with respect to which the entity will conduct validations.

(e) Information for establishing limits of liability insurance

A third party entity seeking a certificate under subsection (d) shall submit to the Secretary necessary information for establishing the limits of liability insurance required to be maintained by the entity under this Act.

(f) Additional requirements

The Secretary shall ensure that—

(1) any third party entity certified under this section does not have—

(A) any beneficial interest in or any direct or indirect control over the C–TPAT participant for which the validation services are performed; or

(B) any other conflict of interest with respect to the C–TPAT participant; and

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

(g) Monitoring

(1) In general

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

(2) Revocation

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

(A) revoke the entity's certificate of conformance issued under subsection (d)(1); and

(B) review any validations conducted by the entity.

(h) Limitation on authority

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

(i) Report

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

(1) the results of the pilot program, including the extent to which the pilot program ensured sufficient protection for proprietary commercial information;

(2) the cost and efficiency associated with validations under the pilot program;

(3) the impact of the pilot program on the rate of validations conducted under C–TPAT;

(4) any impact on national security of the pilot program; and

(5) any recommendations by the Secretary based upon the results of the pilot program.

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

REFERENCES IN TEXT

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

§ 969. Revalidation

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

(1) a revalidation process for Tier 2 and Tier 3 participants;

(2) a framework based upon objective criteria for identifying participants for periodic revalidation not less frequently than once during each 4-year period following the initial validation; and

(3) an annual plan for revalidation that includes—

(A) performance measures;

(B) an assessment of the personnel needed to perform the revalidations; and

(C) the number of participants that will be revalidated during the following year.

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

§ 970. Noncontainerized cargo

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

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

§ 971. C–TPAT program management

(a) In general

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

(1) Strategic plan

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

(2) Annual plan

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

(3) Standardized work program

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

(b) Documentation of reviews

The Secretary, acting through the Commissioner, shall maintain a record management sys-

tem to document determinations on the reviews of each C–TPAT participant, including certifications, validations, and revalidations.

(c) Confidential information safeguards

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

(d) Resource management staffing plan

The Secretary, acting through the Commissioner, shall—

(1) develop a staffing plan to recruit and train staff (including a formalized training program) to meet the objectives identified in the strategic plan of the C–TPAT program; and

(2) provide cross-training in postincident trade resumption for personnel who administer the C–TPAT program.

(e) Report to Congress

In connection with the President's annual budget submission for the Department, the Secretary shall report to the appropriate congressional committees on the progress made by the Commissioner to certify, validate, and revalidate C–TPAT participants. Such report shall be due on the same date that the President's budget is submitted to the Congress.

(Pub. L. 109–347, title II, § 221, Oct. 13, 2006, 120 Stat. 1914.)

§ 972. Additional personnel

For fiscal years 2008 and 2009, the Commissioner shall increase by not less than 50 the number of full-time personnel engaged in the validation and revalidation of C–TPAT participants (over the number of such personnel on the last day of the previous fiscal year), and shall provide appropriate training and support to such additional personnel.

(Pub. L. 109–347, title II, § 222, Oct. 13, 2006, 120 Stat. 1914.)

§ 973. Authorization of appropriations

(a) C–TPAT

There are authorized to be appropriated to the United States Customs and Border Protection to carry out the provisions of sections 961 through 971 of this title to remain available until expended—

(1) $65,000,000 for fiscal year 2008;

(2) $72,000,000 for fiscal year 2009; and

(3) $75,600,000 for fiscal year 2010.

(b) Additional personnel

In addition to any amounts otherwise appropriated to the United States Customs and Border Protection, there are authorized to be appropriated for the purpose of meeting the staffing requirement provided for in section 972 of this title, to remain available until expended—

(1) $8,500,000 for fiscal year 2008;

(2) $17,600,000 for fiscal year 2009;

(3) $19,000,000 for fiscal year 2010;

(4) $20,000,000 for fiscal year 2011; and

(5) $21,000,000 for fiscal year 2012.

(Pub. L. 109–347, title II, § 223, Oct. 13, 2006, 120 Stat. 1915.)

PART C—MISCELLANEOUS PROVISIONS

§ 981. Pilot integrated scanning system

(a) Designations

Not later than 90 days after October 13, 2006, the Secretary shall designate 3 foreign seaports through which containers pass or are transshipped to the United States for the establishment of pilot integrated scanning systems that couple nonintrusive imaging equipment and radiation detection equipment. In making the designations under this subsection, the Secretary shall consider 3 distinct ports with unique features and differing levels of trade volume.

(b) Coordination

The Secretary shall—

(1) coordinate with the Secretary of Energy, as necessary, to provide radiation detection equipment through the Department of Energy's Second Line of Defense and Megaports programs; or

(2) work with the private sector or, when possible, host governments to obtain radiation detection equipment that meets both the Department's and the Department of Energy's technical specifications for such equipment.

(c) Pilot system implementation

Not later than 1 year after October 13, 2006, the Secretary shall achieve a full-scale implementation of the pilot integrated scanning system at the ports designated under subsection (a), which—

(1) shall scan all containers destined for the United States that are loaded in such ports;

(2) shall electronically transmit the images and information to appropriate United States Government personnel in the country in which the port is located or in the United States for evaluation and analysis;

(3) shall resolve every radiation alarm according to established Department procedures;

(4) shall utilize the information collected to enhance the Automated Targeting System or other relevant programs;

(5) shall store the information for later retrieval and analysis; and

(6) may provide an automated notification of questionable or high-risk cargo as a trigger for further inspection by appropriately trained personnel.

(d) Report

Not later than 180 days after achieving full-scale implementation under subsection (c), the Secretary, in consultation with the Secretary of State and, as appropriate, the Secretary of Energy, shall submit a report to the appropriate congressional committees, that includes—

(1) an evaluation of the lessons derived from the pilot system implemented under this subsection;

(2) an analysis of the efficacy of the Automated Targeting System or other relevant