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AVIATION SECURITY

Transportation Security Administration May Face Resource and Other Challenges in Developing a System to Screen All Cargo Transported on Passenger Aircraft

Statement of Cathleen A. Berrick, Director
Homeland Security and Justice Issues

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AVIATION SECURITY

Transportation Security Administration May Face Resource and Other Challenges in Developing a System to Screen All Cargo Transported on Passenger Aircraft

Why GAO Did This Study

The Implementing Recommendations of the 9/11 Commission Act of 2007 requires the Transportation Security Administration (TSA) to implement a system to physically screen 100 percent of cargo on passenger aircraft by August 2010. To fulfill these requirements, the Department of Homeland Security's (DHS) TSA is developing the Certified Cargo Screening Program (CCSP), which would allow the screening of cargo to occur prior to placement on an aircraft. This testimony addresses four challenges TSA may face in developing a system to screen 100 percent of cargo: (1) deploying effective technologies; (2) changing TSA air cargo screening exemptions; (3) allocating compliance inspection resources to oversee CCSP participants; and (4) securing cargo transported from a foreign nation to the United States. GAO's comments are based on GAO products issued from October 2005 through February 2008, including selected updates conducted in July 2008.

What GAO Recommends

GAO has made recommendations to DHS and TSA in prior reports to increase the security and screening of air cargo, including completing vulnerability assessments and developing a plan for analyzing compliance inspections. TSA generally agreed with these recommendations and plans to address them.

What GAO Found

DHS has taken steps to develop and test technologies for screening and securing air cargo; however, TSA has not completed assessments of the technologies it plans to use as part of the CCSP. TSA has reported that there are several challenges that must be overcome to effectively implement any of these technologies, including the nature, type, and size of cargo to be screened and the location of air cargo facilities. In addition, the air cargo industry voiced concern about the costs associated with purchasing the screening equipment. GAO will likely review this issue in future work.

TSA plans to revise and eliminate screening exemptions for some categories of air cargo, thereby reducing the percentage of cargo transported on passenger aircraft that is subject to alternative methods of screening. However, TSA plans to continue to exempt some types of domestic and outbound cargo (cargo transported by air from the United States to a foreign location) after August 2010. TSA based its determination regarding the changing of exemptions on professional judgment and the results of air cargo vulnerability assessments. However, TSA has not completed all of its air cargo vulnerability assessments, which would further inform its efforts.

TSA officials stated there may not be enough compliance inspectors to oversee implementation of the CCSP and is anticipating requesting an additional 150 inspectors for fiscal year 2010. They further stated that they have not formally assessed the number of inspectors the agency will need. Without such an assessment, TSA may not be able to ensure that CCSP entities are meeting TSA requirements to screen and secure cargo. To ensure that existing air cargo security requirements are being implemented as required, TSA conducts audits, referred to as compliance inspections, of air carriers that transport cargo. The compliance inspections range from a comprehensive review of the implementation of all security requirements to a review of at least one security requirement by an air carrier or freight forwarder (which consolidates cargo from many shippers and takes it to air carriers for transport). GAO reported in October 2005 that TSA had conducted compliance inspections on fewer than half of the estimated 10,000 freight forwarders nationwide and, of those, had found violations in over 40 percent of them. GAO also reported that TSA had not analyzed the results of compliance inspections to systematically target future inspections.

GAO reported in April 2007 that more work remains for TSA to strengthen the security of cargo transported from a foreign nation to the United States, referred to as inbound air cargo. Although TSA is developing a system to screen 100 percent of domestic and outbound cargo, TSA officials stated that it does not plan to include inbound cargo because it does not impose its security requirements on foreign countries. TSA officials said that vulnerabilities to inbound air cargo exist and that these vulnerabilities are in some cases similar to those of domestic air cargo, but stated that each foreign country has its own security procedures for flights coming into the United

Ms. Chairwoman and Members of the Subcommittee:

We appreciate the opportunity to participate in today's hearing to discuss the security of the air cargo transportation system. In response to the terrorist attacks of September 11, 2001, the Aviation and Transportation Security Act was enacted in November 2001, which created the Transportation Security Administration (TSA) and required it to provide for the screening of all passengers and property, including cargo, U.S. mail, and carry-on and checked baggage that is transported onboard passenger aircraft. Recognizing the need to strengthen the security of air cargo, Congress enacted, and the President signed into law, the Implementing Recommendations of the 9/11 Commission Act of 2007, which requires TSA to implement a system to physically screen 50 percent of cargo on passenger aircraft by February 2009, and 100 percent of such cargo by August 2010.[1] To fulfill the requirements of the Act, TSA is developing a program, referred to as the Certified Cargo Screening Program (CCSP), which would allow the screening of air cargo to take place at various points throughout the air cargo supply chain. Under the CCSP, Certified Cargo Screening Facilities (CCSF), such as shippers, manufacturing facilities, and freight forwarders that meet security requirements established by TSA, will volunteer to screen cargo prior to its loading onto an aircraft.[2] Participation of the air cargo industry is critical to the successful implementation of the CCSP. According to TSA officials, air carriers will ultimately be responsible for screening 100 percent of cargo transported on passenger aircraft should air cargo industry entities not volunteer to become a CCSF.

My testimony today focuses on the challenges TSA may face as it works to develop a system to screen 100 percent of cargo transported on passenger aircraft by August 2010. Our comments are based on GAO reports and testimonies issued between October 2005 and February 2008 addressing the security of the air cargo transportation system, including selected updates to this work conducted in July 2008. In addition, this statement includes selected information collected during our review of TSA's report on its air cargo screening exemptions as mandated by the Implementing

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[1] See Pub. L. No. 110-53, § 1602, 121 Stat. 266, 477-80 (2007) (codified at 49 U.S.C. § 44901(g) (mandating the screening of all cargo transported on passenger aircraft and defining "screening" for purposes of satisfying the mandate)).

[2] A freight forwarder consolidates cargo from many shippers and takes it to air carriers for transport.

Recommendations of the 9/11 Commission Act of 2007.[3] This review was completed in July 2008 and has yet to be publicly issued. We will initiate a review of TSA's efforts to meet the requirement to screen 100 percent of cargo transported on passenger aircraft in the near future, at the request of the Chairman of the House Committee on Homeland Security and Congressman Edward Markey.

We conducted our work in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Summary

TSA has taken actions to strengthen the security of air cargo, but may face four major challenges as it proceeds with its plans to implement a system to screen 100 percent of cargo transported on passenger aircraft by August 2010.[4] These challenges are: (1) deploying effective technologies to screen and secure air cargo; (2) determining whether to revise, maintain or eliminate existing TSA air cargo screening exemptions; (3) allocating compliance inspection resources to oversee CCSP participants; and (4) securing inbound cargo.[5] First, TSA has identified some technologies that the agency plans to allow certified facilities to use for screening and securing cargo, but has not yet completed assessments of these technologies. As a result, TSA cannot be assured that the technologies it plans to approve for use as part of the CCSP can effectively screen cargo. In addition, the air cargo industry has expressed concern regarding the

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[3] See Pub. L. No. 110-53, § 1602(b), 121 Stat. 266, 479-80 (2007).

[4] "Screening" as defined by the Implementing Recommendations of the 9/11 Commission Act of 2007 means a physical examination or nonintrusive methods of assessing whether cargo poses a threat to transportation security. See 49 U.S.C. § 44901(g)(5). Such methods of screening include X-ray systems, explosives detection systems (EDS), explosives trace detection, explosives detection canine teams certified by TSA, or a physical search together with manifest verification. While additional methods may be approved to ensure that cargo does not pose a threat to transportation security, these additional methods cannot include solely performing a review of information about the contents of cargo or verifying the identity of a shipper of the cargo if not performed in conjunction with other authorized security methods, including whether a shipper is registered in the known shipper database.

[5] Inbound air cargo is cargo that is transported into the United States from abroad by either U.S. or foreign-operated air carriers.

costs associated with purchasing the screening equipment under the CCSP. Second, although TSA has taken steps to eliminate the majority of exempted domestic and outbound cargo that it has not required to be screened, the agency currently plans to continue to exempt some types of domestic and outbound cargo from screening after August 2010.[6] TSA determined whether to change its exemptions based on professional judgment and, to some extent, the results of air cargo vulnerability assessments. However, TSA has yet to complete its air cargo vulnerability assessments, which could help to identify other potential security vulnerabilities associated with the exemptions. In addition, while TSA has plans to complete its vulnerability assessments, the agency has not established a time frame for doing so. Third, the agency has also begun analyzing the results of air cargo compliance inspections and has hired additional compliance inspectors dedicated to air cargo. TSA officials reported, however, that the agency will need additional air cargo inspectors to oversee the efforts of the potentially thousands of entities that may participate in the CCSP once it is fully implemented. Finally, more work remains in order for TSA to strengthen the security of inbound cargo. Specifically, the agency has not yet finalized its strategy for securing inbound cargo or determined how, if at all, inbound cargo will be screened as part of its proposed CCSP.

Background

Air cargo ranges in size from 1 pound to several tons, and in type from perishables to machinery, and can include items such as electronic equipment, automobile parts, clothing, medical supplies, other dry goods, fresh cut flowers, fresh seafood, fresh produce, tropical fish, and human remains. Cargo can be shipped in various forms, including large containers known as unit loading devices that allow many packages to be consolidated into one container that can be loaded onto an aircraft, wooden crates, assembled pallets, or individually wrapped/boxed pieces, known as break bulk cargo. Participants in the air cargo shipping process include shippers, such as individuals and manufacturers; indirect air carriers, also referred to as freight forwarders; air cargo handling agents who process and load cargo onto aircraft on behalf of air carriers; and air carriers that store, load, and transport cargo. A shipper may also send freight by directly packaging and delivering it to an air carrier's ticket

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[6] Cargo transported by air within the United States is referred to as domestic air cargo, and cargo transported by air from the United States to a foreign location is referred to as outbound air cargo.

counter or sorting center where either the air carrier or a cargo handling agent will sort and load cargo onto the aircraft.

According to TSA's Air Cargo Strategic Plan, issued in November 2003, the agency's mission for the air cargo program is to secure the air cargo transportation system while not unduly impeding the flow of commerce. TSA's responsibilities for securing air cargo include, among other things, establishing security requirements governing domestic and foreign passenger air carriers that transport cargo, and domestic freight forwarders.[7] TSA is also responsible for overseeing the implementation of air cargo security requirements by air carriers and freight forwarders through compliance inspections, and, in coordination with the Department of Homeland Security's (DHS) Science and Technology (S&T) Directorate, for conducting research and development of air cargo security technologies. Air carriers are responsible for implementing TSA security requirements, predominantly through a TSA-approved security program that describes the security policies, procedures, and systems the air carrier will implement and maintain to comply with TSA security requirements. These requirements include measures related to the acceptance, handling, and screening of cargo; training of employees in security and cargo screening procedures; testing employee proficiency in cargo screening; and access to cargo areas and aircraft. If threat information or events indicate that additional security measures are needed to secure the aviation sector, TSA may issue revised or new security requirements in the form of security directives or emergency amendments applicable to domestic or foreign air carriers. Air carriers must implement the requirements set forth in the security directives or emergency amendments in addition to those requirements already imposed and enforced by TSA.

DHS's U.S. Customs and Border Protection (CBP) has primary responsibility for preventing terrorists and implements of terrorism from entering the United States. Specifically, CBP screens inbound air cargo upon its arrival in the United States to ensure that cargo entering the country complies with applicable laws and does not pose a security risk. CBP's efforts include analyzing information on cargo shipments to identify high-risk cargo arriving in the United States that may contain terrorists or

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[7] TSA also establishes security requirements for domestic and foreign all-cargo carriers that transport cargo to, from, and within the United States.

weapons of mass destruction, commonly known as targeting, and physically screening this cargo upon its arrival.[8]

Air carriers use several methods and technologies to screen cargo. These currently include manual physical searches and the use of approved technology, such as X-ray systems; explosives trace detection systems; decompression chambers; explosive detection systems (EDS); and certified explosives detection canine teams.[9] Under TSA's security requirements for domestic and inbound cargo, passenger air carriers are currently required to randomly screen a specific percentage of nonexempt cargo pieces listed on each airway bill. As of October 2006, domestic freight forwarders are also required, under certain conditions, to screen a certain percentage of cargo prior to its consolidation. TSA does not regulate foreign freight forwarders, or individuals or businesses that have their cargo shipped by air to the United States.

DHS Is in the Early Stages of Testing Technologies to Screen and Secure Air Cargo

DHS has taken some steps to develop and test technologies for screening and securing air cargo, but has not yet completed assessments of the technologies TSA plans to approve for use as part of the CCSP. According to TSA officials, there is no single technology capable of efficiently and effectively screening all types of air cargo for the full range of potential terrorist threats, including explosives and weapons of mass destruction. We reported in October 2005, and again in April 2007, that TSA, working with DHS's S&T Directorate, was developing and pilot testing a number of technologies to screen and secure air cargo with minimal impact on the flow of commerce. DHS officials stated that once the department determines which technologies it will approve for use with domestic air cargo, it will consider the use of these technologies for enhancing the security of inbound cargo shipments. These pilot programs seek to enhance the security of cargo by improving the effectiveness of air cargo

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[8] For the purpose of the statement, the term "targeting" refers to the use of information obtained from the screening process to identify high-risk air cargo shipments for inspection.

[9] Explosives Trace Detection requires human operators to collect samples of items to be screened with swabs, which are chemically analyzed to identify any traces of explosive material. Decompression chambers simulate the pressures acting on an aircraft by simulating flight conditions, which cause explosives that are attached to barometric fuses to detonate. An explosive detection system uses computer-aided tomography X-rays to examine objects inside baggage and identify the characteristic signatures of threat explosives. Certified explosives detection canine teams have been evaluated by TSA and shown to effectively detect explosive devices.

screening through increased detection rates and reduced false alarm rates, while addressing the two primary threats to air cargo identified by TSA—hijackers on an all-cargo aircraft and explosives on passenger aircraft. A description of these pilot programs and their status is included in table 1.

Table 1: TSA and S&T's Pilot Programs to Test Technologies to Screen and Secure Air Cargo with Minimal Impact on the Flow of Commerce

Pilot program	Description	Status
Air cargo explosives detection pilot program	Tests the use of explosive detections systems, explosives trace detectors, standard X-ray machines, canine teams, technologies that can locate a stowaway through detection of a heartbeat or increased carbon dioxide levels in cargo, and manual screening of air cargo.	Consistent with the Conference Report accompanying the Department of Homeland Security Appropriations Act, 2006, DHS's S&T is reporting on the initial results of the pilots every 6 months after initiation of the first pilot.[a] DHS last submitted a report dated June 2007, and the latest update is currently undergoing DHS executive review. In July 2008, TSA officials provided an update that this pilot is complete and that its final report to Congress is due July 2008.
Explosive detection system (EDS)	Tests the use of computer-aided tomography to compare the densities of objects to locate explosives in air cargo and to determine the long-term feasibility of using EDS equipment as a total screening process for break bulk air cargo.	TSA planned to complete this pilot program in May 2008. In July 2008, TSA officials provided an update that the pilot will be completed by the end of 2008.
Air cargo security seals	Explores the viability of potential security countermeasures, such as tamper-evident security seals, for use with certain classifications of exempt cargo.	Contract was awarded in June 2007 and TSA planned to start evaluating various seals in the spring of 2008. However, in July 2008, TSA officials provided an update that the agency is not conducting a pilot program in this area.
Hardened unit loading devices	Tests the use of containers made of blast-resistant materials that could withstand an explosion onboard an aircraft.	TSA is finalizing its pilot program to evaluate hardened unit loading devices. In July 2008, TSA officials provided an update that this pilot will be completed by the end of August 2008.
Pulsed fast neuron analysis (PFNA)	Identifies the chemical signatures of contraband, explosives and other threat objects.	In the research and development phase. However, in July 2008, TSA officials provided an update that the agency does not plan to conduct a pilot program in this area.

Source: GAO analysis of information provided by TSA.

[a]H.R. Conf. Rep. No. 109-241, at 53 (2005) (accompanying Pub. L. No. 109-90, 119 Stat. 2064 (2005)).

Although TSA is moving forward with its plans to implement a system to screen 100 percent of cargo transported on passenger aircraft, the agency has not completed all of its assessments of air cargo screening technologies. According to TSA officials, the results of its technology tests

will need to be analyzed before the agency determines which technologies will be certified for screening cargo, and whether it will require air carriers and other CCSP participants to use such technology. Although TSA has not completed all of its pilot programs or set time frames for completing all of them, TSA is planning on allowing CCSFs to use explosives trace detection, explosive detection system (EDS), X-ray, and other technology under CCSP for screening cargo. Without all of the results of its pilot programs or a time frame for their completion, however, TSA cannot be assured that the technologies the agency plans to approve for screening cargo as part of the CCSP are effective. GAO will likely review this issue as part of our planned review of TSA's efforts to meet the requirement to screen 100 percent of cargo transported on passenger aircraft.

According to TSA officials, tamper-evident/resistant security seals will be essential for ensuring that cargo screened under the CCSP has not been tampered with during transport from the CCSF to the air carrier. Officials noted that the agency recognizes that the weakest link in the transportation of air cargo is the chain of custody to and from the various entities that handle and screen cargo shipments prior to its loading onto an aircraft. Officials stated that the agency has taken steps to analyze the chain of custody of cargo under the CCSP, and is drafting a security program that will address all entities involved in the transportation and screening of cargo under the CCSP to ensure that the chain of custody of the cargo is secure. However, as of July 2008, TSA officials stated that the agency is not conducting a pilot program to test tamper-evident/resistant security seals. Therefore, the effectiveness of security seals to effectively prevent cargo shipments from tampering is unknown. GAO will likely review this issue as part of our planned review of TSA's efforts to meet the requirement to screen 100 percent of cargo transported on passenger aircraft.

In addition, we reported in April 2007 that several air carriers we met with were using large X-ray machines at facilities abroad to screen entire pallets of cargo transported on passenger aircraft. These machines allow for cargo on pallets to undergo X-ray screening without requiring the pallet to be broken down.[10] We also noted that CBP uses this technology to screen inbound air cargo once it enters the United States. TSA officials recently stated that the agency planned to pilot test large X-ray machines,

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[10] GAO, *Aviation Security: Federal Efforts to Secure U.S.-Bound Air Cargo Are in the Early Stages and Could Be Strengthened*, GAO-07-660 (Washington, D.C.: April 2007).

identifying that large X-ray machines could be used to screen certain types of cargo that are currently exempt from TSA's screening requirements, as part of the agency's efforts to screen 100 percent of cargo transported on passenger aircraft. TSA officials stated that the agency plans to evaluate this equipment beginning late 2008 as part of its CCSP pilot program and to complete the evaluation at the conclusion of the CCSP pilot in August 2010.

In addition, as part of the agency's plans to screen 100 percent of cargo transported on passenger aircraft, TSA is taking steps to expand the use of TSA-certified explosives detection canine teams to screen cargo before it is placed onto passenger aircraft. In 2004, TSA conducted a pilot program that determined that canine teams had an acceptable rate of detecting explosives in an air cargo environment, even when the teams were not specifically trained in this area. TSA is in the process of adding 170 canine teams to support aviation security efforts, of which 85 will be primarily used to screen air cargo.[11] These teams are to be primarily located at the 20 airports that receive approximately 65 percent of all air cargo transported within the United States. TSA officials, however, could not identify whether the additional 85 canine teams will meet the agency's increasing screening needs as part of its efforts to screen 100 percent of such cargo, thus raising questions regarding the future success of the CCSP.

According to TSA officials, the federal government and the air cargo industry face several challenges that must be overcome to effectively implement any of these technologies to screen or secure cargo. These challenges include factors such as the nature, type and size of cargo to be screened; environmental and climatic conditions that could impact the functionality of screening equipment; low screening throughput rates; staffing and training issues for individuals who screen cargo; the location of air cargo facilities; employee health and safety concerns, such as worker exposure to radiation; and the cost and availability of screening technologies. As TSA takes steps to implement the CCSP, it will be critical for the agency to address these challenges to ensure the effectiveness of the program.

As TSA proceeds from piloting to implementing the CCSP, the issue of who purchases the technologies to support the program will have to be

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[11] There are currently 370 TSA-certified explosives detection canine teams that are cross-trained to work in multiple aviation environments, including air cargo.

resolved. Specifically, TSA officials stated that under the CCSP, certified facilities and air carriers will be responsible for purchasing equipment to screen cargo. Officials noted that many air carriers already have screening equipment in place at their facilities to support this screening, and stated that TSA will reimburse CCSFs for the cost of the equipment, such as EDS, for up to $375,000 per facility as long as these entities continue to meet security requirements established by TSA. The CCSF, however, will be responsible for maintaining the screening equipment and purchasing new equipment in the future. In addition, CCSFs will be required to train their staff to operate the equipment using TSA's training standards. Air cargo industry stakeholders have already raised concerns regarding the cost of purchasing and maintaining screening equipment to support the CCSP. According to some industry estimates, the cost of purchasing air cargo screening equipment will be much more than the $375,000 TSA plans to reimburse each CCSP participant. In addition, the air cargo industry has expressed concern regarding the costs associated with training those individuals who will be operating the air cargo screening equipment.

TSA Plans to Revise and Eliminate Screening Exemptions for Some Categories of Air Cargo, but Has Not Completed Air Cargo Vulnerability Assessments to Inform Its Efforts

TSA plans to revise and eliminate current exemptions for some categories of cargo, thereby reducing the percentage of cargo transported on passenger aircraft that is subject to alternative methods of screening.[12] These changes will go into effect in early 2009. However, according to agency officials, TSA made these determinations based on a limited number of vulnerability assessments, as well as professional judgment.[13] In February 2008, TSA issued a report assessing existing screening exemptions for certain kinds of cargo transported on passenger aircraft and evaluated the risk of maintaining those exemptions. As part of its assessment, TSA officials stated that they considered and determined the threat to and vulnerability of the exempted cargo types. TSA officials also stated they based their determinations on which screening exemptions to revise, maintain or eliminate in part on results from air cargo vulnerability assessments at Category X airports they completed in accordance with law.[14] TSA has completed assessments at 6 of the 27 Category X airports. Absent the completed assessments, which could help to identify potential security vulnerabilities associated with the exemptions, TSA does not have complete information with which to make risk-based decisions regarding the security of air cargo. TSA officials have acknowledged the importance of completing air cargo vulnerability assessments and stated that they will complete them by the end of 2009. Officials further stated that as the agency conducts additional air cargo vulnerability assessments, they will assess the results to determine whether existing screening exemptions should be revised, maintained or eliminated.

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[12] For certain types of cargo, TSA has authorized the use of TSA-approved alternative methods for screening cargo transported on passenger aircraft. Alternative methods can include verifying shipper information and conducting a visual inspection of the cargo shipment.

[13] TSA officials made these statements during our review of TSA's report on its air cargo screening exemptions. We completed this review in July 2008 and the results have yet to be publicly issued.

[14] See Pub. L. No. 110-28, 121 Stat. 112, 140-41 (2007) (providing that the $80 million appropriated for air cargo shall be used to complete air cargo vulnerability assessments for all Category X airports, among other purposes). TSA classifies the commercial airports in the United States into one of five security risk categories (X, I, II, III, and IV). In general, category X airports have the largest number of passenger boardings, and category IV airports have the smallest. Categories X, I, II, and III airports account for more than 90 percent of the nation's air traffic.

TSA Has Taken Actions to Strengthen Air Cargo Compliance Inspections, but More Resources May Be Needed to Ensure CCSP Participants Are Meeting TSA Screening Requirements

To ensure that existing air cargo security requirements are being implemented as required, TSA inspects air carriers and freight forwarders that transport cargo. Under the CCSP, TSA will also have to inspect other entities, such as shippers, who volunteer to participate in the program. These compliance inspections range from an annual comprehensive review of the implementation of all air cargo security requirements to a more frequent review of at least one security requirement by an air carrier or freight forwarder. In October 2005, we reported that TSA had conducted compliance inspections on less than half (49 percent) of the estimated 10,000 freight forwarder facilities nationwide, and of those freight forwarders they had inspected, the agency found violations in over 40 percent of them. We also reported that TSA had not determined what constitutes an acceptable level of performance related to compliance inspections, or compared air carriers' and freight forwarders' performance against this standard; analyzed the results of inspections to systematically target future inspections on those entities that pose a higher security risk to the domestic air cargo system; or assessed the effectiveness of its enforcement actions taken against air carriers and freight forwarders to ensure that they are complying with air cargo security requirements. We recommended that TSA develop a plan for systematically analyzing and using the results of air cargo compliance inspections to target future inspections and identify systemwide corrective actions. We also recommended that TSA assess the effectiveness of enforcement actions in ensuring air carrier and freight forwarder compliance with air cargo security requirements. TSA officials stated that, since our report was issued, the agency has increased the number of inspectors dedicated to conducting domestic air cargo compliance inspections. Officials also told us that TSA has begun analyzing compliance inspection results to prioritize their inspections on those entities that have the highest rates of noncompliance, as well as newly approved freight forwarders and air carriers that have yet to be inspected. However, in recent discussions with TSA officials regarding their plans to implement the CCSP, they stated that there may not be enough compliance inspectors to conduct compliance inspections of all the entities that could be a part of the CCSP, which TSA officials told us could number in the thousands, once the program is fully implemented by August 2010. As a result, TSA is anticipating requesting an additional 150 cargo Transportation Security Inspectors for fiscal year 2010 to supplement its existing allocation of 450 Transportation Security Inspectors. However, TSA officials stated that they have not formally assessed the number of Transportation Security Inspectors the agency will need. Without such an assessment, TSA may not be able to ensure that entities involved in the CCSP are meeting TSA requirements to screen and secure cargo. GAO will likely review this issue as part of our planned

review of TSA's efforts to meet the requirement to screen 100 percent of cargo transported on passenger aircraft.

TSA Has Not Identified a Strategy for Securing Inbound Air Cargo

We reported in April 2007 that more work remains in order for TSA to strengthen the security of inbound cargo. As previously stated, TSA is currently taking steps to develop a system of screening 100 percent of domestic and outbound cargo transported on passenger aircraft. TSA does not, however, currently plan to include inbound cargo as part of this system. TSA officials acknowledge that vulnerabilities to inbound cargo exist, but stated that each foreign country has its own security procedures for flights coming into the United States, and further stated that TSA does not impose its security requirements on foreign countries. According to TSA, it will continue to work with other countries to encourage the adoption of uniform measures for screening cargo flights bound for the United States as it enhances its requirements for screening cargo originating in the United States. TSA has begun working with foreign governments to develop uniform air cargo security standards and to mutually recognize each other's security standards, referred to as harmonization. We reported, however, that duplicative air cargo security standards exist, which can impede the flow of commerce, expose air cargo shipments to security risk, and damage high-value items. For example, to meet TSA requirements, passenger air carriers transporting cargo into the United States must screen a certain percentage of nonexempt cargo shipments, even though these shipments may have already been screened by a foreign government. Air carrier representatives stated that meeting TSA screening requirements is problematic in certain foreign countries because air carriers are not permitted to rescreen cargo shipments that have already been screened by foreign government employees and deemed secure. These conflicts and duplication of effort could potentially be avoided through harmonization.

According to TSA officials, pursuing harmonization would improve the security of inbound cargo and assist TSA in performing its mission. For example, officials stated that the harmonization of air cargo security standards would provide a level of security to those entities not currently regulated by the agency, such as foreign freight forwarders and shippers. However, achieving harmonization with foreign governments may be challenging because these efforts are voluntary and some foreign countries do not share the United States' view regarding air cargo security threats and risks. Additionally, foreign countries may lack the resources or infrastructure needed to develop an air cargo security program as comprehensive as that of the United States. In April 2007, we

recommended that TSA, in collaboration with foreign governments and the United States air cargo industry, systematically compile and analyze information on air cargo security practices used abroad to identify those that may strengthen TSA's overall air cargo security program. TSA agreed with this recommendation and, since the issuance of our report, has reviewed the air cargo screening models of two foreign countries. According to TSA officials, this review led to the design of their proposed CCSP.

Opportunities exist for TSA to further strengthen its screening efforts for inbound cargo in the following three key areas:

Conducting air cargo vulnerability assessments for inbound cargo. As noted earlier, TSA is currently conducting air cargo vulnerability assessments at Category X airports, but is not including inbound cargo in these assessments. While TSA has plans to conduct vulnerability assessments as part of its risk-based approach to securing inbound cargo, the agency has not established a time frame for doing so. Such assessments could provide information on the potential vulnerabilities posed by the transport of inbound cargo. We reported in April 2007 that TSA officials stated that they would conduct vulnerability assessments of inbound cargo after they had assessed the vulnerability of domestic cargo. Nevertheless, TSA officials acknowledged that vulnerabilities to inbound cargo exist and that these vulnerabilities are in some cases similar to those facing the domestic and outbound air cargo supply chain.

Assessing the vulnerability posed by maintaining screening exemptions for inbound air cargo. TSA has not assessed the potential vulnerabilities posed by inbound air cargo screening exemptions. In April 2007, we reported on the potential vulnerabilities associated with inbound air cargo screening exemptions. Specifically, we reported that screening exemptions could pose a risk to the inbound air cargo supply chain because TSA has limited information on the background of and security risks posed by foreign freight forwarders and shippers whose cargo may fall into one of the exemption categories. We recommended that TSA assess whether existing inbound air cargo screening exemptions pose an unacceptable vulnerability to the air cargo supply chain and if necessary, address these vulnerabilities. TSA agreed with this recommendation and noted that the agency had recently revised and eliminated domestic and outbound air cargo screening exemptions. However, TSA has yet to address our recommendation for assessing inbound air cargo screening exemptions.

Updating TSA's Air Cargo Strategic Plan to address inbound cargo. As part of TSA's risk-based approach, TSA issued an Air Cargo Strategic Plan in November 2003 that focused on securing the domestic air cargo supply chain. However, in April 2007, we reported that this plan did not include goals and objectives for securing inbound cargo, which presents different security challenges than cargo transported domestically. To ensure that a comprehensive strategy for securing inbound cargo exists, we recommended that DHS develop a risk-based strategy to address inbound cargo security that should define TSA's and CBP's responsibilities for ensuring the security of inbound cargo. In response to our recommendation, CBP issued its International Air Cargo Security Strategic Plan in June 2007. While this plan identifies how CBP will partner with TSA, it does not specifically address TSA's responsibilities in securing inbound cargo. According to TSA officials, the agency plans to revise its Air Cargo Strategic Plan in the fall of 2008, and will address TSA's strategy for securing cargo from international last points of departure, as well as its collaborative efforts with CBP to secure this cargo.

Ms. Chairwoman, this concludes my statement. I would be pleased to answer any questions that you or other members of the subcommittee may have at this time.

GAO Contact and Staff Acknowledgments

For further information on this testimony, please contact Cathleen Berrick at (202) 512- 3404 or at berrickc@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this statement.

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