
13 spect to the identification, prioritization, investiga-  
14 tion, and resolution of acts, policies, or practices of  
15 foreign governments of concern with respect to obli-  
16 gations under the WTO Agreements or any other  
17 trade agreement to which the United States is a  
18 party, or that otherwise create or maintain trade  
19 barriers.

20 “(2) ACTS, POLICIES, OR PRACTICES OF CON-  
21 CERN.—The semi-annual enforcement consultations  
22 required by paragraph (1) shall address acts, poli-  
23 cies, or practices of foreign governments that raise  
24 concerns with respect to obligations under the WTO  
25 Agreements or any other trade agreement to which

1 the United States is a party, or otherwise create or  
2 maintain trade barriers, including—

3 “(A) engagement with relevant trading  
4 partners;

5 “(B) strategies for addressing such con-  
6 cerns;

7 “(C) availability and deployment of re-  
8 sources to be used in the investigation or reso-  
9 lution of such concerns;

10 “(D) the merits of any potential dispute  
11 resolution proceeding under the WTO Agree-  
12 ments or any other trade agreement to which  
13 the United States is a party relating to such  
14 concerns; and

15 “(E) any other aspects of such concerns.

16 “(3) ACTIVE INVESTIGATIONS.—The semi-an-  
17 nual enforcement consultations required by para-  
18 graph (1) shall address acts, policies, or practices  
19 that the Trade Representative is actively inves-  
20 tigating with respect to obligations under the WTO  
21 Agreements or any other trade agreement to which  
22 the United States is a party, including—

23 “(A) strategies for addressing concerns  
24 raised by such acts, policies, or practices;

1           “(B) any relevant timeline with respect to  
2           investigation of such acts, policies, or practices;

3           “(C) the merits of any potential dispute  
4           resolution proceeding under the WTO Agree-  
5           ments or any other trade agreement to which  
6           the United States is a party with respect to  
7           such acts, policies, or practices;

8           “(D) barriers to the advancement of the  
9           investigation of such acts, policies, or practices;  
10          and

11          “(E) any other matters relating to the in-  
12          vestigation of such acts, policies, or practices.

13          “(4) ONGOING ENFORCEMENT ACTIONS.—The  
14          semi-annual enforcement consultations required by  
15          paragraph (1) shall address all ongoing enforcement  
16          actions taken by or against the United States with  
17          respect to obligations under the WTO Agreements or  
18          any other trade agreement to which the United  
19          States is a party, including—

20               “(A) any relevant timeline with respect to  
21               such actions;

22               “(B) the merits of such actions;

23               “(C) any prospective implementation ac-  
24               tions;

1           “(D) potential implications for any law or  
2           regulation of the United States;

3           “(E) potential implications for United  
4           States stakeholders, domestic competitors, and  
5           exporters; and

6           “(F) other issues relating to such actions.

7           “(5) ENFORCEMENT RESOURCES.—The semi-  
8           annual enforcement consultations required by para-  
9           graph (1) shall address the availability and deploy-  
10          ment of enforcement resources, resource constraints  
11          on monitoring and enforcement activities, and strat-  
12          egies to address those constraints, including the use  
13          of available resources of other Federal agencies to  
14          enhance monitoring and enforcement capabilities.

15          “(c) INVESTIGATION AND RESOLUTION.—In the case  
16          of any acts, policies, or practices of a foreign government  
17          identified as a trade enforcement priority under subsection  
18          (a), the Trade Representative shall, not later than the date  
19          of the first semi-annual enforcement consultations held  
20          under subsection (b) after the identification of the pri-  
21          ority, take appropriate action to address that priority, in-  
22          cluding—

23               “(1) engagement with the foreign government  
24               to resolve concerns raised by such acts, policies, or  
25               practices;

1           “(2) initiation of an investigation under section  
2           302(b)(1) with respect to such acts, policies, or  
3           practices;

4           “(3) initiation of negotiations for a bilateral  
5           agreement that provides for resolution of concerns  
6           raised by such acts, policies, or practices; or

7           “(4) initiation of dispute settlement proceedings  
8           under the WTO Agreements or any other trade  
9           agreement to which the United States is a party  
10          with respect to such acts, policies, or practices.

11          “(d) ENFORCEMENT NOTIFICATIONS AND CON-  
12          SULTATION.—

13               “(1) INITIATION OF ENFORCEMENT ACTION.—

14          The Trade Representative shall notify and consult  
15          with the Committee on Finance of the Senate and  
16          the Committee on Ways and Means of the House of  
17          Representatives in advance of initiation of any for-  
18          mal trade dispute by or against the United States  
19          taken in regard to an obligation under the WTO  
20          Agreements or any other trade agreement to which  
21          the United States is a party. With respect to a for-  
22          mal trade dispute against the United States, if ad-  
23          vance notification and consultation are not possible,  
24          the Trade Representative shall notify and consult at

1 the earliest practicable opportunity after initiation of  
2 the dispute.

3 “(2) CIRCULATION OF REPORTS.—The Trade  
4 Representative shall notify and consult with the  
5 Committee on Finance of the Senate and the Com-  
6 mittee on Ways and Means of the House of Rep-  
7 resentatives in advance of the announced or antici-  
8 pated circulation of any report of a dispute settle-  
9 ment panel or the Appellate Body of the World  
10 Trade Organization or of a dispute settlement panel  
11 under any other trade agreement to which the  
12 United States is a party with respect to a formal  
13 trade dispute by or against the United States.

14 “(e) DEFINITIONS.—In this section:

15 “(1) WTO.—The term ‘WTO’ means the World  
16 Trade Organization.

17 “(2) WTO AGREEMENT.—The term ‘WTO  
18 Agreement’ has the meaning given that term in sec-  
19 tion 2(9) of the Uruguay Round Agreements Act (19  
20 U.S.C. 3501(9)).

21 “(3) WTO AGREEMENTS.—The term ‘WTO  
22 Agreements’ means the WTO Agreement and agree-  
23 ments annexed to that Agreement.”.

1 (b) CLERICAL AMENDMENT.—The table of contents  
2 for the Trade Act of 1974 is amended by striking the item  
3 relating to section 310 and inserting the following:”.

“Sec. 310. Trade enforcement priorities.”.

4 **SEC. 502. EXERCISE OF WTO AUTHORIZATION TO SUSPEND**  
5 **CONCESSIONS OR OTHER OBLIGATIONS**  
6 **UNDER TRADE AGREEMENTS.**

7 (a) IN GENERAL.—Section 306 of the Trade Act of  
8 1974 (19 U.S.C. 2416) is amended—

9 (1) by redesignating subsection (c) as sub-  
10 section (d); and

11 (2) by inserting after subsection (b) the fol-  
12 lowing:

13 “(c) EXERCISE OF WTO AUTHORIZATION TO SUS-  
14 PEND CONCESSIONS OR OTHER OBLIGATIONS.—If—

15 “(1) action has terminated pursuant to section  
16 307(c),

17 “(2) the petitioner or any representative of the  
18 domestic industry that would benefit from reinstate-  
19 ment of action has submitted to the Trade Rep-  
20 resentative a written request for reinstatement of ac-  
21 tion, and

22 “(3) the Trade Representatives has completed  
23 the requirements of subsection (d) and section  
24 307(c)(3),



1 the Trade Representative may at any time determine to  
2 take action under section 301(c) to exercise an authoriza-  
3 tion to suspend concessions or other obligations under Ar-  
4 ticle 22 of the Understanding on Rules and Procedures  
5 Governing the Settlement of Disputes (referred to in sec-  
6 tion 101(d)(16) of the Uruguay Round Agreements Act  
7 (19 U.S.C. 3511(d)(16))).”.

8 (b) CONFORMING AMENDMENTS.—Chapter 1 of title  
9 III of the Trade Act of 1974 (19 U.S.C. 2411 et seq.)  
10 is amended—

11 (1) in section 301(c)(1) (19 U.S.C. 2411(c)(1)),  
12 in the matter preceding subparagraph (A), by insert-  
13 ing “or section 306(c)” after “subsection (a) or  
14 (b)”;

15 (2) in section 306(b) (19 U.S.C. 2416(b)), in  
16 the subsection heading, by striking “Further Ac-  
17 tion” and inserting “Action on the Basis of Moni-  
18 toring”;

19 (3) in section 306(d) (19 U.S.C. 2416(d)), as  
20 redesignated by subsection (a)(1), by inserting “or  
21 (c)” after “subsection (b)”;

22 (4) in section 307(c)(3) (19 U.S.C. 2417(c)(3)),  
23 by inserting “or if a request is submitted to the  
24 Trade Representative under 306(c)(2) to reinstate  
25 action,” after “under section 301,”.

1   **SEC. 503. TRADE MONITORING.**

2       (a) IN GENERAL.—Chapter 1 of title II of the Trade  
3 Act of 1974 (19 U.S.C. 2251 et seq.) is amended by add-  
4 ing at the end the following:

5   **“SEC. 205. TRADE MONITORING.**

6       “(a) MONITORING TOOL FOR IMPORTS.—

7           “(1) IN GENERAL.—Not later than 180 days  
8 after the date of the enactment of this section, the  
9 United States International Trade Commission shall  
10 make available on a website of the Commission an  
11 import monitoring tool to allow the public access to  
12 data on the volume and value of goods imported to  
13 the United States for the purpose of assessing  
14 whether such data has changed with respect to such  
15 goods over a period of time.

16           “(2) DATA DESCRIBED.—For purposes of the  
17 monitoring tool under paragraph (1), the Commis-  
18 sion shall use data compiled by the Department of  
19 Commerce and such other government data as the  
20 Commission considers appropriate.

21           “(3) PERIODS OF TIME.—The Commission shall  
22 ensure that data accessed through the monitoring  
23 tool under paragraph (1) includes data for the most  
24 recent quarter for which such data are available and  
25 previous quarters as the Commission considers prac-  
26 ticable.

1 “(b) MONITORING REPORTS.—

2 “(1) IN GENERAL.—Not later than 270 days  
3 after the date of the enactment of this section, and  
4 not less frequently than quarterly thereafter, the  
5 Secretary of Commerce shall publish on a website of  
6 the Department of Commerce, and notify the Com-  
7 mittee on Finance of the Senate and the Committee  
8 on Ways and Means of the House of Representatives  
9 of the availability of, a monitoring report on changes  
10 in the volume and value of trade with respect to im-  
11 ports and exports of goods categorized based on the  
12 6-digit subheading number of the goods under the  
13 Harmonized Tariff Schedule of the United States  
14 during the most recent quarter for which such data  
15 are available and previous quarters as the Secretary  
16 considers practicable.

17 “(2) Requests for Comment. Not later than one  
18 year after the date of the enactment of this section,  
19 the Secretary of Commerce shall solicit through the  
20 Federal Register public comment on the monitoring  
21 reports described in paragraph (1).

22 “(c) SUNSET.—The requirements under this section  
23 terminate on the date that is seven years after the date  
24 of the enactment of this section.”.

(b) CLERICAL AMENDMENT.—The table of contents for the Trade Act of 1974 (19 U.S.C. 2101 et seq.) is amended by inserting after the item relating to section 204 the following:

“Sec. 205. Trade monitoring.”.

## **TITLE VI—MISCELLANEOUS PROVISIONS**

### **SEC. 601. DE MINIMIS VALUE.**

(a) DE MINIMIS VALUE.—Section 321(a)(2)(C) of the Tariff Act of 1930 (19 U.S.C. 1321(a)(2)(C)) is amended by striking “\$200” and inserting “\$800”.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply with respect to articles entered, or withdrawn from warehouse for consumption, on or after the 15th day after the date of the enactment of this Act.

### **SEC. 602. CONSULTATION ON TRADE AND CUSTOMS REVENUE FUNCTIONS.**

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

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

(2) in paragraph (2)(A), by striking “not later than 30 days prior to the finalization of” and insert-

1       ing “not later than 60 days before proposing, and  
2       not later than 60 days before finalizing,”.

3   **SEC. 603. PENALTIES FOR CUSTOMS BROKERS.**

4       (a) IN GENERAL.—Section 641(d)(1) of the Tariff  
5 Act of 1930 (19 U.S.C. 1641(d)(1)) is amended—

6           (1) in subparagraph (E), by striking “; or” and  
7       inserting a semicolon;

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

10          (3) by adding at the end the following:

11               “(G) has been convicted of committing or  
12       conspiring to commit an act of terrorism de-  
13       scribed in section 2332b of title 18, United  
14       States Code.”.

15       (b) TECHNICAL AMENDMENTS.—Section 641 of the  
16 Tariff Act of 1930 (19 U.S.C. 1641) is amended—

17           (1) by striking “the Customs Service” each  
18       place it appears and inserting “U.S. Customs and  
19       Border Protection”;

20           (2) in subsection (d)(2)(B), by striking “The  
21       Customs Service” and inserting “U.S. Customs and  
22       Border Protection”; and

23           (3) in subsection (g)(2)(B), by striking “Sec-  
24       retary’s notice” and inserting “notice under sub-  
25       paragraph (A)”.

1 **SEC. 604. AMENDMENTS TO CHAPTER 98 OF THE HAR-**  
2 **MONIZED TARIFF SCHEDULE OF THE UNITED**  
3 **STATES.**

4 (a) ARTICLES EXPORTED AND RETURNED, AD-  
5 VANCED OR IMPROVED ABROAD.—

6 (1) IN GENERAL.—U.S. Note 3 to subchapter  
7 II of chapter 98 of the Harmonized Tariff Schedule  
8 of the United States is amended by adding at the  
9 end the following:

10 “(f)(1) For purposes of subheadings 9802.00.40 and  
11 9802.00.50, fungible articles exported from the United  
12 States for the purposes described in such subheadings—

13 “(A) may be commingled; and

14 “(B) the origin, value, and classification of such  
15 articles may be accounted for using an inventory  
16 management method.

17 “(2) If a person chooses to use an inventory manage-  
18 ment method under this paragraph with respect to fun-  
19 gible articles, the person shall use the same inventory  
20 management method for any other articles with respect  
21 to which the person claims fungibility under this para-  
22 graph.

23 “(3) For the purposes of this paragraph—

24 “(A) the term ‘fungible articles’ means mer-  
25 chandise or articles that, for commercial purposes,  
26 are identical or interchangeable in all situations; and

1           “(B) the term ‘inventory management method’  
2       means any method for managing inventory that is  
3       based on generally accepted accounting principles.”.

4           (2) EFFECTIVE DATE.—The amendment made  
5       by this subsection applies to articles classifiable  
6       under subheading 9802.00.40 or 9802.00.50 of the  
7       Harmonized Tariff Schedule of the United States  
8       that are entered, or withdrawn from warehouse for  
9       consumption, on or after the date that is 60 days  
10      after the date of the enactment of this Act.

11      (b) MODIFICATION OF PROVISIONS RELATING TO  
12      RETURNED PROPERTY.—

13           (1) IN GENERAL.—The article description for  
14      heading 9801.00.10 of the Harmonized Tariff  
15      Schedule of the United States is amended by insert-  
16      ing after “exported” the following: “, or any other  
17      products when returned within 3 years after having  
18      been exported”.

19           (2) EFFECTIVE DATE.—The amendment made  
20      by paragraph (1) applies to articles entered, or with-  
21      drawn from warehouse for consumption, on or after  
22      the date that is 60 days after the date of the enact-  
23      ment of this Act.

(c) DUTY-FREE TREATMENT FOR CERTAIN UNITED STATES GOVERNMENT PROPERTY RETURNED TO THE UNITED STATES.—

(1) IN GENERAL.—Subchapter I of chapter 98 of the Harmonized Tariff Schedule of the United States is amended by inserting in numerical sequence the following new heading:

“	9801.00.11	United States Government property, returned to the United States without having been advanced in value or improved in condition by any means while abroad, entered by the United States Government or a contractor to the United States Government, and certified by the importer as United States Government property .....	Free					”.
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(2) EFFECTIVE DATE.—The amendment made by paragraph (1) applies to goods entered, or withdrawn from warehouse for consumption, on or after the date that is 60 days after the date of the enactment of this Act.

**SEC. 605. EXEMPTION FROM DUTY OF RESIDUE OF BULK CARGO CONTAINED IN INSTRUMENTS OF INTERNATIONAL TRAFFIC PREVIOUSLY EXPORTED FROM THE UNITED STATES.**

(a) IN GENERAL.—General Note 3(e) of the Harmonized Tariff Schedule of the United States is amended—



1           (1) in subparagraph (v), by striking “and” at  
2     the end;

3           (2) in subparagraph (vi), by adding “and” at  
4     the end;

5           (3) by inserting after subparagraph (vi) (as so  
6     amended) the following new subparagraph:

7                 “(vii) residue of bulk cargo contained in  
8           instruments of international traffic previously  
9           exported from the United States,”; and

10          (4) by adding at the end of the flush text fol-  
11     lowing subparagraph (vii) (as so added) the fol-  
12     lowing: “For purposes of subparagraph (vii) of this  
13     paragraph: The term ‘residue’ means material of  
14     bulk cargo that remains in an instrument of inter-  
15     national traffic after the bulk cargo is removed, with  
16     a quantity, by weight or volume, not exceeding 7  
17     percent of the bulk cargo, and with no or de minimis  
18     value. The term ‘bulk cargo’ means cargo that is  
19     unpackaged and is in either solid, liquid, or gaseous  
20     form. The term ‘instruments of international traffic’  
21     means containers or holders, capable of and suitable  
22     for repeated use, such as lift vans, cargo vans, ship-  
23     ping tanks, skids, pallets, caul boards, and cores for  
24     textile fabrics, arriving (whether loaded or empty) in  
25     use or to be used in the shipment of merchandise in

1 international traffic, and any additional articles or  
2 classes of articles that the Commissioner responsible  
3 for U.S. Customs and Border Protection designates  
4 as instruments of international traffic.”.

5 (b) **EFFECTIVE DATE.**—The amendments made by  
6 subsection (a) take effect on the date of the enactment  
7 of this Act and apply with respect to residue of bulk cargo  
8 contained in instruments of international traffic that are  
9 imported into the customs territory of the United States  
10 on or after such date of enactment and that previously  
11 have been exported from the United States.

12 **SEC. 606. DRAWBACK AND REFUNDS.**

13 (a) **ARTICLES MADE FROM IMPORTED MERCHAN-**  
14 **DISE.**—Section 313(a) of the Tariff Act of 1930 (19  
15 U.S.C. 1313(a)) is amended by striking “the full amount  
16 of the duties paid upon the merchandise so used shall be  
17 refunded as drawback, less 1 per centum of such duties,  
18 except that such” and inserting “an amount calculated  
19 pursuant to regulations prescribed by the Secretary of the  
20 Treasury under subsection (l) shall be refunded as draw-  
21 back, except that”.

22 (b) **SUBSTITUTION FOR DRAWBACK PURPOSES.**—  
23 Section 313(b) of the Tariff Act of 1930 (19 U.S.C.  
24 1313(b)) is amended—

1 (1) by striking “If imported” and inserting the  
2 following:

3 “(1) IN GENERAL.—If imported”;

4 (2) by striking “and any other merchandise  
5 (whether imported or domestic) of the same kind  
6 and quality are” and inserting “or merchandise clas-  
7 sifiable under the same 8-digit HTS subheading  
8 number as such imported merchandise is”;

9 (3) by striking “three years” and inserting “5  
10 years”;

11 (4) by striking “the receipt of such imported  
12 merchandise by the manufacturer or producer of  
13 such articles” and inserting “the date of importation  
14 of such imported merchandise”;

15 (5) by inserting “or articles classifiable under  
16 the same 8-digit HTS subheading number as such  
17 articles,” after “any such articles,”;

18 (6) by striking “an amount of drawback equal  
19 to” and all that follows through the end period and  
20 inserting “an amount calculated pursuant to regula-  
21 tions prescribed by the Secretary of the Treasury  
22 under subsection (l), but only if those articles have  
23 not been used prior to such exportation or destruc-  
24 tion.”; and

25 (7) by adding at the end the following:

1           “(2) REQUIREMENTS RELATING TO TRANSFER  
2       OF MERCHANDISE.—

3           “(A)     MANUFACTURERS     AND     PRO-  
4       DUCERS.—Drawback shall be allowed under  
5       paragraph (1) with respect to an article manu-  
6       factured or produced using imported merchan-  
7       dise or other merchandise classifiable under the  
8       same 8-digit HTS subheading number as such  
9       imported merchandise only if the manufacturer  
10      or producer of the article received such im-  
11      ported merchandise or such other merchandise,  
12      directly or indirectly, from the importer.

13          “(B)     EXPORTERS     AND     DESTROYERS.—  
14      Drawback shall be allowed under paragraph (1)  
15      with respect to a manufactured or produced ar-  
16      ticle that is exported or destroyed only if the  
17      exporter or destroyer received that article or an  
18      article classifiable under the same 8-digit HTS  
19      subheading number as that article, directly or  
20      indirectly, from the manufacturer or producer.

21          “(C)     EVIDENCE OF TRANSFER.—Transfers  
22      of merchandise under subparagraph (A) and  
23      transfers of articles under subparagraph (B)  
24      may be evidenced by business records kept in  
25      the normal course of business and no additional

1 certificates of transfer or manufacture shall be  
2 required.

3 “(3) SUBMISSION OF BILL OF MATERIALS OR  
4 FORMULA.—

5 “(A) IN GENERAL.—Drawback shall be al-  
6 lowed under paragraph (1) with respect to an  
7 article manufactured or produced using im-  
8 ported merchandise or other merchandise classi-  
9 fiable under the same 8-digit HTS subheading  
10 number as such imported merchandise only if  
11 the person making the drawback claim submits  
12 with the claim a bill of materials or formula  
13 identifying the merchandise and article by the  
14 8-digit HTS subheading number and the quan-  
15 tity of the merchandise.

16 “(B) BILL OF MATERIALS AND FORMULA  
17 DEFINED.—In this paragraph, the terms ‘bill of  
18 materials’ and ‘formula’ mean records kept in  
19 the normal course of business that identify each  
20 component incorporated into a manufactured or  
21 produced article or that identify the quantity of  
22 each element, material, chemical, mixture, or  
23 other substance incorporated into a manufac-  
24 tured article.

1           “(4) SPECIAL RULE FOR SOUGHT CHEMICAL  
2       ELEMENTS.—

3           “(A) IN GENERAL.—For purposes of para-  
4       graph (1), a sought chemical element may be—

5           “(i) considered imported merchandise,  
6           or merchandise classifiable under the same  
7           8-digit HTS subheading number as such  
8           imported merchandise, used in the manu-  
9           facture or production of an article as de-  
10          scribed in paragraph (1); and

11          “(ii) substituted for source material  
12          containing that sought chemical element,  
13          without regard to whether the sought  
14          chemical element and the source material  
15          are classifiable under the same 8-digit  
16          HTS subheading number, and apportioned  
17          quantitatively, as appropriate.

18          “(B) SOUGHT CHEMICAL ELEMENT DE-  
19          FINED.—In this paragraph, the term ‘sought  
20          chemical element’ means an element listed in  
21          the Periodic Table of Elements that is imported  
22          into the United States or a chemical compound  
23          consisting of those elements, either separately  
24          in elemental form or contained in source mate-  
25          rial.”.

1       (c) MERCHANDISE NOT CONFORMING TO SAMPLE OR  
2 SPECIFICATIONS.—Section 313(c) of the Tariff Act of  
3 1930 (19 U.S.C. 1313(c)) is amended—

4           (1) in paragraph (1)—

5               (A) in subparagraph (C)(ii), by striking  
6 “under a certificate of delivery” each place it  
7 appears;

8               (B) in subparagraph (D)—

9                   (i) by striking “3” and inserting “5”;

10                  and

11                   (ii) by striking “the Customs Service”  
12 and inserting “U.S. Customs and Border  
13 Protection”; and

14               (C) in the flush text at the end, by striking  
15 “the full amount of the duties paid upon such  
16 merchandise, less 1 percent,” and inserting “an  
17 amount calculated pursuant to regulations pre-  
18 scribed by the Secretary of the Treasury under  
19 subsection (1)”;

20               (2) in paragraph (2), by striking “the Customs  
21 Service” and inserting “U.S. Customs and Border  
22 Protection”; and

23               (3) by amending paragraph (3) to read as fol-  
24 lows:

1           “(3) EVIDENCE OF TRANSFERS.—Transfers of  
2           merchandise under paragraph (1) may be evidenced  
3           by business records kept in the normal course of  
4           business and no additional certificates of transfer  
5           shall be required.”.

6           (d) PROOF OF EXPORTATION.—Section 313(i) of the  
7           Tariff Act of 1930 (19 U.S.C. 1313(i)) is amended to read  
8           as follows:

9           “(i) PROOF OF EXPORTATION.—A person claiming  
10          drawback under this section based on the exportation of  
11          an article shall provide proof of the exportation of the arti-  
12          cle. Such proof of exportation—

13                 “(1) shall establish fully the date and fact of  
14                 exportation and the identity of the exporter; and

15                 “(2) may be established through the use of  
16                 records kept in the normal course of business or  
17                 through an electronic export system of the United  
18                 States Government, as determined by the Commis-  
19                 sioner responsible for U.S. Customs and Border  
20                 Protection.”.

21          (e) UNUSED MERCHANDISE DRAWBACK.—Section  
22          313(j) of the Tariff Act of 1930 (19 U.S.C. 1313(j)) is  
23          amended—

24                 (1) in paragraph (1)—



1 (A) in subparagraph (A), in the matter  
2 preceding clause (i)—

3 (i) by striking “3-year” and inserting  
4 “5-year”; and

5 (ii) by inserting “and before the draw-  
6 back claim is filed” after “the date of im-  
7 portation”; and

8 (B) in the flush text at the end, by striking  
9 “99 percent of the amount of each duty, tax, or  
10 fee so paid” and inserting “an amount cal-  
11 culated pursuant to regulations prescribed by  
12 the Secretary of the Treasury under subsection  
13 (l)”;  
14 (2) in paragraph (2)—

15 (A) in the matter preceding subparagraph  
16 (A), by striking “paragraph (4)” and inserting  
17 “paragraphs (4), (5), and (6)”;

18 (B) in subparagraph (A), by striking  
19 “commercially interchangeable with” and in-  
20 serting “classifiable under the same 8-digit  
21 HTS subheading number as”;

22 (C) in subparagraph (B)—

23 (i) by striking “3-year” and inserting  
24 “5-year”; and

1 (ii) by inserting “and before the draw-  
2 back claim is filed” after “the imported  
3 merchandise”; and

4 (D) in subparagraph (C)(ii), by striking  
5 subclause (II) and inserting the following:

6 “(II) received the imported mer-  
7 chandise, other merchandise classifi-  
8 able under the same 8-digit HTS sub-  
9 heading number as such imported  
10 merchandise, or any combination of  
11 such imported merchandise and such  
12 other merchandise, directly or indi-  
13 rectly from the person who imported  
14 and paid any duties, taxes, and fees  
15 imposed under Federal law upon im-  
16 portation or entry and due on the im-  
17 ported merchandise (and any such  
18 transferred merchandise, regardless of  
19 its origin, will be treated as the im-  
20 ported merchandise and any retained  
21 merchandise will be treated as domes-  
22 tic merchandise);”;

23 (E) in the flush text at the end—

24 (i) by striking “the amount of each  
25 such duty, tax, and fee” and all that fol-

1           lows through “99 percent of that duty, tax,  
2           or fee” and inserting “an amount cal-  
3           culated pursuant to regulations prescribed  
4           by the Secretary of the Treasury under  
5           subsection (l) shall be refunded as draw-  
6           back”; and

7           (ii) by striking the last sentence and  
8           inserting the following: “Notwithstanding  
9           subparagraph (A), drawback shall be al-  
10          lowed under this paragraph with respect to  
11          wine if the imported wine and the exported  
12          wine are of the same color and the price  
13          variation between the imported wine and  
14          the exported wine does not exceed 50 per-  
15          cent. Transfers of merchandise may be evi-  
16          denced by business records kept in the nor-  
17          mal course of business and no additional  
18          certificates of transfer shall be required.”;  
19          and

20          (3) in paragraph (3)(B), by striking “the com-  
21          mercially interchangeable merchandise” and insert-  
22          ing “merchandise classifiable under the same 8-digit  
23          HTS subheading number as such imported merchan-  
24          dise”; and

25          (4) by adding at the end the following:

1           “(5)(A) For purposes of paragraph (2) and ex-  
2           cept as provided in subparagraph (B), merchandise  
3           may not be substituted for imported merchandise for  
4           drawback purposes based on the 8-digit HTS sub-  
5           heading number if the article description for the 8-  
6           digit HTS subheading number under which the im-  
7           ported merchandise is classified begins with the term  
8           ‘other’.

9           “(B) In cases described in subparagraph (A),  
10          merchandise may be substituted for imported mer-  
11          chandise for drawback purposes if—

12               “(i) the other merchandise and such im-  
13               ported merchandise are classifiable under the  
14               same 10-digit HTS statistical reporting num-  
15               ber; and

16               “(ii) the article description for that 10-  
17               digit HTS statistical reporting number does not  
18               begin with the term ‘other’.

19          “(6)(A) For purposes of paragraph (2), a draw-  
20          back claimant may use the first 8 digits of the 10-  
21          digit Schedule B number for merchandise or an arti-  
22          cle to determine if the merchandise or article is clas-  
23          sifiable under the same 8-digit HTS subheading  
24          number as the imported merchandise, without re-

1       gard to whether the Schedule B number corresponds  
2       to more than one 8-digit HTS subheading number.

3           “(B) In this paragraph, the term ‘Schedule B’  
4       means the Department of Commerce Schedule B,  
5       Statistical Classification of Domestic and Foreign  
6       Commodities Exported from the United States.”.

7       (f) LIABILITY FOR DRAWBACK CLAIMS.—Section  
8       313(k) of the Tariff Act of 1930 (19 U.S.C. 1313(k)) is  
9       amended to read as follows:

10       “(k) LIABILITY FOR DRAWBACK CLAIMS.—

11           “(1) IN GENERAL.—Any person making a claim  
12       for drawback under this section shall be liable for  
13       the full amount of the drawback claimed.

14           “(2) LIABILITY OF IMPORTERS.—An importer  
15       shall be liable for any drawback claim made by an-  
16       other person with respect to merchandise imported  
17       by the importer in an amount equal to the lesser  
18       of—

19           “(A) the amount of duties, taxes, and fees  
20       that the person claimed with respect to the im-  
21       ported merchandise; or

22           “(B) the amount of duties, taxes, and fees  
23       that the importer authorized the other person  
24       to claim with respect to the imported merchan-  
25       dise.

1           “(3) JOINT AND SEVERAL LIABILITY.—Persons  
2       described in paragraphs (1) and (2) shall be jointly  
3       and severally liable for the amount described in  
4       paragraph (2).”.

5       (g) REGULATIONS.—Section 313(l) of the Tariff Act  
6       of 1930 (19 U.S.C. 1313(l)) is amended to read as follows:

7       “(l) REGULATIONS.—

8           “(1) IN GENERAL.—Allowance of the privileges  
9       provided for in this section shall be subject to com-  
10      pliance with such rules and regulations as the Sec-  
11      retary of the Treasury shall prescribe.

12      “(2) CALCULATION OF DRAWBACK.—

13           “(A) IN GENERAL.—Not later than the  
14      date that is 2 years after the date of the enact-  
15      ment of the Trade Facilitation and Trade En-  
16      forcement Act of 2015 (or, if later, the effective  
17      date provided for in section 406(q)(2)(B) of  
18      that Act), the Secretary shall prescribe regula-  
19      tions for determining the calculation of  
20      amounts refunded as drawback under this sec-  
21      tion.

22           “(B) REQUIREMENTS.—The regulations  
23      required by subparagraph (A) for determining  
24      the calculation of amounts refunded as draw-  
25      back under this section shall provide for a re-

1 fund of up to 99 percent of the duties, taxes,  
2 and fees paid with respect to the imported mer-  
3 chandise, except that where there is substi-  
4 tution of the merchandise or article, then—

5 “(i) in the case of an article that is  
6 exported, the amount of the refund shall  
7 be equal to 99 percent of the lesser of—

8 “(I) the amount of duties, taxes,  
9 and fees paid with respect to the im-  
10 ported merchandise; or

11 “(II) the amount of duties, taxes,  
12 and fees that would apply to the ex-  
13 ported article if the exported article  
14 were imported; and

15 “(ii) in the case of an article that is  
16 destroyed, the amount of the refund shall  
17 be an amount that is—

18 “(I) equal to 99 percent of the  
19 lesser of—

20 “(aa) the amount of duties,  
21 taxes, and fees paid with respect  
22 to the imported merchandise; and

23 “(bb) the amount of duties,  
24 taxes, and fees that would apply  
25 to the destroyed article if the de-

1                               stroyed article were imported;

2                               and

3                               “(II) reduced by the value of ma-

4                               terials recovered during destruction as

5                               provided in subsection (x).

6                               “(3) STATUS REPORTS ON REGULATIONS.—Not

7                               later than the date that is one year after the date

8                               of the enactment of the Trade Facilitation and

9                               Trade Enforcement Act of 2015, and annually there-

10                              after until the regulations required by paragraph (2)

11                              are final, the Secretary shall submit to Congress a

12                              report on the status of those regulations.”.

13                              (h) SUBSTITUTION OF FINISHED PETROLEUM DE-

14                              RIVATIVES.—Section 313(p) of the Tariff Act of 1930 (19

15                              U.S.C. 1313(p)) is amended—

16                              (1) by striking “Harmonized Tariff Schedule of

17                              the United States” each place it appears and insert-

18                              ing “HTS”; and

19                              (2) in paragraph (3)(A)—

20                              (A) in clause (ii)(III), by striking “, as so

21                              certified in a certificate of delivery or certificate

22                              of manufacture and delivery”; and

23                              (B) in the flush text at the end—



1 (i) by striking “, as so designated on  
2 the certificate of delivery or certificate of  
3 manufacture and delivery”; and

4 (ii) by striking the last sentence and  
5 inserting the following: “The party trans-  
6 ferring the merchandise shall maintain  
7 records kept in the normal course of busi-  
8 ness to demonstrate the transfer.”.

9 (i) PACKAGING MATERIAL.—Section 313(q) of the  
10 Tariff Act of 1930 (19 U.S.C. 1313(q)) is amended—

11 (1) in paragraph (1), by striking “of 99 percent  
12 of any duty, tax, or fee imposed under Federal law  
13 on such imported material” and inserting “in an  
14 amount calculated pursuant to regulations pre-  
15 scribed by the Secretary of the Treasury under sub-  
16 section (l)”;

17 (2) in paragraph (2), by striking “of 99 percent  
18 of any duty, tax, or fee imposed under Federal law  
19 on the imported or substituted merchandise used to  
20 manufacture or produce such material” and insert-  
21 ing “in an amount calculated pursuant to regula-  
22 tions prescribed by the Secretary of the Treasury  
23 under subsection (l)”;

24 (3) in paragraph (3), by striking “they contain”  
25 and inserting “it contains”.

1 (j) FILING OF DRAWBACK CLAIMS.—Section 313(r)  
2 of the Tariff Act of 1930 (19 U.S.C. 1313(r)) is amend-  
3 ed—

4 (1) in paragraph (1)—

5 (A) by striking the first sentence and in-  
6 serting the following: “A drawback entry shall  
7 be filed or applied for, as applicable, not later  
8 than 5 years after the date on which merchan-  
9 dise on which drawback is claimed was im-  
10 ported.”;

11 (B) in the second sentence, by striking “3-  
12 year” and inserting “5-year”; and

13 (C) in the third sentence, by striking “the  
14 Customs Service” and inserting “U.S. Customs  
15 and Border Protection”;

16 (2) in paragraph (3)—

17 (A) in subparagraph (A)—

18 (i) in the matter preceding clause (i),  
19 by striking “The Customs Service” and in-  
20 serting “U.S. Customs and Border Protec-  
21 tion”;

22 (ii) in clauses (i) and (ii), by striking  
23 “the Customs Service” each place it ap-  
24 pears and inserting “U.S. Customs and  
25 Border Protection”; and

1 (iii) in clause (ii)(I), by striking “3-  
2 year” and inserting “5-year”; and

3 (B) in subparagraph (B), by striking “the  
4 periods of time for retaining records set forth  
5 in subsection (t) of this section and” and in-  
6 serting “the period of time for retaining records  
7 set forth in”; and

8 (3) by adding at the end the following:

9 “(4) All drawback claims filed on and after the  
10 date that is 2 years after the date of the enactment  
11 of the Trade Facilitation and Trade Enforcement  
12 Act of 2015 (or, if later, the effective date provided  
13 for in section 406(q)(2)(B) of that Act) shall be filed  
14 electronically.”.

15 (k) DESIGNATION OF MERCHANDISE BY SUC-  
16 CESSOR.—Section 313(s) of the Tariff Act of 1930 (19  
17 U.S.C. 1313(s)) is amended—

18 (1) in paragraph (2), by striking subparagraph  
19 (B) and inserting the following:

20 “(B) subject to paragraphs (5) and (6) of  
21 subsection (j), imported merchandise, other  
22 merchandise classifiable under the same 8-digit  
23 HTS subheading number as such imported  
24 merchandise, or any combination of such im-  
25 ported merchandise and such other merchan-

1           dise, that the predecessor received, before the  
2           date of succession, from the person who im-  
3           ported and paid any duties, taxes, and fees due  
4           on the imported merchandise;” and

5           (2) in paragraph (4), by striking “certifies  
6           that” and all that follows and inserting “certifies  
7           that the transferred merchandise was not and will  
8           not be claimed by the predecessor.”.

9           (l) DRAWBACK CERTIFICATES.—Section 313 of the  
10          Tariff Act of 1930 (19 U.S.C. 1313) is amended by strik-  
11          ing subsection (t).

12          (m) DRAWBACK FOR RECOVERED MATERIALS.—Sec-  
13          tion 313(x) of the Tariff Act of 1930 (19 U.S.C. 1313(x))  
14          is amended by striking “and (c)” and inserting “(c), and  
15          (j)”.

16          (n) DEFINITIONS.—Section 313 of the Tariff Act of  
17          1930 (19 U.S.C. 1313) is amended by adding at the end  
18          the following:

19           “(z) DEFINITIONS.—In this section:

20           “(1) DIRECTLY.—The term ‘directly’ means a  
21           transfer of merchandise or an article from one per-  
22           son to another person without any intermediate  
23           transfer.

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

1           “(3) INDIRECTLY.—The term ‘indirectly’ means  
2           a transfer of merchandise or an article from one per-  
3           son to another person with one or more intermediate  
4           transfers.”.

5           (o) RECORDKEEPING.—Section 508(c)(3) of the Tar-  
6           iff Act of 1930 (19 U.S.C. 1508(c)(3)) is amended—

7                   (1) by striking “3rd” and inserting “5th”; and  
8                   (2) by striking “payment” and inserting “liq-  
9           uidation”.

10          (p) GOVERNMENT ACCOUNTABILITY OFFICE RE-  
11          PORT.—

12               (1) IN GENERAL.—Not later than one year  
13               after the issuance of the regulations required by sub-  
14               section (l)(2) of section 313 of the Tariff Act of  
15               1930, as added by subsection (g), the Comptroller  
16               General of the United States shall submit to the  
17               Committee on Finance of the Senate and the Com-  
18               mittee on Ways and Means of the House of Rep-  
19               resentatives a report on the modernization of draw-  
20               back and refunds under section 313 of the Tariff  
21               Act of 1930, as amended by this section.

22               (2) CONTENTS.—The report required by para-  
23               graph (1) include the following:

1 (A) An assessment of the modernization of  
2 drawback and refunds under section 313 of the  
3 Tariff Act of 1930, as amended by this section.

4 (B) A description of drawback claims that  
5 were permissible before the effective date pro-  
6 vided for in subsection (q) that are not permis-  
7 sible after that effective date and an identifica-  
8 tion of industries most affected.

9 (C) A description of drawback claims that  
10 were not permissible before the effective date  
11 provided for in subsection (q) that are permis-  
12 sible after that effective date and an identifica-  
13 tion of industries most affected.

14 (q) EFFECTIVE DATE.—

15 (1) IN GENERAL.—The amendments made by  
16 this section shall—

17 (A) take effect on the date of the enact-  
18 ment of this Act; and

19 (B) apply to drawback claims filed on or  
20 after the date that is 2 years after such date  
21 of enactment.

22 (2) REPORTING OF OPERABILITY OF AUTO-  
23 MATED COMMERCIAL ENVIRONMENT COMPUTER SYS-  
24 TEM.—Not later than one year after the date of the  
25 enactment of this Act, and not later than 2 years

1 after such date of enactment, the Secretary of the  
2 Treasury shall submit to Congress a report on—

3 (A) the date on which the Automated Com-  
4 mercial Environment will be ready to process  
5 drawback claims; and

6 (B) the date on which the Automated Ex-  
7 port System will be ready to accept proof of ex-  
8 portation under subsection (i) of section 313 of  
9 the Tariff Act of 1930, as amended by sub-  
10 section (d).

11 (3) TRANSITION RULE.—During the one-year  
12 period beginning on the date that is 2 years after  
13 the date of the enactment of this Act (or, if later,  
14 the effective date provided for in paragraph (2)(B)),  
15 a person may elect to file a claim for drawback  
16 under—

17 (A) section 313 of the Tariff Act of 1930,  
18 as amended by this section; or

19 (B) section 313 of the Tariff Act of 1930,  
20 as in effect on the day before the date of the  
21 enactment of this Act.

22 **SEC. 607. OFFICE OF THE UNITED STATES TRADE REP-**  
23 **RESENTATIVE.**

24 (a) ANNUAL REPORT ON TRADE AGREEMENTS PRO-  
25 GRAM AND NATIONAL TRADE POLICY AGENDA.—Section

1 163(a) of the Trade Act of 1974 (19 U.S.C. 2213(a)) is  
2 amended—

3 (1) in paragraph (1)—

4 (A) in subparagraph (A), by striking  
5 “and” at the end;

6 (B) in subparagraph (B), by striking the  
7 period at the end and inserting a semicolon;  
8 and

9 (C) by adding at the end the following:

10 “(C) the operation of all United States  
11 Trade Representative-led interagency programs  
12 during the preceding year and for the year in  
13 which the report is submitted.”; and

14 (2) by adding at the end the following:

15 “(4) The report shall include, with respect to  
16 the matters referred to in paragraph (1)(C), infor-  
17 mation regarding—

18 “(A) the objectives and priorities of all  
19 United States Trade Representative-led inter-  
20 agency programs for the year, and the reasons  
21 therefor;

22 “(B) the actions proposed, or anticipated,  
23 to be undertaken during the year to achieve  
24 such objectives and priorities, including actions



1 authorized under the trade laws and negotia-  
2 tions with foreign countries;

3 “(C) the role of each Federal agency par-  
4 ticipating in the interagency program in achiev-  
5 ing such objectives and priorities and activities  
6 of each agency with respect to their participa-  
7 tion in the program;

8 “(D) the United States Trade Representa-  
9 tive’s coordination of each participating Federal  
10 agency to more effectively achieve such objec-  
11 tives and priorities;

12 “(E) any proposed legislation necessary or  
13 appropriate to achieve any of such objectives or  
14 priorities; and

15 “(F) the progress that was made during  
16 the preceding year in achieving such objectives  
17 and priorities and coordination activities in-  
18 cluded in the statement provided for such year  
19 under this paragraph.”.

20 (b) RESOURCE MANAGEMENT AND STAFFING  
21 PLANS.—

22 (1) ANNUAL PLAN.—

23 (A) IN GENERAL.—The United States  
24 Trade Representative shall on an annual basis  
25 develop a plan—

1 (i) to match available resources of the  
2 Office of the United States Trade Rep-  
3 resentative to projected workload and pro-  
4 vide a detailed analysis of how the funds  
5 allocated from the prior fiscal year to date  
6 have been spent;

7 (ii) to identify existing staff of the Of-  
8 fice and new staff that will be necessary to  
9 support the trade negotiation and enforce-  
10 ment functions and powers of the Office  
11 (including those of the Trade Policy Staff  
12 Committee) as described in section 141 of  
13 the Trade Act of 1974 (19 U.S.C. 2171)  
14 and section 301 of the Trade Act of 1974  
15 (19 U.S.C. 2411);

16 (iii) to identify existing staff of the  
17 Office and staff of other Federal agencies  
18 who will be required to be detailed to sup-  
19 port United States Trade Representative-  
20 led interagency programs, including any  
21 associated expenses; and

22 (iv) to provide a detailed analysis of  
23 the budgetary requirements of United  
24 States Trade Representative-led inter-  
25 agency programs for the next fiscal year

1           and provide a detailed analysis of how the  
2           funds allocated from the prior fiscal year  
3           to date have been spent.

4           (B) REPORT.—The United States Trade  
5           Representative shall submit to the Committee  
6           on Ways and Means and the Committee on Ap-  
7           propriations of the House of Representatives  
8           and the Committee on Finance and the Com-  
9           mittee on Appropriations of the Senate a report  
10          that contains the plan required under subpara-  
11          graph (A). The report required under this sub-  
12          paragraph shall be submitted in conjunction  
13          with the annual budget of the United States  
14          Government required to be submitted to Con-  
15          gress under section 1105 of title 31, United  
16          States Code.

17          (2) QUADRENNIAL PLAN.—

18                (A) IN GENERAL.—Pursuant to the goals  
19                and objectives of the strategic plan of the Office  
20                of the United States Trade Representative as  
21                required under section 306 of title 5, United  
22                States Code, the United States Trade Rep-  
23                resentative shall every 4 years develop a plan—

24                       (i) to analyze internal quality controls  
25                       and record management of the Office;

1 (ii) to identify existing staff of the Of-  
2 fice and new staff that will be necessary to  
3 support the trade negotiation and enforce-  
4 ment functions and powers of the Office  
5 (including those of the Trade Policy Staff  
6 Committee) as described in section 141 of  
7 the Trade Act of 1974 (19 U.S.C. 2171)  
8 and section 301 of the Trade Act of 1974  
9 (19 U.S.C. 2411);

10 (iii) to identify existing staff of the  
11 Office and staff in other Federal agencies  
12 who will be required to be detailed to sup-  
13 port United States Trade Representative-  
14 led interagency programs, including any  
15 associated expenses;

16 (iv) to provide an outline of budget  
17 justifications, including salaries and ex-  
18 penses as well as non-personnel adminis-  
19 trative expenses, for the fiscal years re-  
20 quired under the strategic plan; and

21 (v) to provide an outline of budget  
22 justifications, including salaries and ex-  
23 penses as well as non-personnel adminis-  
24 trative expenses, for United States Trade  
25 Representative-led interagency programs

1 for the fiscal years required under the  
2 strategic plan.

3 (B) REPORT.—

4 (i) IN GENERAL.—The United States  
5 Trade Representative shall submit to the  
6 Committee on Ways and Means and the  
7 Committee on Appropriations of the House  
8 of Representatives and the Committee on  
9 Finance and the Committee on Appropria-  
10 tions of the Senate a report that contains  
11 the plan required under subparagraph (A).  
12 Except as provided in clause (ii), the re-  
13 port required under this clause shall be  
14 submitted in conjunction with the strategic  
15 plan of the Office as required under sec-  
16 tion 306 of title 5, United States Code.

17 (ii) EXCEPTION.—The United States  
18 Trade Representative shall submit to the  
19 congressional committees specified in  
20 clause (i) an initial report that contains  
21 the plan required under subparagraph (A)  
22 not later than February 1, 2016.

23 **SEC. 608. UNITED STATES-ISRAEL TRADE AND COMMER-**  
24 **CIAL ENHANCEMENT.**

25 (a) FINDINGS.—Congress finds the following:

1           (1) Israel is America’s dependable, democratic  
2 ally in the Middle East—an area of paramount stra-  
3 tegic importance to the United States.

4           (2) The United States-Israel Free Trade Agree-  
5 ment formed the modern foundation of the bilateral  
6 commercial relationship between the two countries  
7 and was the first such agreement signed by the  
8 United States with a foreign country.

9           (3) The United States-Israel Free Trade Agree-  
10 ment has been instrumental in expanding commerce  
11 and the strategic relationship between the United  
12 States and Israel.

13           (4) More than \$45 billion in goods and services  
14 is traded annually between the two countries in ad-  
15 dition to roughly \$10 billion in United States foreign  
16 direct investment in Israel.

17           (5) The United States continues to look for and  
18 find new opportunities to enhance cooperation with  
19 Israel, including through the enactment of the  
20 United States-Israel Enhanced Security Cooperation  
21 Act of 2012 (Public Law 112–150) and the United  
22 States-Israel Strategic Partnership Act of 2014  
23 (Public Law 113–296).

1           (6) It has been the policy of the United States  
2       Government to combat all elements of the Arab  
3       League Boycott of Israel by—

4           (A) public statements of Administration of-  
5       ficials;

6           (B) enactment of relevant sections of the  
7       Export Administration Act of 1979 (as contin-  
8       ued in effect pursuant to the International  
9       Emergency Economic Powers Act), including  
10      sections to ensure foreign persons comply with  
11      applicable reporting requirements relating to  
12      the boycott;

13          (C) enactment of the 1976 Tax Reform  
14      Act (Public Law 94–455) that denies certain  
15      tax benefits to entities abiding by the boycott;

16          (D) ensuring through free trade agree-  
17      ments with Bahrain and Oman that such coun-  
18      tries no longer participate in the boycott; and

19          (E) ensuring as a condition of membership  
20      in the World Trade Organization that Saudi  
21      Arabia no longer enforces the secondary or ter-  
22      tiary elements of the boycott.

23      (b) STATEMENTS OF POLICY.—Congress—

24          (1) supports the strengthening of United  
25      States-Israel economic cooperation and recognizes

1 the tremendous strategic, economic, and techno-  
2 logical value of cooperation with Israel;

3 (2) recognizes the benefit of cooperation with  
4 Israel to United States companies, including by im-  
5 proving American competitiveness in global markets;

6 (3) recognizes the importance of trade and com-  
7 mercial relations to the pursuit and sustainability of  
8 peace, and supports efforts to bring together the  
9 United States, Israel, the Palestinian territories, and  
10 others in enhanced commerce;

11 (4) opposes politically motivated actions that  
12 penalize or otherwise limit commercial relations spe-  
13 cifically with Israel such as boycotts, divestment or  
14 sanctions;

15 (5) notes that the boycott, divestment, and  
16 sanctioning of Israel by governments, governmental  
17 bodies, quasi-governmental bodies, international or-  
18 ganizations, and other such entities is contrary to  
19 the General Agreement on Tariffs and Trade  
20 (GATT) principle of non-discrimination;

21 (6) encourages the inclusion of politically moti-  
22 vated actions that penalize or otherwise limit com-  
23 mercial relations specifically with Israel such as boy-  
24 cotts, divestment from, or sanctions against Israel as  
25 a topic of discussion at the U.S.-Israel Joint Eco-



1        nomic Development Group (JEDG) and other areas  
2        to support the strengthening of the United States-  
3        Israel commercial relationship and combat any com-  
4        mercial discrimination against Israel;

5            (7) supports efforts to prevent investigations or  
6        prosecutions by governments or international organi-  
7        zations of United States persons on the sole basis of  
8        such persons doing business with Israel, with Israeli  
9        entities, or in Israeli-controlled territories; and

10           (8) supports American States examining a com-  
11        pany's promotion or compliance with unsanctioned  
12        boycotts, divestment from, or sanctions against  
13        Israel as part of its consideration in awarding grants  
14        and contracts and supports the divestment of State  
15        assets from companies that support or promote ac-  
16        tions to boycott, divest from, or sanction Israel.

17        (c) PRINCIPAL TRADE NEGOTIATING OBJECTIVES OF  
18 THE UNITED STATES.—

19            (1) COMMERCIAL PARTNERSHIPS.—Among the  
20        principal trade negotiating objectives of the United  
21        States for proposed trade agreements with foreign  
22        countries regarding commercial partnerships are the  
23        following:

24            (A) To discourage actions by potential  
25        trading partners that directly or indirectly prej-

1           udice or otherwise discourage commercial activ-  
2           ity solely between the United States and Israel.

3           (B) To discourage politically motivated ac-  
4           tions to boycott, divest from, or sanction Israel  
5           and to seek the elimination of politically moti-  
6           vated non-tariff barriers on Israeli goods, serv-  
7           ices, or other commerce imposed on the State of  
8           Israel.

9           (C) To seek the elimination of state-spon-  
10          sored unsanctioned foreign boycotts against  
11          Israel or compliance with the Arab League Boy-  
12          cott of Israel by prospective trading partners.

13          (2) EFFECTIVE DATE.—This subsection takes  
14          effect on the date of the enactment of this Act and  
15          applies with respect to negotiations commenced be-  
16          fore, on, or after the date of the enactment of this  
17          Act.

18          (d) REPORT ON POLITICALLY MOTIVATED ACTS OF  
19          BOYCOTT, DIVESTMENT FROM, AND SANCTIONS AGAINST  
20          ISRAEL.—

21          (1) IN GENERAL.—Not later than 180 days  
22          after the date of the enactment of this Act, and an-  
23          nually thereafter, the President shall submit to Con-  
24          gress a report on politically motivated acts of boy-  
25          cott, divestment from, and sanctions against Israel.

1           (2) MATTERS TO BE INCLUDED.—The report  
2       required by paragraph (1) shall include the fol-  
3       lowing:

4           (A) A description of the establishment of  
5       barriers to trade, including non-tariff barriers,  
6       investment, or commerce by foreign countries or  
7       international organizations against United  
8       States persons operating or doing business in  
9       Israel, with Israeli entities, or in Israeli-con-  
10      trolled territories.

11          (B) A description of specific steps being  
12      taken by the United States to encourage foreign  
13      countries and international organizations to  
14      cease creating such barriers and to dismantle  
15      measures already in place and an assessment of  
16      the effectiveness of such steps.

17          (C) A description of specific steps being  
18      taken by the United States to prevent investiga-  
19      tions or prosecutions by governments or inter-  
20      national organizations of United States persons  
21      on the sole basis of such persons doing business  
22      with Israel, with Israeli entities, or in Israeli-  
23      controlled territories.

24          (D) Decisions by foreign persons, including  
25      corporate entities and state-affiliated financial

1 institutions, that limit or prohibit economic re-  
2 lations with Israel or persons doing business in  
3 Israel or in Israeli controlled territories.

4 (e) ISRAEL TRADE AND COMMERCE BOYCOTT RE-  
5 PORTING.—Section 13 of the Securities Exchange Act of  
6 1934 (15 U.S.C. 78m) is amended by adding at the end  
7 the following:

8 “(s) ISRAEL TRADE AND COMMERCE BOYCOTT RE-  
9 PORTING.—

10 “(1) IN GENERAL.—Each foreign issuer re-  
11 quired to file an annual or quarterly report under  
12 subsection (a) shall disclose in that report—

13 “(A) whether the issuer has discriminated  
14 against doing business with Israel in the last  
15 calendar year and in such cases an issuer shall  
16 provide a description of the discrimination.

17 “(B) whether the issuer has been advised  
18 by a foreign government or a non-member state  
19 of the United Nations to discriminate against  
20 doing business with Israel, entities owned or  
21 controlled by the government of Israel, or enti-  
22 ties operating in Israel or Israeli-controlled ter-  
23 ritory; and

24 “(C) any instances where the issuer has  
25 learned that a person, foreign government, or a

1 non-member state of the United Nations is boy-  
2 coting the issuer, divesting themselves of an  
3 ownership interest in the issuer, or placing  
4 sanctions on the issuer because of the issuer's  
5 relationship with Israel, entities owned or con-  
6 trolled by the government of Israel, or entities  
7 operating in Israel or Israeli-controlled terri-  
8 tory.

9 “(2) DEFINITIONS.—For purposes of this sub-  
10 section:

11 “(A) FOREIGN ISSUER.—The term ‘foreign  
12 issuer’ means an issuer that is not incorporated  
13 in the United States.

14 “(B) NON-MEMBER STATES OF THE  
15 UNITED NATIONS.—The term ‘non-member  
16 states of the United Nations’ has the meaning  
17 given such term by the United Nations.”.

18 (f) FOREIGN JUDGMENTS AGAINST UNITED STATES  
19 PERSONS.—No court in the United States may recognize  
20 or enforce any judgment which is entered by a foreign  
21 court against a United States person carrying out business  
22 operations in Israel or in any territory controlled by Israel  
23 and on which is based a determination by the foreign court  
24 that the location in Israel, or in any territory controlled

1 by Israel, of the facilities at which the business operations  
2 are carried out is sufficient to constitute a violation of law.

3 (g) DEFINITIONS.—In this section:

4 (1) BOYCOTT, DIVESTMENT FROM, AND SANC-  
5 TIONS AGAINST ISRAEL.—The term “boycott, divest-  
6 ment from, and sanctions against Israel” means ac-  
7 tions by states, non-member states of the United  
8 Nations, international organizations, or affiliated  
9 agencies of international organizations that are po-  
10 litically motivated and are intended to penalize or  
11 otherwise limit commercial relations specifically with  
12 Israel or persons doing business in Israel or in  
13 Israeli-controlled territories.

14 (2) FOREIGN PERSON.—The term “foreign per-  
15 son” means—

16 (A) any natural person who is not lawfully  
17 admitted for permanent residence (as defined in  
18 section 101(a)(20) of the Immigration and Na-  
19 tionality Act (8 U.S.C. 1101(a)(20)) or who is  
20 not a protected individual (as defined in section  
21 274B(a)(3) of such Act (8 U.S.C. 1324b(a)(3));  
22 and

23 (B) any foreign corporation, business asso-  
24 ciation, partnership, trust, society or any other  
25 entity or group that is not incorporated or orga-

1 nized to do business in the United States, as  
2 well as any international organization, foreign  
3 government and any agency or subdivision of  
4 foreign government, including a diplomatic mis-  
5 sion.

6 (3) PERSON.—

7 (A) IN GENERAL.—The term “person”  
8 means—

- 9 (i) a natural person;
- 10 (ii) a corporation, business associa-  
11 tion, partnership, society, trust, financial  
12 institution, insurer, underwriter, guar-  
13 antor, and any other business organization,  
14 any other nongovernmental entity, organi-  
15 zation, or group, and any governmental en-  
16 tity operating as a business enterprise; and
- 17 (iii) any successor to any entity de-  
18 scribed in clause (ii).

19 (B) APPLICATION TO GOVERNMENTAL EN-  
20 TITIES.—The term “person” does not include a  
21 government or governmental entity that is not  
22 operating as a business enterprise.

23 (4) UNITED STATES PERSON.—The term  
24 “United States person” means—

1 (A) a natural person who is a national of  
2 the United States (as defined in section  
3 101(a)(22) of the Immigration and Nationality  
4 Act (8 U.S.C. 1101(a)(22)); and

5 (B) a corporation or other legal entity  
6 which is organized under the laws of the United  
7 States, any State or territory thereof, or the  
8 District of Columbia, if natural persons de-  
9 scribed in subparagraph (A) own, directly or in-  
10 directly, more than 50 percent of the out-  
11 standing capital stock or other beneficial inter-  
12 est in such legal entity.

13 **SEC. 609. ELIMINATION OF CONSUMPTIVE DEMAND EXCEP-**  
14 **TION TO PROHIBITION ON IMPORTATION OF**  
15 **GOODS MADE WITH CONVICT LABOR,**  
16 **FORCED LABOR, OR INDENTURED LABOR; RE-**  
17 **PORT.**

18 (a) ELIMINATION OF CONSUMPTIVE DEMAND EX-  
19 CEPTION.—

20 (1) IN GENERAL.—Section 307 of the Tariff  
21 Act of 1930 (19 U.S.C. 1307) is amended by strik-  
22 ing “The provisions of this section” and all that fol-  
23 lows through “of the United States.”.

24 (2) EFFECTIVE DATE.—The amendment made  
25 by paragraph (1) shall take effect on the date that



1 is 15 days after the date of the enactment of this  
2 Act.

3 (b) REPORT REQUIRED.—Not later than 180 days  
4 after the date of the enactment of this Act, and annually  
5 thereafter, the Commissioner shall submit to the Com-  
6 mittee on Finance of the Senate and the Committee on  
7 Ways and Means of the House of Representatives a report  
8 on compliance with section 307 of the Tariff Act of 1930  
9 (19 U.S.C. 1307) that includes the following:

10 (1) The number of instances in which merchan-  
11 dise was denied entry pursuant to that section dur-  
12 ing the 1-year period preceding the submission of  
13 the report.

14 (2) A description of the merchandise denied  
15 entry pursuant to that section.

16 (3) Such other information as the Commis-  
17 sioner considers appropriate with respect to moni-  
18 toring and enforcing compliance with that section.

19 **SEC. 610. CUSTOMS USER FEES.**

20 (a) IN GENERAL.—Section 13031(j)(3) of the Con-  
21 solidated Omnibus Budget Reconciliation Act of 1985 (19  
22 U.S.C. 58c(j)(3)) is amended by adding at the end the  
23 following:

1 “(C) Fees may be charged under paragraphs (9) and  
2 (10) of subsection (a) during the period beginning on July  
3 8, 2025, and ending on July 28, 2025.”.

4 (b) RATE FOR MERCHANDISE PROCESSING FEES.—  
5 Section 503 of the United States–Korea Free Trade  
6 Agreement Implementation Act (Public Law 112–41; 125  
7 Stat. 460) is amended—

8 (1) by striking “For the period” and inserting  
9 “(a) IN GENERAL.—For the period”; and

10 (2) by adding at the end the following:

11 “(b) ADDITIONAL PERIOD.—For the period begin-  
12 ning on July 1, 2025, and ending on July 14, 2025, sec-  
13 tion 13031(a)(9) of the Consolidated Omnibus Budget  
14 Reconciliation Act of 1985 (19 U.S.C. 58c(a)(9)) shall be  
15 applied and administered—

16 “(1) in subparagraph (A), by substituting  
17 ‘0.3464’ for ‘0.21’; and

18 “(2) in subparagraph (B)(i), by substituting  
19 ‘0.3464’ for ‘0.21’.”.

20 **SEC. 611. REPORT ON CERTAIN U.S. CUSTOMS AND BORDER**  
21 **PROTECTION AGREEMENTS.**

22 (a) IN GENERAL.—Not later than one year after en-  
23 tering into an agreement under a program specified in  
24 subsection (b), and annually thereafter until the termi-  
25 nation of the program, the Commissioner shall submit to

1 the Committee on Finance of the Senate and the Com-  
2 mittee on Ways and Means of the House of Representa-  
3 tives a report that includes the following:

4 (1) A description of the development of the pro-  
5 gram.

6 (2) A description of the type of entity with  
7 which U.S. Customs and Border Protection entered  
8 into the agreement and the amount that entity reim-  
9 bursed U.S. Customs and Border Protection under  
10 the agreement.

11 (3) An identification of the type of port of entry  
12 to which the agreement relates and an assessment of  
13 how the agreement provides economic benefits at the  
14 port of entry.

15 (4) A description of the services provided by  
16 U.S. Customs and Border Protection under the  
17 agreement during the year preceding the submission  
18 of the report.

19 (5) The amount of fees collected under the  
20 agreement during that year.

21 (6) A detailed accounting of how the fees col-  
22 lected under the agreement have been spent during  
23 that year.

1           (7) A summary of any complaints or criticism  
2       received by U.S. Customs and Border Protection  
3       during that year regarding the agreement.

4           (8) An assessment of the compliance of the en-  
5       tity described in paragraph (2) with the terms of the  
6       agreement.

7           (9) Recommendations with respect to how ac-  
8       tivities conducted pursuant to the agreement could  
9       function more effectively or better produce economic  
10      benefits.

11          (10) A summary of the benefits to and chal-  
12      lenges faced by U.S. Customs and Border Protection  
13      and the entity described in paragraph (2) under the  
14      agreement.

15      (b) PROGRAM SPECIFIED.—A program specified in  
16      this subsection is—

17          (1) the program for entering into reimbursable  
18      fee agreements for the provision of U.S. Customs  
19      and Border Protection services established by section  
20      560 of the Department of Homeland Security Ap-  
21      propriations Act, 2013 (division D of Public Law  
22      113–6; 127 Stat. 378); or

23          (2) the pilot program authorizing U.S. Customs  
24      and Border Protection to enter into partnerships  
25      with private sector and government entities at ports

1 of entry established by section 559 of the Depart-  
2 ment of Homeland Security Appropriations Act,  
3 2014 (division F of Public Law 113–76; 6 U.S.C.  
4 211 note).