

AMENDMENT NO. \_\_\_\_\_ Calendar No. \_\_\_\_\_

Purpose: In the nature of a substitute.

**IN THE SENATE OF THE UNITED STATES—117th Cong., 1st Sess.**

**S. 2322**

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

Referred to the Committee on \_\_\_\_\_ and  
ordered to be printed

Ordered to lie on the table and to be printed

AMENDMENT IN THE NATURE OF A SUBSTITUTE intended  
to be proposed by \_\_\_\_\_

Viz:

1 Strike all after the enacting clause and insert the fol-  
2 lowing:

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Customs Trade Part-  
5 nership Against Terrorism Pilot Program Act of 2021”  
6 or the “CTPAT Pilot Program Act of 2021”.

7 **SEC. 2. DEFINITIONS.**

8 In this Act:

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

1 (A) the Committee on Homeland Security  
2 and Governmental Affairs and the Committee  
3 on Finance of the Senate; and

4 (B) the Committee on Homeland Security  
5 and the Committee on Ways and Means of the  
6 House of Representatives.

7 (2) CTPAT.—The term “CTPAT” means the  
8 Customs Trade Partnership Against Terrorism es-  
9 tablished under subtitle B of title II of the Security  
10 and Accountability for Every Port Act (6 U.S.C.  
11 961 et seq.).

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

14 (a) ESTABLISHMENT.—

15 (1) IN GENERAL.—The Secretary of Homeland  
16 Security shall carry out a pilot program to assess  
17 whether allowing entities described in subsection (b)  
18 to participate in CTPAT would enhance port secu-  
19 rity, combat terrorism, prevent supply chain security  
20 breaches, or otherwise meet the goals of CTPAT.

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

1 (b) ENTITIES DESCRIBED.—An entity described in  
2 this subsection is—

3 (1) a non-asset-based third-party logistics pro-  
4 vider that—

5 (A) arranges international transportation  
6 of freight and is licensed by the Department of  
7 Transportation; and

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

11 (2) an asset-based third-party logistics provider  
12 that—

13 (A) facilitates cross border activity and is  
14 licensed or bonded by the Federal Maritime  
15 Commission, the Transportation Security Ad-  
16 ministration, U.S. Customs and Border Protec-  
17 tion, or the Department of Transportation;

18 (B) manages and executes logistics services  
19 using its own warehousing assets and resources  
20 on behalf of its customers; and

21 (C) meets such other requirements as the  
22 Secretary specifies in the Federal Register no-  
23 tice required by subsection (a)(2).

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

1 (1) ensure that—

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

5 (B) not more than 10 entities described in  
6 paragraph (2) of that subsection participate in  
7 the program;

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

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

14 (4) terminate the pilot program not more than  
15 5 years after that date.

16 (d) REPORT REQUIRED.—Not later than 180 days  
17 after the termination of the pilot program under sub-  
18 section (c)(4), the Secretary shall submit to the appro-  
19 priate congressional committees a report on the findings  
20 of, and any recommendations arising from, the pilot pro-  
21 gram concerning the participation in CTPAT of entities  
22 described in subsection (b), including an assessment of  
23 participation by those entities.

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

2 (a) IN GENERAL.—Not later than one year after the  
3 date of the enactment of this Act, the Comptroller General  
4 of the United States shall submit to the appropriate con-  
5 gressional committees a report assessing the effectiveness  
6 of CTPAT.

7 (b) ELEMENTS.—The report required by subsection  
8 (a) shall include the following:

9 (1) An analysis of—

10 (A) security incidents in the cargo supply  
11 chain during the 5-year period preceding sub-  
12 mission of the report that involved criminal ac-  
13 tivity, including drug trafficking, human smug-  
14 gling, commercial fraud, or terrorist activity;  
15 and

16 (B) whether those incidents involved par-  
17 ticipants in CTPAT or entities not participating  
18 in CTPAT.

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

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

1           (4) Recommendations to the Commissioner of  
2           U.S. Customs and Border Protection for improve-  
3           ments to CTPAT to improve prevention of security  
4           incidents in the cargo supply chain involving partici-  
5           pants in CTPAT.