U.S. Customs Modernization

ITDS Board Scope Paper

Version 2.4

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Task Order Seven

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Executive Summary

The International Trade Data System (ITDS) vision is to use a secure, integrated, government-wide system to meet private and Federal requirements for the electronic collection, use, and dissemination of standard trade and transportation data. This paper, a deliverable under the Customs Service contract TC-2001-025, examines the ITDS Board as a means for managing government-wide to attain this vision and makes recommendations on how to improve the ITDS governance structure.

The ITDS Board provides program oversight to attain the vision, plans for the integration of ITDS functionality into the Customs Automated Commercial Environment (ACE) system, communicates with stakeholders, and coordinates agency data requirements. While the ITDS Board was chartered by Vice Presidential Memorandum in 1995, the organization to which it reported last met in 1999 and ceases to be a functioning body. The ITDS Board also currently faces a growing number of organizational challenges in the areas of scope and authority, funding, system development, government-wide operations, and communications. Revising the ITDS governance structure can clear up any issues of authority and put the ITDS Board on a solid path to attain the vision.

The National Strategy for Homeland Security (and its attendant proposal for the creation of a Department of Homeland Security) and the President's Management Agenda (and its attendant E-Government Strategy) offer direction and resources to assist in the management of government-wide initiatives. By aligning with these strategies, the ITDS Board can leverage the infrastructure associated with the Office of Homeland Security, a Department of Homeland Security (should it be created), the Office of Management and Budget Portfolio Management Office, and federal management councils to secure resources and plan for ITDS, integrate agencies into ACE/ITDS, and ensure uniform international trade and transportation data concepts and standards.

Further, this paper recommends:

1. The ITDS Board should seek a charter from the President's Management Council that includes the Council's ability to delegate to the Secretary of Homeland Security upon creation of a Department of Homeland Security.

2. The ITDS Board should include representation from admissibility and export control agencies as well as additional key agencies in international trade and transportation.

3. The ITDS Board Charter should direct the Board to: consider and recommend international trade, transportation, and other relevant data concepts and standards; plan for government-wide integration; and advise the Customs Service on the implementation of ITDS in the ACE system.

4. The role of the ITDS Board in policy matters should encompass considering and recommending government-wide international trade and transportation data concepts and standards.

5. The ITDS Board should manage consideration of concepts and standards and planning directly and delegate implementation and maintenance matters to the Program Support Group (PSG).

6. In the next 60 days, the ITDS Board should develop a PSG resource plan that identifies the government resource need, source of resources, and method of financing.

7. The ITDS Board should establish a protocol for agency readiness throughout the ACE/ITDS system development life cycle.

The ITDS Board of Directors should take concrete action this calendar year to address each of the challenges of immediate concern. Table 4-2 presents the issues of immediate concern and the eCP recommended action.

Table E-1 – Board Challenges and Recommendation(s) to Address

Board Challenge of Immediate Concern	Recommendation(s) to Address
Board Composition	➢ 2
Scope of ITDS Board	➢ 3
Policy Role	➢ 4
Documentation of Alignment and Commitment	➢ 1,2
Development Funding and Financing	➢ 6
Government-wide Scheduling	➢ 5
Agency System Investments	➢ 7
Harmonization of Data Requirements	➢ 4
ACE/ITDS System Development	➢ 5, 6, 7
Integrated Concept of Operations	➢ 5
PGA System Interfaces	➢ 7
Data Access Standards	➢ 4
Communications Organization and Planning	➢ 5
Marketing	➢ 5

Table of Changes

Revision Number	Date of Change	Section(s) Affected	Brief Description of Change	Change Made By	Organization
1.0	06/14/02	ALL	Deliverable	J. Bessin	eCP
1.1	07/25/02	Exec Summ 1.1, 1.2, 1.5 2.2, 2.4 3.1, 3.2, 3.4 4.1, 4.2 Appendix A	Response to Government Comments	J. Bessin	eCP
2.0	08/23/02	ALL	Response to ITDS Board and PSG Comments	C. Caldwell	eCP
2.1	09/04/02	4.2.2 Appendix A	Response to ITDS Board Comments	J. Bessin	eCP
2.2	09/17/02	4.2	Response to ITDS Board Comments	J. Bessin	eCP
2.3	09/30/02	Appendix A	Agency List	J. Bessin	eCP
2.4	10/22/02	Exec Summ 2.4.1, 2.4.5, 3.3.1, 4.2.2, 4.2.4, 4.2.5,	Response to Department of Transportation Comments	J.Bessin	eCP

Table of Contents

List of Tables

Table of Figures

Table of Acronyms

ACE	Automated Commercial Environment
ACES	Access Certificates for Electronic Services
ACS	Automated Commercial System
BPR	Business Process Re-engineering
CFO	Chief Financial Officer
CIO	Chief Information Officer
CMO	Customs Modernization Office
Comm IPT	Communications Integrated Project Team
CONOPS	Concept of Operations
CRM	Customer Relationship Management
eCP	e-Customs Partnership
EL	Executive Lead
ERP	Enterprise Resource Planning
GAO	General Accounting Office
GPEA	Government Paperwork Elimination Act
GPRA	Government Performance Results Act
GTC	Government Task Coordinator
IMP	Investment Management Process
IPT	Integrated Product Team
IT	Information Technology

ITDS	International Trade Data System
IV&V	Independent Verification and Validation
OCM	Organizational Change Management
OMB	Office of Management and Budget
PGA	Participating Government Agency
PRA	Paperwork Reduction Act
PSG	Program Support Group
TSN	Trade Support Network

1. Introduction

1.1 Purpose of Document

The purpose of the ITDS Board Scope Paper is to clarify the relationships, roles, and responsibilities among the International Trade Data System (ITDS) Board of Directors, the Customs Service (Customs), and other Participating Government Agencies (PGAs) to provide for more efficient and effective implementation of ITDS across the government and its integration into the Customs Automated Commercial Environment (ACE).   Aligning the International Trade Data System (ITDS) project more closely with (1) the National Strategy for Homeland Security, and (2) the President's E-Government Strategy will assist the ITDS Board in gaining visibility in PGAs and leveraging government-wide resources. Finally, the management structures identified herein should serve as a foundation for ITDS policymaking, planning, management, and communications as they relate to ITDS within the context of Modernization and throughout the life cycle of the ACE/ITDS system.

1.2 Scope of Document

The ITDS Board Scope Paper includes three parts. First, it presents an overview of the ITDS program. Second, it presents ways to align ITDS management structures with (1) the National Strategy for Homeland Security and the President's Proposal for a Department of Homeland Security, and (2) the President's Management Agenda and its E-Governance structure. Finally, it presents e-governance recommendations and a migration path to align government-wide ITDS activities to components of the Homeland Security and E-Government Strategies.

1.3 Intended Audience

The ITDS Board Scope Paper is intended for ITDS Board Members, the U.S. Customs Service, Participating Government Agencies, and relevant contractors as they consider how best to organize in order to carry out ITDS-related work. The recommendations from the ITDS Board Scope Paper are intended to provide guidance for subsequent communications to the Office of Management and Budget, the Office of Homeland Security, the Congress, Participating Government Agencies and other stakeholders.

1.4 Document Map

This ITDS Board Scope Paper contains four sections:

➢ Section One presents information about this document.

➢ Section Two presents an overview of the ITDS program and its management structures.

➢ Section Three compares these structures to the management structures in the President's Proposal for a Department of Homeland Security and the President's E-Governance Structure.

➢ Section Four recommends how to achieve E-Governance alignment and how to match government-wide ITDS activities to components of the resulting management structure.

1.5 Reference Documents

➢ Daniels, Mitch, Memorandum for the Heads of Selected Departments and Agencies – Reducing Redundant IT Infrastructure Related to Homeland Security, July 19, 2002, **http://www.whitehouse.gov/omb/pubpress/2002-46.pdf**

➢ Select Committee on Homeland Security, U.S. House of Representatives, *Summary of the Chairman's Mark for a Bill Establishing a Department of Homeland Security*, July 18, 2002, **http://hsc.house.gov/legislation/mark.asp**

➢ Committee on Governmental Affairs, *Summary of Proposed Lieberman Substitute Amendment so S2452 for consideration at the Committee's July 24 Business Meeting*, July 2002, **http://www.senate.gov/~gov_affairs/072402Billsummary.htm**

➢ Office of Homeland Security, *National Strategy for Homeland Security*, July 16, 2002, **http://www.whitehouse.gov/homeland/book/index.html**

➢ President George W. Bush, *The Department of Homeland Security*, June 2002, **http://www.whitehouse.gov/deptofhomeland/book.pdf**

➢ President George W. Bush, *Securing the Homeland Strengthening the Nation – The President's Homeland Security Policy and Budget Priorities*, February 2002, **http://www.whitehouse.gov/homeland/homeland_security_book.html**

➢ Office of Management and Budget, *E-Government Strategy – Simplified Delivery of Services to Citizens* – February 2002, **http://www.whitehouse.gov/omb/pubpress/2002-11.html**

➢ Program Support Group Charter, December 2001

➢ *Executive Order #13228, Establishing an Office of Homeland Security*, October 8, 2001, **http://www.whitehouse.gov/news/releases/2001/10/20011008-2.html**

- Daniels, Mitch, OMB Memorandum M-02-02 – Implementation of the President's Management Agenda and Presentation of the FY 2003 Budget Request, October 2001, *http://www.whitehouse.gov/omb/memoranda/m02-02.html*

- Office of Management and Budget, *The President's Management Agenda – Fiscal Year 2002,* August 2001, **http://www.whitehouse.gov/omb/budget/index.html**

- Daniels, Mitch, OMB Memorandum M-01-28 - Citizen-Centered E-Government: Developing the Action Plan, July 2001, **http://www.whitehouse.gov/omb/memoranda/m01-28.html**

- *International Trade Data System Implementation Project Charter*, October 1995, **http://www.itds.treas.gov/it06chtr.html**

2. Overview of the ITDS Program

The ITDS vision is to use a secure, integrated government-wide system to meet private sector and Federal requirements for the electronic collection, use, and dissemination of standard trade and transportation data. Based on recommendations from the General Accounting Office, the Customs Service will integrate ITDS requirements into a joint Automated Commercial Environment/International Trade Data System (ACE/ITDS) system in an effort to avoid parallel, separate, and potentially duplicative systems.

ACE / ITDS will result in significant improvements in border control and international trade operations including:

➢ Traders, carriers, trade brokers, and trade advisors will be able to use *a single window filing interface* and standard data set for import and export activity.

➢ More than 20 agencies with border responsibilities will be able to use the ACE/ITDS selectivity and targeting mechanism to *provide inspectors at the border with visibility into inter-agency risk-management information*.

➢ Information collected electronically before arrival will allow agents to do strategic targeting efforts and *improve compliance*.

➢ *Joint enforcement targeting and intelligence development* will be encouraged by the creation of a shared data warehouse for enforcement analytical capabilities and investigations.

➢ *Targeting will be based on a risk-management approach* that more precisely targets the highest risk people and cargo crossing the border and speeds all others – the low risks – even more smoothly through ports of entry and exit.

➢ The *cost and burden of processing* international trade transactions will be reduced both for the trade and for agencies by reducing the number of times each data element is collected.

➢ *ACE/ITDS will interface with participating government agency systems* to provide them with timely, accurate, and consistent trade information and to look up agency reference information.

Figure 2-1 illustrates the ITDS vision by showing simplified information flows that result from the implementation of an integrated ACE/ITDS system.
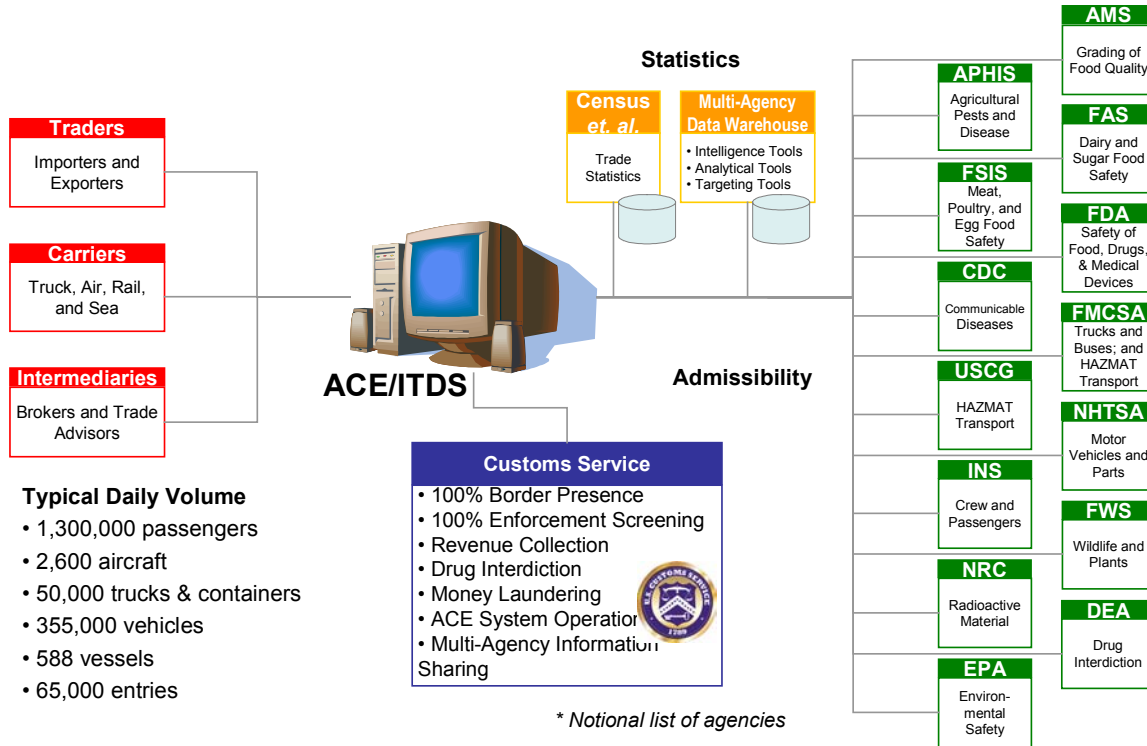
Figure 2-1. ITDS Information Flows

2.1 Board Mission and Charter

The ITDS Board is responsible for implementing the ITDS Vision. The ITDS Board will attain the vision through working with PGAs on policymaking, planning, management, and communications activities.

The ITDS Board officially was chartered by memorandum from Vice President Gore on October 15, 1995. This charter was reaffirmed in the February 1997 report *Access America*. The ITDS Board reported to and received authority from the Government Information Technology Services Board, which was chartered under Executive Order #13011. In 1999, the CIO Council moved all responsibility away from the Government Information Technology Services Board.

The mission of the ITDS Board is to: (a) to provide program oversight to attain the vision; (b) communicate with PGAs, the Trade, oversight bodies, and the Customs Service; (c) harmonize agency requirements; (d) reduce the data collection burden on the trade; (e) prevent and resolve disputes among agencies; and (f) identify resources required for the ITDS program.

The ITDS Board currently accomplishes activities in support of its mission in collaboration with the Customs Service and PGAs.

2.2 Management Structure

The ITDS Board has established a Program Support Group (PSG) to provide executive level support to the ITDS Board in the execution of its activities. Specifically, the PSG

assists the ITDS Board in planning, coordinating, facilitating, and conducting day-to-day tasks necessary to integrate activities and agency systems into the ACE/ITDS system.

The Custom Service is responsible for the implementation and integration of ITDS functionality within ACE through its Customs Modernization Program Office. All funding for ITDS is also integrated within Customs appropriations.

Under the Customs Modernization Contract, a task order has been issued to the eCustoms Partnership (eCP) (contractor team for Customs Modernization) for integration of ITDS and ACE. The ITDS Board provides guidance on the content and performance of the task order and Customs Service is responsible for the eCP's performance of the task order.

The Customs Service has appointed an Executive Lead (EL) and Government Task Coordinator (GTC) for the ITDS Task Order being performed by the eCP under its Customs Modernization Contract with Customs. (As the ITDS requirements are integrated within other task orders for development purposes, this structure within Customs may change.)

Currently the EL and GTC provide support to the Board in the execution of the ITDS Task Order and act as a liaison between the ITDS Board, PSG and the Customs Service. The Customs Modernization Executive is also a member of the Board.

The eCP ITDS Task Lead is also a co-chair of the Program Support Group and the eCP teams work closely with the PSG and PGAs in the definition and integration of the ITDS and PGA requirements within ACE.

The ITDS Board uses several formal and informal management information processes. First, ITDS Board decisions are documented in written, reviewed, and agreed-upon minutes of each meeting. In addition, key decisions or decisions made by the Chair between meetings may be documented in decision memoranda. Because the ITDS Board does not have formal policy authority, these documents carry the status of recommendations to the Customs Service and the other PGAs. For example, to date the Customs Service has followed all of the ITDS Board recommendations regarding the disposition of funds appropriated for ITDS. Decisions of the Board will be based on a consensus of its members.

In addition, PSG decisions are documented in written, reviewed, and agreed-upon minutes of each meeting. Key decisions are documented in reports to the ITDS Board. PSG decisions carry the status of recommendations to the ITDS Board. The Board and PSG are supported by two individuals on detail from PGAs. One serves as PSG co-chair and the other serves as staff for the Board's Budget committee.

The CMO also supports the ITDS Board and supplies it with management information. Since ITDS is fully integrated with the ACE program, the CMO applies the same management controls to the integration of ITDS functionality as to other Modernization tasks. These include financial management systems, contract management tools, independent verification and validation, schedule tracking, and performance targets.

The e-Customs Partnership (eCP) is tasked through the Customs Modernization Contractor with specific activities related to the integration of ITDS within ACE. eCP

accomplishment of these activities is documented in work products and deliverables. Work products inform later eCP deliverables. For example, baseline reviews provide a foundation for later deliverables under a particular task order, while agency requirements specifications inform ACE requirements specification deliverables for the CMO. Formal processes are established for Federal review and approval of work products and deliverables. For example, early in each task the CMO, the ITDS Board of Directors, and the eCP perform an integrated baseline review of cost, schedule, and deliverables to produce a project management baseline.

Figure 2-2 illustrates the relationship between the eCP ITDS Team and the ACE Integrated Project Teams and how the ITDS Board of Directors and the Program Support Group interacts with Customs Modernization.
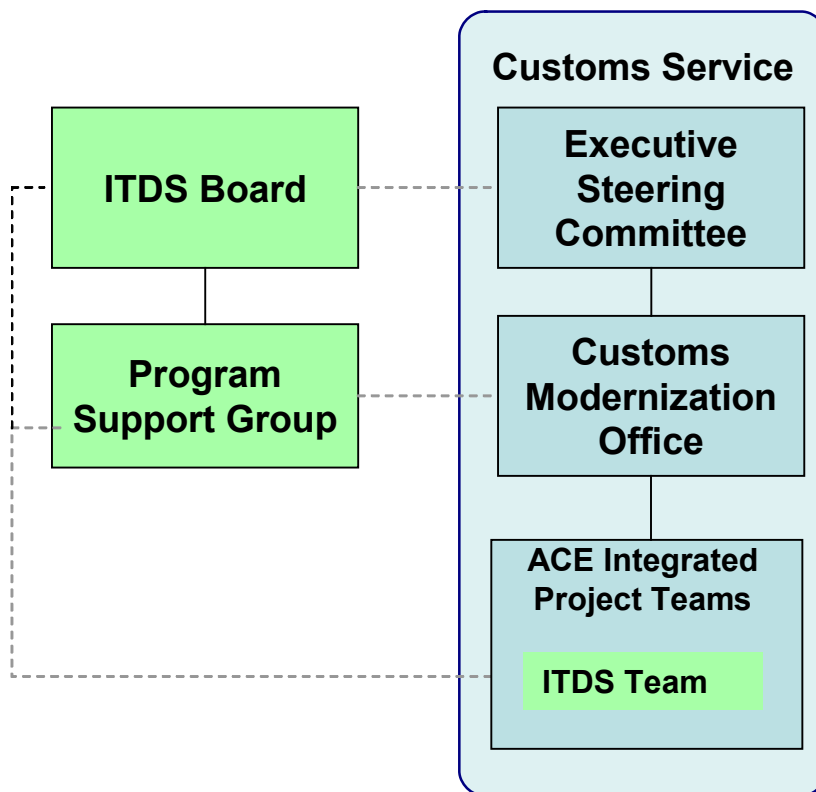
Figure 2-2 – ITDS Management Structures

2.3 Stakeholder Analysis

The ITDS Board has four major stakeholder groups: PGAs, the trade, oversight bodies, and the Customs Service.

Participating Government Agencies (PGAs) have international trade missions including (a) control over admission or export of cargoes, crews, and conveyances, (b) regulation of compliance with federal trade laws such as tariffs and quotas, licenses, and operating authorities, (c) promotion of international trade through activities such as

export assistance, and (d) collection and reporting of statistical information about international trade and transportation. For ITDS purposes, agencies can be categorized as follows:

Border Operations Agencies – have responsibility for the import, export, and transit trade processes related to cargo, conveyance and/or crew. Border Operations Agencies may also have license and permit, statistical, or trade promotion responsibilities. Border Operation Agencies sometimes are referred to as admissibility and export control agencies.

License and Permit Agencies – use ACE as the primary means for the recordation and maintenance of license and permit information against. License and Permit Agencies may also have statistical or trade promotion responsibilities.

Statistical Agencies – use ACE to extract trade or transportation data, usually not at the transaction-level, to support needs for their own statistical analysis. Statistical Agencies may also have trade promotion responsibilities.

Trade Promotion Agencies – use ACE to facilitate U.S. trade by making available basic import and export information, such as rules and regulations, to the trade, service providers, and the public.

A list of Participating Government Agencies is provided in Appendix A.

The trade includes importers and exporters, carriers, brokers and advisors, other businesses involved in international trade, and their industry associations. The Trade is primarily concerned about the impact of ITDS on business operations. In 2001, more than 526,000 firms imported goods and services, while in 1999, more than 584,000 firms exported goods and services.

Oversight bodies authorize and fund programs, administer laws and regulations in areas such as information technology, financial management, and homeland security, and audit to ensure proper and legal use of funds and the efficiency and efficacy of programs. Key ITDS oversight bodies include the Treasury Department, the Office of Management and Budget, the Office of Homeland Security, the Congress (including the General Accounting Office).

The Customs Service serves as an executive agent for the ITDS Board in building and operating the ACE/ITDS system. In addition, the Customs Service is in a unique position because pursuant to law, treaty, regulation, and inter-agency agreement they execute more than 400 laws and regulations on behalf of other agencies. Further, the Customs Service has the largest presence at the border.

2.4 ITDS Board Challenges

The ITDS Board currently faces a wide range of organizational, technical, and financial challenges which can be grouped into five areas: (1) scope and authority, (2) funding, (3) system development, (4) inter-agency operations, and (5) communications.

Table 2-1 outlines key challenges in each of these five topic areas.

Table 2-1 – ITDS Board Challenges

Topic Area	Key Challenges
Scope and Authority	➢ Board Composition ➢ Scope of ITDS Board ➢ Policy Role ➢ Documentation of Alignment/Commitment ➢ Dispute Process
Planning	➢ Development Funding and Financing ➢ Government-wide Scheduling ➢ Agency System Investments ➢ Priority Order of Funding Needs ➢ Independent Cost Estimates ➢ Government-wide Operations Financing
System Development	➢ Harmonization of Data Requirements ➢ ACE/ITDS System Development ➢ Acceptance Testing ➢ Implementation Activities
Inter-agency Operations	➢ Integrated Concept of Operations ➢ PGA System Interfaces ➢ Data Access Standards ➢ Inter-agency Risk Management ➢ ACE/ITDS System Operation ➢ Security Policy and Implementation ➢ Emerging Requirements
Communications	➢ Communications Organization and

Topic Area	Key Challenges
	Planning
	➢ Marketing
	➢ PGA Education, Commitment, and Support
	➢ Trade Education and Commitment
	➢ Communications about Funding
	➢ Ensuring Stakeholder Satisfaction

2.4.1 Scope and Authority

Scope and authority challenges relate to the ability of the ITDS Board to influence behavior at PGAs and the Customs Service to accomplish the ITDS vision. Key challenges include:

➢ *Board Composition* – identification of the Board Members, the mechanism by which Members join the Board, and related matters. Originally, the agencies to serve on the Board were identified in a Vice Presidential memorandum. Currently, the Board is comprised of members from a subset of that list, the responsibilities of members are not specified, and member agencies are not bound by ITDS Board recommendations.

➢ *Board Scope* – the binding decisions the Board can and cannot make and related matters. Currently, the ITDS Board only can make recommendations in the areas of its concern to federal departments and agencies with border responsibilities.

➢ *Policy Role* – the role of the Board in considering and recommending policy and the method the Board must use in that consideration and recommendation.

➢ *Documentation of Alignment and Commitment* – the mechanisms for binding the ITDS Board, the Customs Service and other PGAs to agreed-upon relationships among the ITDS program, Customs Modernization efforts, and PGA Activities.

➢ *Dispute Process* – the process the Board must go through to consider policy interpretations when disputes arise. Currently, it is unclear when a dispute would go to the Board for consideration and to whom the Board would recommend a resolution or if the Board simply would seek consensus.

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2.4.2 Planning

Planning challenges relate to identifying and scheduling activities necessary to attain the vision and assembling and expending the necessary resources to develop and operate ITDS in the ACE/ITDS system. Key challenges include:

> ***Development Funding and Financing*** – maintaining a government-wide funding strategy and coordinating investment management government-wide to support this strategy. PGA program officials need to be involved in strategic decisions so that investments are based on valid business cases and investment is made in a timely manner.

> ***Government-wide Scheduling*** – maintaining a government-wide schedule of activities to develop ITDS functionality in ACE/ITDS and transition operations from their current state to the target state.

> ***Agency System Investments*** – provide assistance in developing agency system investment plans to ensure that they are compatible with the ACE-ITDS vision.

> ***Priority Order of Funding Needs*** – identifying a priority order of activities given limited program resources. Currently, the ITDS Board recommends to the Customs Service a priority of activities.

> ***Independent Cost Estimates*** – independently verifying the cost for Board supported activities. As part of the Customs Modernization Contract, the CMO obtains Independent Government Cost Estimates for certain task orders. Development costs of ITDS functionality will be included in these IGCEs.

> ***Government-wide Operations Financing*** – determination and collection from PGAs of charges arising from use of the ACE/ITDS system. Currently, each agency has a separate, independently developed, memorandum with the Customs Service for charges arising from the Automated Commercial System (ACS). If there are costs incurred (both one-time and on-going) as a result of PGA-specific functionality in ACE/ITDS, the ITDS Board, Customs and the PGA should work together to allocate these costs properly and to determine how these costs will be funded.

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2.4.3 System Development

System development challenges relate to defining target operations and developing and implementing the systems to support target operations. Key system development challenges include:

> ***Harmonization of Data Requirements*** – defining how agencies will electronically collect, use, and share international trade and transportation data to support streamlined activities and inter-agency risk management. Currently, a standard data set developed to support existing activities is being validated.

> ***ACE/ITDS System Development*** – defining requirements specifications, designing the system, and building and testing the ACE/ITDS system. The size of the ACE/ITDS system complicates coordination and management of these activities.

> ***Acceptance Testing*** – demonstrating that the ACE/ITDS system meets the specifications agreed-upon by the ITDS Board, PGAs, and the Customs Service. In addition, the Trade has a role to play in acceptance testing. Currently, the role

of the ITDS Board and PGAs in the acceptance of ITDS and PGA defined requirements is undefined.

➢ **Implementation Activities** – agency planning, training and implementation activities, workforce transition, organization and procedural changes, and evaluation during transition. PGA program officials need to be involved in implementation decisions so that programs can plan adequately for transition.

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2.4.4 Inter-agency Operations

Inter-agency operations challenges relate to operating and maintaining the ACE/ITDS system government-wide, maintaining user and system interfaces to the system, and using the system to perform risk management across agencies.

➢ **Integrated Concept of Operations** – defining how inter-agency operations will work once ACE/ITDS is deployed so that agencies have access to the functionality and data they need and can achieve their missions. The concept of operations must include the identification of legislative, regulatory, and administrative barriers. Currently, the eCP has been tasked to develop an integrated concept of operations for ITDS.

➢ **PGA System Interfaces** – operation of system interfaces with existing and new agency systems. As Customs moves from ACS to the integrated ACE/ITDS system, PGAs may need to sign a new agreement or amend an existing agreement with the Customs Service for system interfaces, given its role in building and operating the ACE/ITDS system.

➢ **Data Access Standards** – ensuring that agencies have access to information necessary to perform their missions and that information is used in accordance with Federal information policies.

➢ **Inter-agency Risk Management** – the sharing of data, analysis, and findings across agency boundaries to connect the dots across agencies and see government-wide patterns. Currently, there is not a concept of operations for how these functions will be performed by ACE/ITDS.

➢ **ACE/ITDS System Operation** – operating the ACE/ITDS system at agreed-upon service levels, ensuring business continuity for activities dependant on the ACE/ITDS system, and related activities. While many PGAs have existing agreements in-place with Customs, most of these agreements likely will require amendment or addendum.

➢ **Security Policy and Implementation** – maintenance of ACE/ITDS system and program security including creation and monitoring of security policies, identification and containment of breaches, and related matters. The transition from ACS to ACE/ITDS likely will increase the volume of PGA users and associated security activities because more PGA functionality will be included.

➢ **Emerging Requirements** – identifying and documenting PGA requirements as they emerge, managing any required system changes, performing ongoing

organizational change management, and related matters. Currently, roles and responsibilities for emerging requirements are undefined.

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2.4.5 Communications

Communications challenges relate to attaining ITDS Board communications goals and strategies including obtaining PGA and Trade commitment, attaining full utilization of ITDS functions, education of oversight bodies and the Trade, and clear communications about funding. Key communications challenges include:

➢ ***Communications Organization and Planning*** – defining communications roles and responsibilities and planning for communications activities. Currently, there is not an individual or group assigned responsibility for ITDS communications.

➢ ***Marketing***—outreach to PGAs explaining the benefits of government-wide implementation of ITDS and how they can participate.

➢ ***PGA Education, Commitment, and Support*** – outreach to PGAs to inform them, garner commitment to participate, and support them to utilize fully ITDS functions in their key business processes.

➢ ***Trade Education and Commitment*** – outreach to the Trade to inform them of ACE/ITDS benefits and plans and garner commitments to participate.

➢ ***Communications about Funding*** – outreach to oversight bodies to inform on the need for ITDS, its scope, and the progress of implementation.

➢ ***Ensuring Stakeholder Satisfaction*** – outreach to stakeholders to solicit feedback on the benefits of ITDS and progress of implementation.

Some of these challenges are of immediate concern, while others will become more important over time. Table 2-2 shows a priority status of the current challenges facing the ITDS Board.

Table 2-2 – Priority Status of Challenges Facing the ITDS Board

Immediate Concern	Longer-Term Issues
Board Composition	Dispute Process
Scope of ITDS Board	Priority Order of Funding Needs
Policy Role	Independent Cost Estimates
Documentation of Alignment and Commitment	Government-wide Operations Financing
Development Funding and Financing	Acceptance Testing
Government-wide Scheduling	Implementation Activities
Agency System Investments	Inter-agency Risk Management

Immediate Concern	Longer-Term Issues
Harmonization of Data Requirements	ACE/ITDS System Operation
ACE/ITDS System Development	Security Policy and Implementation
Integrated Concept of Operations	Emerging Requirements
PGA System Interfaces	PGA Education and Commitment
Data Access Standards	Trade Education and Commitment
Communications Organization and Planning	Communications about Funding
Marketing	Ensuring Stakeholder Satisfaction

3. Alignment of Leadership Vision and Strategy

Two related and complementary strategies and their attendant organizational infrastructure will impact ITDS implementation and provide opportunity for addressing challenges. The National Strategy for Homeland Security provides direction on where the ITDS vision should be heading, while the President's Management Agenda provides direction on how to attain the vision.

The National Strategy for Homeland Security provides direction to federal agencies that have a role in homeland security. The Strategy and the establishment of a Department of Homeland Security will impact the ITDS Board in two primary ways. First, the government-wide focus on homeland security demands that the ITDS Board align its vision and activities with the National Strategy for Homeland Security or risk duplication of effort. Second, under the Administration's proposal, the functions of several PGAs, including the Customs Service, would transfer to the new Department, changing the composition of ITDS stakeholders.

The President's Management Agenda sets forth Presidential principles and priorities for the effective and efficient operation of the Executive Branch. Within this agenda, the E-Government strategy provides insight into how the Office of Management and Budget recommends managing inter-agency electronic government initiatives. The principles and management structures embodied in this strategy may assist the ITDS Board in increasing program visibility and addressing challenges.

3.1 Homeland Security Overview

On October 8, 2001, President Bush established the Office of Homeland Security to develop and coordinate the implementation of a comprehensive national strategy to secure the United States from terrorist threats or attacks. The Office of Homeland Security was directed to ensure the adequacy of a national strategy for detecting, preparing for, preventing, protecting against, responding to, and recovering from terrorist threats or attacks within the United States. The Office of Homeland Security's responsibilities also included coordinating efforts for collection and analysis of information, preparing for and mitigating consequences of terrorist threats or attacks, coordinating efforts to prevent threats or attacks, protecting critical infrastructure, and response and recovery to any threats or attacks.

> **Homeland Security is a concerted national effort to prevent terrorist attacks within the United States, reduce America's vulnerability to terrorism, and minimize the damage and recover from attacks that do occur.**
>
> National Strategy for Homeland Security, p. 2

3.1.1 National Strategy for Homeland Security

On July 17, 2002, the Office of Homeland Security released the first National Strategy for Homeland Security. The purpose of the National Strategy for Homeland Security is to mobilize and organize the nation to secure the U.S. homeland from terrorist attacks. The strategy identifies critical management areas and foundations to achieve the strategy.

Table 3-1 – Homeland Security Critical Management Areas

Critical Management Area
➤ Intelligence and Warning – an intelligence and warning system that can detect terrorist activity before it manifests itself in an attack
➤ Border and Transportation Security – the efficient and reliable flow of people, goods and services across borders while preventing terrorists from using transportation conveyances or systems to deliver instruments of destruction
➤ Domestic Counter terrorism – the pursuit of the individuals directly involved in terrorist activity and their sources of support
➤ Protecting Critical Infrastructure
➤ Defending Against Catastrophic Terrorism
➤ Emergency Preparedness and Response

These six critical mission areas rest upon four foundations that provide a useful framework for evaluating homeland security investments across the federal government. Table 3-2 describes the foundations for homeland security.

Table 3-2 – Foundations for Homeland Security

Foundation
➤ **Law** – legislative actions that would enable our country to fight the war on terrorism more effectively while scrupulously guarding against incursions on our freedoms.
➤ **Science and Technology** – a systematic national effort to harness science and technology in support of homeland security
➤ **Information Sharing and Systems** – the linking of the vast amounts of knowledge resigning in each government agency while ensuring adequate privacy such as the connection of databases used for federal law enforcement, immigration, intelligence, public health, surveillance, and emergency management.
➤ **International Cooperation** – a sustained, steadfast, and systematic

Foundation
international agenda to counter the global terrorist threat and improve our homeland security.

More detail of the proposed Department of Homeland Security and the National Strategy for Homeland Security is provided in Appendix B.

3.2 Impact of Homeland Security Activities on ITDS Governance

3.2.1 Supporting the National Strategy

ITDS fits into the National Strategy for Homeland Security in the Border and Transportation Security Critical Mission Area and across the Information Sharing and Systems and International Cooperation Foundations. Specifically, the strategy calls for a "smart border" that will be a continuum framed by land, sea, and air dimensions, where a layered management system would enable greater visibility of vehicles, people, and goods coming to and departing from the United States. Internationally, the strategy calls for the United States to screen and verify the security of goods and people before they can do harm to the international transportation system and well before they reach our shores of land borders. Figure 3-2 illustrates the role of ITDS and ACE in the National Strategy for Homeland Security.

> **A single entity in the Department of Homeland Security will manage who and what enters our homeland in order to prevent the entry of terrorists and the instruments of terror, while facilitating the legal flow of people, goods, and services on which out economy depends. The Department and its partners will conduct border security functions abroad to the extent allowed by technology and international agreements.**
>
> National Strategy for Homeland Security, p.22

Critical Mission Areas for Homeland Security
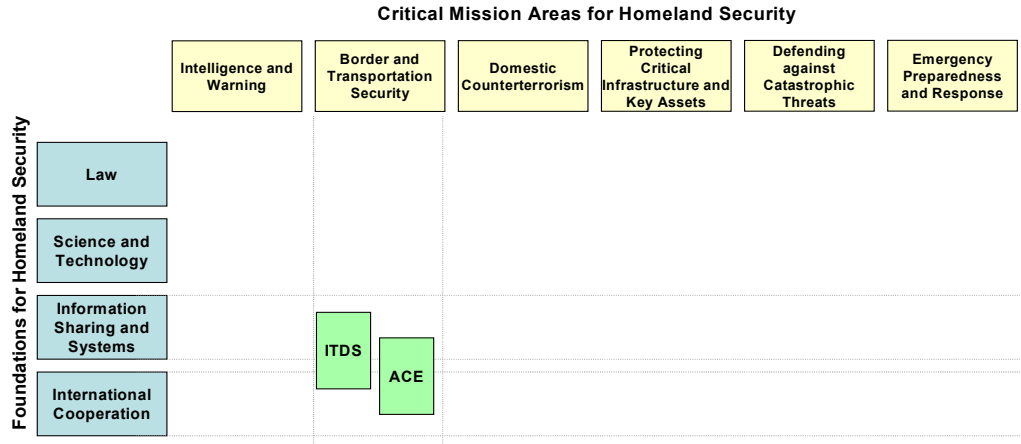
Figure 3-2. Role of ITDS and ACE in National Strategy for Homeland Security

ITDS and Customs Modernization are related closely to at least seven of the major initiatives included in the National Strategy for Homeland Security. Table 3-3 describes major initiatives that relate closely to ACE and ITDS.

Table 3-3 – Major Homeland Security Initiatives Related to ITDS and Customs Modernization

Homeland Security Initiative
➢ **Ensure Accountability in Border and Transportation Security** – Transfer the principal border agencies to a new Department of Homeland Security.
➢ **Create "Smart" Borders** – Create a "border of the future" that will be a continuum framed by land, sea, and air dimensions, where a layered management system enables greater visibility of vehicles, people, and goods coming to and departing from our country.
➢ **Increase the security of international shipping containers** – Place inspectors at foreign seaports to screen U.S.-bound sea containers before they are shipped to U.S. ports; use technology to inspect high-risk containers; and develop and use smart and secure containers.
➢ **Integrate information sharing across the federal government** – Coordinate the sharing of essential homeland security information nationwide; conduct large-scale modernization at border crossings jointly across agencies.
➢ **Integrate information sharing across state and local governments, private industry, and citizens** – Build and share the law enforcement databases, secure computer networks, secure video teleconferencing capabilities, and more accessible websites.
➢ **Adopt common "meta-data" standards for electronic information relevant to homeland security** – implement a series of data-mining tools for the full range of homeland security activities.

3.2.2 Transfer of Functions

The Administration's legislative proposal to establish a Department of Homeland Security would transfer the functions of 22 agencies and offices to the new department. Specifically, the new Department would include the principal border and transportation agencies – the Immigration and Naturalization Service, U.S. Customs Service, U.S. Coast Guard, Animal and Plant Health Inspection Service, and Transportation Security Administration – and would coordinate the border-control activities of all federal agencies that are not incorporated within the new department.

Table 3-4 outlines the functions that would be transferred to the Department of Homeland Security under the Administration's proposal and highlights the Participating Government Agencies included in the proposal (indicated by an "X" in the PGA column). Agencies marked with an "O" in Table 3-4 are not currently PGAs, but have missions

that could place them in the Border and Transportation Security group at Homeland Security, or require them to work closely with the new Department.

Table 3-4 – Functions Transferred to the Department of Homeland Security Under the Administration's Proposal

Homeland Security Division	Functions Transferred	PGA
Border and Transportation Security	➢ United States Customs Service of the Department of the Treasury ➢ Immigration and Naturalization Service of the Department of Justice ➢ Animal and Plant Health Inspection Service of the Department of Agriculture ➢ The Coast Guard of the Department of Transportation ➢ Transportation Security Administration of the Department of Transportation ➢ Federal Protective Service of the General Services Administration	➢ X ➢ X ➢ X ➢ X ➢ X ➢ X ➢ ➢
Emergency Preparedness and Response	➢ Federal Emergency Management Agency ➢ Office of Domestic Preparedness of the Office of Justice Programs of the Department of Justice ➢ National Domestic Preparedness Office of the Federal Bureau of Investigation ➢ Domestic Emergency Support Teams of the Department of Justice ➢ Office of the Assistant Secretary for Public Health Emergency Preparedness of the Department of Health and Human Services ➢ Strategic National Stockpile of the Department of Health and Human Services	➢ ➢
Information Analysis and Infrastructure Protection	➢ National Infrastructure Protection Center of the Federal Bureau of Investigations ➢ National Communications System of the Department of Defense ➢ Critical Infrastructure Assurance Office of the Department of Commerce ➢ Computer Security Division of the National Institute of	 O

Homeland Security Division	Functions Transferred	PGA
	Standards and Technology	
	➢ National Infrastructure Simulation and Analysis Center of the Department of Energy	
	➢ Federal Computer Incident Response Center of the General Services Administration	
Chemical, Biological, Radiological, and Nuclear Countermeasures	➢ Select agent registration enforcement and programs and activities of the Department of Health and Human Services	➢
	➢ Chemical and biological national security and supporting programs and activities of the non-proliferation and verification research and development program of the Department of Energy	➢
	➢ Nuclear smuggling programs and activities and other programs and activities related to homeland security within the proliferation detection program of the non-proliferation and verification research and development program of the Department of Energy	➢ ➢ ➢ O ➢
	➢ Nuclear assessment program and activities of the assessment, detection, and cooperation program of the international materials protection and cooperation program of the Department of Energy	➢ ➢ ➢
	➢ Energy security and assurance programs and activities of the Department of Energy	➢ ➢ O
	➢ Life sciences activities of the biological and environmental research program of the Department of Energy	➢
	➢ Environmental Measurement Laboratory of the Department of Energy	➢ ➢
	➢ Advanced scientific computing research programs and activities and intelligence program and activities at Lawrence Livermore National Laboratory of the Department of Energy	➢ ➢ O
	➢ National Bio-Weapons Defense Analysis Center of the Department of Defense	➢
	➢ Plum Island Animal Disease Center of the Department of Agriculture	➢ O

3.2.3 Inter-Agency Coordination

Not only would five major admissibility and export control PGAs transfer to the Department of Homeland Security, but also the Administration's proposal would have the new department manage and coordinate the government activities at ports of entry, administer the customs laws of the United States, and, in carrying out the foregoing responsibilities, ensure the speedy, orderly, and efficient flow of lawful traffic and commerce.

3.3 E-Government Overview

The OMB Director established an E-Government Task Force in July 2001 to identify priority actions that achieve strategic improvements in government and set in motion a transformation of government around citizen needs. The task force made recommendations in mid-September 2002, and the recommendations were considered and approved by the President's Management Council in October 2001. In February 2002, the task force issued an implementation plan: The E-Government Strategy. The goals of the E-Government Strategy are to:

➢ Make it easy for citizens to obtain service and interact with the federal government,

➢ Improve government efficiency and effectiveness, and

➢ Improve government responsiveness to citizens.

➢

The E-Government strategy is founded on three principles from the President's vision for government reform. Table 3-5 presents these principles.

Table 3-5 – E-Government Principles

E-Government Principles
➢ **Citizen-centered** – not bureaucracy-centered. There is significant overlap and redundancy across the Federal business architecture. E-government initiatives should simplify processes across agencies and around citizen needs.
➢ **Results-oriented** – E-government initiatives should simplify processes and unify across islands of automation. Further, they should be evaluated on how well they respond to citizens' needs.
➢ **Market-based** – actively promoting innovation through competition, innovation, and choice.

Source: President's Management Agenda, E-Government Strategy

3.3.1 E-Government Initiatives

The Administration is committed to advancing the E-Government Strategy by supporting multi-agency projects that improve citizen services and yield performance gains. The 24 projects selected by the President's Management Council on October 23, 2001 provide the most value to citizens, while generating cost savings or improving the effectiveness of government.

One project is an export assistance initiative sponsored by the Department of Commerce. As ITDS moves forward, its relationship with the export assistance initiative should be considered.

3.3.2 E-Governance

Daily management and leadership for E-Government Initiatives will be provided by the President's Management Council, the Office of Management and Budget, and Members of the CIO, CFO, Procurement Executive, and Human Resource Councils.

President's Management Council members volunteered to be "managing partners" for each of the initiatives. Other members volunteered to participate in those efforts as partners. Managing partners have established program offices to ensure that the initiatives are implemented, and the partners will cooperate in planning and implementation of the initiative. OMB is overseeing this process and working with the agencies on securing adequate funding for initiatives. Funding for each initiative will be identified separately in the President's Budget and may come from multiple agencies.

The CIO Council, with assistance from other federal management councils, has formed portfolio steering committees to focus on E-Government in each of the four citizen segments. Membership is from agencies that make up the project teams for each of the initiatives. The steering committee will help managers, help remove implementation barriers, and support the portfolio manager.

In June, the Senate passed Senate Bill 803 that would provide a statutory basis for the E-Government infrastructure and authorizes $345 million in multi-year funding for e-government between FY2003 and FY2006.

3.4 Alignment of the ITDS and E-Government Strategies

The ITDS Program can align its strategy with the E-Government Strategy to increase ITDS' visibility at the highest levels in PGAs, leverage e-governance structures, and address ITDS Board challenges. The ITDS Board can align with the E-Government Strategy by adopting the Government Reform Principles, focusing on E-Government Benefits, and developing mitigation plans to overcome E-Government Barriers.

3.4.1 Adopting Government Reform Principles in ITDS

The ITDS Program currently supports the Government Reform Principles.

Customer-focused – The ITDS program is focused around customers and their accounts. Customers will file data into one account to be used by all admissibility and export control agencies. Drawing on government-wide customer relationship management databases, ITDS will be able to make selectivity and risk assessment decisions based on activity across the account, not just on individual transaction data. ACE/ITDS will provide the IT mechanism for making quick evaluations on whether particular people or goods should be deemed high-risk or low-risk. This will allow agencies to work together to move low-risk goods and people even more smoothly through America's ports of entry.

Results-oriented – The ITDS program is oriented to meeting and increasing customer and stakeholder expectations. By consolidating a variety of different automated systems and a myriad of paper forms, Customs and agencies will reduce the expense and difficulty of doing business with the government, and provide high quality, coordinated service across multiple business channels. At the same time, ACE/ITDS will provide the Trade and citizens with single-window, consolidated information about and access to services government-wide. Finally, ACE/ITDS will cut government operating costs and improve accountability by measuring and reporting on border operations from a government-wide perspective.

Market-based – The ITDS program is based on promoting innovation. Multinational companies have used technology to save billions of dollars over the past 20 years. The ACE/ITDS opportunity is to leverage industry investment to achieve mutual goals of homeland and cargo security and continued prosperity through international trade and travel. The ACE/ITDS system is designed around applied technology deployed in industry. Supply chain managers and Federal agents each both have an interest in real time information such as tampered container seals, shipment delays/substitutions, or changes in bills of lading. Based on the real-time data in these systems, the government and the international trade community will move toward a secure channel for international supply chains.

3.4.2 Overcoming E-Government Barriers in ITDS

In many ways, the challenges facing the ITDS Board are typical challenges for E-Government initiatives. Fortunately, several of the government-wide mitigation strategies can help the ITDS Board address its challenges. For example:

> ➢ **Sustain High Level Leadership and Commitment** – The ITDS Board can leverage the high-level leadership and commitment to the E-Government Strategy by engaging the President's Management Council and the Office of Management and Budget in a manner consistent with E-Government Initiatives. If ITDS behaves as an E-Government initiative, it is more likely to be treated as such.

- ➢ **Establish Interagency Governance Structure** – OMB has created an interagency governance structure for E-Government initiatives that could dovetail with the ITDS Board and its management structure.

- ➢ **Engage Interagency User/Stakeholder Groups** – On an ongoing basis, the ITDS Board could use the PSG as a users group to include all agencies with an interest in international trade.

- ➢ **The E-Authentication Initiative** – The E-Authentication initiative will establish secure transactions and identity authentication that will be used by all E-Government initiatives. If ITDS is to act as an E-Government initiative, ACE/ITDS should consider using the mechanisms provided by the E-Authentication initiative for possible leverage.

- ➢ **Incorporate Security and Privacy Protections into Business Plans** – The portfolio management office is developing mechanisms to support improved management of security and privacy that could be leveraged by the ITDS and ACE programs.

- ➢ **Move Resources to Programs with Greatest Return and Citizen Impact** – Each E-Government initiative has a unique budget code that is used government-wide to identify funding associated with the initiative. The ITDS program could use its own unique code to assist agencies in attaining the funding necessary for agency business process reengineering and agency system interfaces.

- ➢ **Set Measures Up-front to Monitor Implementation** – The portfolio management office is developing management information structures for the establishment, tracking, and reporting of E-Government performance metrics that could be leveraged by the ITDS program.

- ➢ **Provide online training to create new expertise among employees and contractors** – Investment management training founded in the E-Government Strategy will be made available to the ITDS Board and the broader ITDS team.

- ➢ **Create a comprehensive strategy for engaging Congressional Committees** – The ITDS Board could leverage the E-Government Congressional engagement strategy to provide context and direction for the ITDS program.

- ➢

3.4.3 ITDS E-Governance

The ITDS Board could insert itself in the E-Governance structure either officially or *de facto*. This would be accomplished by finding a member of the President's Management Council (PMC) to serve as the managing partner for the initiative and engage other PMC members as partners in the initiative. The managing partner could sponsor ITDS as an E-Government Initiative or as a PMC initiative. Figure 3-3 illustrates how the ITDS management structure could align with and dovetail the E-Governance structure.

Office of Management and Budget

**President's Budget
Final Funding Approval – OMB Director**

OMB Associate Director for Information Technology and E-Government

**Portfolio Management Office
Management of Transformation**

CIO Council

Steering Committee

OIRA IPT Leaders

**GOVERNMENT TO BUSINESS
Portfolio Manager**

PMC

PMC ITDS IPT

ITDS Board

Program Support Group

Customs Service

Executive Steering Committee

Customs Modernization Office

ACE Integrated Project Teams

ITDS TEAM

Figure 3-3. Alignment of ITDS Management Structure with E-Governance Structure

Currently, no process exists for adding new E-Government Initiatives. However, if the ITDS program is to become an E-Government initiative, it likely will go through a review similar to the Quicksilver Process used last summer to identify E-Government initiatives.

The Quicksilver Process included the following steps:

➢ Gather and Identify strategic e-Gov opportunities

➢ Aggregate opportunities into citizen-centered initiatives

- ➢ Steering Group Prioritization Review 1

- ➢ Develop high-level business cases

- ➢ Define key barriers to implementation

- ➢ Steering Group Prioritization Review 2

- ➢ Produce Action Plan Document

- ➢ PMC Final Approval

The ITDS Board likely can make a very strong case that (1) the ITDS program is citizen-centered, (2) the ITDS program has a high-level business case, and (3) the ITDS program has mitigation plans for key barriers to implementation. Further, the ITDS program is high-priority because of its importance to homeland and cargo security. The outstanding question is whether the ITDS program is considered high payoff *as an e-government initiative*.

The ITDS program has tremendous value to businesses in terms of service level and reduction in data collection burden. The program will improve operations significantly at admissibility and export control agencies. The program will improve program service and replace redundant IT investment in dozens of agencies. More problematic is showing meaningful deployment in 18 to 24 months from last October.

4. Analysis and Recommendations

The ITDS Board currently faces a substantial series of challenges to attain the ITDS vision over the next four years. Aligning to leverage resources associated with the President's National Strategy for Homeland Security and E-Government Strategy can help. Further, the ITDS Board requires increased focus and resources during this time to make ITDS a reality. Finally, the ITDS Board needs to address the management of ITDS data government-wide in a more formal and documented manner.

The ITDS Board is at a turning point. It can either proceed on its present course as a collegial confederation akin to a users group, or it can seek the standing, resources, and agreements to be responsible and accountable for delivering on the ITDS vision.

4.1 Analysis

In determining which course to follow, the ITDS Board should consider how best to align with the National Strategy for Homeland Security and the E-Government Strategy. Further, the Board should consider: (1) the options for re-charter, (2) composition with and without a Department of Homeland Security, (3) options for structuring work between the Board and the PSG, (4) how to deploy the resources required to attain the vision, (5) government-wide data considerations, and (6) a protocol for documenting agency commitment.

4.1.1 Re-Chartering the ITDS Board

The ITDS could be re-chartered in any one of a number of ways; however, the most promising appear to be:

- ➢ Sponsorship and charter by the Department of Homeland Security
- ➢ Sponsorship and charter by the President's Management Council
- ➢ Sponsorship and charter from the Secretary of the Treasury
- ➢ Designation as one of President Bush's E-Government Initiatives
- ➢ Designation by the Office of Management and Budget.

Table 4-1 presents the pros and cons of each option.

Table 4-1 – Relative Merits of Alternative Charter Options

Chartering Entity	Pro	Con
President's Management Council	➢ Provides strong link to senior PGA management; provides access to PMC and federal council resources	➢ Does not afford administrative flexibility included in Administration's homeland security proposal
Office of Management and Budget	➢ Provides closest alignment for data management and alignment purposes	➢ Not linked to government-wide inter-agency infrastructure
E-Government Initiative	➢ Provides access to e-government resources and strong link to senior PGA management	➢ Administration has no plans to designate additional e-government initiatives
Department of Homeland Security	➢ Sets focal point for ACE/ITDS in a single Department	➢ May delay charter for up to one year; contingent upon creation of new department
Secretary of the Treasury	➢ Charters the ITDS Board under the agency currently responsible for development of ACE	➢ Key Treasury agencies may move to Department of Homeland Security; not linked to government-wide inter-agency infrastructure

The President's Management Council has responsibility in the areas of government performance; financial management, procurement, information technology, and human resources and can provide needed visibility into senior agency management government-wide. At the same time, the National Strategy for Homeland Security envisions that the Department of Homeland Security will oversee large-scale modernization at border crossings stating: "The Department of Homeland Security, as proposed by the President, will oversee a joint project of the U.S. Customs Service, Immigration and Naturalization Service, Transportation Security Administration, and International Trade Data System Board of Directors for large-scale modernization at border crossings" (page 57).

Any endorsement by the President's Management Council should include contingent delegation to a Department of Homeland Security if the Council and the Secretary of Homeland Security agree this is the best course of action.

4.1.2 Composition

In the event of the establishment of a Department of Homeland Security, the unique role of the Treasury Department in ACE/ITDS would cease and the Treasury Department would become like any other department-level PGA. Any special designation afforded the Treasury Department under the current federal organizational structure should be afforded to the Department of Homeland Security upon federal reorganization.

Even after a Department of Homeland Security is established, many PGAs would continue to reside in other Departments, e.g. Commerce, Justice, Transportation, Health and Human Services, etc. It is expected that these Departments and Agencies would continue to be involved in ACE/ITDS and should retain membership on the ITDS Board.

4.1.3 Organization

The ITDS Board could organize any one of a number of ways to support attainment of the ITDS vision. Any organization should support the recommended ITDS Board activities of policy consideration, planning, management, and communications.

Effective policy and planning requires representation from the operational elements that will be impacted by the policies and plans. Recognizing this need, policy and planning functions should be vested in senior managers that represent both the project and the impacted operational elements. Conversely, management and communications require dedicated attention to the project at hand on a day-to-day basis. These senior managers typically do not have the time to involve themselves at the day-to-day level necessary for management and communications. Therefore, the policy and planning functions should be separated from the management and communications functions.

That said, a number of choices remain. The ITDS Board could retain policy and planning responsibility and delegate authority for management and communications to the Program Support Group. Alternatively, the ITDS Board could establish several satellite groups, such as one for budget, one for requirements, one for development oversight, and so forth, with each reporting directly to the ITDS Board.

4.1.4 Resource Planning

As the ITDS Board plans for integration of PGAs into ACE/ITDS, it needs to consider how best to resource the program management functions of budget and investment management, outreach and agency coordination, communications, data and access, requirements management, financial and contract management, integrated operations, coordination with statistical and data agencies, and legal matters.

For consistency and simplicity, some of these functions, such as financial and contract management and integrated operations, should be managed in an integrated manner with ACE. Others, such as budget and investment management, communications, and data and access, may demand increased visibility than would be available within the ACE program.

4.1.5 Government-wide Data Management

Federal data management is underpinned by a legal and regulatory framework including the Privacy Act of 1974, the Paperwork Reduction Act, as amended, and the Trade Secrets Act. Because of the sensitive nature of trade data, requests for data are reviewed on an individual basis through a process often described by agencies as overly bureaucratic and time-consuming.

Not only must the Office of Management and Budget approve each new information collection, use, or dissemination, but also each agency that stores information has additional policies and procedures for safeguarding the information in their systems.

ACE/ITDS is designed to serve as a common information technology infrastructure to support federal trade compliance activities. The trade compliance and enforcement benefits expected of ACE/ITDS are dependent upon authorized individuals in agencies getting access to, receiving, and processing relevant trade information in a timely manner.

More than 100 agencies participate in the collection, use, and dissemination of international trade and transportation data. The implementation of the Customs ACE system expanded to include the ITDS functionality will create a government-wide system for the electronic collection, use, and dissemination of international trade and transportation data. Data integration creates significant opportunities for more effective management of information requirements necessary for border enforcement as well as minimizing the paperwork burden on the trade.

4.1.6 Protocol for Agency Readiness

As Participating Government Agencies integrate with the ACE/ITDS system, the ITDS Board of Directors will provide technical and financial assistance by making available resources for business process reengineering, requirements management, system design, development, and testing, and agency planning for deployment. To ensure that the benefits of agency integration are attained and expenditures of ITDS resources are worthwhile, the ITDS Board needs to ensure at each step that PGAs are prepared and willing to take the necessary steps at the agency to prepare for integration to ACE/ITDS, including planning, agency systems modification, and agency deployment activities.

4.2 Recommendations

Aligning ITDS with the President's National Strategy for Homeland Security and E-Government Strategies will clarify the relationships and decision authority among the

ITDS Board, the Customs Service, and other PGAs. Further, this alignment will result in the identification of management structures that can facilitate effective policy, planning, management, and communications. In turn, these structures should assist the ITDS Board in addressing the many challenges it faces.

4.2.1 Recommendation #1 – Authority

The ITDS Board should seek to be re-chartered by the President's Management Council. Such sanction will assist the ITDS Board in gaining visibility within the PGAs and will provide the ITDS Board with access to the resources related to e-government.

This endorsement should include a contingency that the PMC may choose to delegate authority to the Secretary of Homeland Security upon creation of a Department of Homeland Security.

4.2.2 Recommendation #2 – Composition

The ITDS Board should be comprised of 16 Members, one each from the Office of Management and Budget, the Department of Agriculture, the Department of Commerce, the Department of Health and Human Services, the Department of Homeland Security [should it be formed], the Department of the Interior, the Department of Justice, the Department of State, the Department of Transportation, the Department of the Treasury, the Environmental Protection Agency, and the Nuclear Regulatory Commission, in addition to one each from the International Trade Commission, the United States Trade Representative, the U.S. Customs Service [or its successor], the U.S. Census Bureau, and a representative chosen by the Interagency Council on Statistical Policy. The Office of Homeland Security also should be invited to participate in an advisory capacity.

Additional agencies or bureaus within the aforementioned agencies as well as other federal agencies with border responsibilities should be free to participate in the Program Support Group at their discretion.

The ITDS Board should elect its chairman. The Treasury Department member should serve permanently as the vice chairman unless a Department of Homeland Security is formed, in which case the Department of Homeland Security member should serve permanently as the vice chairman. The ITDS Board should establish additional bylaws as it sees fit.

4.2.3 Recommendation #3 – Scope

The ITDS Board Charter should identify the following duties for the Board: the consideration and recommendation of international trade and transportation data concepts and standards, planning for government-wide integration of PGA operations

and systems into the ACE/ITDS system, implementation and maintenance of ITDS functionality, and advising the Secretary of the Treasury (or, in the event of the creation of a Department of Homeland Security, the Secretary of Homeland Security) on the implementation of ITDS functionality in the ACE/ITDS system.

Consolidation of these activities in a central ITDS Board is necessary to provide sufficient focus on the current challenges of leveraging ACE/ITDS functionality government-wide.

4.2.4 Recommendation #4— Policy with Respect to Trade Data Management

With respect to Federal international trade transaction data requirements, the Board would be responsible for:

- ➢ coordinating, collecting, harmonizing, and documenting ACE/ITDS data requirements,

- ➢ promoting and facilitating data sharing and the reduction of respondent burden,

- ➢ developing and documenting data access standards, and

- ➢ making recommendations on such other related matters as may be requested or appropriate.

The Customs Service (or its successor) would serve as the central data collection agent for purposes of the Paperwork Reduction Act.

4.2.5 Recommendation #5 – Organization

The ITDS Board should retain direct responsibility for consideration and recommendation of standards, as well as overall planning, and delegate authority for fact-finding, day-to-day planning and management, and communications to the Program Support Group.

This approach retains continuity from the current ITDS Board of Directors, provides senior level leadership to consider policy matters, and solidifies the role of the PSG as a central focus for day-to-day activity.

The ITDS Board should designate a lead member for concepts and standards and a lead member for planning and budget. Similarly, the Program Support Group should assign individuals lead responsibility for overall agency coordination, statistical agency coordination, communications, budget and finance support, data concepts and standards support, and an ACE/ITDS users group. Given their existing responsibilities within their own agencies, the PSG representatives would execute their ITDS-related responsibilities with the appropriate level of government or contractual staff as determined by the ITDS Board Resource Plan.

As the ITDS program moves forward, the ITDS Board should reach out to and coordinate with the export assistance e-government initiative.

4.2.6 Recommendation #6 – Resources

The ITDS Board should develop and maintain a planned budget for ITDS and develop the necessary documentation to support that budget, including government-wide business cases (OMB 300Bs), and cost-benefit-analyses. The Board should conduct these activities in a timely manner to meet the budget deadlines for the Departments and Bureaus in whose budget funds are being requested. Annually, the Board should submit its budget request as an earmarked amount in the budget for the Department or Bureau responsible for the ACE/ITDS system.

In addition, each year, the ITDS Board should develop a government-wide expenditure plan for the next fiscal year that identifies the level of resources required to support each ITDS activity (whether central or agency-specific), the source of these resources, and any methods of financing such as direct appropriation, use of unobligated amounts from previous appropriations, or non-reimbursable personnel details.

For FY 2003, the eCP has developed a list of program management areas that may require resources, a description of the tasks to be performed in each area, a description of the current level of support in each area, and the different methods of supporting the necessary resources. The next step is for the PSG to weigh the relative merits of each resource method for each program management area.

4.2.7 Recommendation #7 – Protocol for Agency Readiness

➢ The ITDS Board should establish a protocol for preparing and reviewing PGA readiness before expending resources at each stage of integration to the ACE/ITDS System. It is critical to identify the requirements and necessary commitments among all parties in developing the integrated ACE/ITDS system. The protocol would ensure that all parties have met their obligations at various phases of project planning, development, and implementation.

To facilitate this process, the PSG should develop a reference list of standard services available to PGAs in ACE/ITDS.

4.3 Action Plan

The ITDS Board of Directors should take concrete action before December 31, 2002, to address each of the challenges of immediate concern. Table 4-2 presents the issues of immediate concern and the recommendation or recommendations addressing each.

Table 4-2– Challenges Facing the ITDS Board and Recommendation(s) Addressing Each

Board Challenge of Immediate Concern	Recommendation(s) to Address

Board Challenge of Immediate Concern	Recommendation(s) to Address
Board Composition	➤ 2
Scope of ITDS Board	➤ 3
Policy Role	➤ 4
Documentation of Alignment and Commitment	➤ 1,2
Development Funding and Financing	➤ 6
Government-wide Scheduling	➤ 5
Agency System Investments	➤ 7
Harmonization of Data Requirements	➤ 4
ACE/ITDS System Development	➤ 5, 6, 7
Integrated Concept of Operations	➤ 5
PGA System Interfaces	➤ 7
Data Access Standards	➤ 4
Communications Organization and Planning	➤ 5
Marketing	➤ 5

Appendix A. Participating Government Agencies

	Department, Agency, Bureau	PRA #	Agency Category
1	Department of Agriculture, Agricultural Marketing Service, Cotton Program	0581	
2	Department of Agriculture, Agricultural Marketing Service, Dairy Programs	0581	
3	Department of Agriculture, Agricultural Marketing Service,	0581	

	Fruit and Vegetable Programs		
4	Department of Agriculture, Agricultural Marketing Service, Poultry Programs	0581	
5	Department of Agriculture, Agricultural Marketing Service, Tobacco Program	0581	
6	Department of Agriculture, Agricultural Marketing Service, Livestock and Seed Program	0581	
7	Department of Agriculture, Agricultural Research Service	0518	
8	Department of Agriculture, Animal and Plant Health Inspection Service	0579	O
9	Department of Agriculture, Economic Research Service	0536	
10	Department of Agriculture, Farm Service Agency	0560	
11	Department of Agriculture Food Safety Inspection Service	0583	
12	Department of Agriculture, Foreign Agricultural Service	0551	
13	Department of Agriculture, Forest Service	0596	
14	Department of Agriculture, Grain Inspectors, Packers, and Stockyard Administration	0580	
15	Department of Commerce, Bureau of Economic Analysis	0691	
16	Department of Commerce, Bureau of Industry and Security	0694	
17	Department of Commerce, Census	0607	SAP
18	Department of Commerce, Economic and Statistical Administration	0608	
19	Department of Commerce, Economic Development Administration	0610	
20	Department of Commerce, Foreign Trade Zone Board	-	
21	Department of Commerce, International Trade Administration (ITA), Import Administration	0625	
22	Department of Commerce, International Trade Administration (ITA), Trade Development, Office of Textile Agreements (OTEXA)	0625	
23	Department of Commerce, International Trade Administration (ITA), U.S. and Foreign Commercial Service	0625	
24	Department of Commerce, National Oceanographic and Atmospheric Administration	0648	

25	Department of Commerce, National Oceanographic and Atmospheric Administration, National Marine Fisheries Service	0648	
26	Department of Commerce, Technology Administration, National Technical Information Service	0692	
27	Department of Commerce, U.S. Patent and Trademark Office	0651	
28	Department of Defense, Department of the Army	0702	
29	Department of Defense, Army Corps of Engineers	0702	O
30	Department of Defense, Defense Logistics Agency	0704	
31	Department of Defense, Office of the Secretary of Defense, Technology Security Policy	0704	
32	Department of Defense, Defense Security Cooperation Agency, Foreign Military Sales Program	0701	
33	Department of Defense, Department of the Air Force	0701	
34	Department of Defense, Department of the Navy	0703	
35	Department of Energy, National Nuclear Security Administration, Initiatives for Proliferation Prevention	1901	
36	Department of Energy, Energy Information Administration	1905	
37	Executive Office of the President, United States Trade Representative	0350	
38	Health and Human Services, Centers for Disease Control	0920	
39	Health and Human Services, Food and Drug Administration, Center for Food Safety and Nutrition	0910	O
40	Health and Human Services, Food and Drug Administration, Center for Drug Evaluation and Research	0910	
41	Health and Human Services, Food and Drug Administration, Center for Biologics Research and Evaluation	0910	
42	Health and Human Services, Food and Drug Administration, Center for Veterinary Medicine	0910	
43	Health and Human Services, Food and Drug Administration, Center for Devices and Radiological Health	0910	
44	Health and Human Services, Food and Drug Administration, National Center for Toxicological Research	0910	
45	Health and Human Services, Centers for Medicare & Medicaid Services	0938	

46	Health and Human Services, Food and Drug Administration, Office of Regulatory Affairs	0910	
47	Department of Interior, U.S. Fish and Wildlife Service	1018	
48	Department of Justice, Drug Enforcement Administration	1172	
49	Department of Justice, Federal Bureau of Investigation	1110	
50	Department of Justice, Immigration and Naturalization Service	1115	O
51	Department of Labor, Bureau of International Labor Affairs	-	
52	Department of Labor, Bureau of Labor Statistics	1220	
53	Department of Labor, Employment and Training Administration	1205	
54	Department of State, Bureau of Economic and Business Affairs	1405	
55	Department of State, Bureau of Non-Proliferation	1405	
56	Department of State, Bureau of Political Military Affairs, Office of Defense Trade Controls	1405	
57	Department of State, Office of International Information Programs	1405	
58	Department of Transportation, Bureau of Transportation Statistics	2139	
59	Department of Transportation, U.S. Coast Guard	2115	
60	Department of Transportation, Federal Aviation Administration	2120	
61	Department of Transportation, Federal Highway Administration	2125	
62	Department of Transportation, Maritime Administration	2133	O
63	Department of Transportation, Federal Motor Carrier Safety Administration	2126	O
64	Department of Transportation, Federal Railroad Administration	2130	
65	Department of Transportation, Federal Transit Administration	2132	
66	Department of Transportation, National Highway Traffic Safety Administration	2127	
67	Department of Transportation, Research and Special Projects Administration	2137	
68	Department of Transportation, Saint Lawrence Seaway Development Corporation	-	

69	Department of Transportation, Transportation Security Administration	2110	
70	Department of the Treasury, Bureau of Alcohol, Tobacco, and Firearms, Alcohol and Tobacco Programs	1512	
71	Department of the Treasury, Bureau of Alcohol, Tobacco, and Firearms, Firearms, Explosives, & Arson Programs	1512	▮
72	Department of the Treasury, Internal Revenue Service	1545	▮
73	Department of the Treasury, U.S. Customs Service	1515	
74	Department of the Treasury, Office of the Comptroller of the Currency	1557	
75	Department of the Treasury, Financial Crimes Enforcement Network	1506	
76	Department of the Treasury, Departmental Offices, Office of Foreign Assets Control	1505	
77	Agency for International Development	0412	
78	Central Intelligence Agency	-	
79	Consumer Product Safety Commission	3041	
80	Environmental Protection Agency, Office of Air and Radiation	2060	
81	Environmental Protection Agency, Office of Solid Waste and Emergency Response	2050	
82	Environmental Protection Agency, Office of Prevention, Pesticides and Toxic Substances	2070	
83	Environmental Protection Agency, Policy, Planning, and Evaluation	2010	
84	Export-Import Bank	3048	
85	Federal Communications Commission	3060	O
86	Federal Deposit Insurance Corporation	3064	
87	Federal Maritime Commission	3072	
88	Federal Reserve System	7100	
89	Federal Trade Commission	3084	
90	General Services Administration	3090	
91	International Trade Commission	3117	O
92	Legislative Branch Agencies, Library of Congress, Congressional Research Service	-	

93	Legislative Branch Agencies, Library of Congress, U.S. Copyright Office	-		
94	Legislative Branch Agencies, General Accounting Office	-		
95	Nuclear Regulatory Commission, Office of International Programs	3150		
96	Overseas Private Investment Corporation	3420		
97	United States Postal Service	-		
98	Securities and Exchange Commission	3235		
99	Small Business Administration	3245		
100	Small Business Administration, Office of International Trade	3245		
101	US Trade and Development Agency	-		

Paperwork Reduction Act Number

The number in the Paperwork Reduction Act Number corresponds to the first four digits of the number assigned to each of the agency forms subject to the Paperwork Reduction Act. The first four digits are the same for all forms in an agency, while the specific form is identified by the last four digits in the number.

Agency Categories

O = **Border Operations Agencies** – have responsibility for the import, export, and transit trade processes related to cargo, conveyance and/or crew. Border Operations Agencies may also have license and permit, statistical, or trade promotion responsibilities. Border Operation Agencies sometimes are referred to as admissibility and export control agencies.

LP = **License and Permit Agencies** – use ACE as the primary means for the recordation and maintenance of license and permit information against. License and Permit Agencies may also have statistical or trade promotion responsibilities.

SAP = **Statistical Agencies** – use ACE to extract trade or transportation data, usually not at the transaction-level, to support needs for their own statistical analysis. Statistical Agencies may also have trade promotion responsibilities.

TP = **Trade Promotion Agencies** – use ACE to facilitate U.S. trade by making available basic import and export information, such as rules and regulations, to the trade, service providers, and the public.

Agency Categories are identified by the agency during the creation of the agency concept of operations for ITDS.

Appendix B. Homeland Security

B.1 Homeland Security Overview

On October 8, 2001, President Bush signed Executive Order #13228 establishing the Office of Homeland Security to develop and coordinate the implementation of a comprehensive national strategy to secure the United States from terrorist threats or attacks. Further, this executive order created a Homeland Security Council of top Administration Officials to advise the President on Homeland Security matters. The Office of Homeland Security was directed to ensure the adequacy of a national strategy for detecting, preparing for, preventing, protecting against,

> **Homeland Security is a concerted national effort to prevent terrorist attacks within the United States, reduce America's vulnerability to terrorism, and minimize the damage and recover from attacks that do occur.**
>
> National Strategy for Homeland Security, p. 2

responding to, and recovering from terrorist threats or attacks within the United States. The Office of Homeland Security responsibilities also included coordinating related efforts for collection and analysis of information, preparing for and mitigating consequences of terrorist threats or attacks, coordinating efforts to prevent threats or attacks, protecting critical infrastructure, and response and recovery to any threats or attacks.

On June 6, 2002, the President put forth a proposal to create a Department of Homeland Security. On July 17, 2002, the Office of Homeland Security released the first National Strategy for Homeland Security.

B.1.1 National Strategy for Homeland Security

The purpose of the National Strategy for Homeland Security is to mobilize and organize the nation to secure the U.S. homeland from terrorist attacks. Towards this end, the strategy identifies critical mission areas and foundations to achieve the strategy.

The first three mission areas focus on preventing terrorist attacks; the next two on reducing our Nation's vulnerabilities; and the final one on minimizing the damage and recovering from attacks that do occur. Table 3-1 provides a description of each critical management area.

Table B-1 – Homeland Security Critical Management Areas

Critical Management Area
➤ **Intelligence and Warning** – an intelligence and warning system that can detect terrorist activity before it manifests itself in an attack so that proper preemptive, preventive, and protective action can be taken

Critical Management Area
➢ **Border and Transportation Security** – the efficient and reliable flow of people, goods and services across borders while preventing terrorists from using transportation conveyances or systems to deliver instruments of destruction
➢ **Domestic Counter-terrorism** – the pursuit of the individuals directly involved in terrorist activity and their sources of support – the people and organizations that knowingly fund the terrorists and those that provide them with logistical assistance
➢ **Protecting Critical Infrastructure** – the denial of opportunity to inflict lasting harm to our Nation by protecting the assets, systems, and functions vital to our national security, governance, public health and safety, economy and national morale.
➢ **Defending Against Catastrophic Terrorism** – new approaches, a focused strategy, and a new organization to expand and centralize chemical, biological, radiological, and nuclear detection capabilities.
➢ **Emergency Preparedness and Response** – the planning, equipping, training, and exercise of response units at all levels of government so that they can mobilize without warning for any emergency.

The strategy identifies 42 major initiatives across the six critical management areas. These six critical mission areas rest upon four foundations – each a unique American strength that cuts across all of the mission areas, across all levels of government, and across all sectors of our society. The foundations provide a useful framework for evaluating homeland security investments across the federal government. Table 3-2 provides a description of the foundations for homeland security.

Table B-2 – Foundations for Homeland Security

Foundation
➢ Law – legislative actions that would enable our country to fight the war on terrorism more effectively while scrupulously guarding against incursions on our freedoms.
➢ Science and Technology – a systematic national effort to harness science and technology in support of homeland security, consolidating homeland security research and development, planning for long-term research and development, and seeking to harness the energy and ingenuity of the private sector.

Foundation
➢ Information Sharing and Systems – the linking of the vast amounts of knowledge resigning in each government agency while ensuring adequate privacy such as the connection of databases used for federal law enforcement, immigration, intelligence, public health, surveillance, and emergency management.
➢ International Cooperation – a sustained, steadfast, and systematic international agenda to counter the global terrorist threat and improve our homeland security.

The strategy identifies 37 major initiatives across these four foundations. Some of these initiatives overlap with the initiatives associated with the critical management areas.

B.1.2   Proposal for a Department of Homeland Security

On June 6, 2002, the President put forth a proposal to create a Department of Homeland Security. The proposed department would be responsible for border and transportation security, emergency preparedness and response, chemical, biological, radiological, and nuclear countermeasures, and information analysis and infrastructure protection. The proposed reorganization would be the most significant transformation of the U.S. government in over a half-century. All told, the Administration proposes transferring the functions of 22 agencies and offices in their entirety and reallocating powers from two additional agencies.

Figure B-1 illustrates agencies and offices involved in homeland security before the transfer of functions.
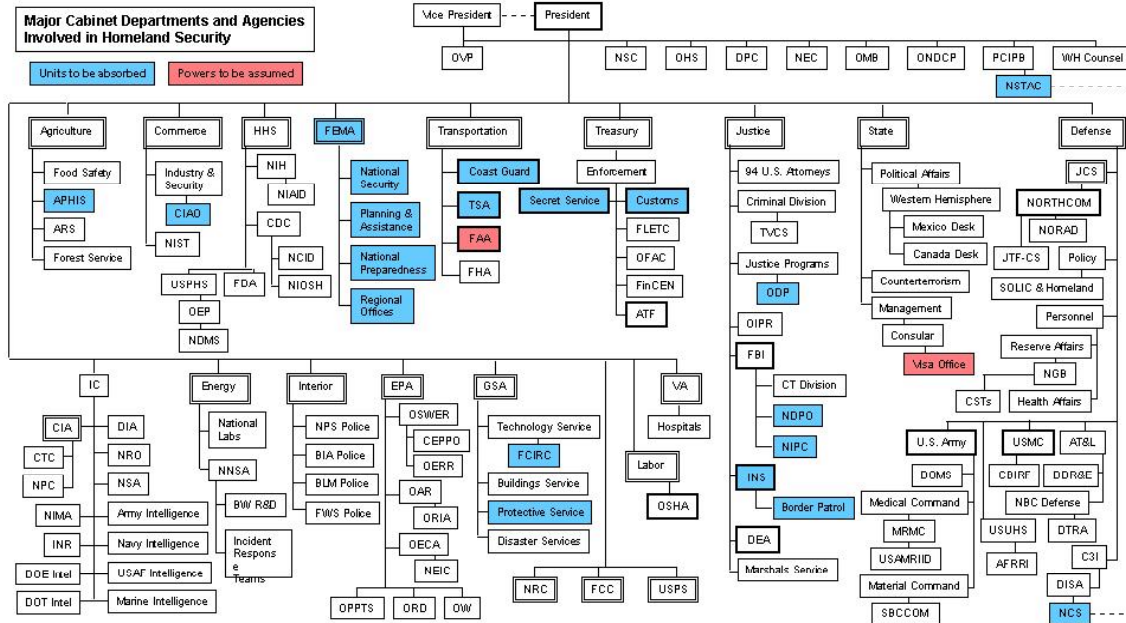
SOURCE: Bush Administration Briefing on Homeland Security

Figure B-1. Major Cabinet Departments and Agencies Involved in Homeland Security Before Reorganization

The Administration's proposal would organized the functions of these agencies and offices into four divisions: border and transportation security; emergency preparedness and response; chemical, biological, radiological, and nuclear countermeasures, and information analysis and infrastructure protection.

Even after the reorganization, homeland security will involve the efforts of other Cabinet departments. As a result, the White House Office of Homeland Security and the Homeland Security Council would continue to coordinate across agencies and advise the President on homeland security related issues. Figure B-2 illustrates agencies and offices involved in homeland security after the reorganization.

Major Cabinet Departments and Agencies Involved in Homeland Security

After creation of new Department

Vice President - - - - President

OVP | NSC | OHS | DPC | NEC | OMB | ONDCP | PCIPB | WH Counsel

Agriculture
- Food Safety
- ARS
- Forest Service
- USPHS

Commerce
- Industry & Security
- NIST
- FHA

HHS
- NIH
- NIAID
- CDC
- NCID
- NIOSH
- FDA
- OEP
- NDMS

Homeland Security
- Security Operations
- Emergency Response
- Protection and Warning
- WMD Defense
- Secret Service

Treasury
- Enforcement
  - FLETC
  - OFAC
  - FinCEN
  - ATF

Justice
- 94 U.S. Attorneys
- Criminal Division
- TVCS
- OIPR
- FBI
  - CT Division
- DEA
- Marshals Service

State
- Political Affairs
  - Western Hemisphere
  - Mexico Desk
  - Canada Desk
- Counterterrorism
- Management
- Consular
- Visa Office

Defense
- JCS
- NORTHCOM
- NORAD
- JTF-CS
- Policy
- SOLIC & Homeland
- Personnel
- Reserve Affairs
- NGB
- Health Affairs
- CSTs

IC
- CIA
- CTC
- NPC
- NIMA
- INR
- DOE Intel
- DIA
- NRO
- NSA
- Army Intelligence
- Navy Intelligence
- USAF Intelligence
- Marine Intelligence

Energy
- National Labs
- NNSA
- BW R&D
- Incident Response Teams

Interior
- NPS Police
- BIA Police
- BLM Police
- FWS Police

EPA
- OSWER
- CEPPO
- OERR
- OAR
- ORIA
- OECA
- NEIC
- OPPTS
- ORD
- OW

GSA
- Technology Service
- Buildings Service
- Disaster Services

VA
- Hospitals

Labor
- OSHA

State (cont.)
- U.S. Army
- DOMS
- Medical Command
- MRMC
- USAMRIID
- Material Command
- SBCCOM

Defense (cont.)
- USMC
- CDIRF
- NBC Defense
- USUHS
- AFRRI
- AT&L
- DDR&E
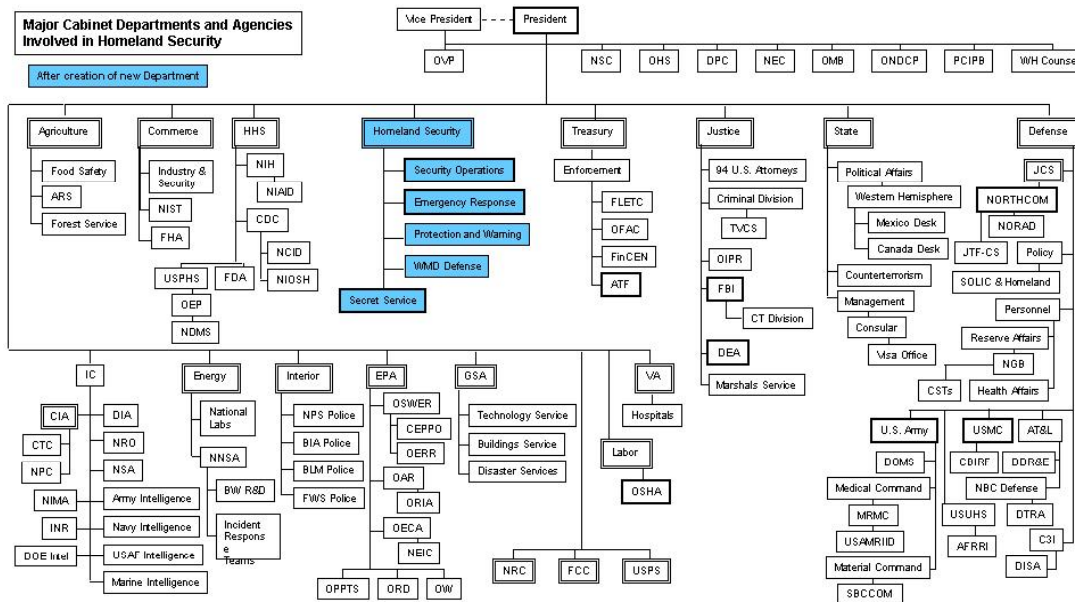- DTRA
- C3I
- DISA

NRC | FCC | USPS

SOURCE: Bush Administration Briefing on Homeland Security

Figure B-2. Major Cabinet Departments and Agencies Involved in Homeland Security After Reorganization

B.2 Impact of Homeland Security Activities on ITDS Governance

The alignment and focus on homeland security and the establishment of a Department of Homeland Security will impact the ITDS Board predominantly in two ways. First, the government-wide focus on homeland security demands that the ITDS Board demonstrate its alignment with the National Strategy for Homeland Security or risk duplication of effort. Second, the functions of several of the PGAs, including the Customs Service, would transfer under the Administration's proposal, changing the composition of ITDS stakeholders.

B.2.1 Supporting the National Strategy

ITDS fits into the National Strategy for Homeland Security in the Border and Transportation Security Critical Mission Area and across the Information Sharing and Systems and International Cooperation Foundations. Specifically, the strategy calls for a "smart border" that will be a continuum framed by land, sea, and air dimensions, where a layered management system would enable greater visibility of vehicles, people, and goods coming to and departing from the United States. Internationally, the strategy calls for the United States to screen and verify the security of goods and people before they can do harm to the international transportation system and well before they reach our shores of land borders. Figure B-3 illustrates the role of ITDS and ACE in the National Strategy for Homeland Security.

> **A single entity in the Department of Homeland Security will manage who and what enters our homeland in order to prevent the entry of terrorists and the instruments of terror, while facilitating the legal flow of people, goods, and services on which out economy depends. The Department and its partners will conduct border security functions abroad to the extent allowed by technology and international agreements.**
>
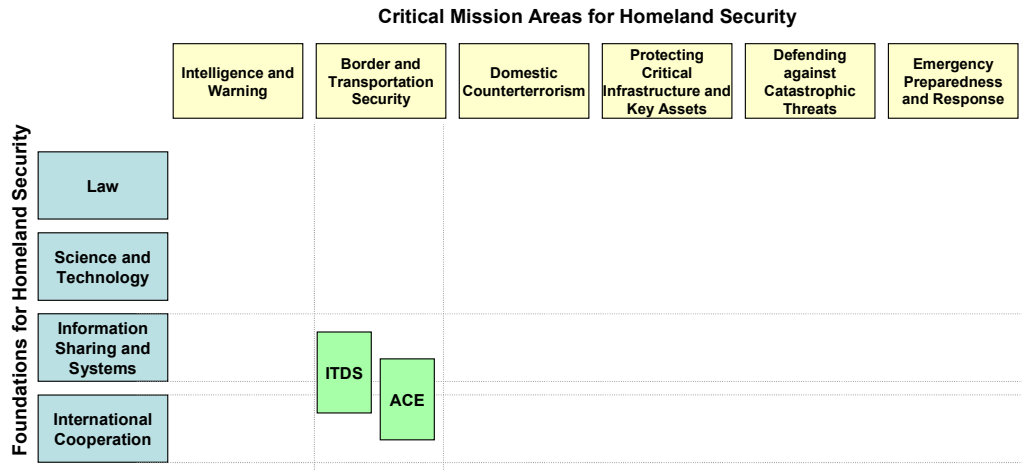> National Strategy for Homeland Security, p.22

Figure B-3. Role of ITDS and ACE in National Strategy for Homeland Security

ITDS and Customs Modernization are related closely to at least seven of the major initiatives included in the National Strategy for Homeland Security. Table B-3 describes major initiatives that relate closely to ACE and ITDS.

Table B-3 – Major Homeland Security Initiatives Related to ITDS and Customs Modernization

Homeland Security Initiative
➢ **Ensure Accountability in Border and Transportation Security** – Transfer the principal border agencies to a new Department of Homeland Security.
➢ **Create "Smart" Borders** – Create a "border of the future" that will be a continuum framed by land, sea, and air dimensions, where a layered management system enables greater visibility of vehicles, people, and goods coming to and departing from our country.
➢ **Increase the security of international shipping containers** – Place inspectors at foreign seaports to screen U.S.-bound sea containers before they are shipped arrive at U.S. ports; use technology to inspect high-risk containers; and develop and use smart and secure containers.
➢ **Integrate information sharing across the federal government** – Coordinate the sharing of essential homeland security information nationwide; conduct large-scale modernization at border crossings jointly across agencies.
➢ **Integrate information sharing across state and local governments, private industry, and citizens** – Build and share the law enforcement databases, secure computer networks, secure video teleconferencing capabilities, and more accessible websites.
➢ **Adopt common "meta-data" standards for electronic information relevant to homeland security** – implement a series of data-mining tools for the full range of homeland security activities.

B.2.2   Transfer of Functions

The Administration's legislative proposal to establish a Department of Homeland Security would transfer the functions of 22 agencies and offices to the new department. Specifically, the new Department would include the principal border and transportation agencies – the Immigration and Naturalization Service, U.S. Customs Service, U.S. Coast Guard, Animal and Plant Health Inspection Service, and Transportation Security Administration – and would coordinate the border-control activities of all federal agencies that are not incorporated within the new department.

Table B-4 outlines the functions that would be transferred to the Department of Homeland Security under the Administration's proposal and highlights the Participating Government Agencies included in the proposal (indicated by an "X" in the PGA column). Table B-4 also outlines additional agencies (indicated by an "O" in the PGA column),

that may merit outreach and communication in the event of the creation of a Department of Homeland Security.

Table B-4 – Functions Transferred under the Administration's Proposal

Homeland Security Division	Functions Transferred	PGA
Border and Transportation Security	➢ United States Customs Service of the Department of the Treasury	X
	➢ Immigration and Naturalization Service of the Department of Justice	X
	➢ Animal and Plant Health Inspection Service of the Department of Agriculture	X
	➢ The Coast Guard of the Department of Transportation	X
	➢ Transportation Security Administration of the Department of Transportation	X
	➢ Federal Protective Service of the General Services Administration	
Emergency Preparedness and Response	➢ Federal Emergency Management Agency	➢
	➢ Office of Domestic Preparedness of the Office of Justice Programs of the Department of Justice	
	➢ National Domestic Preparedness Office of the Federal Bureau of Investigation	
	➢ Domestic Emergency Support Teams of the Department of Justice	
	➢ Office of the Assistant Secretary for Public Health Emergency Preparedness of the Department of Health and Human Services	
	➢ Strategic National Stockpile of the Department of Health and Human Services	

Homeland Security Division	Functions Transferred	PGA
Information Analysis and Infrastructure Protection	➢ National Infrastructure Protection Center of the Federal Bureau of Investigations ➢ National Communications System of the Department of Defense ➢ Critical Infrastructure Assurance Office of the Department of Commerce ➢ Computer Security Division of the National Institute of Standards and Technology ➢ National Infrastructure Simulation and Analysis Center of the Department of Energy ➢ Federal Computer Incident Response Center of the General Services Administration	➢ ➢ O

Homeland Security Division	Functions Transferred	PGA
Chemical, Biological, Radiological, and Nuclear Countermeasures	➢ Select agent registration enforcement and programs and activities of the Department of Health and Human Services	
	➢ Chemical and biological national security and supporting programs and activities of the non-proliferation and verification research and development program of the Department of Energy	
	➢ Nuclear smuggling programs and activities and other programs and activities related to homeland security within the proliferation detection program of the non-proliferation and verification research and development program of the Department of Energy	O
	➢ Nuclear assessment program and activities of the assessment, detection, and cooperation program of the international materials protection and cooperation program of the Department of Energy	
	➢ Energy security and assurance programs and activities of the Department of Energy	
	➢ Life sciences activities of the biological and environmental research program of the Department of Energy	
	➢ Environmental Measurement Laboratory of the Department of Energy	O
	➢ Advanced scientific computing research programs and activities and intelligence program and activities at Lawrence Livermore National Laboratory of the Department of Energy	
	➢ National Bio-Weapons Defense Analysis Center of the Department of Defense	
	➢ Plum Island Animal Disease Center of the Department of Agriculture	O
		O

B.3 Inter-Agency Coordination

Not only would five major admissibility and export control PGAs transfer to the Department of Homeland Security, but also the Administration's proposal would have the new department manage and coordinate the government activities at ports of entry, administer the customs laws of the United States, and, in carrying out the foregoing responsibilities, ensure the speedy, orderly, and efficient flow of lawful traffic and commerce.

Toward this end, the Administration's proposal provides the Secretary of Homeland Security the ability to establish, appoint members of, and use the services of, advisory committees, as he may deem necessary. Further, in the Administration's proposal, these committees would not be subject to the Federal Advisory Committee Act.

Appendix C. President's Management Agenda

C.1 E-Government Overview

The OMB Director established an E-Government Task Force in July 2001 to identify priority actions that achieve strategic improvements in government and set in motion a transformation of government around citizen needs. The task force made recommendations in mid-September 2002, and the recommendations were considered and approved by the President's Management Council in October 2001. In February 2002, the task force issued an implementation plan: The E-Government Strategy. The goals of the E-Government Strategy are to:

➤ Make it easy for citizens to obtain service and interact with the federal government

➤ Improve government efficiency and effectiveness, and

➤ Improve government responsiveness to citizens.

➤

C.1.1   Three Principles; Six Improvements; Five Barriers

The E-Government strategy is founded on three principles designed to transform government, result in six improvements and overcome five barriers to change.

The President's vision for government reform is guided by three principles. Government should be citizen-centered, results-oriented, and market-based. Table C-1 presents these principles.

Table C-1 – E-Government Principles

E-Government Principles
Citizen-centered – not bureaucracy-centered. There is significant overlap and redundancy across the Federal business architecture. E-government initiatives should simplify processes across agencies and around citizen needs.
Results-oriented – E-government initiatives should simplify processes and unify across islands of automation. Further, they should be evaluated on how well they respond to citizens' needs.
Market-based – actively promoting innovation through competition, innovation, and choice.

Source: President's Management Agenda, E-Government Strategy.

The E-Government strategy is designed to result in six types of improvements: simplifying delivery of services, eliminating layers of management, making it easy to find information and get service, reducing costs through integration and eliminating redundant systems, enabling achievement of the other elements of the President's Management Agenda, and streamlining government operations. Table C-2 describes these types of improvement.

Table C-2 – E-Government Value

E-Government Benefits
➢ **Simplifying Delivery of Services to Citizens** – High-payoff will result through the transformation of how the government interacts with its citizens and customers. Only through changing how business is done internally will citizens experience the transformation envisioned.
➢ **Eliminating Layers of Government Management** – Today's information technology solutions incorporate more productive ways of doing work through eliminating paperwork or integrating activities across longstanding organizational silos.
➢ **Making it Easy to Find Information and Get Services** – The Administration goal is that services and information rarely will be more that three clicks away when using the Internet. Currently there are over 35 million web pages at 22,000 Federal Web Sites.
➢ **Reduce Costs through Integrating and Eliminating Redundant Systems** – E-Government initiatives provide an opportunity to save billions of dollars currently spent by citizens, businesses, states, and local governments to comply with paperwork-intensive government processes.
➢ **Enabling Attainment of the Other Elements of the President's Management Agenda** – E-Government will support agencies in using human capital more strategically, using competition, innovation, and choice to build "click and mortar" enterprises, improving financial performance, and integrating budget and performance information.
➢ **Streamlining Government Operations to Guarantee Rapid Response to Citizen Needs** – e-Government streamlining will improve productivity by enabling agencies to focus on their core competencies and mission requirements.

Source: E-Government Strategy and President's Management Agenda

The E-Government Strategy identified five barriers to attainment of the E-Government Strategy: agency culture, lack of Federal architecture, trust, resources, and stakeholder resistance. Table C-3 describes these barriers and the action plan to overcome them.

Table C-3 – Actions for Overcoming Barriers to E-Government

Barrier	Mitigation
Agency Culture	- Sustain high level leadership and commitment - Establish interagency governance structure - Give priority to cross-agency work - Engage interagency user/stakeholder groups, including communities of practice
Lack of Federal Architecture	- OMB leads government-wide business and data architecture rationalization - OMB sponsors architecture development for cross-agency projects - FirstGov.gov will be the primary only delivery portal for G2C and G2B interactions
Trust	- Through e-Authentication E-Government initiative, establish secure transactions and identity authentication that will be used by all E-Government Initiatives - Incorporate security and privacy protections into each business plan - Provide public training and promotion
Resources	- Move resources to programs with greatest return and citizen impact - Set measures up-front to monitor implementation - Provide online training to create new expertise among employees and contractors
Stakeholder Resistance	- Create comprehensive strategy for engaging Congressional committees - Have multiple PMC members argue collectively for initiatives - Tie performance evaluations to cross-agency success

Barrier	Mitigation
	➢ Communicate strategy to stakeholders

Source: E-Government Strategy.

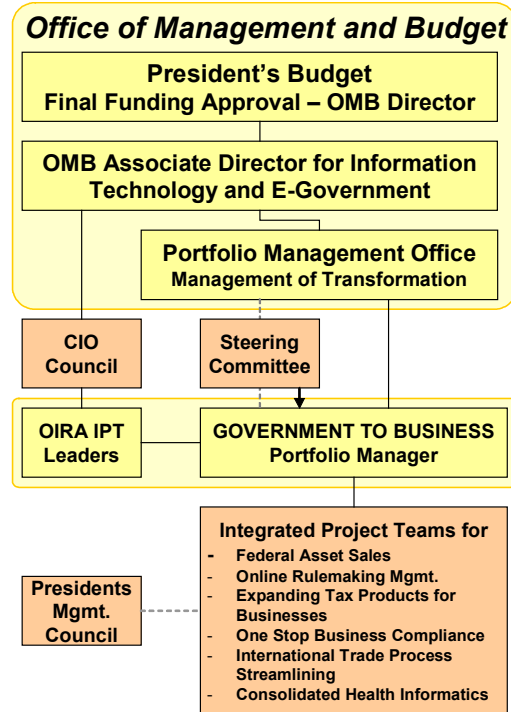## C.1.2   E-Government Initiatives

The Administration is committed to advancing the E-Government Strategy by supporting multi-agency projects that improve citizen services and yield performance gains. These projects represent a balance of initiatives and resources across four key citizen groups (individuals, businesses, intergovernmental, and internal) and integrate dozens of overlapping E-Government projects.

The 24 projects selected provide the most value to citizens, while generating cost savings or improving the effectiveness of government. The selections were made by a steering group comprised of members of the President's Management Council under the leadership of the OMB Director. The full President's Management Council approved the initiatives at the October 23, 2001 meeting.

Included in the 24 projects is an export assistance initiative sponsored by the Department of Commerce. As ITDS moves forward, the relationship with this initiative should be considered.

C.1.3   E-Governance

Daily management and leadership for E-Government Initiatives will be provided by the President's Management Council, the Office of Management and Budget, and Members of the CIO, CFO, Procurement Executive, and Human Resource Councils. Figure 3-4 illustrates these management structures, or, simply put, E-Governance.

SOURCE: E-Government Strategy, Pages 19-20.

Figure 4-4. E-Governance Structure for Government to Business Initiatives

President's Management Council members volunteered to be "managing partners" for each of the initiatives. Other members volunteered to participate in those efforts as partners. Managing partners have established program offices to ensure that the initiatives are implemented and the partners will cooperate in planning and implementation of the initiative. Subsequent work by managing partners and agency partners has generated more detailed business cases.

OMB is overseeing this process and working with the agencies on adequate funding for initiatives. Funding for each initiative will be identified separately in the President's Budget and may come from multiple agencies. OMB has hired four portfolio managers, reporting to the Associate Director for IT and E-Government, who are responsible for overseeing progress in the E-Government initiatives and who are organized in a portfolio management office. The portfolio managers work closely with the OMB Integrated Project Team leaders for the initiatives that cut across all E-Government initiatives: E-Authentication and Enterprise Architecture.

To help with the transformation, the CIO Council, with assistance from other federal management councils, has formed portfolio steering committees to focus on E-Government in each of the four citizen segments. Membership is from agencies that make up the project teams for each of the initiatives. The steering committee will help managers, help remove implementation barriers, and support the portfolio manager who is responsible for making government more citizen-centered through daily interaction with the managing partners who they oversee.

The OMB Portfolio Management Office currently is working to identify support structures for E-Government initiatives in the areas of planning and budgeting, data requirements, redundant system investments, and performance information. For example, each of the E-Government initiatives has a unique budget code so that all funds associated with the initiative, regardless of agency, are visibly tagged as E-Government funds.

In addition, metrics will be used to track progress of E-Government. The President's Management Council will be involved and track E-Government progress at its regular meetings. Agency success and cooperation will be documented in the President's Management Agenda Scorecard. Table C-4 presents the standards for this scorecard.

Table C-4 – Standards for Success – Expanding E-Government

Green	Yellow	Red
Must Meet All Core Criteria Strategic Value: all major system invest-ments have a business case submitted that meets the requirements of OMB Circular A- 11 (Exhibit 53, Form 300). IT Program Performance: On average, all major IT projects operating within 90% of Form 300 cost, schedule, and performance targets. E-government and GPEA implementation: (must show department- wide progress or participation in multi-agency initiative in 3 areas) Citizen one- stop service delivery integrated through Firstgov. gov, cross- agency call centers, and offices or service centers. Minimize burden on business by re-using data previously collected or using ebXML or other open standards to receive transmissions. Intergovernmental: Deploying E-	Achievement of Some but not All Core Criteria; No Red Conditions	Has Any One of the Following Conditions: Less than 50% of major IT investments have a business case per OMB Circular A-11 (Exhibit 53, Form 300) . On average, all major IT projects operating at less than 70% of Form 300 cost, schedule and performance targets. Fulfills not more than one of the following: Citizen one- stop service delivery integrated through Firstgov. gov, cross-agency call centers, and offices or service centers. Minimize burden on business by re-using data previously collected or using ebXML or other open standards to receive transmissions. Intergovernmental: Deploying E-grants or Geospatial Information one-stop. Obtaining productivity improvements

Green	Yellow	Red
grants or Geospatial Information one-stop. Obtaining productivity improvements by implementing customer relationship management, supply chain management, enterprise resource management, or knowledge management best practices.		by implementing customer relationship management, supply chain management, enterprise resource management, or knowledge management best practices.

In June, the Senate passed Senate Bill 803 that would provide a statutory basis for the E-Government infrastructure and authorizes $345 million in multi-year funding for e-gover