



Highlights of [GAO-03-828](#), a report to congressional requesters

U.S. CUSTOMS SERVICE

Prospective Rulings More Timely, but Database Reliability Questions Remain

Why GAO Did This Study

GAO previously reported that the U.S. Customs Service Office of Regulations and Rulings (OR&R) headquarters was not timely in issuing most of its prospective rulings, which establish the duties importers pay on imported goods. The Trade Act of 2002 required GAO to determine whether OR&R has improved the timeliness of its prospective rulings. In addition, GAO determined what actions OR&R took to improve the timeliness of rulings and whether OR&R resolved challenges it faced with the reliability of automated rulings data.

What GAO Recommends

GAO recommends that OR&R continue to assess the reliability of automated rulings data to determine whether recent improvements sufficiently resolve data reliability challenges. Customs OR&R generally agreed with our conclusions and recommendation and indicated it was taking steps to implement it.

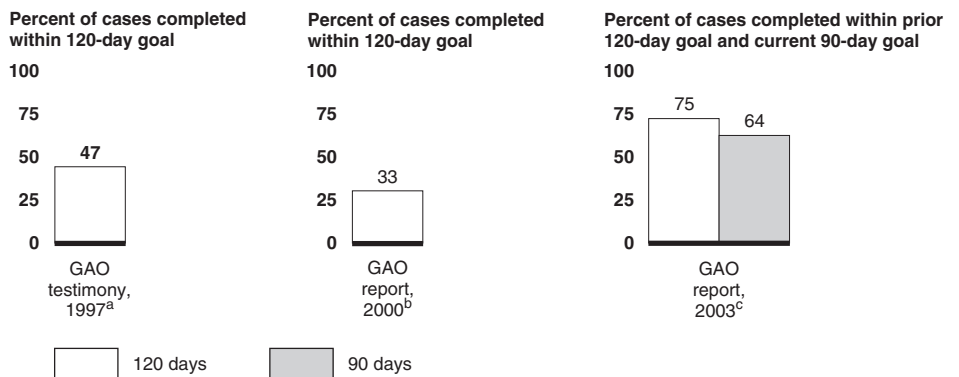
What GAO Found

OR&R headquarters improved its response time for issuing prospective rulings since GAO issued a September 2000 report concluding that most rulings were untimely. GAO's review of a sample of prospective ruling request cases opened and closed from February through October 2002 showed that OR&R headquarters completed about 75 percent of these cases within its prior goal of 120 days, with about 64 percent of the cases completed within the 90-day goal mandated by the Customs Commissioner in January 2002. For cases in the latter part of our sample that were opened and closed from July through October 2002, after significant progress had been made in reducing a backlog of ruling requests, OR&R completed an estimated 94 percent of the cases within 90 days. OR&R also reported that it was successful in its efforts to eliminate the February 1, 2002 backlog of 757 ruling requests that had been open more than 90 days.

Since the Commissioner's January 2002 mandate to issue rulings within 90 days, OR&R has given ruling requests the highest priority, with increased attention to balancing workloads and increased management oversight. OR&R has also taken other actions to help issue rulings within 90 days and prevent delays.

OR&R continued to face data reliability challenges with its automated rulings database. OR&R has taken corrective actions to improve the accuracy and reliability of the database. However, these corrective actions do not provide assurance that OR&R has resolved the data reliability challenges because some of the actions lack specific procedures for their effective implementation.

Findings of Three GAO Reviews of the Timeliness of Prospective Ruling Request Cases



Source: GAO reviews of OR&R headquarters data.

^aOR&R headquarters classification cases closed in 1996.

^bOR&R headquarters classification, valuation, marking, and drawback cases opened and closed between January 1, 1997 and October 26, 1999.

^cOR&R headquarters classification, valuation, and marking cases opened and closed from February 1, 2002 through October 31, 2002.

www.gao.gov/cgi-bin/getrpt?GAO-03-828.

To view the full product, including the scope and methodology, click on the link above. For more information, contact Seto J. Bagdoyan at (202) 512-8658 or bagdoyans@gao.gov.