AVIATION SECURITY

Actions Needed to Address Challenges and Potential Vulnerabilities Related to Securing Inbound Air Cargo
Highlights of GAO-12-632, a report to congressional requesters

May 2012

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Actions Needed to Address Challenges and Potential Vulnerabilities Related to Securing Inbound Air Cargo

Why GAO Did This Study

In 2010, passenger flights transported about 3.6 billion pounds of cargo into the United States from foreign locations. According to TSA, the introduction of explosive devices in air cargo shipments is a significant threat, and DHS was mandated to establish a system to screen 100 percent of cargo transported on all passenger aircraft traveling to, from, or within the United States by August 2010. Individuals identified as matches to the No Fly List are generally prohibited from boarding commercial aircraft because it has been determined they pose a threat to civil aviation or national security. GAO was asked to examine (1) TSA actions taken since October 2010 to enhance the security of inbound cargo on passenger and all-cargo aircraft; and (2) any associated challenges TSA faces.

What GAO Found

The Transportation Security Administration (TSA) has taken three primary actions since October 2010 to enhance security of inbound cargo on passenger and all-cargo aircraft. First, from October 2010 through May 2011, TSA issued new risk-based security requirements to focus more detailed screening measures on high-risk shipments, including prohibiting the transport of air cargo on passenger aircraft from Yemen and Somalia due to threats stemming from those areas and enhancing screening procedures for all cargo carriers. Second, the Secretary of Homeland Security established an Air Cargo Security Working Group—which included passenger and all-cargo representatives—to help identify ways to enhance the security of the air cargo system. In April 2011, the group recommended actions to enhance security such as developing mutually recognized standards for cargo screening technology, but the Department of Homeland Security (DHS) has not yet determined whether to implement them. Finally, in December 2010, DHS initiated an Air Cargo Advance Screening pilot, which is ongoing, to more readily identify high-risk cargo for additional screening prior to departing from foreign airports to the United States.

TSA has not yet met the 100 percent screening mandate as it applies to inbound air cargo due to several persistent challenges. For example, about one-third of air carriers that commented on TSA’s proposal to screen all inbound cargo by the end of calendar year 2011 expressed concerns about being able to meet this date without causing significant disruptions in the air cargo supply chain. In response to these concerns, TSA proposed a new date of December 2012. TSA officials also said that it is difficult to verify the accuracy of the self-reported screening data provided by passenger air carriers used to determine the extent to which screening has been conducted in foreign countries. Further, there is no requirement for all-cargo carriers to report data comparable to passenger air carrier screening data, even though most inbound cargo is shipped into the United States by all-cargo carriers. TSA has not yet weighed the costs and benefits of requiring all-cargo carriers to submit screening data, and by doing so, TSA could determine whether this additional data could enhance its efforts to identify potential risks for inbound air cargo, develop cost effective strategies and measures to manage these risks, and provide additional assurance that all-cargo carriers are complying with TSA’s enhanced screening requirements.

What GAO Recommends

GAO recommends, among other things, that DHS assess the costs and benefits of requiring all-cargo carriers to report inbound air cargo screening data. DHS concurred with GAO’s recommendation and is taking actions to address it.

View GAO-12-632. For more information, contact Steve Lord at (202) 512-4379 or lords@gao.gov.
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Congressional Requesters:

In 2010, passenger flights transported about 3.6 billion pounds of inbound air cargo—cargo arriving in the United States by air from foreign locations. During the same period, all-cargo carriers—generally, aircraft configured solely for the transport of cargo (e.g., FedEx and United Parcel Service)—transported approximately 7.2 billion pounds of inbound air cargo. The October 2010 discovery of explosive devices in air cargo packages on all-cargo aircraft bound for the United States from Yemen provided a vivid reminder that civil aviation remains an attractive terrorist target and highlights the continuing need to ensure that air cargo screening standards and practices effectively address emerging threats. According to the Transportation Security Administration (TSA), the security threat posed by terrorists introducing explosive devices in air cargo shipments transported on passenger and all-cargo aircraft is significant, and the risk of such an attack remains high.

TSA is the federal agency responsible for securing the nation’s civil aviation system, which encompasses the transport of passengers and cargo by aircraft to, from, and within the United States. TSA’s responsibilities for securing air cargo include establishing security requirements governing domestic and foreign passenger air carriers that transport cargo, and overseeing the implementation of air cargo security requirements by air carriers through compliance inspections conducted by TSA transportation security inspectors. All air carriers, domestic and foreign, operating to, from, or within the United States, must maintain security measures in accordance with TSA-approved security programs and any applicable TSA-issued security directives or emergency amendments. TSA is also responsible for reviewing information on all

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1 Based on 2010 Bureau of Transportation Statistics (BTS) data.

2 Based on 2010 BTS data. All-cargo aircraft are aircraft configured solely for the transport of cargo.

3 Prior to the Yemen incident, TSA considered the primary threat to all-cargo aircraft to be stowaways hijacking the aircraft and using it as a missile to cause mass destruction.

passengers travelling by commercial aircraft to, from, or within the United States against the No Fly and Selectee Lists. In general, passengers identified as matches to the No Fly List are prohibited from boarding commercial flights because they present a threat to civil aviation or national security. In addition to TSA, U.S. Customs and Border Protection (CBP) and foreign governments play a role in securing inbound cargo. Unlike TSA, which focuses its efforts on securing cargo prior to aircraft departures, CBP determines the admissibility of cargo to the United States and is authorized to inspect inbound air cargo for terrorists or weapons of mass destruction, or other items such as narcotics and illicit materials, upon its arrival in the United States. Foreign governments may also impose separate security requirements on cargo bound for the United States from their airports.

To help enhance civil aviation security, the Implementing Recommendations of the 9/11 Commission Act of 2007 (9/11 Commission Act), enacted in August 2007, mandated that the Department of Homeland Security (DHS) establish a system within 3 years of enactment to screen 100 percent of air cargo transported on all passenger aircraft—U.S. and foreign—traveling to, from, or within the United States. As of August 2010, TSA reported that it met the mandate to screen 100 percent of cargo as it applies to domestic air cargo but did not meet the mandate as it applied to inbound air cargo. Although the mandate applies to both domestic and inbound cargo, TSA stated that it had to address the mandate for domestic and inbound cargo through separate systems because of limitations in its authority to regulate

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5 The No Fly and Selectee Lists are subsets of the consolidated terrorist watchlist maintained by the Federal Bureau of Investigation’s Terrorist Screening Center that contains the names of individuals with known or suspected links to terrorism.

6 In general, persons who are deemed to be a threat to civil aviation or national security but do not meet the criteria of the No Fly List are placed on the Selectee List and are to receive additional screening prior to being permitted to board an aircraft.

7 A weapon of mass destruction could include nuclear, biological, chemical, or radiological devices.

8 See Pub. L. No. 110-53, § 1602(a), 121 Stat. 266, 477-79 (2007) (codified at 49 U.S.C. § 44901(g)) (providing that the system to screen 100 percent of all cargo transported by passenger aircraft shall be established no later than 3 years after enactment).

9 For the purposes of this report, domestic cargo refers to cargo transported by air within the United States and from the United States to a foreign location by both U.S. and foreign air carriers.
international air cargo industry stakeholders operating outside the United States.

In 2007 we reported on DHS’s efforts to secure inbound air cargo and recommended, among other things, that TSA develop a risk-based strategy to address inbound air cargo security and clearly define TSA and CBP responsibilities for securing inbound cargo.\(^\text{10}\) DHS concurred with but has not yet taken actions to fully address this recommendation. In 2010, we also reported on TSA’s efforts to secure air cargo and recommended that TSA, among other things, develop a plan for how and when the agency intends to meet the mandate as it applies to inbound cargo.\(^\text{11}\) DHS concurred with the recommendation that TSA develop a plan for how and when the agency intends to meet the mandate as it applies to inbound cargo. In late March 2012, TSA provided a tactical plan including, among other things, a timeline that would require air carriers to screen 100 percent of inbound air cargo transported on passenger aircraft by December 1, 2012. TSA’s plan to implement the screening mandate is a key step in its efforts to secure inbound air cargo and it will be important for the agency to continue to monitor passenger air carrier efforts to adhere to TSA’s plan for meeting the mandate. In 2010, we also recommended that TSA establish a mechanism to verify data on screening conducted on inbound air cargo.\(^\text{12}\) DHS concurred in part with our recommendation that the agency develop a mechanism to obtain and verify the accuracy of screening data and TSA took steps to obtain screening data. We discuss the actions TSA has taken to verify screening data since 2010 later in this report. Finally, in October 2011, we reported on TSA’s efforts to determine whether foreign airports that provide service to the United States are maintaining and carrying out effective security measures, including those related to air cargo.\(^\text{13}\) We

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\(^\text{11}\) GAO, Aviation Security: TSA Has Made Progress but Faces Challenges in Meeting the Statutory Mandate for Screening Air Cargo on Passenger Aircraft, GAO-10-446 (Washington, D.C.: June 28, 2010).

\(^\text{12}\) GAO-10-446.

\(^\text{13}\) GAO, Aviation Security: TSA Has Taken Steps to Enhance Its Foreign Airport Assessments, but Opportunities Exist to Strengthen the Program, GAO-12-163 (Washington, D.C.: Oct. 21, 2011).
recommended, among other things, that TSA develop a mechanism to evaluate the results of completed assessment activities to determine any trends and target future activities and resources. DHS concurred with our recommendation and stated TSA is taking steps to address it.

The DHS Appropriations Act, 2012, requires the Administrator of TSA to submit to the Committees on Appropriations of the Senate and the House of Representatives a report that either (1) certifies that the requirement for screening all air cargo on passenger aircraft has been met or (2) includes a strategy to comply with the screening requirement that includes a plan for meeting the screening requirement and that specifies the percentage of such air cargo that is being screened and the schedule for achieving screening of 100 percent of such air cargo.14 The Administrator is to submit such a report not later than 180 days after enactment (enacted December 23, 2011) and every 180 days thereafter until the Administrator certifies that TSA has achieved the 100 percent screening mandate.

You asked us to review DHS’s progress and challenges in screening and securing air cargo transported to the United States. In response to this request, this report addresses the following questions:

1. What actions has TSA taken since October 2010 to enhance the security of inbound air cargo transported on both passenger and all-cargo aircraft?

2. What challenges, if any, has TSA faced in enhancing the security of inbound air cargo?

This report is a public version of a prior sensitive report that we provided to you in March 2012. DHS deemed some of the information in the prior report sensitive security information, which must be protected from public disclosure.15 Therefore, this report omits sensitive information regarding a third question about how agencies secure cargo using the No Fly List. In addition, at DHS’s request, we have omitted information on a potential vulnerability we identified related to the No Fly List and additional steps CBP and TSA could take to strengthen how the agencies use the No Fly List to secure inbound air cargo. The information provided in this report is

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more limited in scope as it excludes such sensitive information, but the overall methodology used for both reports is the same.

To answer the first and second objectives, we reviewed and analyzed TSA’s air cargo security policies and procedures, screening program documents, and security directives and emergency amendments issued in response to the October 2010 bomb attempt, as well as industry comments to TSA’s proposed screening program changes and date for implementing the mandate as it applies to inbound cargo. We assessed TSA’s efforts against DHS risk management criteria and Standards for Internal Control in the Federal Government.\(^\text{16}\) We also interviewed TSA and CBP air cargo program officials to discuss progress and challenges in securing inbound air cargo, including agency efforts taken in response to the October 2010 bomb attempt. In addition, we conducted site visits to three airports in the United States, selected because they are within the top five commercial airports that handle the greatest cargo volume in the United States. Although our site visits were based on a nonprobability sample and cannot be generalized to the entire air cargo industry, this sample allowed us to observe domestic cargo screening operations and programs in various parts of the country with differing air cargo volumes and commodities, which also provided insights on inbound cargo screening operations. We did not observe CBP inbound air cargo screening operations as part of our site visits because we focused on the agency’s efforts to target elevated-risk inbound air shipments.

We also interviewed TSA air cargo program officials and representatives from six domestic and foreign passenger air carriers to obtain their views on TSA’s efforts to implement the screening mandate including TSA’s proposed security program changes. We selected the six passenger air carriers to obtain a representation of air carriers serving different international regions. Moreover, these six air carriers are among the passenger air carriers that transported the greatest volume of international cargo by weight in 2010, including cargo transported inbound to the United States. We also interviewed two of the largest passenger air carrier industry associations representing foreign and domestic air carriers to obtain their views on TSA’s security program changes for meeting the screening mandate as it applies to inbound air

cargo. Their views cannot be generalized to all foreign and domestic air carriers but provided insights. For all-cargo carriers, we interviewed representatives of four all-cargo air carriers, three of which we interviewed at the three airports we visited, to obtain their views on, among other things, TSA’s efforts to enhance inbound air cargo security in response to the October 2010 bomb attempt. We selected these four all-cargo carriers to obtain a representation of all-cargo carriers that transport varying volumes of international cargo by weight, and two of the four all-cargo carriers we interviewed are responsible for transporting approximately 25 percent of inbound air cargo. Because we selected a nonprobability sample of all-cargo carriers, the results of these interviews cannot be generalized to other all-cargo carriers. However, this sample allowed us to understand all-cargo operations and provided important perspective on all-cargo air carrier efforts to secure inbound cargo. In addition, we interviewed two industry associations that represent all-cargo carriers, including the two largest international all-cargo carriers.

We conducted this performance audit from February 2011 through May 2012 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.
Background

Roughly 10 billion pounds of cargo are transported on inbound flights to the United States per year. Approximately 76 passenger air carriers and 70 all-cargo carriers transport cargo to the United States and approximately 300 foreign airports in 100 countries provide last point of departure flights to the United States.\(^\text{17}\) This cargo ranges in size from 1 pound to several tons and ranges in type from perishable commodities to machinery. Air cargo can include such varied items as electronic equipment, automobile parts, clothing, medical supplies, fresh produce, and human remains. As seen in figure 1, cargo can be shipped in various forms, including unit load devices (ULD) that allow many packages to be consolidated into one large container or pallet that can be loaded onto an aircraft; wooden skids or crates; as well as individually wrapped/boxed pieces known as loose or break bulk cargo.

\(^{17}\) Approximately 17 foreign airports with nonstop flights to the United States (known as last points of departure) serve only all-cargo carriers.
Participants in the international air cargo shipping process can include shippers, such as individuals or manufacturers; freight forwarders or regulated agents, who consolidate shipments and deliver them to air carriers; air carrier cargo handling agents, who process and load cargo onto aircraft on behalf of air carriers; and passenger and all-cargo carriers that store, load, and transport air cargo. Figure 2 depicts the two primary ways a shipper may send inbound air cargo to the United States.
The Aviation and Transportation Security Act (ATSA), enacted into law shortly after the September 11, 2001, terrorist attacks, established TSA and gave the agency responsibility for securing all modes of
transportation, including the nation’s civil aviation system, which includes air carrier operations (domestic and foreign) to, from, and within the United States. Among other things, ATSA requires that TSA provide for the screening of all passengers and property, including cargo, transported on passenger aircraft originating in the United States. ATSA further requires that a system be in operation, as soon as practicable, to screen, inspect, or otherwise ensure the security of the cargo transported by all-cargo aircraft—generally, aircraft configured solely for the transport of cargo—to, from, and within the United States but did not establish a firm deadline for the implementation of such a system. Consistent with ATSA and subsequent statutory requirements, including the 9/11 Commission Act, TSA has focused its efforts on establishing a system to secure cargo on passenger aircraft. Following the October 2010 bomb attempt originating in Yemen, TSA expedited efforts to further secure cargo on all-cargo aircraft inbound to the United States to include mitigating threats posed by the introduction of an improvised explosive devices in cargo, in addition to the original focus on detecting and preventing stowaways intent on hijacking the aircraft and using it as a weapon.

The 9/11 Commission Act defines screening for purposes of the air cargo screening mandate as a physical examination or the use of nonintrusive methods to assess whether cargo poses a threat to transportation security. Specific screening methods outlined in the 9/11 Commission Act include X-ray systems, explosives detection systems (EDS), explosives trace detection (ETD), explosives detection canine teams certified by TSA, physical search together with manifest verification, and additional methods approved by the TSA Administrator. However, solely performing a review of information about the contents of cargo or verifying the identity of the cargo’s shipper does not constitute screening for

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21 See 49 U.S.C. § 44901(g)(5).
22 An EDS machine uses computed tomography technology to automatically measure the physical characteristics of objects in baggage. The system automatically triggers an alarm when objects that exhibit the physical characteristics of explosives are detected. An ETD machine is used to chemically analyze trace materials after a human operator swabs checked baggage to identify any traces of explosive material.
purposes satisfying the mandate. Pursuant to the mandate, the system for screening air cargo must provide a level of security commensurate with the level of security for the screening of checked baggage.\textsuperscript{23}

TSA’s Transportation Sector Network Management (TSNM) Air Cargo Division is responsible for developing air cargo regulations, establishing program regulations for the development of technological solutions, and policies that enhance the security of the air cargo supply chain while maintaining TSA’s commitment to ensure the flow of commerce. In fiscal year 2011, TSA’s budget for air cargo programs was approximately $115 million, with $26 million dedicated to domestic and inbound air cargo security efforts, $74 million dedicated to air cargo inspectors and proprietary canines, and $15 million dedicated to the National Explosives Detection Canine Team Program. Approximately $124 million was made available to TSA to support its air cargo programs for fiscal year 2012.\textsuperscript{24}

Risk management is a tool for informing policymakers’ decisions about assessing risks, allocating resources, and taking actions under conditions of uncertainty. We have reported that risk management entails a continuous process of managing risk through a series of actions, including setting strategic goals and objectives, assessing risk, evaluating alternatives, selecting initiatives to undertake, and implementing and monitoring those initiatives. We have previously reported that a risk management approach can help to prioritize the programs designed to combat terrorism. Risk management, as applied in the transportation security context, can help federal decision makers determine where and how to invest limited resources within and among the various modes of transportation.\textsuperscript{25} The DHS National Infrastructure Protection Plan (NIPP) includes a risk management framework that consists of six steps, which

\textsuperscript{23} For example, TSA requires that all checked baggage transported on passenger aircraft from a U.S. airport be screened using an explosives detection system or by explosives trace detection, and air carrier security programs address baggage screening requirements for aircraft bound for the United States from foreign locations. See 49 U.S.C. §§ 44901(d), (g)(2). See also 49 C.F.R. §§ 1544.203, 1544.213, 1546.203.


closely reflects GAO’s risk management framework. Like GAO’s framework, the NIPP’s risk management framework is a repetitive process that continuously uses the results of each step to inform the activities in both subsequent and previous steps over time. The NIPP risk management framework is designed to produce a systematic and comprehensive understanding of risk and ultimately provide for security investments based on this knowledge of risk.

TSA has taken three primary actions to enhance security of inbound cargo on passenger and all-cargo aircraft following the October 2010 bomb attempt originating in Yemen.

TSA issued new screening requirements aimed at enhancing the security of cargo on passenger and all-cargo aircraft. Beginning in October 2010 through May 2011, TSA required new risk-based security procedures aimed at focusing more detailed screening measures on high-risk shipments. These security measures included, among other things, prohibiting the transport of air cargo on passenger aircraft from Yemen and Somalia due to threats stemming from those areas.

Moreover, the Yemen incident raised questions about the effectiveness of technology and screening protocols used to screen air cargo because suspected packages were screened multiple times, using multiple methods, at various locations yet the threat items were detected only after foreign law enforcement officials opened the shipments based on a tip from an intelligence source. According to TSA, the threat item used in the incident likely would not have been detected by air carriers using TSA screening protocols in place at that time because screening requirements for all-cargo carriers focused on preventing and detecting stowaways or contraband items and not on detecting explosive devices and, for passenger air carriers, screening requirements primarily focused on detecting assembled explosive devices rather than on the types of specific components used to construct the explosive device associated with the Yemen incident. Following the October 2010 bomb attempt, DHS

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26 The six steps contained in the NIPP are (1) Set security goals; (2) Identify assets, systems, networks, and functions; (3) Assess risks (consequences, vulnerabilities, and threats); (4) Prioritize; (5) Implement protective programs; and (6) Measure effectiveness.

27 Requirements also apply to all-cargo carriers.
simulated the conditions of the incident in a laboratory setting, and TSA found that existing approved technologies are capable of detecting the materials used in the bomb attempt when used by screeners trained in protocols for identifying those specific materials. Subsequent to these tests, and as noted above, TSA implemented new risk-based security procedures to enhance the effectiveness of TSA screening requirements.

In addition, officials from all four all-cargo carriers we spoke with stated that in some cases they implement their own inbound air cargo security measures, in addition to those required by TSA requirements, to safeguard their staff, cargo shipments, and aircraft. Officials from three of the six passenger air carriers we spoke with also provided examples of additional security measures they implement.28

DHS instituted working groups with air cargo industry stakeholders to identify ways to enhance air cargo security. Following the October 2010 bomb attempt originating in Yemen, in January 2011, the Secretary of Homeland Security established an Air Cargo Security Working Group, composed of four subgroups, to obtain advice and consultations from air cargo security stakeholders—including passenger and all-cargo representatives—on ways to enhance the security of the air cargo system.29 The Air Cargo Security Working Group briefed the Secretary of Homeland Security, the Commissioner for CBP, and the TSA Administrator in April 2011 on proposed solutions, and recommended that TSA reevaluate the agency’s implementation plan, timeline, and resources related to the National Cargo Security Program (NCSP) recognition program, a TSA effort to recognize the security programs of foreign countries. Other proposed solutions included establishing an

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28 DHS deemed details on specific measures taken by air carriers as sensitive security information. Thus, they are not included in this report.

29 DHS’s Air Cargo Security Working Group consists of four subgroups: (1) Information subgroup, whose objective is to, among other things, enhance intelligence and information sharing among federal stakeholders and between the U.S. government and private sector entities; (2) technology and capacity building subgroup, whose objective is to review technology standards and develop suggestions for addressing technology limitations; (3) global cargo programs subgroup, whose objective is to review and explore opportunities for enhanced public-private coordination as DHS works to address statutory requirements for screening 100 percent of inbound air cargo; and (4) global mail subgroup, whose objective is to, among other things, identify potential vulnerabilities for global mail and propose alternative processes and procedures to ensure the safety of mail transported by air.
international trusted shipper program to perform cargo security and screening throughout the international supply chain, before its transport from last point of departure airports, and developing mutually recognized standards for cargo screening technology. Given that DHS is currently considering actions to take in response to the recommendations and which ones to implement, it could not provide us with specifics on the implementation of the Air Cargo Security Working Group recommendations. According to DHS, the Air Cargo Security Working Group may meet again in 2012, to discuss its role in supporting the implementation of the recommendations but a date has not yet been established. Following this meeting, the members plan to work on a standalone basis through the four subgroups and advise the Secretary of Homeland Security upon her request.

**DHS initiated an Air Cargo Advance Screening (ACAS) pilot.** DHS initiated this pilot in December 2010 to more readily identify high-risk cargo for additional screening prior to all-cargo and passenger aircraft departing from foreign airports to the United States. The aim of the pilot, which is ongoing, is to determine whether it is feasible for air carriers to submit air cargo manifest data to CBP prior to departure from all foreign last point of departure airports to allow CBP to analyze, target, and, if needed, issue instructions to air carriers to provide additional cargo information or take additional security measures before such cargo is loaded onto aircraft. DHS initially focused on all-cargo express carriers and companies due to the elevated risk highlighted by the October 2010 incident. As of December 2011, the pilot included select airports from a number of countries and regions. Under current CBP requirements, CBP must receive manifest data for air cargo shipments from air carriers no later than 4 hours prior to the flight’s arrival in the United States or no later than the time of departure (“wheels up” and en route directly to the United States) from locations in North America, including Canada, Mexico, the Caribbean, Central America, and parts of South America north of the Equator. Under the pilot program, however, participants provide manifest data prior to loading cargo aboard aircraft.

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30 All-cargo express carriers and companies focus on transporting cargo under quick time frames.

31 See 19 C.F.R. § 122.48a(b).
While the pilot initially focused on four all-cargo express carriers, the agencies began expanding the pilot to include passenger air carriers in the fall of 2011. Four passenger carriers have committed to joining the pilot. According to DHS officials, early results demonstrate that all-cargo express carriers and companies are able to submit manifest data, in some cases, a number of hours in advance of existing CBP requirements for receipt of manifest data described above. However, DHS officials stated that it will be difficult to obtain manifest data far in advance as the pilot expands to include additional carriers, such as passenger air carriers, and other geographic locations due to the need to develop additional protocols with entities (carriers and freight forwarders) that may not have previously transmitted data to DHS. Further, five of six passenger air carriers we spoke with stated that submitting this information far in advance will be challenging because passenger air carriers typically receive manifest data from freight forwarders just hours before departure. To address these challenges, DHS officials explained that they are meeting with freight forwarders—which have shipment information before air carriers—to discuss the feasibility of having forwarders submit manifest information directly to CBP as part of the ACAS pilot. Because these efforts are in the initial stages, it is too early to determine the extent to which CBP and TSA will be able to obtain advance cargo manifest data prior to departure from passenger air carriers and its impact on strengthening security.
Air carriers and TSA face challenges that, among other things, could limit TSA’s ability to meet the mandate to screen 100 percent of inbound air cargo transported on passenger aircraft and to provide reasonable assurance that screening is being conducted at reported levels. All cargo carriers subject to TSA regulation also reported facing challenges in implementing new TSA screening requirements implemented after the October 2010 Yemen incident.

**Passenger Air Carriers Reported Logistical Challenges Implementing Proposed Screening Requirements.** In January 2011, TSA proposed additional changes to passenger aircraft security requirements outlined in the Aircraft Operator Standard Security Program (AOSSP) and the Model Security Program (MSP) to further enhance the security of air cargo departing foreign locations by requiring 100 percent screening of cargo previously exempt from screening. Current TSA requirements call for air carriers to screen a certain percentage of all cargo. 32 TSA’s proposed changes were to go into effect on December 31, 2011, and would have required passenger air carriers to screen 100 percent of cargo. TSA proposed these changes as part of the agency’s efforts to meet the 9/11 Commission Act mandate for 100 percent screening of inbound air cargo transported on passenger aircraft by the end of calendar year 2011—2 years earlier than the TSA administrator reported to Congress in November 2010.

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32 Details on TSA’s screening requirements are deemed sensitive security information and not included in this report.
In commenting on TSA’s proposal to achieve 100 percent screening of inbound cargo by the end of calendar year 2011, passenger air carriers expressed concerns about being able to meet the 100 percent screening mandate as it applies to inbound cargo by December 31, 2011, stating that it would cause significant disruptions in the air cargo supply chain by requiring, among other things, 100 percent screening, including screening of cargo previously exempt from screening. In comments submitted to TSA, 6 of 19 foreign air carriers and one industry association were opposed to the new proposed date due to insufficient time to implement the proposed requirements and potential detrimental impact to air carrier operations in the form of higher costs and slower screening times. Five of these 6 foreign air carriers are among the passenger air carriers that transport the greatest volume of international cargo by weight, and the association represents hundreds of air carriers whose flights comprise over 80 percent of international air traffic. In addition, 5 of 19 foreign airlines and the 2 industry associations representing foreign airlines reported that they opposed TSA’s proposed changes to screen 100 percent of cargo previously exempt from screening, stating that this would delay the processing of cargo and potentially disrupt the flow of commerce. Moreover, 3 of the 6 passenger air carriers we spoke with stated that they would no longer be able to transport certain types of cargo if TSA were to require 100 percent screening of cargo previously exempt from screening.

Two of the six passenger air carriers we spoke with expressed concern about new requirements calling for the screening of all inbound air at the last point of departure because it would cause disruptions in the chain of custody throughout the air cargo supply chain without providing any additional security benefit. Specifically, they stated that some inbound air cargo is already screened at points of origin and that the new requirements would in effect result in rescreening of already screened cargo. Additionally, one of six passenger air carriers and one industry association—representing U.S. air carriers that transport more than 90 percent of all U.S. airline and passenger cargo traffic—commented on the challenges in screening ULD pallets or containers, which are the primary means of transporting air cargo on wide-body passenger aircraft on both domestic and inbound aircraft. Since TSA has not approved or qualified any equipment to screen cargo transported on ULD pallets or containers, these air carriers and associations commented that breaking down ULDs
in order to rescreen cargo would cause further delays and inefficiencies.\textsuperscript{33}
For example, three foreign air carriers commented that it is highly impractical to unload screened cargo from ULDs, rescreen that cargo, and then reload the ULDs and that doing so would reduce operational efficiencies, result in delays, and expose cargo to damage and theft.

In addition, TSA reported that a number of passenger air carriers informed the agency that they would have difficulty implementing additional security measures outlined in the security directives and emergency amendments to the AOSSP and MSP.\textsuperscript{34} According to TSA officials, air carriers request alternative security measures when they are unable to comply with the exact language contained in the TSA-issued security program, but can meet the intent of the requirement through an alternative security measure, which must result in an equal or better security outcome.\textsuperscript{35} These passenger carriers—both domestic and foreign—have requested alternative security measures to implement the security directives and emergency amendments, which TSA has approved.

To address these issues an industry group and one air carrier suggested TSA establish/recognize international supply chain security programs akin to the Certified Cargo Screening Program (CCSP), which is a voluntary cargo screening program for air cargo industry participants that allows screening to take place at various points along the air cargo supply chain in the United States.\textsuperscript{36} This suggestion is similar to the one put forth by the DHS working group made up of air cargo industry stakeholders which proposed establishing an international trusted shipper program to perform

\textsuperscript{33} As we reported in June 2010, about 96 percent of inbound air cargo is transported to the United States on wide-body aircraft. TSA officials stated that they continue to work with technology vendors to identify technology capable of screening ULD pallets and containers, but according to officials, technologies to detect items deemed threats in pallets and containers are not expected to be available for several years.

\textsuperscript{34} DHS deemed the reasons why passenger air carriers would have difficulty implementing additional security measures as sensitive security information. Thus, it was omitted from this report.

\textsuperscript{35} See, e.g., 49 C.F.R. §§ 1544.105(b)(3); 1544.305(d); 1546.105(b).

\textsuperscript{36} To support the requirement on industry to screen 100 percent of air cargo transported on passenger aircraft from U.S. airports, TSA developed the CCSP. The CCSP allows screening of domestic cargo at points throughout the supply chain by an approved Certified Cargo Screening Facility (CCSF) prior to the arrival of the cargo at the airport.
cargo security and screening throughout the international supply chain, before its transport from last point of departure airports. These stakeholders contend that such a program could assist air carriers in implementing the 100 percent screening mandate as was done in the United States under the CCSP.

According to TSA officials the agency plans to respond to the challenges raised by industry stakeholders by revising the proposed requirements, which may include, among other things, risk-based security procedures similar to those TSA issued following the October 2010 bomb attempt originating in Yemen. TSA plans to publish the revised security requirements in early May 2012. TSA anticipates that the new proposed requirements will become effective in June 2012. In commenting on the sensitive security version of our report, DHS stated that TSA finalized a tactical plan, with a proposed timeline, to achieve 100 percent screening of inbound air cargo transported on passenger aircraft. In late March 2012, TSA provided us with the tactical plan that included, among other things, a timeline that would require air carriers to screen 100 percent of inbound air cargo transported on passenger aircraft by December 1, 2012. TSA’s plan to implement the screening mandate is a key step in its efforts to secure inbound air cargo and it will be important for the agency to continue to monitor passenger air carriers’ efforts to adhere to TSA’s plan for meeting the mandate.

TSA Faces Challenges Verifying Screening Data on Inbound Passenger Cargo. TSA relies on data submitted to the agency by air carriers to determine the amount of inbound air cargo screened in accordance with TSA screening requirements. As noted above, in January 2011, TSA announced that it was planning to meet the 9/11 Commission Act mandate as it applies to inbound air cargo transported on passenger aircraft by the end of calendar year 2011. TSA officials determined that it was feasible to accelerate its plans at that time based on screening data reported by air carriers in late 2010 and air carrier feedback. TSA officials subsequently determined in the spring of 2011 that air carriers were screening cargo at lower levels than previously reported due to industry stakeholder confusion regarding TSA’s proposed requirements for screening inbound air cargo. As of September 2011, TSA officials stated that current air carrier-reported screening percentages—which they estimate to be about 80 percent—are based on actual data reported by air carriers, but agreed that it is difficult to verify the accuracy of the screening data reported by air carriers with reasonable assurance. As of December 2011, the air carrier data have not been independently verified for accuracy since TSA has not
developed a mechanism to cross-reference local screening logs—which include screening information on specific shipments—with screening reports submitted by air carriers to TSA that do not contain such information. In addition, TSA counts all inbound air cargo from foreign countries that require 100 percent screening and that are recognized under the NCSP as screened for the purposes of meeting the mandate. However, while TSA officials stated that they discuss screening percentages with foreign government officials, the agency does not have a mechanism to conduct additional data verification to assess whether screening is conducted at, above, or below the required levels.

In order to more accurately identify the level of screening being conducted on inbound air cargo, we recommended in June 2010 that TSA develop a mechanism to verify the accuracy of all screening data through random checks or other practical means.\(^{37}\) TSA concurred in part with our recommendation and issued changes to air carriers’ standard security programs that require air carriers to report inbound cargo screening data to TSA. TSA officials told us that in May 2010 the agency created a reporting requirement for air carriers to provide screening data on a monthly basis. TSA also stated that inspectors review screening data, among other things, when inspecting air carriers as part of the agency’s air carrier compliance inspections. However, since TSA still has not developed a mechanism to verify the accuracy of the data reported by air carriers, the agency has not yet fully met the intention of our recommendation. It will be important for TSA to continue to work towards ensuring verification of inbound air cargo screening data submitted by air carriers and that inbound air cargo is screened in accordance with the mandate.

**Harmonizing U.S. and Foreign Air Cargo Security Standards Is Difficult.** TSA has developed an NCSP recognition program that would review and recognize the air cargo security programs of foreign countries if TSA deems those programs as providing a level of security commensurate with TSA’s air cargo security standards. As of November 2011, TSA has recognized 2 countries as providing a level of security commensurate with current U.S. air cargo security standards, and continues to evaluate the comparability of air cargo security programs for several other countries. TSA also recognizes 2 additional countries under

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37 GAO-10-446.
the legacy program that preceded the NCSP recognition program and the 
agency is evaluating these countries against the current NCSP standards 
for renewal. TSA officials stated that the NCSP recognition program is a 
key effort in meeting the 100 percent screening mandate because it will 
eliminate the need for air carriers to comply with two country’s security 
programs. However, according to TSA officials, evaluating foreign 
countries’ air cargo security programs is challenging because the agency 
is dependent upon countries’ willingness and ability to work with TSA 
officials to ensure their programs are commensurate to those of the 
United States. As of November 2011, TSA was coordinating with 16 
countries, including 12 of the top 20 passenger air cargo volume 
countries, which according to TSA officials and based on BTS data, 
represent 51 percent of the inbound air cargo volume by weight to the 
United States.

We previously reported that given the challenges TSA faces in meeting 
the screening mandate for inbound air cargo, the agency would be better 
positioned to meet the mandate by developing a plan to account for these 
challenges. As such, in June 2010, we recommended that TSA develop a 
plan, with milestones, for how and when the agency intends to meet the 
mandate as it applies to inbound cargo. TSA concurred with the 
recommendation and stated that the agency was drafting milestones as 
part of a plan to generally require air carriers to conduct 100 percent 
screening by a specific date. TSA has not yet fully implemented this 
recommendation but agency officials stated that it plans to do so by 
December 2012. In light of the number of challenges facing TSA in its 
efforts to address the screening mandate for inbound air cargo, we 
continue to believe that our recommendation has merit and that it will be 
important for TSA to document such a plan.
A number of foreign and domestic all-cargo carriers subject to TSA regulation initially notified the agency that they would have difficulty in implementing the new TSA screening requirements introduced after the October 2010 incident, including a requirement to screen all cargo using a certain type of screening technology, because all-cargo carriers stated that they do not have such technology at all locations.38 Moreover, a number of domestic all-cargo carriers requested TSA approval to implement alternative security procedures (as an alternative to requirements in security directives and emergency amendments) since they stated that it would be challenging to implement these new security measures. As previously discussed, according to TSA officials, air carriers request alternative procedures when they are unable to comply with the exact language contained in the requirement, but can meet the intent of the requirement through an alternative procedure, which must result in an equal or better security outcome. TSA approved all of these requests, as of December 2011. For example, some all-cargo carriers received TSA approval to use different procedures or different models—or versions—of screening equipment to screen cargo in lieu of using equipment on TSA’s list of approved screening equipment. Officials from all-cargo carriers explained that they only deploy screening technology to airports that they deem to be high risk and consequently did not have TSA-approved screening technology available for use at other last point of departure foreign airports that they deem lower risk.

TSA relies on data submitted by passenger carriers to determine the amount of air cargo screened on inbound passenger aircraft but there is no requirement for all-cargo carriers to report comparable screening data to TSA even though most of the cargo shipped from abroad into the United States is shipped on all-cargo carriers. Thus, TSA does not know the extent to which all-cargo carriers are screening cargo or meeting the enhanced screening requirements introduced after the October 2010 incident in Yemen. In 2010, all-cargo carriers transported approximately 67 percent (7.2 billion pounds) of the total cargo (10.8 billion pounds) transported to the United States.39 According to officials from two global

38 Following the October 2010 incident, TSA implemented a new requirement to screen cargo transported on all-cargo aircraft for explosives using the same TSA-approved screening methods for cargo transported on passenger aircraft.

39 Based on 2010 BTS data by freight configuration for all-cargo carriers. Passenger aircraft transported the remaining 33 percent (3.6 billion) of air cargo pounds.
all-cargo carriers we spoke with, responsible for transporting approximately 25 percent of inbound air cargo on all-cargo flights, submitting such information to TSA would be feasible because they are already collecting this data internally. However, officials from the other two all-cargo carriers we interviewed stated that reporting screening data to TSA would be challenging because of staffing limitations at foreign airports necessary to compile and submit the screening data or because such data may not be available.

TSA officials explained that the agency does not currently require that all-cargo carriers submit screening data to demonstrate compliance with enhanced screening requirements because the agency has focused its efforts on collecting data from passenger air carriers in support of meeting the 100 percent mandate. In addition, TSA officials stated that the agency is attempting to gain some visibility over all-cargo carrier operations through the ACAS pilot.\(^{40}\) TSA officials stated that as part of the pilot program’s future expansion, the agency may consider opportunities to capture additional inbound air cargo information, but has not yet weighed the costs and benefits of requiring such all-cargo carriers to submit data on their screening efforts because the agency has focused its efforts on establishing the pilot program. The pilot program is a key effort to identify high-risk cargo prior to aircraft departing from foreign airports, but the pilot is not intended to provide TSA with screening data, which if collected and verified, could provide additional assurance that all-cargo carriers are complying with the agency’s enhanced screening requirements.

DHS’s risk management policy directs its components to adopt risk management practices in order to, among other things, inform decisions to enhance security and manage homeland security risks.\(^{41}\) As part of this policy, DHS components are to incorporate risk management processes to identify potential risks, and develop and analyze alternative strategies to manage risks considering projected costs, benefits, and ramifications of each alternative to manage or mitigate the risk. By assessing the costs and benefits of requiring all-cargo carriers to submit screening data to TSA in accordance with DHS’s policy on risk management, the agency could determine whether these additional data could enhance the

\(^{40}\) As of January 2012, the ACAS pilot included 4 of the 70 all-cargo carriers that service the United States and is focused on about 84 geographic locations.

\(^{41}\) DHS, *DHS Policy for Integrated Risk Management* (May 27, 2010).
agency’s efforts to identify potential risks to inbound air cargo and develop cost effective strategies and measures to manage these risks. In addition, Standards for Internal Control in the Federal Government underscore the need for developing effective controls for meeting program objectives and complying with applicable regulation and capturing information needed to meet program objectives. These standards also include designing controls to assure that ongoing monitoring occurs in the course of normal operations and determining that relevant, reliable, and timely information is available for management decision-making purposes. TSA could better determine what actions are needed, if any, to ensure that all-cargo carriers are complying with the agency’s enhanced screening requirements by assessing the costs and benefits of requiring all-cargo carriers to report data on screening conducted.

DHS and TSA have taken steps to better secure inbound air cargo in the wake of the October 2010 bomb attempt in Yemen. However, TSA continues to face a number of challenges that complicate its efforts to meet the 9/11 Commission Act screening mandate as it relates to inbound air cargo transported on passenger aircraft. These challenges influenced the agency’s decision to propose a new date for screening 100 percent of inbound cargo on passenger aircraft of December 2012. Moreover, while TSA has taken steps to enhance cargo screening on all cargo carriers, TSA does not have full visibility over their efforts to screen air cargo since it does not require all-cargo air carriers to report any data on their screening efforts. Assessing the costs and benefits of requiring all-cargo carriers to submit screening data could help TSA determine whether these additional data could enhance the agency’s efforts to identify potential risks to inbound air cargo and develop cost-effective strategies and measures to manage these risks.

To help DHS address challenges in meeting the air cargo screening mandate as it applies to inbound air cargo, mitigate potential air cargo security vulnerabilities, and enhance overall efforts to screen and secure inbound air cargo, we recommend that the Secretary of Homeland Security direct the Administrator of TSA to assess the costs and benefits

42 GAO/AIMD-00-21.3.1.
of requiring all-cargo carriers to report data on the amount of inbound air cargo screening being conducted.

We provided a draft of this report to DHS, TSA, and CBP for review and comment. DHS provided written comments which are reprinted in appendix I. In commenting on our report, DHS stated that it concurred with the recommendation and identified actions taken or planned to implement it.

DHS concurred with the recommendation that TSA assess the costs and benefits of requiring all-cargo carriers to report data on the amount of inbound air cargo screening being conducted. DHS stated that as part of the ACAS pilot, TSA is taking steps to require carriers to provide confirmation that screening has been conducted in accordance with TSA’s enhanced screening requirements. DHS also stated that when fully implemented, the ACAS pilot will provide the capability to report high-risk inbound air cargo shipments screened by all-cargo carriers. We support TSA’s actions to identify and report on high-risk cargo being screened using ACAS capabilities. Given that the ACAS pilot is currently limited to a relatively small number of participants, expanding the pilot to include a greater number of all-cargo carriers that transport air cargo to the United States could provide TSA with additional assurance that all-cargo carriers are complying with the agency’s enhanced screening requirements. Such action, when fully implemented, would further address the intent of our recommendation.

In its comments, DHS also referred to a second recommendation to the Administrator of TSA and Commissioner of CBP related to how the agencies use the No Fly List to secure inbound air cargo. Because DHS deemed the details of this recommendation and its response as sensitive security information, they are not included in the public version of the report.

Finally, in commenting on our report, DHS provided an update on TSA’s efforts to implement the mandate to screen 100 percent of inbound air cargo transported on passenger aircraft. DHS stated that TSA has finalized a tactical plan, with a proposed timeline, to achieve 100 percent screening of inbound air cargo transported on passenger aircraft. The plan involves, among other things, a timeline for implementing a revised security program by summer 2012 that would require air carriers to screen 100 percent of inbound air cargo transported on passenger aircraft by December 1, 2012. The plan also involves use of the ACAS pilot by
passenger air carriers to submit data and proposed amendments to TSA’s carrier security requirements. TSA’s plan to implement the screening mandate is a key step to securing inbound air cargo and it will be important for the agency to continue to monitor its efforts to ensure that passenger air carriers adhere to TSA’s plan for meeting the mandate.

DHS and the Federal Bureau of Investigation’s Terrorist Screening Center also provided us with technical comments, which we incorporated as appropriate.

As agreed with your offices, unless you publicly announce the contents of this report earlier, we plan no further distribution until 30 days from the report date. At that time, we will send copies to the Secretary of Homeland Security; the TSA Administrator; and the Commissioner of Customs and Border Protection; appropriate congressional committees; and other interested parties. In addition, the report will be available at no charge on the GAO website at http://www.gao.gov.

If you or your staff have any questions about this report, please contact me at (202) 512-4379 or lords@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. Key contributors to this report are acknowledged in appendix II.

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Director, Homeland Security and Justice Issues
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The Honorable Edward Markey
House of Representatives
Appendix I: Comments from the Department of Homeland Security

April 26, 2012

Mr. Steve Lord
Director, Homeland Security & Justice Issues
U.S. Government Accountability Office
441 G Street, NW
Washington, DC 20548

Re: Draft Report GAO-12-632, "AVIATION SECURITY: Actions Needed to Address Challenges and Potential Vulnerabilities Related to Securing Inbound Air Cargo"

Dear Mr. Lord:

Thank you for the opportunity to review and comment on this draft report. The U.S. Department of Homeland Security (DHS) appreciates the U.S. Government Accountability Office’s (GAO’s) work in planning and conducting its review and issuing this report.

The Department has made significant progress in establishing a system to screen 100 percent of international inbound air cargo transported on passenger aircraft, in accordance with the requirements of The Implementing Recommendations of the 9/11 Commission Act of 2007 (9/11 Act), and enhancing the security of international inbound air cargo transported on all-cargo aircraft. GAO, however, reports that the Transportation Security Administration (TSA) has not finalized a plan to implement the 100-percent screening requirements of the 9/11 Act for international inbound air cargo transported on passenger aircraft. TSA has, in fact, finalized a tactical plan, with a proposed timeline, to implement its risk-based strategy to achieve 100-percent screening for international inbound air cargo transported on passenger aircraft, which includes the use of Air Cargo Advanced Screening (ACAS) by carriers. In February 2012, TSA released for comment to industry proposed amendments to TSA carrier security programs. In addition to incorporating the “Trusted Shipper” concept and requiring 100-percent screening of international inbound air cargo, the proposed amendments provide carriers incentives to submit data through ACAS as soon as practical.

The 9/11 Act requires the Secretary of Homeland Security to “establish a system to screen 100 percent of cargo transported on passenger aircraft,” including both domestic and international inbound air cargo, to provide a level of security commensurate with the level of security for the screening of passenger checked baggage by August 2010 (49 U.S.C. § 44901(g)). To facilitate compliance with this requirement, the 9/11 Act provides an intermediate requirement of 50-percent screening by February 2009, which industry met for both domestic air cargo and international inbound air cargo. On August 1, 2010, the air cargo industry successfully met the 100-percent screening deadline for domestic air cargo. Industry will be required to adhere to
100-percent screening of air cargo on international passenger aircraft bound for the United States.

The report contains one recommendation with which DHS concurs. Specifically, GAO recommended that the Secretary of Homeland Security:

Recommendation 1: Direct the Administrator of TSA to assess the costs and benefits of requiring all-cargo carriers to report data on the amount of inbound air cargo screening being conducted.

Response: Concur. TSA acknowledges the value of collecting data on the international inbound air cargo shipments being screened. To this end, TSA is working toward implementing a process, using ACAS capabilities, to identify high-risk air cargo and require carriers to provide confirmation that screening has been conducted in accordance with TSA’s enhanced screening protocols. As such, when fully implemented, ACAS will provide the capability to report the high-risk international inbound air cargo shipments screened by all-cargo carriers. Given that the risks associated with all-cargo aircraft are different than those associated with passenger aircraft, and that all-cargo carriers are not subject to the 100-percent screening requirements of the 9/11 Act, only high-risk, “non-trusted” cargo transported on all-cargo aircraft will be screened for explosives. Full implementation of ACAS will provide the all-cargo carriers with the capability to report the high-risk international inbound air cargo shipments being screened. TSA believes these actions will meet the intent of this recommendation.

GAO also made a recommendation related to TSA’s and CBP’s use of the No Fly List to help strengthen inbound air cargo security on passenger and all-cargo flights. The details of GAO’s recommendation and DHS’s response are Sensitive Security Information and not included in the public version of the report.

Again, thank you for the opportunity to review and comment on this draft report. Technical and sensitivity comments were previously provided under separate cover. We look forward to working with you on future Homeland Security issues.

Sincerely,

[Signature]
Jin H. Crumpacker
Director
Departmental GAO-OIG Liaison Office
Appendix II: GAO Contact and Staff

Acknowledgements

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<td>Acknowledgments</td>
<td>In addition to the contact named above, Steve D. Morris, Assistant Director, and Joel Aldape, Analyst-in-Charge, managed this review. Carissa Bryant made significant contributions. Thomas F. Lombardi provided legal support. Stanley J. Kostyla and Richard Hung assisted with design and methodology. Jessica Orr provided assistance in report preparation.</td>
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