



INFORMATION TECHNOLOGY

Early Releases of Customs Trade System Operating, but Pattern of Cost and Schedule Problems Needs to Be Addressed

Highlights of GAO-04-719, a report to the Subcommittees on Homeland Security, Senate and House Committees on Appropriations

Why GAO Did This Study

The Department of Homeland Security's (DHS) Bureau of Customs and Border Protection (CBP) is conducting a multiyear, multibillion-dollar acquisition of a new trade processing system planned to support the movement of legitimate imports and exports and strengthen border security. By congressional mandate, expenditure plans for this system, called the Automated Commercial Environment (ACE), must meet certain conditions, including GAO review. This study addresses the extent to which the latest plan, for fiscal year 2004, satisfies these conditions, provides information about DHS's efforts to implement GAO's recommendations for improving ACE management, and makes observations about ACE.

What GAO Recommends

To assist DHS in managing ACE and increasing the chances that future releases will deliver promised capabilities on time and within budget, GAO is making recommendations to the Secretary of Homeland Security aimed at addressing recurring cost and schedule problems. DHS concurred with GAO's recommendations and described specific actions that it is taking to respond to each.

www.gao.gov/cgi-bin/getrpt?GAO-04-719

To view the full product, including the scope and methodology, click on the link above. For more information, contact Randolph C. Hite at (202) 512-3439 or hiter@gao.gov.

What GAO Found

The DHS fiscal year 2004 ACE expenditure plan provides for certain activities, including system implementation infrastructure and support, operations and maintenance, and the definition and design of two future releases. This plan, including related program documentation and program officials' statements, largely satisfies the legislative conditions imposed by the Congress. Some of the recommendations that GAO has previously made to strengthen ACE management have been addressed, and DHS has committed to addressing those that remain. However, much remains to be done before these recommendations are fully implemented. Specifically, progress on overcoming human capital challenges has been slow.

GAO made several observations about ACE. Specifically, the first two ACE releases, which have been deployed, are operating largely as intended. However, achieving this initial operating capability has been difficult. DHS has established a pattern of borrowing resources from future releases to address problems of near-term releases, which has adversely affected the cost, schedule, and capability commitments of ongoing releases. In particular, the delay in completing the second ACE release has introduced a pattern of increased reliance on concurrent activities to meet the dictated schedule, continued release schedule delays, and cost overruns for the ongoing releases, as the figure below indicates. This domino effect is continuing into Release 3 and beyond. This pattern is not likely to change unless the degree of concurrence among activities within and between releases is better controlled, which will require that the reasons for release quality problems that led to the concurrent activity be addressed. Until the reasons for this pattern are pinpointed and corrected, in part through implementation of GAO's unaddressed recommendations, DHS will not be positioned to deliver promised capabilities on time and within budget, or produce mission value commensurate with investment cost.

Cost Overruns and Schedule Delays, Releases 1-4

