



Homeland Security

IT Program Assessment CBP- Automated Commercial Environment (ACE) – International Trade Data System (ITDS)

Review Assessment

On November 13, 2009, the DHS CIO conducted a complete review of the CBP - Automated Commercial Environment (ACE) Program, and conducted a follow-up review as a part of a Screening IT Portfolio Review on July 20, 2010. ACE is the new CBP import and export processing system. The Program's goals include facilitating the movement of legitimate trade through more effective trade account management and strengthening border security. The ACE program seeks to improve operational support to international trade while improving the security of imports and exports. DHS is acquiring and deploying ACE in 11 major releases, over 9 years. The "Customs Modernization Act" or "Mod Act" legislation is the primary business driver and legal foundation for CBP Modernization efforts. The Mod Act emphasizes electronic processing and self-compliance and provides the foundation for redesign of the trade compliance process and the strengthening of screening and targeting systems, a key requirement for border security and expediting legitimate trade. CBP is developing ACE to deliver these capabilities in a secure, paper-free, Web-enabled environment.

In addition to addressing the requirements of the Mod Act and replacing legacy systems, ACE is being integrated with the International Trade Data System (ITDS) as the best alternative to supporting the international trade data needs of each of the Federal agencies with international trade responsibilities. The international trade processes supported by this initiative include data collection, processing, use, dissemination, and storage.

ACE has achieved the planned targets for the critical performance measures that track the number of ACE accounts, percentage of duties and fees paid via ACE periodic monthly statement process, the national percentage of e-Manifests filed, and the percent reduction in truck processing time due to e-Manifest. However, the program has encountered some significant challenges:

- Program baselines have changed numerous times and the program is significantly behind schedule.
- The program needs to develop final requirements, acquisition strategy, and revised cost estimates.
- The full scope originally envisioned for ACE cannot be completed within the President's Budget. Furthermore, additional development funds for ACE releases will not be available in the FY 2011 budget as the program is to set to move into the operations and maintenance mode.
- The planned ACE program cannot be completed within the current funding profile. These constraints have led CBP to alter plans for FY10 and beyond. Following re-baselining, FY2010-11 will focus on developing the M1 effort consisting of Rail and Sea Manifest by the end of Q1, FY 11.
- The Electronic-Manifest for Rail and Sea (M1) Project experienced cost overruns and schedule delays. The ACE Executive Committee of CBP stopped work on M1 to review and validate requirements. A second critical design review was conducted to re-baseline M1 requirements early in FY 2010.

Mitigation Strategy

CBP is working to re-baseline/re-formulate the program to include validating program priorities and mapping remaining work against remaining funding. DHS has restricted work and funding with the current contractor to only items due on the current contract option, and the follow-on option will not be

executed. CBP must provide alternatives to achieve program priorities before proceeding with any new contracting actions.

The following improvements have been made or are being worked by the ACE Program Manager:

- ACE continues improve contract management and PMO oversight of the prime contractor.
- The Program Manager is working to institutionalize best practices in areas to include requirements management, configuration management, and testing.
- Continue to migrate the program to a Services-Oriented Architecture.
- Improve contract management and interface as well as improve the method of calculating earned value management to better reflect contract performance.
- Improve program office interface with the prime contractor.

Score: 2