



Highlights of [GAO-06-580](#), a report to Subcommittees on Homeland Security, Senate and House Committees on Appropriations

## Why GAO Did This Study

The Department of Homeland Security (DHS) 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, plans for expenditure of appropriated funds on this system, the Automated Commercial Environment (ACE), must meet certain conditions, including GAO review. This study addresses whether the fiscal year 2006 plan satisfies these conditions; it also describes the status of DHS's efforts to implement prior GAO recommendations for improving ACE management, and provides observations about the plan and DHS's management of the program.

## What GAO Recommends

To help ensure the success of ACE, GAO recommends, among other things, that DHS develop realistic ACE performance measures and targets; align these with ACE program goals, benefits, and desired business outcomes; and minimize concurrent development of ACE releases. DHS agreed with GAO's recommendations and described actions that it has under way and planned to address them.

[www.gao.gov/cgi-bin/getrpt?GAO-06-580](http://www.gao.gov/cgi-bin/getrpt?GAO-06-580).

To view the full product, including the scope and methodology, click on the link above. For more information, contact Randolph C. Hite at (202) 512-3429 or [hiter@gao.gov](mailto:hiter@gao.gov).

## INFORMATION TECHNOLOGY

# Customs Has Made Progress on Automated Commercial Environment System, but It Faces Long-Standing Management Challenges and New Risks

## What GAO Found

The fiscal year 2006 ACE expenditure plan, including related program documentation and program officials' statements, either satisfied or partially satisfied the legislative conditions imposed by the Congress; however, more can be done to better address several aspects of these conditions. In addition, DHS has addressed some recommendations that GAO has previously made, but progress has been slow in addressing several recommendations aimed at strengthening ACE management. For example, DHS has more to do to implement the recommendation that it establish an ACE accountability framework that, among other things, ensures that expenditure plans report progress against commitments made in prior plans. Implementing a performance and accountability framework is important for ensuring that promised capabilities and benefits are delivered on time and within budget. In addition, describing progress against past commitments is essential to permit meaningful congressional oversight.

Among GAO's observations about the ACE program and its management are several related to the need to effectively set and use performance goals and measures. Although the program set performance goals, these targets were not always realistic. For example, in fiscal year 2005, the program set a target that 11 percent of all Customs and Border Protection (CBP) employees would use ACE. However, this target does not reflect the fact that many CBP employees will never need to use the system. Additionally, the program has established 6 program goals, 11 business results, 23 benefits, and 17 performance measures, but the relationships among these are not fully defined or adequately aligned with each other. For example, not every goal has defined benefits, and not every benefit has an associated performance measure. Without realistic ACE performance measures and targets that are aligned with the overall program goals and desired results, DHS will be challenged in its efforts to establish an accountability framework for ACE that will help to ensure that the program delivers its expected benefits.

In addition, DHS plans to develop several increments, referred to as "releases," concurrently; in the past, such concurrency has led to cost overruns and schedule delays because releases contended for the same resources, and resources that were to be used on later releases were diverted to earlier ones. However, because of DHS's belief that such concurrent development will allow it to deliver ACE functionality sooner, it is reintroducing the same problems that resulted in past shortfalls.