

GAO
Accountability · Integrity · Reliability

Highlights

Highlights of [GAO-08-240](#), a report to congressional requesters

Why GAO Did This Study

U.S. Customs and Border Protection (CBP) is responsible for ensuring the security of cargo containers shipped into the United States. To strike a balance between security and commerce, CBP oversees the Customs-Trade Partnership Against Terrorism, or C-TPAT program. As part of this program, CBP aims to secure the supply chain—the flow of goods from manufacturers to retailers—through partnerships with international trade companies. Member companies agree to allow CBP to validate their security practices and, in exchange, they are awarded benefits, such as reduced scrutiny of their cargo. In 2005, GAO reviewed the C-TPAT program and noted operational challenges. For this report, GAO was asked to assess the progress CBP has made since 2005 in (1) improving its benefit award policies for C-TPAT members, (2) addressing challenges in validating members' security practices, and (3) addressing management and staffing challenges. To perform this work, GAO analyzed a nonprobability sample of completed validations; reviewed annual, human capital, and strategic plans; and held discussions with CBP officials.

What GAO Recommends

GAO is recommending that CBP improve its electronic validation instrument, improve the validation process, enhance its records management system, and establish performance measures for improving supply chain security. CBP concurred with each of the recommendations.

To view the full product, including the scope and methodology, click on [GAO-08-240](#). For more information, contact Stephen Caldwell at (202) 512-8777 or caldwells@gao.gov.

SUPPLY CHAIN SECURITY

U.S. Customs and Border Protection Has Enhanced Its Partnership with Import Trade Sectors, but Challenges Remain in Verifying Security Practices

What GAO Found

CBP has strengthened its policies for granting benefits to importers, C-TPAT's largest member sector, and is working to improve its policies for members in other trade sectors. For example, starting in March 2005, CBP began requiring members in 9 out of the 10 trade sectors to meet minimum security criteria and it plans to finalize criteria for the tenth trade sector by mid-2008. CBP has also introduced a process that awards benefits for C-TPAT importers on a three-tiered basis, depending on validation of their security practices. CBP officials told us that they interpret the benefit tiering provisions of the Security and Accountability for Every Port Act of 2006 to apply mainly to importers. Nevertheless, CBP considered implementing tiered benefits for other trade sectors, but it has not been able to identify additional benefits to offer nonimporters in a tiered structure.

CBP has taken steps to improve the security validation process, but still faces challenges in verifying that C-TPAT members' security practices meet minimum criteria. CBP has sought to strengthen the validation process by providing appropriate guidance and developing a portable, electronic instrument to help ensure that validation information is consistently collected, documented, and uniformly applied to decisions regarding the awarding of benefits to C-TPAT members. However, the usefulness of the instrument is limited due to its default "no" responses. Specifically, if a response is marked "no," it is unclear whether a security specialist, who has the discretion to answer or not answer individual questions, intentionally answered the question or if the response was an automatic default. This factor limits the ability of CBP to validate security practices at member companies.

CBP has taken actions to address C-TPAT management and staffing challenges, such as implementing a human capital plan, a records management system, and performance measures. While these actions have addressed a number of challenges, others remain. In particular, CBP's records management system does not include interim processing dates—such as the date that security specialists send companies the 30-day validation notification letter—to enable management or others to determine CBP's compliance with program requirements. Further, although CBP has developed performance measures for facilitating the flow of commerce, it has not developed performance measures to assess the effectiveness of C-TPAT's efforts to improve supply chain security.

Key Points in the International Supply Chain Using Oceangoing Cargo Containers



Source: GAO.