SUPPLY CHAIN SECURITY

CBP Needs to Enforce Compliance and Assess the Effectiveness of the Importer Security Filing and Additional Carrier Requirements

Why GAO Did This Study
Cargo shipments can present security concerns as terrorists could use cargo containers to transport a weapon of mass destruction or other contraband into the United States. In January 2009, CBP, within the Department of Homeland Security (DHS), implemented the ISF rule. The rule requires importers and vessel carriers to submit information, such as country of origin, to CBP before cargo is loaded onto U.S.-bound vessels. The information is intended to improve CBP’s ability to identify high-risk shipments.

GAO was asked to review the ISF program. This report addresses: (1) importers’ and carriers’ submission rates for ISF rule requirements, (2) CBP’s actions to enforce the ISF rule and assess whether enforcement actions have increased compliance, and (3) the extent to which the ISF rule has improved CBP’s ability to identify high-risk shipments. GAO, among other things, analyzed CBP’s compliance and enforcement data for 2012 through 2015—the most recent data available at the time of GAO’s review—and interviewed CBP officials and trade industry members.

What GAO Found
Through the Importer Security Filing (ISF) and Additional Carrier Requirements (the ISF rule), U.S. Customs and Border Protection (CBP) requires importers to submit ISFs and vessel carriers to submit vessel stow plans and container status messages (CSM). Submission rates for ISF-10s—required for cargo destined for the United States—increased from about 95 percent in 2012 to 99 percent in 2015. Submission rates for ISF-5s—required for cargo transiting but not destined for the United States—ranged from about 68 to 80 percent. To increase ISF-5 submission rates, CBP published a Notice of Proposed Rulemaking in July 2016 to clarify the party responsible for submitting the ISF-5. GAO could not determine submission rates for vessel stow plans, which depict the position of each cargo container on a vessel, because CBP calculates stow plan submission rates on a daily basis, but not comprehensively over time. CBP officials noted, though, that compliance overall is likely nearly 100 percent because Advance Targeting Units (ATU), responsible for identifying high-risk shipments, contact carriers if they have not received stow plans. GAO also could not determine submission rates for CSMs, which report container movements and status changes, because CBP does not have access to carriers’ private data systems to know the number of CSMs it should receive. CBP targeters noted that they may become aware that CSMs have not been sent based on other information sources they review.

CBP has taken actions to enforce ISF and stow plan submissions, but has not enforced CSM submissions or assessed the effects of its enforcement actions on compliance at the port level. ATUs enforce ISF and vessel stow plan compliance by using ISF holds, which prevent cargo from leaving ports, and issuing liquidated damages claims. CBP has not enforced CSM submissions because of the high volume it receives and lack of visibility into carriers’ private data systems. However, when CBP targeters become aware that CSMs have not been received based on other information sources they review, taking enforcement actions could provide an incentive for carriers to submit all CSMs and help targeters better identify high-risk cargo. GAO’s enforcement data analysis shows that ATUs used varying methods to enforce the ISF rule and that ports’ ISF-10 submission rates varied. By assessing the effects of its enforcement strategies at the port level, CBP could better ensure it maximizes compliance with the rule.

CBP officials stated that ISF rule data have improved their ability to identify high-risk cargo shipments, but CBP could collect additional performance information to better evaluate program effectiveness. Evaluating the direct impact of ISF rule data in assessing shipment risk is difficult; however, GAO identified examples of how CBP could better assess the ISF program’s effectiveness. For example, CBP could track the number of containers not listed on a manifest—which could pose a security risk—it identifies through reviewing vessel stow plans. Collecting this type of additional performance information could help CBP better assess whether the ISF program is improving its ability to identify high-risk shipments.

This is a public version of a sensitive report that GAO issued in May 2017. Information CBP deemed Law Enforcement Sensitive has been deleted.