



March 2018

U.S. PORTS OF ENTRY

CBP Public-Private Partnership Programs Have Benefits, but CBP Could Strengthen Evaluation Efforts

Accessible Version

GAO Highlights

Highlights of [GAO-18-268](#), a report to congressional committees

Why GAO Did This Study

International trade and travel to the United States is increasing. On a typical day in fiscal year 2016, CBP officers inspected nearly 1.1 million passengers and pedestrians and over 74,000 truck, rail, and sea containers at 328 U.S. land, sea, and air ports of entry, according to CBP. To help meet the increased demand for these types of CBP services, since 2013, CBP has entered into public-private partnerships under RSP and DAP. The RSP allows partners to reimburse CBP for providing services that exceed CBP's normal operations, such as paying overtime for CBP personnel that provide services at ports of entry outside normal business hours. The DAP enables partners to donate property or provide funding for port of entry infrastructure improvements.

The Cross-Border Trade Enhancement Act of 2016 included a provision for GAO to review the RSP and DAP. This report examines: (1) how CBP approves and administers RSP and DAP agreements, (2) the status of RSP and DAP agreements, including the purposes for which CBP has used funds and donations, and (3) the extent to which CBP monitors and evaluates program implementation. GAO reviewed partnership agreements and data on program usage. GAO also interviewed CBP and partner officials at 11 ports of entry selected based on a mix of port of entry and agreement types.

What GAO Recommends

GAO recommends that CBP develop an evaluation plan to assess the overall performance of the RSP and DAP. DHS concurred with the recommendation.

View [GAO-18-268](#). For more information, contact Rebecca Gambler at (202) 512-8777 or gambler@gao.gov.

March 2018

U.S. PORTS OF ENTRY

CBP Public-Private Partnership Programs Have Benefits, but CBP Could Strengthen Evaluation Efforts

What GAO Found

Within the Department of Homeland Security, U.S. Customs and Border Protection (CBP) uses criteria and follows documented procedures to evaluate and approve public-private partnership applications and administer the Reimbursable Services Program (RSP) and Donations Acceptance Program (DAP). For example, RSP applications undergo an initial review by CBP officials at the affected ports of entry before they are scored by an expert panel of CBP officials at headquarters. The panel evaluates RSP applications against seven criteria, such as impact on CBP operations. Similarly, DAP proposals are evaluated by CBP officials against seven operational and six technical criteria, such as real estate implications. Further, if the proposal involves real estate controlled by the General Services Administration (GSA), CBP and GSA officials collaborate on DAP selection decisions and project implementation. To administer the RSP and DAP, CBP has documented policies and procedures, such as standard operating procedures and implementation frameworks. For example, CBP uses a standard procedure to guide the process for RSP partners to request services and to provide reimbursement. For DAP projects, CBP, GSA (if applicable), and partners follow an implementation framework that includes a project planning and design phase.

The number of public-private partnerships is increasing, and partnerships provide a variety of additional services and infrastructure improvements at ports of entry. From fiscal years 2013 through 2017, CBP selected over 100 partners for RSP agreements that could impact 112 ports of entry and other CBP-staffed locations, and the total number of RSP partnerships doubled from fiscal year 2016 to 2017. According to CBP, since partners began requesting reimbursable services in 2014, CBP has provided its partners nearly 370,000 officer overtime hours of services, which led to over \$45 million in reimbursed funds. As a result, CBP inspected an additional 8 million travelers and over 1 million personal and commercial vehicles at ports of entry. Similar to the RSP, the number of DAP partnerships more than doubled from fiscal year 2016 to 2017, and totals 16 projects that impact 13 ports of entry as of November 2017. The donations include improvements, such as the installation of new inspection booths and equipment and removal of traffic medians, and are intended to support over \$150 million in infrastructure improvements.

CBP uses various processes to monitor and evaluate its partnerships, but could benefit from establishing an evaluation plan to assess overall program performance. For example, CBP conducts regular audits of RSP records to help ensure that CBP bills and collects funds from its partners accurately, and uses guidance, such as the DAP Implementation Roadmap, to identify and monitor project milestones and tasks. However, as of November 2017, CBP had not developed an evaluation plan—which could include, among other things, measurable objectives, performance criteria, and data collection plans—to assess the overall performance of the RSP and DAP, consistent with Office of Management and Budget guidance and leading practices. Given CBP's staffing challenges and anticipated growth of the RSP and DAP, an evaluation plan could better position CBP to further integrate evaluation activities into program management.

Contents

Letter	1
Background	4
CBP Uses Criteria and Documented Procedures to Evaluate and Approve Public-Private Partnership Applications and Administer Programs	11
Public-Private Partnerships Are Increasing and Provide a Variety of Additional Services and Infrastructure Improvements	21
CBP Uses Various Processes to Monitor and Evaluate Its Partnerships, but Could Benefit from Establishing an Evaluation Plan to Assess Overall Program Performance	30
Conclusions	38
Recommendation for Executive Action	39
Agency Comments and Our Evaluation	39
Appendix I: Details of U.S. Customs and Border Protection Reimbursable Services Program Agreement Memoranda of Understanding	43
Appendix II: Comments from the Department of Homeland Security	57
Appendix III: GAO Contact and Staff Acknowledgments	61
Appendix IV: Accessible Data	62
Data Tables	62
Agency Comment Letter	68
Tables	
Table 1: Evolution of U.S. Customs and Border Protection (CBP) Reimbursable Services Program Legislative Authorities	6
Table 2: Evolution of U.S. Customs and Border Protection (CBP) Donations Acceptance Program Legislative Authorities	8
Table 3: Evaluation Criteria for Reimbursable Services Program Applications	13
Table 4: Evaluation Criteria for Donations Acceptance Program Proposals	16
Table 5: Details of the 54 Existing U.S. Customs and Border Protection and Partner Reimbursable Services Program	

(RSP) Partnership Memoranda of Understanding (MOU) for Fiscal Years 2013 Through 2017	24
Table 6: Total Reimbursement of U.S. Customs and Border Protection (CBP) Officer Hours for Reimbursable Services	25
Table 7: Total Number of Travelers and Vehicles U.S. Customs and Border Protection Officers Inspected During Reimbursable Services Program Partner Requests for Services from Fiscal Year 2013 Through 2017	26
Table 8: Status of the 16 Partner Donations under U.S. Customs and Border Protection's (CBP) Donations Acceptance Program as of December 2017	27
Table 9: Details of Current Memoranda of Understanding for U.S. Customs and Border Protection (CBP) Reimbursable Services Program (RSP) Agreements as of September 30, 2017	45

Figures

Figure 1: Locations of U.S. Customs and Border Protection (CBP) Reimbursable Services Program and Donations Acceptance Program Agreement Selections through Fiscal Year 2017	10
Figure 2: Timeline of U.S. Customs and Border Protection (CBP) Public-Private Partnerships from 2013 through 2017	11
Figure 3: U.S. Customs and Border Protection (CBP) Reimbursable Services Program Application Process	12
Figure 4: Process for Entering into a Reimbursable Services Program Agreement and Memorandum of Understanding	14
Figure 5: U.S. Customs and Border Protection (CBP) and General Services Administration (GSA) Application Approval Process for the Donations Acceptance Program	15
Figure 6: U.S. Customs and Border Protection (CBP) and General Services Administration (GSA) Process to Develop Donations Acceptance Program Proposals	17
Figure 7: General Processes to Administer U.S. Customs and Border Protection (CBP) Reimbursable Services Program (RSP) Agreements	18
Figure 8: Number of Partner Applications U.S. Customs and Border Protection's (CBP) Selected for Its Reimbursable Services Program (RSP) from Fiscal Years 2013 through 2017	22

Figure 9: High Capacity Perforating Machine Red Hook Terminals Donated to U.S. Customs and Border Protection at the Port of Freeport	29
Figure 10: U.S. Customs and Border Protection (CBP) Audit Steps for Reimbursable Services Program (RSP) Overtime Request, Fulfillment, and Billing Processes	31
Accessible Data for Figure 2: Timeline of U.S. Customs and Border Protection (CBP) Public-Private Partnerships from 2013 through 2017	62
Accessible Data for Figure 3: U.S. Customs and Border Protection (CBP) Reimbursable Services Program Application Process	63
Accessible Data for Figure 4: Process for Entering into a Reimbursable Services Program Agreement and Memorandum of Understanding	64
Accessible Data for Figure 5: U.S. Customs and Border Protection (CBP) and General Services Administration (GSA) Application Approval Process for the Donations Acceptance Program	64
Accessible Data for Figure 6: U.S. Customs and Border Protection (CBP) and General Services Administration (GSA) Process to Develop Donations Acceptance Program Proposals	65
Accessible Data for Figure 7: General Processes to Administer U.S. Customs and Border Protection (CBP) Reimbursable Services Program (RSP) Agreements	66
Accessible Data for Figure 8: Number of Partner Applications U.S. Customs and Border Protection's (CBP) Selected for Its Reimbursable Services Program (RSP) from Fiscal Years 2013 through 2017	66
Accessible Data for Figure 10: U.S. Customs and Border Protection (CBP) Audit Steps for Reimbursable Services Program (RSP) Overtime Request, Fulfillment, and Billing Processes	67

Abbreviations

AFP	Alternative Funding Program
CBP	U.S. Customs and Border Protection
DAP	Donations Acceptance Program
DHS	Department of Homeland Security
GSA	General Services Administration
MOU	Memoranda of Understanding

POE	port of entry
RSP	Reimbursable Services Program

This is a work of the U.S. government and is not subject to copyright protection in the United States. The published product may be reproduced and distributed in its entirety without further permission from GAO. However, because this work may contain copyrighted images or other material, permission from the copyright holder may be necessary if you wish to reproduce this material separately.



March 15, 2018

Congressional Committees

On a typical day in fiscal year 2016, nearly 1.1 million passengers and pedestrians and over 74,000 truck, rail, and sea containers worth approximately \$6.3 billion entered the United States through 328 U.S. land, sea, and air ports of entry (POE), according to U.S. Customs and Border Protection (CBP).¹ Within the Department of Homeland Security (DHS), CBP is the lead federal agency charged with a dual mission of keeping terrorists and their weapons, criminals and their contraband, and inadmissible aliens out of the country while facilitating the flow of legitimate international travel and trade through the nation's POEs.² CBP's Office of Field Operations is responsible for enforcing passenger and cargo processing activities related to security, trade, immigration, and agricultural inspection at the nation's POEs.³ In April 2016, the CBP Human Resources Management Assistant Commissioner and Office of Field Operations Deputy Assistant Commissioner testified before Congress that the agency continues to face significant challenges in meeting its staffing goals due to hiring and retention challenges; meanwhile, the amount of international travel and trade to the United States continues to increase. For example, from fiscal years 2014 to 2016, the number of international travelers entering the United States increased about 4 percent, and the number of cargo containers entering the country increased about 6 percent. Further, in 2015, CBP conducted a study on its POEs that identified the need for \$5 billion to meet its infrastructure and technology requirements.

Since 2013, CBP has entered into public-private partnerships with stakeholders, such as port authorities or local municipalities that own or

¹Ports of entry are facilities that provide for the controlled entry into or departure from the United States. Specifically, a port of entry is any officially designated location (seaport, airport, or land border location) where DHS officers or employees are assigned to clear passengers, merchandise and other items, collect duties, and enforce customs laws; and where DHS officers inspect persons seeking to enter or depart, or applying for admission into, the United States pursuant to U.S. immigration law and travel controls.

²See 6 U.S.C. § 211(a) (establishing CBP within DHS), (c) (enumerating CBP's duties).

³See id. § 211(g) (establishing and listing duties of Office of Field Operations within CBP).

manage the ports or private companies that conduct business through the ports, under its Reimbursable Services Program (RSP) to cover CBP's cost of providing certain services at POEs.⁴ Such services include those supporting customs, agricultural processing, border security, or immigration inspection matters. For example, the RSP enables entities to pay the overtime costs of CBP personnel who may provide such services outside normal business hours. A second public-private partnership program—the Donations Acceptance Program (DAP)—enables entities, such as local municipalities, to donate personal or real property, nonpersonal services, or provide funding related to land acquisition, design, construction, repair or alteration, and operations and maintenance to CBP and the General Services Administration (GSA) at POEs.⁵ The Office of Field Operations' Alternative Funding Programs (AFP) office manages and oversees both programs at the headquarters level for CBP. GSA's Public Building Services office manages and oversees the DAP at the headquarters level for GSA.

The Cross-Border Trade Enhancement Act of 2016 included a provision for GAO to review the agreements and funds and donations that CBP and GSA have received under the RSP and DAP. This report examines: (1) how CBP approves and administers public-private partnership agreements under its RSP and DAP, (2) the status of RSP and DAP agreements, including the purposes for which CBP has used the funds and donations from these agreements, and (3) the extent to which CBP has processes in place to monitor and evaluate the implementation of these programs.

To examine how CBP approves and administers public-private partnership agreements under its RSP and DAP, we collected and reviewed CBP's criteria for evaluating and approving applications and standard operating procedures, as well as policy documents for administering the RSP and DAP.⁶ We attended an RSP application evaluation review panel in September 2017 to observe how CBP officials

⁴We refer to entities that CBP selects for and/or enters into partnerships with CBP as partners throughout this report.

⁵GSA also oversees matters related to the DAP at all land POEs with GSA-operated real estate.

⁶As mentioned above, CBP and GSA, as applicable, enter into RSP and DAP agreements with different types of entities, including private companies or local public municipalities, among others. For the purposes of this report, we refer to all of these agreements as public-private partnerships.

deliberate the merits of RSP applications and apply RSP selection criteria. We also attended an AFP office visit to the Baltimore Field Office in October 2017 where we observed AFP officials train local CBP officials and meet with new partner officials. We also interviewed CBP and partner officials at 11 POEs—to reflect a range of POE types (land, air, and sea), type of partnerships, and geographic diversity—and conducted site visits at 10 of these POEs to observe local operations. We used a non-probability sample for our site visit selections and thus cannot generalize our findings to all POEs with an RSP or DAP agreement; however, the site visits provided insight into how these agreements are working at the POEs. We also interviewed CBP and GSA officials at headquarters to learn about how headquarters officials administer the programs.

To examine the status of RSP and DAP agreements, including the purposes for which CBP uses funds and donations from these agreements, we collected and analyzed all Reimbursable Services Agreements, Donations Acceptance Agreements, and Memoranda of Understanding (MOU) for both the RSP and DAP from fiscal year 2013 through 2017.⁷ As mentioned above, we interviewed CBP, GSA, and partner officials at 11 POEs and conducted site visits at 10 of these POEs to observe local operations and gain insights on how CBP is administering the programs at the POEs. We also interviewed CBP officials at headquarters, GSA officials at headquarters and in regional offices, and officials from four travel and trade industry associations selected based on the nature of the associations to gain insights on public-private partnerships agreements.⁸ We collected and analyzed data on the actual use of RSP agreements, such as the number of travelers processed and cargo containers inspected since the program started, as well as the amount that partners have reimbursed CBP through each agreement. We reviewed existing information about the data and the system that produced them and interviewed agency officials knowledgeable about the data. We determined that these data were sufficiently reliable for the purposes of our reporting objectives.

⁷Reimbursable Services Agreements and Donations Acceptance Agreements are legally binding documents that CBP, GSA (if applicable), and its partners sign to formalize the partnership. MOUs are non-legally binding agreements that outline the parties' intentions about how individual public-private partnership agreements will work at the POEs.

⁸The four travel and trade associations we met with included Airlines for America, Airport Council International, American Association of Port Authorities, and the Border Trade Alliance.

To examine the extent to which CBP has processes in place to monitor and evaluate the implementation of these agreements, we collected and reviewed CBP's documentation for evaluating the programs, including standard operating procedures, among other documents. We collected and analyzed a selection of work ticket and billing data for the RSP from fiscal years 2014 through 2017. We assessed the reliability of these data by performing electronic testing for obvious errors in accuracy and completeness, reviewing existing information about the data and the system that produced them, and interviewing agency officials knowledgeable about the data. We determined that the data were sufficiently reliable for the purposes of this report. In October 2017 we also received demonstrations on the systems that CBP uses to document and audit work ticket and billing data. We interviewed officials at CBP and GSA headquarters to gain insights on how the agencies use qualitative information to monitor program performance and share best practices. We assessed whether CBP's efforts were consistent with Office of Management and Budget guidance for making program expansion decisions and leading practices for program evaluation from the American Evaluation Association.⁹

We conducted this performance audit from March 2017 to March 2018, 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

CBP Staffing and Infrastructure

In fiscal year 2017, approximately 24,000 CBP officers performed a variety of functions at over 300 air, land, and sea POEs, including inspecting travelers and cargo containers, among other activities. According to CBP, increases in passenger and cargo volumes are

⁹ Office of Management and Budget, Circular A-94: *Guidelines and Discount Rates for Benefit-Cost Analysis of Federal Programs* and American Evaluation Association, *An Evaluation Roadmap for a More Effective Government*, accessed November 22, 2017, <http://www.eval.org/d/do/472>.

outpacing CBP's staffing resources, resulting in increased passenger wait times and cargo backups, among other things. For example, in fiscal year 2017, CBP identified a need for an additional 2,516 CBP officers across all POEs. Further, as of 2017, CBP estimated that it needed approximately \$5 billion to meet infrastructure and technology requirements at about 167 land POEs. To help identify and mitigate resource challenges, CBP developed its Resource Optimization Strategy, an integrated, long-term plan to improve operations at all POEs. The Strategy consists of three components:

- **Business transformation:** utilize new technology, such as Automated Passport Control kiosks, or new processes, such as trusted traveler programs, to increase CBP operational efficiencies;¹⁰
- **Workload Staffing Model:** utilize modeling techniques to help ensure that existing staffing resources are appropriately aligned with threat environments while maximizing cost efficiencies; and
- **Alternative funding strategies:** utilize public-private partnership agreements, such as RSP and DAP, to supplement regular appropriated resources.

Overview and Evolution of the RSP

The RSP enables partnerships between CBP and private sector or government entities, allowing CBP to provide new or additional services upon the request of partners. These services can include customs, immigration, or agricultural processing; border security and support at any facility where CBP provides, or will provide, services; and may cover costs such as salaries, benefits, overtime expenses, administration, and transportation costs. According to authorizing legislation, RSP agreements are subject to certain limitations, including that they may not unduly and permanently impact existing services funded by an appropriations act or fee collection.¹¹ According to AFP officials, the purpose of the RSP is to provide new or additional CBP services at POEs that the component would otherwise not have been able to provide. From 2013 to 2017, the number of RSP agreements has increased as new

¹⁰CBP's Automated Passport Control program allows eligible travelers to use self-service kiosks to respond to CBP inspection questions and submit biographical information. CBP's trusted traveler programs provide expedited travel for pre-approved, low risk travelers.

¹¹6 U.S.C. § 301(d)(1)(B).

authorizing legislation has expanded participant eligibility and made the program permanent. Table 1 below outlines the evolution of RSP through its different legislative authorities.

Table 1: Evolution of U.S. Customs and Border Protection (CBP) Reimbursable Services Program Legislative Authorities

Section	Year	Description	Expiration
560 Division D of the Consolidated and Further Continuing Appropriations Act, 2013 ^a	2013	Prior to repeal, section 560 provided that by December 31, 2013, CBP may enter into no more than 5 reimbursable fee agreements for a period of up to 5 years with requesting persons for the provision of CBP customs and immigration inspection-related services and any other costs incurred by CBP relating to such services. Further provided that such requests may include additional CBP services at existing CBP-serviced facilities (including but not limited to payment for overtime), the provision of CBP services at new facilities, and expanded CBP services at land border facilities.	Authority to enter into new agreements expired in 2013 Agreements expire in 2018
559 Division F of the Consolidated Appropriations Act, 2014 ^b	2014	Prior to repeal, section 559 provided that CBP, in collaboration with the General Services Administration (GSA) Administrator, is authorized to conduct a pilot program for 5 years to permit CBP to enter into indefinite partnerships with private sector and government entities at ports of entry for customs, agricultural processing, border security, and immigration inspection-related services. Pursuant to section 559, upon the request of a private sector or government entity with which CBP has entered into a partnership, CBP may enter into a reimbursable fee agreement with such entity under which CBP will provide certain services at a port of entry and the entity will pay a fee to reimburse CBP for the costs incurred in providing services. Limited CBP to 10 pilot programs at CBP-serviced airports each calendar year; no annual limit on the number of pilot programs at land and sea ports. ^c For CBP-serviced airports, section 559 only allowed for reimbursement of overtime and the salaries, training and benefits of support staff. ^d Such a restriction was not included for reimbursement of covered services at land and sea ports.	Authority to enter into new agreements set to expire in 2019 but supplanted by Section 481, described below Agreements do not expire

Section	Year	Description	Expiration
481 Homeland Security Act of 2002, as amended by section 2 of Cross-Border Trade Enhancement Act of 2016 ^e	2016	<p>Section 4 of Cross-Border Trade Enhancement Act of 2016 repealed sections 559 and 560.^f</p> <p>Upon request of any entity, CBP may enter into a fee agreement under which CBP is to provide certain services at a U.S. port of entry or any other facility at which CBP provides or will provide such services.</p> <p>Removes the limitation on the number of airport agreements CBP can enter into each year. Generally, fee agreements at airports may only provide for payment of CBP officer overtime costs, and salaries and expenses of CBP employees to support CBP officers in providing covered services.</p> <p>Services described are any activities of any CBP employee or contractor, except employees of U.S. Border Patrol, pertaining to or in support of customs, agricultural processing, border security, or immigration inspection-related matters at ports of entry or other facilities at which CBP provides or will provide services.</p> <p>Allows CBP to receive reimbursement in addition to officer overtime and certain support costs if the fee agreement is for services at “small airports” that receive less than 100,000 international travelers per year. A fee agreement at a small airport may provide for reimbursement of: (1) salaries and expenses of no more than five CBP officers beyond the number assigned to the port on the date of signing, with no such limitation for CBP employees to support CBP officers in performing law enforcement functions; and (2) other CBP costs relating to law enforcement support services, such as temporary placement or permanent relocation of employees, including incentive pay for relocation, as appropriate.</p>	Authority to enter into new agreements and the agreements do not expire

Source: GAO analysis of CBP information. | GAO-18-268

^aPub. L. No. 113-6, div. D, tit. V, § 560, 127 Stat. 198, 378-80 (2013).

^bPub. L. No. 113-76, div. F, tit. V, § 559, 128 Stat. 5, 279-85 (2014).

^cSection 550 of the Department of Homeland Security Appropriations Act, 2016, raised the limit on the number of pilots at CBP-services airports under section 559 from 5 to 10 per year. Pub. L. No. 113-76, div. F, tit. V, § 559(e)(3)(D), 128 Stat. at 281, as amended by Pub. L. No. 114-113, div. F, tit. V, § 550, 129 Stat. 2242, 2519 (2015).

^dAs amended by the Department of Homeland Security Appropriations Act, 2015, section 559 agreements are to be used at CBP-serviced airports only for payment of overtime and the salaries, training and benefits of individuals employed by CBP to support CBP officers in performing law enforcement functions, including primary and secondary processing of passengers. See Pub. L. No. 113-76, div. F, tit. V, § 559(e)(3)(B), 128 Stat. at 281, as amended by Pub. L. No. 114-4, tit. V, § 552(a)(2), 129 Stat. 39, 71 (2015).

^ePub. L. No. 107-296, tit. IV, subtit. G, § 481, 116 Stat. 2135 (2002), as added by Pub. L. No. 114-279, § 2(a), 130 Stat. 1413, 1413-17 (2016) (classified at 6 U.S.C. § 301).

^fWhile sections 560 and 559 were repealed by the Cross-Border Trade Enhancement Act of 2016, neither subtitle G of title 6, U.S. Code, nor section 4 of the Act, affect (1) any agreement entered into pursuant to sections 560 or 559, as in existence on December 15, 2016, and any such agreement shall continue to have full force and effect on and after such date; or (2) a proposal accepted for consideration by CBP pursuant to section 559, as in existence on December 15, 2016. Pub. L. No. 107-296, tit. IV, subtit. G, § 483, 116 Stat. 2135, as amended by Pub. L. No. 114-279, § 2(a), 130 Stat. at 1421 (classified at 6 U.S.C. § 301b).

Overview and Evolution of the DAP

The DAP permits CBP and GSA to accept donations from private and public sector entities, such as private or municipally-owned seaports or land border crossings. Donations may include real property, personal property, money, and non-personal services, such as design and construction services. Donated resources may include improvements to existing facilities, new facilities, equipment and technology, and operations and maintenance costs, among other things. In terms of the types of locations that may accept donations, donations may be used for activities related to land acquisition, design, construction, repair, alteration, operations, and maintenance, including installation or deployment of furniture, fixtures, equipment or technology, at an existing CBP-owned land POE; a new or existing space at a CBP air or sea POE; or a new or existing GSA-owned land POE. CBP and GSA may not accept donations at a leased land POE, nor is CBP able to accept a donation at or for a new land POE if the combined fair market value of the POE and donation exceeds \$50 million. Additionally, CBP may not use monetary donations accepted under the DAP to pay salaries of CBP employees performing inspection services. Finally, CBP may not accept donations on foreign soil. Table 2 below depicts the evolution of DAP authorizing legislation since the program's inception in 2014.

Table 2: Evolution of U.S. Customs and Border Protection (CBP) Donations Acceptance Program Legislative Authorities

Section	Year	Description	Expiration
559 Division F of the Consolidated Appropriations Act, 2014	2014	<p>Authorizes CBP, in collaboration with the General Services Administration (GSA), to conduct a 5 year pilot program to enter into partnerships with private sector and government entities at ports of entry to accept certain donations.</p> <p>Donations to CBP or GSA may include real or personal property, including monetary donations, or nonpersonal services from any private sector or government entity with which CBP has entered into a partnership.</p> <p>CBP and GSA may use donations for necessary activities related to the construction, alteration, operation, or maintenance of an existing port of entry facility, including expenses related to land acquisition, design, construction, repair and alteration; furniture, fixtures, and equipment; deployment of technology and equipment; and operations and maintenance.</p>	<p>Pilot program set to expire in 2019 but supplanted by Section 482, described below</p> <p>An agreement entered into during the pilot program may last as long as required to meet the terms of the partnership</p>

Section	Year	Description	Expiration
482 Homeland Security Act of 2002, as amended by section 2 of Cross-Border Trade Enhancement Act of 2016 ^a	2016	<p>Section 4 of the Cross-Border Trade Enhancement Act of 2016 repealed sections 559 and 560, including section 559 donation acceptance authorities but did not affect any existing agreement CBP and GSA entered into pursuant to sections 559 or 560, or any proposal accepted for consideration under Section 559 on or before December 15, 2016.^b</p> <p>CBP, in consultation with GSA, may enter into an agreement with any entity to accept a donation of personal property, money, or nonpersonal services for particular purposes. In addition, CBP, and GSA, as applicable, may enter into an agreement with an entity to accept a donation of real property or money for particular purposes.</p> <p>Personal property donations may be used to cover expenses related to furniture, fixtures, equipment, or technology, including installation or deployment of such items; and operation and maintenance of such furniture, fixtures, equipment, or technology. Real property donations may be used to cover expenses related to land acquisition, design, construction, repair, or alteration; and operation and maintenance of such port facility.</p> <p>Donations may be accepted for Office of Field Operations activities at new or existing sea or air ports; existing federal government-owned land ports; and new federal government-owned ports provided fair market values of the donation, and the port upon completion (including total donations), are not to exceed \$50 million.</p> <p>Monetary donations accepted pursuant to personal property donation authority may not be used to pay salaries of CBP employees performing inspection services; and donations accepted pursuant to real property authority for an existing land port owned by GSA may only be accepted by GSA.</p>	<p>Authority to enter into new real property donation agreements expires in December 2020</p> <p>An agreement may last as long as required to meet the terms of the partnership</p>

Source: GAO analysis of CBP information. | GAO-18-268

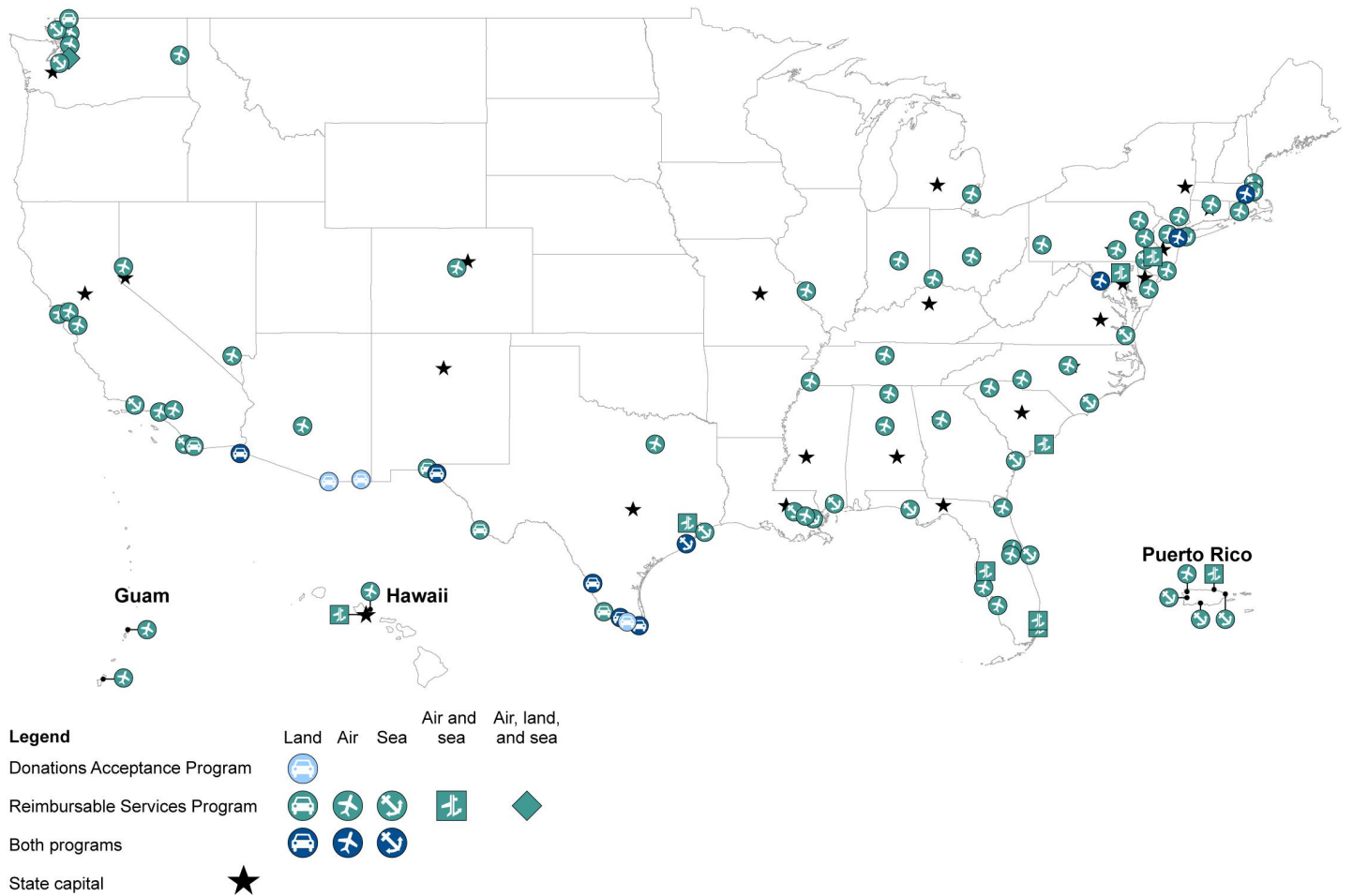
^aPub. L. No. 107-296, tit. IV, subtit. G, § 482, 116 Stat. 2135 (2002), as added by Pub. L. No. 114-279, § 2(a), 130 Stat. at 1417-21 (2016) (classified at 6 U.S.C. § 301a).

^bSee 6 U.S.C. § 301b.

RSP and DAP expansion over time

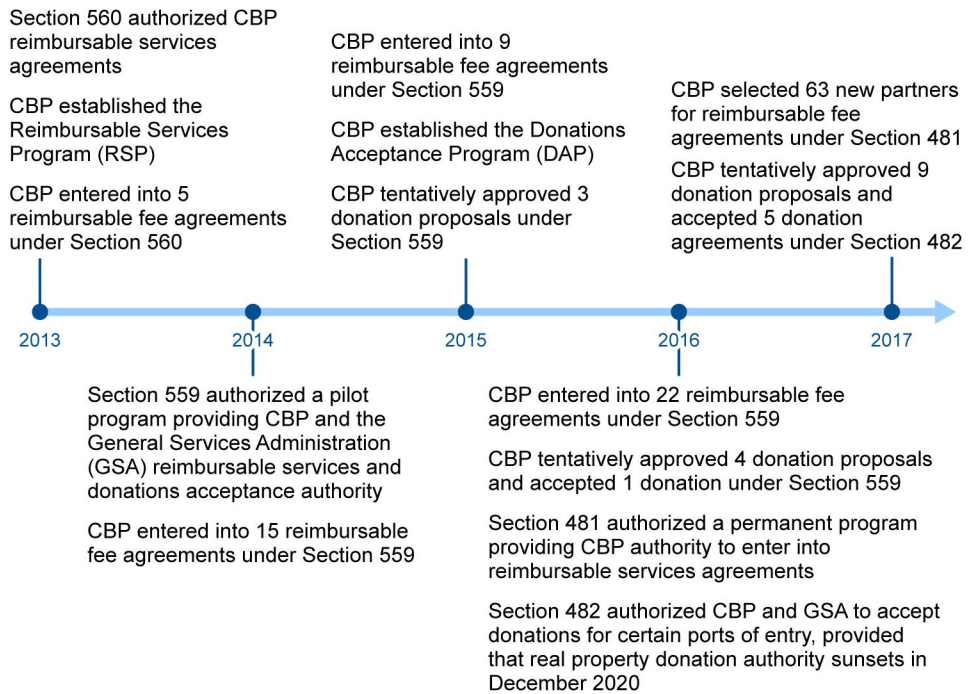
Figures 1 and 2 depict the location and number of RSP and DAP agreements in place through fiscal year 2017.

Figure 1: Locations of U.S. Customs and Border Protection (CBP) Reimbursable Services Program and Donations Acceptance Program Agreement Selections through Fiscal Year 2017



Source: GAO analysis of CBP information; MapInfo (map); Art Explosion (clip art). | GAO-18-268

Figure 2: Timeline of U.S. Customs and Border Protection (CBP) Public-Private Partnerships from 2013 through 2017



Source: GAO analysis of CBP information. | GAO-18-268

CBP Uses Criteria and Documented Procedures to Evaluate and Approve Public-Private Partnership Applications and Administer Programs

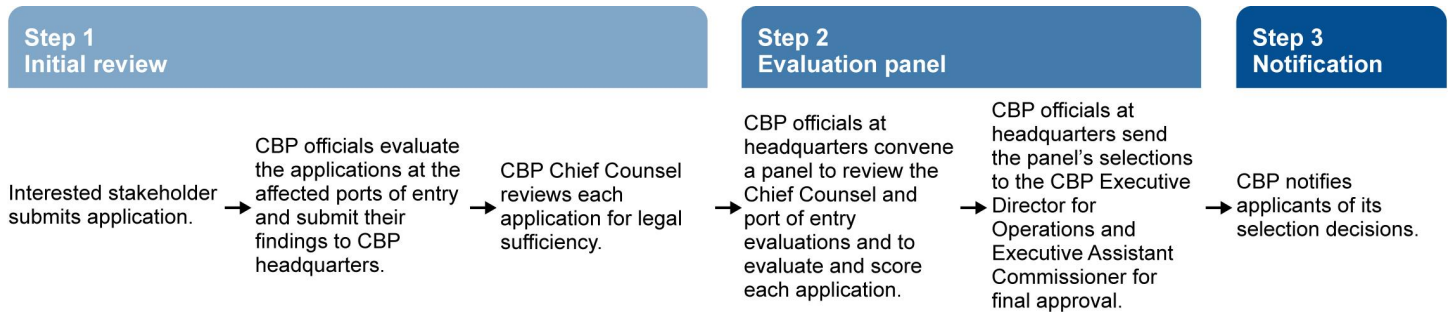
CBP Uses Criteria and Procedures to Approve Public-Private Partnership Applications and Coordinate with Partners

RSP Application Process

CBP has developed detailed guidance on the RSP application process, including application timeframes, requirements, and evaluation criteria, and this guidance is on CBP’s website. According to this guidance, in 2017, CBP expanded the RSP application submission period. Whereas in

prior years applications were accepted during a single one-month window, prospective partners may now submit applications throughout the year. Under this new process, CBP evaluates submissions three times per year—beginning in March, July, and November. According to CBP, the submission period was expanded in part because new legislative authorities removed previous restrictions on the number of RSP agreements CBP can enter into each year. The overarching RSP application process—from application submission through CBP evaluation and applicant notification—is depicted in figure 3.

Figure 3: U.S. Customs and Border Protection (CBP) Reimbursable Services Program Application Process



Source: GAO analysis of CBP information. | GAO-18-268

According to CBP’s procedures for accepting and reviewing applications, potential partners first submit a letter of application that includes a variety of logistical information concerning the stakeholders, services to be requested, location of services to be requested, available facilities, and funding. For example, in submitting a letter of application, an applicant is to estimate how many hours of services it may request per month and identify the applicant’s available budget for the first fiscal year of the partnership, among other things. According to the application guidance, prospective applicants are encouraged to work with local CBP officials at individual POEs to develop letters of application. After submission, CBP officials at the affected POEs, including affected CBP Field Offices, review applications and communicate their findings and recommendations to the AFP office. In addition, the CBP Office of Chief Counsel reviews the applications for legal sufficiency and may suggest that CBP request additional information from applicants.

Next, CBP convenes an expert panel consisting of two senior CBP officials who are not part of the AFP office to consider POE and legal comments on the applications, among other information provided by AFP officials. The panel deliberates and scores each proposal based on seven

criteria, and all proposals that achieve a certain minimum score are accepted. The seven evaluation criteria used to weigh the merits of potential new partnership agreements are listed in table 3.

Table 3: Evaluation Criteria for Reimbursable Services Program Applications

Criteria	Examples of Evaluation Factors
Impact on U.S. Customs and Border Protection's (CBP) operations	Whether the application poses an adverse impact or future benefit to CBP operations
Funding ability	Whether the application is reported to have stable funding with a successful plan and established business relationships with a local port of entry
Community and industry concerns	Whether the application has the support of impacted local and regional stakeholders
Health and safety concerns	Whether the application has any health and safety concerns for employees or the public
Other agency support	Whether application would provide increased benefits to state and local governments, or other government agencies
Local and regional economic benefits	Whether the application presents measurable local, regional, and national economic and community benefits, including enhanced travel and trade
Feasibility of program use	Whether the program will be utilized by the applicant and/or if services are able to be provided by CBP

Source: CBP. | GAO-18-268

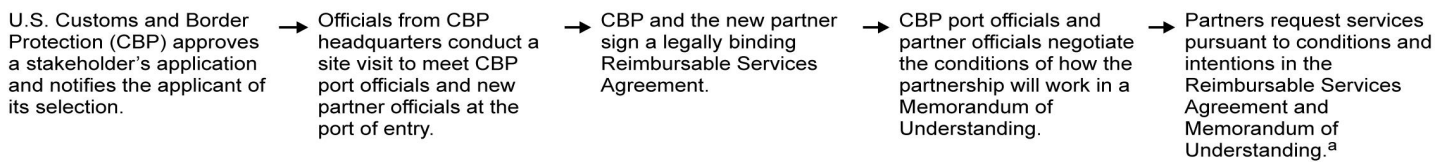
The scoring scale ranges from -5 to 5, and the 7 criteria are weighted based on potential impact. For example, impact to CBP operations is weighted more heavily than other agency support. In September 2017, we observed an RSP application review panel. Among other things, we observed senior CBP officials, who were independent from the AFP office, score 31 RSP applications that impacted 46 CBP Field Office locations. The panel members based their deliberations on set criteria and reached consensus on which applications to approve. Finally, Congress and approved partners are notified of the selections. Where CBP denies a proposal for an agreement, it is to provide the reason for denial unless such reason is law enforcement sensitive or withholding the reason for denial is in the national security interests of the United States.¹²

Once CBP approves an application, CBP and its prospective new partners follow documented procedures to formalize the agreements and

¹²6 U.S.C. § 301(g)(1).

prepare all involved stakeholders, including new partners and local CBP officials, for Reimbursable Services Agreement implementation. The process to establish new RSP partnerships at specific POEs is depicted in figure 4 below.

Figure 4: Process for Entering into a Reimbursable Services Program Agreement and Memorandum of Understanding



Source: GAO analysis of CBP information. | GAO-18-268

^aAccording to CBP officials, the Reimbursable Services Agreement can be signed before, during, or after the site visit, and partners are permitted to request reimbursable services once CBP and its partner sign the Reimbursable Services Agreement.

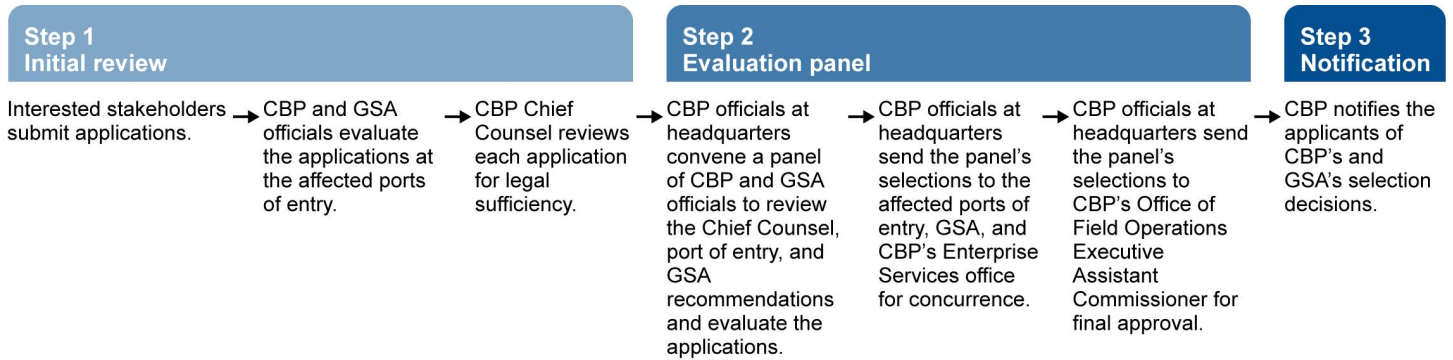
After CBP notifies the applicant of its selection, officials from the AFP office schedule a site visit to meet with local CBP officials at the POEs and the new partners. According to CBP program requirements, the purpose of the site visit is to discuss workload and services, and to verify that the POE facilities and equipment meet CBP’s required specifications. AFP officials also provide program training to CBP Field Office and POE officials, as well as to new partners on the processes to request and fulfill RSP service requests, among other things. We attended an AFP office visit to CBP’s Baltimore Field Office in October 2017 and observed AFP officials sharing best practices with local CBP officials and new RSP partners. According to CBP’s procedures, before any RSP services can be provided, CBP and the prospective partners must sign a legally binding Reimbursable Services Agreement. Among other things, the Reimbursable Services Agreement establishes that the partner will reimburse CBP for the costs of services provided under the RSP authorizing legislation, including the officer overtime rates, benefits, and a 15 percent administrative fee. Further, the partner agrees to reimburse CBP for these services within 15 days of billing through a Department of the Treasury system. Finally, local CBP Field Office and partner officials negotiate a local MOU that outlines the services, schedules, and other conditions for the POE location(s) covered by the Reimbursable Services Agreement.

DAP Application Process

Similar to the RSP application process, CBP, in conjunction with GSA, utilizes criteria and documented processes to evaluate DAP proposals

and implement the program.¹³ More specifically, in alignment with the most recent DAP authorizing legislation, CBP and GSA developed the *Section 482 Donation Acceptance Authority Proposal Evaluation Procedures & Criteria Framework* (Framework) for receiving, evaluating, approving, planning, developing, and formally accepting donations under the program. The initial steps of the Framework, which encompass the DAP application process, are depicted in figure 5.

Figure 5: U.S. Customs and Border Protection (CBP) and General Services Administration (GSA) Application Approval Process for the Donations Acceptance Program



Source: GAO analysis of CBP information. | GAO-18-268

In prior years, CBP accepted large-scale proposals, defined by CBP as \$5 million or more, during one application and evaluation cycle per year. Beginning in fiscal year 2017, CBP accepts large-scale proposals on a rolling basis, using a streamlined process for expedited review. CBP also accepts small-scale proposals, defined by CBP as less than \$5 million, on a rolling basis. According to AFP officials, CBP undertakes considerable effort to provide early education about the program to potential partners who plan to apply for a DAP agreement, including discussing CBP’s operational needs at the POEs. The Framework notes that this outreach helps prospective donors gauge their willingness and ability to work cooperatively with CBP and GSA on potential POE improvements and also helps applicants enhance the viability of their submissions.

After a DAP proposal is submitted and checked for completeness, CBP and GSA subject matter experts evaluate the proposal against seven

¹³See 6 U.S.C. § 301a(c)(2) (Criteria), (3) (Evaluation Procedures).

operational and six technical criteria (see table 4 below).¹⁴ The evaluators reach consensus on proposed recommendations and submit their evaluation results to CBP and GSA senior leadership for consideration. Leadership reviews the recommendations and other pertinent information and determines whether or not to select proposals.

Table 4: Evaluation Criteria for Donations Acceptance Program Proposals

Operation Criteria	Technical Criteria
Operational impact	Real estate implications
Funding and Financing Strategy (operational)	Funding and financial strategy (technical)
Community support	Environmental and cultural resource implications
Health and safety requirements	Technical feasibility
Other agency support	Planning implications
Economic and community benefits	Proposed support
Project duration and timeline	n/a

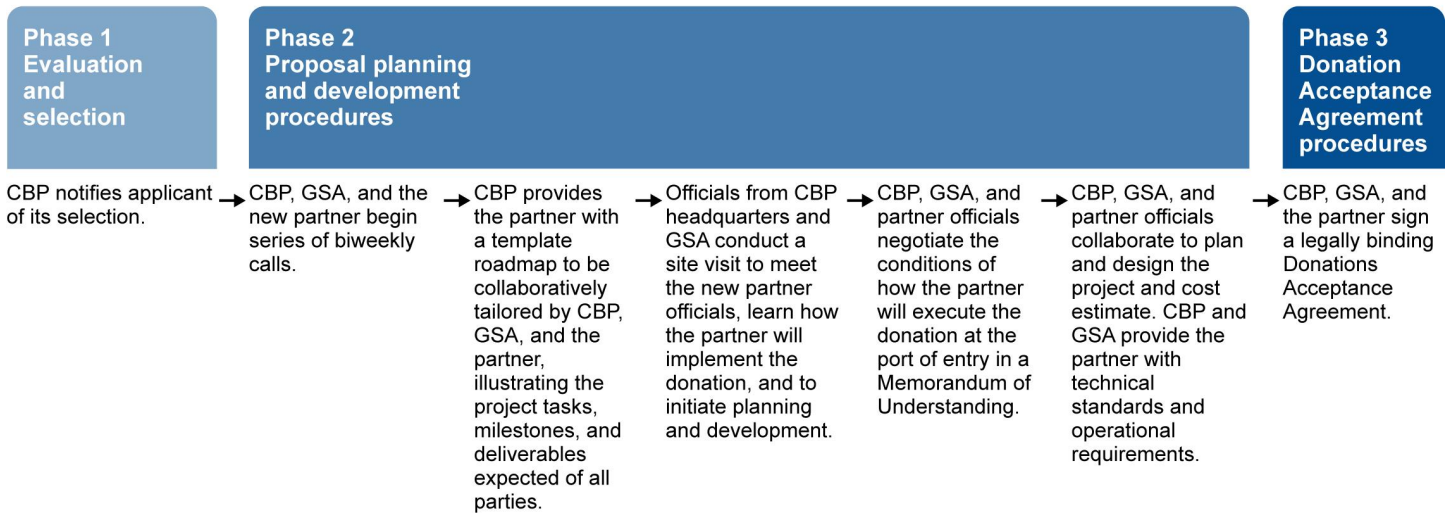
Source: U.S. Customs and Border Protection. | GAO-18-268

In accordance with legislative requirements, CBP must notify DAP applicants of the determination to approve or deny a proposal not later than 180 days after receiving the completed proposal.¹⁵ Figure 6 depicts all three phases of the DAP Framework from selecting a proposal to signing a formal Donations Acceptance Agreement.

¹⁴In accordance with legislative requirements, within 60 days after receiving the proposals for a donation agreement from an entity, CBP is to notify such entity as to whether such proposal is complete or incomplete. If CBP determines that the proposal is incomplete, notification shall be sent to the appropriate entity along with a description of information or material that is required to complete review of the proposal, and the entity is to be allowed to resubmit the proposal including additional information and material to complete the proposal. 6 U.S.C. § 301a(c).

¹⁵6 U.S.C. § 301a(c)(3)(C)(ii).

Figure 6: U.S. Customs and Border Protection (CBP) and General Services Administration (GSA) Process to Develop Donations Acceptance Program Proposals



Source: GAO analysis of CBP information. | GAO-18-268

Phase 2 of the Framework begins shortly after CBP notifies new partners of DAP selections. CBP officials then initiate a series of biweekly calls with GSA officials, if applicable, and the partner. AFP officials provide partners with documentation in the form of a high-level roadmap which contains a sequence of activities and deliverables CBP expects from the partners, and all stakeholders convene to track progress against planned activities and milestones. CBP, GSA, and the partner also meet to discuss the technical implementation of the donation.

AFP and GSA officials conduct a site visit to meet with new partners; obtain a visual understanding of how CBP, GSA, and the partner will implement the donation; and help the partner begin the planning and development phase. CBP, GSA, and the partner negotiate a MOU on roles and responsibilities and terms and conditions of the donation. CBP then provides the partner with its technical standards and other operational requirements, such as space and staffing needs, under a non-disclosure agreement. The partner then begins to plan and develop its conceptual proposal into an executable project in close coordination with CBP and GSA. By the end of Phase 2, CBP, GSA, as applicable, and the partner confirm that all pre-construction development activities are complete, no outstanding critical risks exist, and that the appropriate agencies are prepared to request future funding, as applicable.

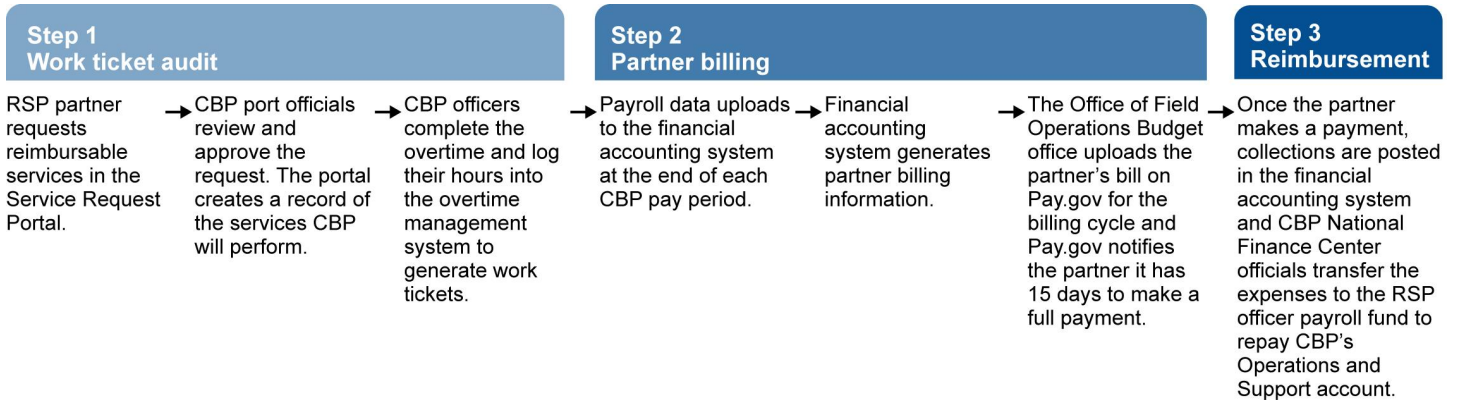
Finally, stakeholders move to Phase 3 of the Framework to formalize the terms and conditions under which either CBP, GSA, or both, may accept the proposed donation. After CBP, GSA and the partner agree to the provisions of the project plan, they sign the legally binding Donations Acceptance Agreement, and stakeholders proceed to project execution.

CBP Administers the Public-Private Partnerships Using Documented Policies and Procedures, and Implementation of the Programs Can Vary by Port

CBP has documented standard operating procedures, roadmaps, and other formally documented policies and procedures to administer the RSP and DAP. In addition, as mentioned above, AFP officials conduct site visits to the POEs with new RSP and DAP agreements, and provide formal training for CBP personnel at Field Offices and POEs.

The general process for administering RSP—from requesting and fulfilling services to billing and collecting payments—is dictated by standard operating procedures, as shown in figure 7.

Figure 7: General Processes to Administer U.S. Customs and Border Protection (CBP) Reimbursable Services Program (RSP) Agreements



Source: GAO analysis of CBP information. | GAO-18-268

In general, RSP partners submit a formal request for services by completing an electronic form and calendar access via CBP’s Service Request Portal. Once the partner submits the request, the portal sends an electronic copy of the request to the partner’s email and the port’s

RSP email inbox. CBP supervisors at the POE access the Service Request Portal to review, edit, approve, deny, or cancel requests.¹⁶ The system tracks and requires CBP officials to comment on any requests that CBP edits, denies, or cancels, and sends an email notification of CBP's decision to the partner. If CBP approves the request, the Service Request Portal creates a line item with information about the request, such as codes for the location and partner, as well as the hours CBP officers will work.

Next, CBP officers enter line item information—information on accounting codes for the location and partner and the actual hours CBP officers worked to fulfill the request—into CBP's overtime management system.¹⁷ At the end of every shift, CBP supervisors review and approve the amount of overtime and other data entered into the overtime management system. In addition, data from this system is checked for accuracy and certified weekly by both CBP POE and AFP officials. After the overtime and request information is checked, payroll data generated from the overtime management system, including salary and benefits information for each officer that worked RSP overtime, uploads to CBP's financial accounting system at the end of each pay period, or every 14 days. CBP bills its partners for two full pay periods, and the partner has 15 days to make a full payment through the partner's account with the Department of the Treasury. After the partner makes the payment through the Department of the Treasury collection system, CBP National Finance Center officials reimburse the CBP annual Operations & Support account initially used to pay its officers for all of the RSP overtime worked during that pay cycle by moving the expenses to the RSP officer payroll fund.

Although the general request and billing processes for RSP services are the same across all POEs regardless of location or mode—air, land, or, sea—CBP and its partners have flexibility to tailor RSP implementation based on local conditions or needs. Some of this implementation variation is documented in locally negotiated MOUs. For example, CBP's partner at Miami International Airport in Florida relies on CBP to schedule RSP overtime daily based on CBP expertise. CBP officials at the airport developed their own software templates to plan, track, and manage CBP

¹⁶According to AFP officials, CBP POE officials will only cancel a request for reimbursable services upon the request of the partner. CBP POE officials may edit the request to ensure that it meets CBP's operational needs.

¹⁷CBP officers enter all overtime information into the overtime management system, including for non-RSP overtime hours.

officers for RSP overtime for a given amount of available overtime funding. At the Pharr land POE in Texas, CBP staff at the POE submit recommended RSP overtime request proposals to the partner based on local conditions, including staffing, and the partner decides whether to submit a formal request to CBP. In all of these instances, RSP partners and CBP Field Office and POE officials expressed satisfaction with their more customized administration processes.

CBP and its partners also noted some challenges to implementing RSP and DAP agreements, but partners generally agreed that the program benefits outweighed the challenges. For example, some DAP partners we met with mentioned that navigating GSA requirements was difficult and sometimes caused delays. GSA officials we met with noted that they are educating partners on GSA building standards and the GSA approvals process for donations, among other things, to help partners manage their timelines and expectations. GSA officials noted that they are working with CBP and partner officials to manage and learn from these early implementation challenges.

CBP, GSA, and DAP partners also acknowledged a lack of clarity about which entity or entities are responsible for the long-term operations and maintenance costs of DAP infrastructure projects, although CBP has taken steps to address this issue. GSA pricing procedures dictate that once a POE receives an improvement, it charges the customer (CBP) for the additional operating costs, such as utilities. CBP officials acknowledged that the long term sustainability of donations, specifically the costs of operations, maintenance, and technology for infrastructure-based donations, needs to be addressed, and officials reported taking initial steps. For example, once CBP and its partner complete the planning of a project and GSA has calculated the project's estimated operating expenses, the AFP office begins working with the CBP Office of Facilities & Asset Management to budget for such costs with the goal of reaching a mutually acceptable partnership for donations that will have long-term sustainability.

CBP officials noted that the agency cannot commit to funding that is not guaranteed for the future. To mitigate budget uncertainty, CBP now includes language in its MOU and Donations Acceptance Agreement templates stating that upon project completion, the partner will be responsible for all costs and expenses related to the operations and maintenance of the donation until the federal government has the available funding and resources to cover such costs. According to AFP officials, CBP also makes efforts to educate its DAP partners on the

budgeting process and associated timeframes with project completion. CBP officials noted that the majority of projects are in the early stages of development, and it will be years before the projects are complete. Furthermore, GSA officials stated that the actual operating and maintenance costs associated with DAP projects will not be known until about 1 year after the projects are completed.

Public-Private Partnerships Are Increasing and Provide a Variety of Additional Services and Infrastructure Improvements

RSP Partnerships are Increasing and Provide a Variety of Additional Services at POEs

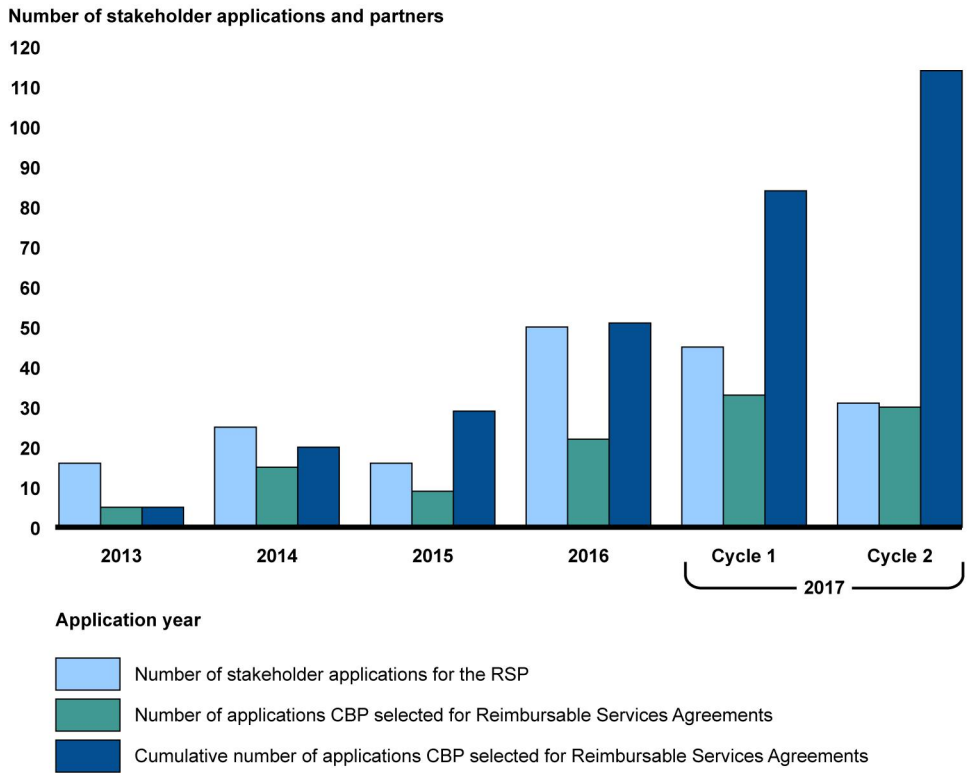
As noted previously, as CBP's authorities to enter into new RSP agreements expanded to an unlimited number of agreements per year, and in total, for all types of POEs in 2017, the number of applications that CBP has selected has also increased.¹⁸ For example, in fiscal year 2013, CBP received 16 applications from interested stakeholders and selected five of these applications for partnerships, while in fiscal year 2017 cycle 2, CBP received 31 applications from interested stakeholders and tentatively selected 30 for partnerships.¹⁹ From fiscal year 2013 through fiscal year 2017 cycle 2, CBP has tentatively selected over 100 partners for RSP agreements. This figure includes RSP agreements under the authorities provided in Section 481 that allow CBP to enter into agreements with small airports to pay for additional CBP officers above

¹⁸Section 560 provided that by December 31, 2013, CBP may enter into no more than 5 reimbursable fee agreements. Section 559, as amended, limited CBP to 10 pilots at CBP-serviced airports each calendar year, with no annual limit on the number of pilots at land and sea ports. Section 481 removed the limitation on the number of airport agreements CBP can enter into each year.

¹⁹In fiscal year 2017, CBP implemented a process to accept and evaluate applications for RSP agreements during three application cycles per fiscal year. Cycle 1 includes the months of November, December, January, and February. Cycle 2 includes the months of March, April, May, and June. Cycle 3 includes the months of July, August, September, and October.

the number of officers assigned at the time the agreement was reached.²⁰ Figure 8 details this information for each application cycle.

Figure 8: Number of Partner Applications U.S. Customs and Border Protection's (CBP) Selected for Its Reimbursable Services Program (RSP) from Fiscal Years 2013 through 2017



Source: GAO analysis of CBP information. | GAO-18-268

²⁰In fiscal year 2017, CBP entered into a Reimbursable Services Agreement with the Rhode Island Airport Corporation at T.F. Green State Airport for additional CBP officers. According to AFP officials, as of the end of fiscal year 2017, CBP provided three additional officers to T.F. Green State Airport from the Boston Logan International Airport. AFP officials stated that, in accordance with legislation, the Port Director overseeing the port of origin for the CBP officer(s) added to small airports must determine that the movement of the officer(s) from one port to another in fulfilling Reimbursable Services Agreements for additional CBP officers does not permanently affect operations at any other port, including the port that the officer(s) depart. CBP also signed a Reimbursable Services Agreement with the Reno-Tahoe Airport Authority in 2017 to provide additional CBP officers at the Reno-Tahoe International Airport, and selected the Paine Field/Snohomish County Airport and State of Hawaii Department of Transportation applications for additional CBP officers at Paine Field/Snohomish County Airport and Kona International Airport in 2017.

As mentioned above, once CBP selects an application for a new reimbursable services partnership, CBP and its partner sign a legally binding Reimbursable Services Agreement. From fiscal years 2013 through 2017 cycle 2, CBP selected 114 applications and entered into 69 Reimbursable Services Agreements with partners.²¹ As mentioned previously, local CBP officials also work with the partner to negotiate the terms of an MOU, which outlines how the partnership will work at the POE. As of November 2017, CBP and its partners were implementing 54 MOUs from partnerships that they entered into from fiscal years 2013 through 2017. Of those 54 MOUs, 10 cover agreements at land POEs, 22 cover agreements at sea POEs, and 23 cover agreements at air POEs.²² According to AFP officials, during the process of negotiating the MOUs with its partners, CBP and the partner often agree to include a variety of services that the partner can request, so that if a need arises, there is a record that CBP has agreed to provide those services under the MOU. CBP and its partners also negotiate a variety of other terms for the agreements in the MOUs, including the types of requests for services the partner can make, expectations for how often CBP and its partners communicate, and how to amend the MOU, among others terms. Table 5 provides details about the existing 54 MOUs.

²¹If CBP and all of its fiscal year 2017 cycle 1 and cycle 2 partner selectees sign a Reimbursable Services Agreement, CBP will have entered into 114 Reimbursable Services Agreements with partners that affect 112 POEs and other CBP-staffed locations.

²²One MOU covers both the air and sea POEs.

Table 5: Details of the 54 Existing U.S. Customs and Border Protection and Partner Reimbursable Services Program (RSP) Partnership Memoranda of Understanding (MOU) for Fiscal Years 2013 Through 2017

n/a	n/a	Land	Sea	Air
Services that partner can request	Freight or cargo processing ^b	9	22	17
Services that partner can request	Traveler processing	5	4	19
Services that partner can request	Unanticipated irregular operations or diversions	3	1	14
Services that partner can request	Mission support	3	1	10
Services that partner can request	Enforcement functions	3	1	8
Services that partner can request	CBP officers or contractors (unspecified)	2	1	14
Types of partner requests for services ^c	Scheduled	3	3	12
Types of partner requests for services ^c	Ad-hoc	10	22	23
Types of partner requests for services ^c	Urgent	10	21	21
Intended result of requests for services	Supplement CBP services or staffing	4	3	15
Intended result of requests for services	Expand POE hours of operation	3	14	14
Intended result of requests for services	Reduce wait times	1	0	0
Intended result of requests for services	Accommodate peak travel hours	0	0	3
Total Number of MOUs by Port of Entry (POE) Type^a	n/a	10	22	23

Source: GAO analysis of U.S. Customs and Border Protection data. | GAO-18-268

Note: One MOU covers both an air and sea POE and is included in both columns.

^aThis table includes information on types of services that partners can request, the types of requests partners can make for services, and the intended results of the partner's requests for services outlined in MOUs that CBP and its partners negotiate at the affected ports of entry.

^bFreight or cargo processing includes agricultural inspection.

^cPartners can make scheduled, ad-hoc, or urgent requests for reimbursable services. Scheduled requests are generally recurring requests that the partner requests in advance. Ad-hoc requests are generally one-time requests that partners make in advance but do not recur. Urgent requests are one-time requests to address an immediate partner desire for services.

As noted in the above table, MOUs detail a variety of services that CBP officers can provide at the POEs, and the types of services vary by POE type. For example, most MOUs across land, air, and sea POEs allow partners to request services for freight or cargo processing, while a majority of the MOUs at air POEs allow CBP to provide services for traveler processing and to address unanticipated irregular operations or diversions. In addition, all MOUs allow partners to submit ad-hoc requests

that partners make for services in advance. Most of these MOUs also allow partners to make urgent requests for immediate services.

In examining the MOUs, we found that 44 of the 54 MOUs, or 81 percent, indicate that CBP and its partner meet at least quarterly to discuss how the partnership is going. Further, CBP and some of its partners meet more often. For example, CBP and its partners agreed to meet monthly in accordance with 23 MOUs, while CBP and its partners agreed to meet weekly according to 3 MOUs. All partners we interviewed that have utilized their RSP agreements reported that maintaining strong communication between CBP and the partner is important to implementing the RSP agreements at the POEs.²³ Appendix I has additional information about each of the 54 current MOUs.

Tables 6 and 7 provide the amount that partners reimbursed CBP for overtime services, the total number of overtime hours that CBP officers worked for each fiscal year from 2014 through 2017, and the total number of travelers and vehicles that CBP officers inspected during RSP partner requests for services from fiscal years 2014 through 2017 respectively.

Table 6: Total Reimbursement of U.S. Customs and Border Protection (CBP) Officer Hours for Reimbursable Services

Fiscal year^a	Total number of CBP assignments	Total number of CBP officer overtime hours	Total amount partners reimbursed CBP for overtime services
2014	13,792	39,937	\$4,650,508
2015	26,409	72,207	\$8,325,912
2016	38,500	103,692	\$12,565,057
2017	53,435	153,030	\$19,731,269
Total	132,136	368,866	\$45,272,747

Source: GAO analysis of CBP data. | GAO-18-268

^aFiscal year 2017 totals include October 1, 2016, through September 16, 2017.

²³We met with partner officials which have utilized their RSP agreements at 7 POEs, including Wilmington, Delaware, Port Everglades and Miami sea POEs; El Paso, Hidalgo (at the Pharr crossing), Texas land POEs; and Fort Lauderdale-Hollywood International Airport and Miami International Airport in Florida.

Table 7: Total Number of Travelers and Vehicles U.S. Customs and Border Protection Officers Inspected During Reimbursable Services Program Partner Requests for Services from Fiscal Year 2013 Through 2017

n/a	n/a	Number inspected in fiscal year 2014	Number inspected in fiscal year 2015	Number inspected in fiscal year 2016	Number inspected in fiscal year 2017 ^a	Total number of travelers or vehicles inspected
Traveler type	Air travelers	866,823	993,158	1,098,152	1,159,331	4,117,464
Traveler type	Travelers in personally operated vehicles at land ports of entry (POE)	578,517	638,136	672,022	729,903	2,618,578
Traveler type	Pedestrians	53,226	42,551	83,008	34,744	213,529
Traveler type	Travelers in commercially operated vehicles at land POEs	7,400	9,877	28,023	26,826	72,126
Traveler type	Ship travelers	7,287	106,629	416,916	483,748	1,014,580
Traveler Total	n/a	1,513,253	1,790,351	2,298,121	2,434,552	8,036,277
Vehicle type	Personally operated vehicles	229,670	258,309	276,104	301,875	1,065,958
Vehicle type	Commercially operated vehicles	7,400	9,877	28,023	26,826	72,126
Vehicle Total	n/a	237,070	268,186	304,127	328,701	1,138,084

Source: GAO analysis of U.S. Customs and Border Protection data. | GAO-18-268

^aFiscal year 2017 totals include October 1, 2016, through September 16, 2017.

DAP Partnerships Provide for Infrastructure Improvements at POEs

Similar to the RSP, the number of DAP partnerships more than doubled in fiscal year 2017. In fiscal years 2015 and 2016, CBP selected seven DAP proposals. In fiscal year 2017, CBP selected 9 DAP proposals. Combined, these 16 DAP projects affect 13 POEs.

The donations that partners will provide CBP and GSA, as applicable, include a variety of POE improvements such as the installation of new inspection booths and equipment, removal of traffic medians, and new cold inspection facilities, as well as smaller items such as a high-capacity perforating machine, which reduces document processing time and allows CBP officers to focus on more critical operational duties, among

other donations.²⁴ According to CBP, these 16 donation proposals combined are intended to support over \$150 million in infrastructure improvements at U.S. POEs. CBP also expects a variety of benefits from these donations, including support for local and regional trade industries and tourism, reductions in border wait times, and increased border security and officer safety, among others. Table 8 provides information on the scope and status of DAP projects that CBP and GSA have selected since CBP established the DAP in fiscal year 2015.

Table 8: Status of the 16 Partner Donations under U.S. Customs and Border Protection’s (CBP) Donations Acceptance Program as of December 2017

Fiscal year selected	Partner	Affected port of entry (POE) and port type	Scope of donation	Donation status
2015	City of Donna, Texas	Donna Rio-Bravo (Land)	Construction of 1 outbound primary inspection lane, booth, and canopy for empty commercial vehicles, including related infrastructure and technologies.	Planning & design
2015	City of El Paso, Texas	Ysleta (Land)	Traffic island removal.	Donations Acceptance Agreement entered into in March 2017. Project completed in September 2017.
2015	City of Pharr, Texas	Pharr (Land)	Construction of 2 inbound inspection lanes and primary inspection booths for commercial vehicles, expansion of pre-primary approach lane between bridge and primary inspection, installation of 2 new eastbound exit booths, including related infrastructure and technologies.	Planning & design
2016	City of Donna, Texas	Donna Rio-Bravo (Land)	Construction of new inbound empty commercial vehicle inspection lane and booth. Construction of empty-only inspection facility with supporting infrastructure and technologies.	Planning & design
2016	City of Pharr, Texas	Pharr (Land)	Expansion of current commercial cargo dock spaces (11 additional bays). Construction of additional cold inspection dock space (13 additional bays). Construction of an agricultural lab and training center.	Planning & design
2016	Nogales Santa Cruz Port Authority	Nogales Mariposa (Land)	Upgrade of up to 6 air conditioned dock spaces to refrigerated dock spaces.	Planning & design

²⁴Perforating machines punch small holes in documents that form the shape of dates or other numbering or text. The perforated markings help protect documents from alteration or forgery.

Letter

Fiscal year selected	Partner	Affected port of entry (POE) and port type	Scope of donation	Donation status
2016	Red Hook Terminals	Port of Freeport (Sea)	Donation of a high-capacity perforating machine.	Donations Acceptance Agreement entered into and donation completed in June 2016.
2017	Anzalduas Bridge Board	McAllen Anzalduas (Land)	Construction of lanes and booths for inbound empty commercial vehicles. Construction of inbound empty commercial vehicle inspection facilities and related infrastructure and technologies.	Planning & design
2017	City of Donna, Texas	Donna Rio-Bravo (Land)	Construction of inbound and outbound inspection facilities and operational components for laden commercial vehicles, including technologies, cargo docks, and exit booths.	Planning & design
2017	Cameron County, Texas	Brownsville Veterans International Bridge (Land)	Construction of 2 to 4 inbound lanes and primary booths for personally owned vehicles, including related technologies. Construction of expanded secondary inspection area and building.	Planning & design
2017	City of Laredo, Texas	Laredo World Trade Bridge (Land)	Construction of 4 commercial vehicle lanes and booths as dedicated Trusted-Traveler lanes. Construction of roadways and infrastructure, exit booths and related technologies.	Planning & design
2017	City of Douglas, Arizona	Douglas (Land)	Donation of a parking lot and adjacent empty lot.	Planning & design
2017	SITA Information Networking Computing USA, Inc. and JetBlue Airways Corporation	Boston Logan International Airport and John F. Kennedy International Airport (Air)	Collection and provision of traveler facial biometrics data for CBP traveler processing purposes.	Donations Acceptance Agreement entered into in June 2017. Pilot ongoing.
2017	Delta Airlines	Port of Washington, D.C. Dulles (Air)	Luggage to be donated in support of Office of Field Operations canine training activities. To provide approximately 2 to 5 pieces of luggage every 2 to 3 weeks.	Donations Acceptance Agreement entered into in September 2017. Recurring donations ongoing.
2017	The Salvation Army	San Luis (Land)	Luggage to be donated in support of Office of Field Operations canine training activities. To provide approximately 6 to 9 pieces of luggage, twice per year.	Donations Acceptance Agreement entered into in September 2017. Recurring donations ongoing.
2017	The Fixery	John F. Kennedy International Airport (Air)	Luggage to be used in support of Office of Field Operations canine training activities. To provide approximately 15 pieces of luggage, per month, for 5 years.	Donations Acceptance Agreement entered into in September 2017. Recurring donations ongoing.

Source: GAO analysis of CBP data. | GAO-18-268

As noted in the table above, CBP has fully accepted six donations, including the donation of a high capacity perforating machine to facilitate the processing of titles and other documents at the Freeport Sea POE in fiscal year 2016, the removal of traffic medians at the Ysleta Land POE, and recurring luggage donations in fiscal year 2017. Figure 9 is a photo of the high capacity perforating machine that CBP accepted at the Port of Freeport Sea POE from its partner Red Hook Terminals in 2016.

Figure 9: High Capacity Perforating Machine Red Hook Terminals Donated to U.S. Customs and Border Protection at the Port of Freeport



Source: U.S. Customs and Border Protection. | GAO-18-268

As mentioned above, once CBP selects an application for a new donation partnership, CBP, GSA, if applicable, and partner officials negotiate the terms of a MOU, which outlines intentions of the partnerships for projects that require coordinated planning and development. CBP currently has

MOUs for 9 of its 16 DAP projects. The MOUs contain a variety of project-specific information, including the scope of the project, a list of documents that CBP and GSA may request to determine whether the project is ready for execution, and details on donor warranty and continuing financial responsibility after CBP and GSA accepts the donation. As mentioned previously, CBP classifies donations under the DAP into two categories: small-scale donations, which are reviewed on an expedited basis, and large-scale donations. For example, the Salvation Army's recurring donation of six to nine pieces of luggage per year to support Office of Field Operations canine training activities is a small-scale donation. Large-scale donations are donations with an estimated value of \$5 million or more and are moderate to significant in size, scope, and complexity. For example, the City of Laredo's donation for construction of four additional commercial vehicle lanes and booths, roadways and infrastructure, and exit booths and related technologies is a large-scale donation.

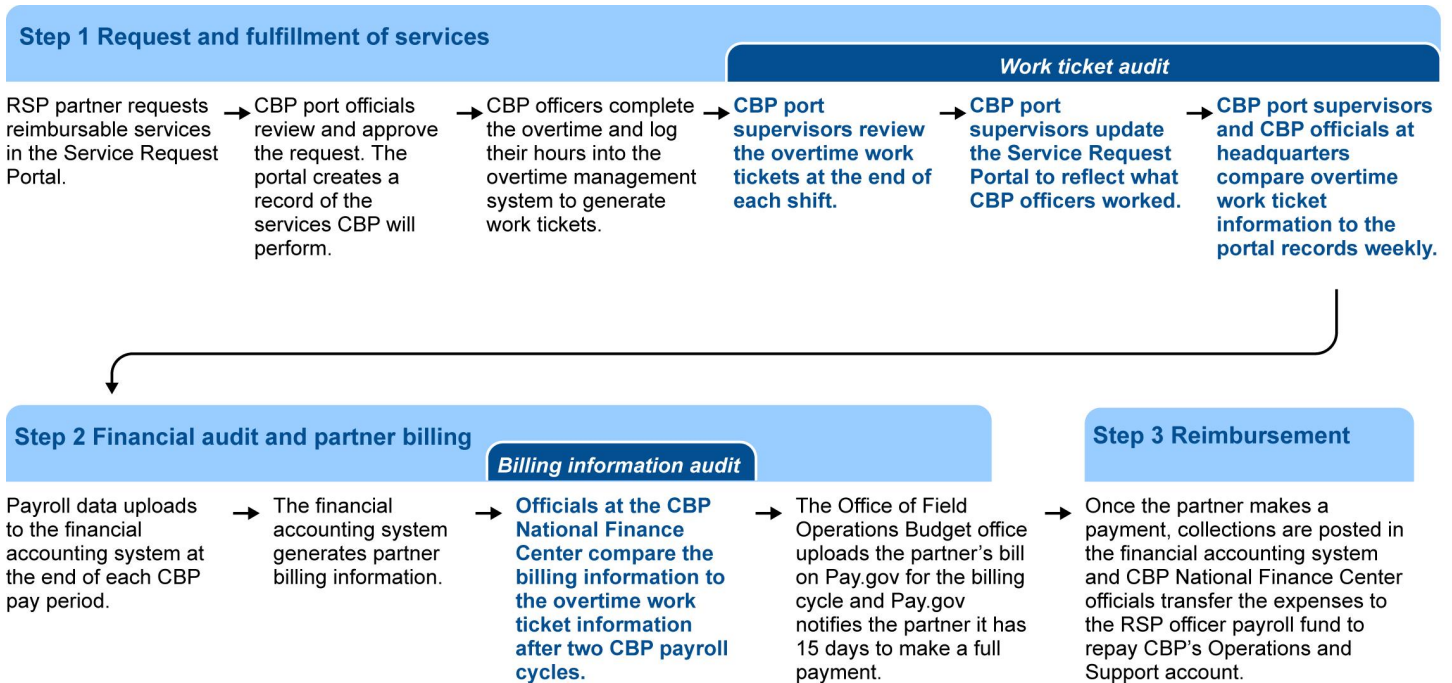
CBP Uses Various Processes to Monitor and Evaluate Its Partnerships, but Could Benefit from Establishing an Evaluation Plan to Assess Overall Program Performance

CBP Has Various Processes to Monitor and Evaluate the Implementation and Benefits of Its Public-Private Partnership Programs

RSP Audits, Metric Reports, and Partner Satisfaction Surveys

Given that partner requests for RSP services are predominately for the purposes of CBP officer overtime, CBP primarily monitors the RSP through audits. Specifically, CBP conducts regular audits using information from its Service Request Portal, its overtime management system, and its internal accounting system to ensure partners appropriately reimburse CBP for the overtime services officers provide under the RSP. Figure 10 describes how and when CBP uses these tools to conduct audits as part of the RSP request, fulfillment, and billing processes.

Figure 10: U.S. Customs and Border Protection (CBP) Audit Steps for Reimbursable Services Program (RSP) Overtime Request, Fulfillment, and Billing Processes



Source: GAO analysis of CBP information. | GAO-18-268

As noted previously, CBP officers who work RSP overtime enter information from the Service Request Portal, such as the partner code and POE code, into CBP’s overtime management system for the actual hours that the officer worked to complete the request. At the end of every shift, CBP supervisors review and approve the information entered into the overtime management system, which contains the information needed for CBP to bill its RSP partner for the services that it performed, such as the number of hours each CBP officer worked to fulfill RSP requests and the salary and benefits information for those officers. POE supervisors then update the Service Request Portal records so that they reflect what CBP officers actually worked. On Mondays, AFP officials and CBP POE supervisors conduct concurrent audits of weekly overtime management system reports and reconcile these data with the information from the Service Request Portal to ensure that CBP will bill the partner appropriately. At the end of two pay period cycles, or every 28 days, officials at CBP’s National Finance Center review the payroll and benefits information that was uploaded from the overtime management system into CBP’s financial management system to confirm that it matches the

appropriate partner code. This ensures that the correct partner is billed for the reimbursable services that CBP provided.

Generally, CBP and partner officials we met with did not have any problems with the billing and payment process, and CBP officials noted that any discrepancies in the billing information between the Service Request Portal, the overtime management system, or the financial accounting system, such as the partner code or the number of hours that CBP officers worked, are usually identified and corrected during the weekly audits. Further, in October 2017, we received a demonstration of how partners and CBP manage requests for services in the Service Request Portal, how CBP officers and supervisors at the POEs enter and review overtime information, and how CBP runs reports in its financial accounting system during the audit process. In addition, we conducted a test of the data from the overtime management system and the billing information from the financial accounting system for a selection of partners across eight pay periods from fiscal years 2014 through 2017 to determine if CBP billed its partners appropriately. Specifically, for each of the eight selected pay periods, we randomly selected one RSP partner from the universe of partners who used RSP services during the period. We then compared the number of RSP overtime hours logged in CBP's overtime management system for the selected partners and pay periods with the number of hours on the corresponding partner bills. In all eight cases, the amount of RSP overtime hours logged by CBP officials matched the overtime hours billed to the partners. Our observations, review of applicable documentation, and testing provided reasonable assurance that CBP is being appropriately reimbursed by partners for the services that it provided under the RSP.

To evaluate the benefits of RSP services, the AFP office develops metrics reports on the services that CBP performed while fulfilling RSP requests throughout the billing cycle that it provides its partners. These metrics reports include data, such as the number of overtime hours CBP officers worked, the number of travelers CBP processed, the number of containers CBP inspected, and the average wait times CBP recorded during RSP overtime services, among other data. According to AFP officials, this information about the impact of reimbursable services helps partners make informed decisions when assessing their future requests. The AFP office works with partners to ensure that the information CBP provides in these reports is useful and will provide additional data upon the partners' request, as applicable.

CBP also conducts annual RSP partner satisfaction surveys to obtain feedback and evaluate overall satisfaction with program implementation. In 2015 and 2016, RSP partners expressed high levels of satisfaction about the level of services CBP provided, the request and fulfillment process, the billing and payment process, the monthly and annual metrics reports that CBP provides its partners, and the program's ability to meet partner goals. Additionally, partners generally responded that the program allowed them to achieve their goals, which primarily focused on reducing wait times and increasing their own customer satisfaction levels.

Monitoring and Evaluation of DAP Implementation and Benefits

CBP has guidance that it follows to monitor and evaluate the implementation of DAP projects, and CBP and its partners use tools such as implementation roadmaps and other policy documents, such as standard operating procedures, to administer and monitor the progress of DAP projects at the POEs. For example, CBP develops project roadmaps for all donation projects in close collaboration with its partner, GSA (as applicable), and other entities involved in the project, and shares them with project participants. The roadmap identifies a variety of project milestones and tasks, such as drafting the MOU and completing the technical requirements package, among other things. The roadmap also tracks the number of days that CBP expects will be required to complete each task, which helps CBP to ensure that all stakeholders meet project milestones.

CBP also monitors overall DAP implementation by collecting quantitative data on the efficiency of DAP processes to inform program and process improvements. For example, from 2015 to 2016, CBP consolidated certain elements of its application evaluation process to reduce the number of days it takes to evaluate and approve applications from an average of 144 days to 75 days for large-scale donations. Similarly, from 2015 to 2016, CBP determined that it could gain efficiencies by establishing a separate application evaluation and approval process for small-scale donation applications to better accommodate small-scale donations, and delegated approval and acceptance authority to the Office of Field Operations Executive Assistant Commissioner.²⁵ This new

²⁵In prior years, the CBP Executive Assistant Commissioner held approval and acceptance authority for small-scale donations. The CBP Executive Assistant Commissioner still holds approval and acceptance authority for large-scale donations.

process expedited the proposal evaluation timeline for small-scale donations from approximately 27 days to 14 days. In addition, GSA implemented a similar delegation authority for approval and acceptance of small-scale donations in fiscal year 2017, which decreased GSA's application evaluation process from approximately 57 days to 25 days from fiscal year 2016 to 2017.

In addition to monitoring the implementation of the overall program and the progress of specific DAP projects, CBP works with its partners to evaluate the benefits of each project. Specifically, during the planning and development phase of a donation, AFP officials coordinate with local CBP officials and DAP partners to develop a plan for identifying, measuring, and reporting on the local benefits to be derived from accepted donations upon project completion. CBP has completed its evaluation of the benefits of one completed small-scale project. For example, CBP estimated that the donated perforating machine at the Freeport Sea POE will save CBP 166 officer hours and approximately \$7,450 in salary and maintenance costs per year. For large-scale projects, CBP is working with its partners to develop these evaluation plans, but it is too early for CBP to evaluate the benefits given that most of these projects are in the early planning and development phases. CBP shares its findings on benefits with its partners to help them assess their return on investment and so that they can share that information with their own local stakeholders.

CBP Is Taking Steps to Plan for the Expansion of Its RSP and DAP, but Could Benefit from Establishing an Evaluation Plan to Assess Overall Program Performance

CBP is taking steps to monitor the existing use and impacts of RSP and DAP and to plan for further expansion of these programs. For example, in addition to the monthly metrics reports that CBP provides its RSP partners, AFP officials told us that they monitor the fulfillment rates of formal partner requests for RSP services. The current fulfillment rate across all of CBP's RSP agreements is over 99 percent.²⁶ In addition, as noted previously, AFP officials coordinate with local CBP officials and

²⁶Formal requests for services refer to requests that partners make in the Service Request Portal or through submitting a form via email. As mentioned previously, in some locations, CBP supervisors manage the RSP scheduling process on behalf of the partner, or the partner and CBP may have informal discussions about requests for services. CBP does not include these POE locations or informal discussions in its analysis of RSP fulfillment rates.

DAP partners to develop a plan for identifying, measuring, and reporting on the local benefits to be derived from accepted donations upon project completion. Furthermore, with regard to planning for future program expansion, CBP has taken steps to plan for the additional oversight activities that it expects at the headquarters level as the RSP expands. For example, CBP is hiring new staff members and contractors for the AFP office, as well as reimbursing the Office of Finance for one staff position and embedding one staff member in the Budget Office to help complete the increased number of financial transactions and audits. In addition, the AFP office is considering the future impact of DAP projects on staffing and other resources at the affected POEs, and is working with Field Office, POE, and partner officials to identify and budget for anticipated operational needs, with assistance from CBP's Workload Staffing Model and Planning, Program Analysis and Evaluation offices.²⁷

These efforts to monitor and evaluate the impacts of the programs and plan for further expansion are positive steps that should help position CBP to manage anticipated increases in the number of agreements going forward. Furthermore, prior to Sections 481 and 482 authorities, in accordance with the report of the Senate Appropriations Committee accompanying the Department of Homeland Security Appropriations Act, 2013, CBP submitted semiannual reports to Congress on its Section 560 partnerships for fiscal years 2014 through 2016.²⁸ CBP included information in these reports on the benefits of RSP services. For example, CBP compared baseline traveler and vehicle volume and wait times at participating POEs from previous years to the traveler and vehicle volume and wait times during time periods when CBP provided reimbursable services.

Subsequently, in accordance with the Consolidated Appropriations Act, 2014, CBP developed an evaluation plan with objectives, criteria, evaluation methodologies, and data collection plans to be used to

²⁷At this time, AFP officials expect that CBP officials at the Field Office and POE levels will be able to accommodate the impacts of donations on staffing given their current staffing resources, and noted that DAP partners may also explore entering into an RSP agreement to help meet the partner's operational needs, as applicable. Further, CBP has not reached the point of negotiating a Donations Acceptance Agreement for a project that it expects to have an impact on staffing, and only 3 of the 16 proposals to-date will require additional staff. AFP officials noted that they plan to be clear about the extent to which CBP can commit additional staffing resources when this negotiation process begins.

²⁸S. Rep. No. 112-169, at 141 (May 22, 2012), accompanying Pub. L. No. 113-6, div. D, 127 Stat. at 342-84.

evaluate RSP and DAP performance on an annual and aggregated basis.²⁹ However, the provision requiring that an evaluation plan be established for the section 559 pilot program was repealed by the Cross-Border Trade Enhancement Act of 2016. This Act requires that CBP report to Congress annually to identify the activities undertaken and the agreements entered into under the RSP and DAP but does not require that CBP develop or report on an evaluation plan for these programs.³⁰ As of November 2017, CBP had not decided whether it will use a performance evaluation plan going forward. However, in December 2017, AFP officials acknowledged that such a plan—that examines RSP and DAP performance at the programmatic level—could benefit program management and augment evaluation activities already conducted by the AFP office. We reviewed draft versions of CBP’s fiscal year 2017 reports to Congress on new Section 481 fee agreements and new Section 482 donation agreements. Both reports detailed how CBP responded to changes in legislative authorities for the RSP and DAP and listed its fiscal year 2017 selections for public-private partnership agreements, but did not include an evaluation plan or identify measures for tracking program performance going forward.

Further, while the AFP office tracks the fulfillment rates of requests for RSP services and is working with its partners and other CBP components to monitor and plan for program expansion, CBP could benefit from a more robust assessment of possible impacts of staffing challenges on program expansion. As mentioned above, as of fiscal year 2017, CBP has an overall staffing shortage of 2,516 officers, according to CBP’s Workload Staffing Model analysis, and CBP officer hiring remains an agency-wide challenge. We identified some staffing challenges that could affect CBP’s management and implementation of its RSP and DAP programs, which roughly doubled in the number of agreements from fiscal year 2016 to 2017. As of November 2017, public-private partnership agreements were in place at approximately one-third of all U.S. POEs. With the removal of the limit on the number of air agreements that CBP

²⁹Pub. L. No. 113-76, div. F, tit. V, § 559(d)(3), 128 Stat. at 280-81.

³⁰6 U.S.C. §§ 301(k), 301a(c)(7) (DAP annual report is to be submitted in collaboration with GSA, as applicable). For RSP, CBP is also required to submit a report to Congress within a year of entering into an agreement and annual reports are required thereafter until termination of the program including information such as a description of the development of the program, a description of the services provided by CBP under the agreement, and the total amount of fees collected under the agreement during that year, among other items. See 19 U.S.C. § 4451.

can enter each year, some POEs have or are anticipated by CBP to have more than one RSP agreement in place. According to AFP officials, if there are multiple RSP partnerships at the same POE, CBP will try to accommodate all partner requests. Generally, the AFP office expects the POEs to handle requests on a first-come, first-serve basis. As the number of RSP partners increase across POEs, requests for services are likely to also increase, according to CBP officials. While it is too soon for CBP to assess the extent to which fulfillment rates may change over time, if at all, with the expansion of the program, officials noted that RSP agreements do not guarantee that CBP will be able provide all services that partners request, and that RSP services are above and beyond what CBP would normally provide. According to CBP, the recent increase in the mandated cap on officer overtime pay from \$35,000 to \$45,000 has allowed CBP officers to work more RSP overtime.³¹ Nevertheless, it is unclear how CBP will evaluate and address any increase in RSP agreements that may outpace the staff available to fulfill service requests.

As noted previously, new authorities for the RSP also allow CBP to enter into agreements that allow partners to reimburse CBP for up to five additional officers, above the number assigned at the time the agreement was reached, at small airports. In fiscal year 2017, CBP selected four partners for this type of reimbursable services agreement. For its agreement with the Rhode Island Airport Corporation, CBP relocated three officers from the Boston-Logan International Airport, one of the busiest U.S. international airports, to T.F. Green State International Airport, which inspects less than 100,000 international travelers annually. AFP officials noted that, in accordance with legislation, the Port Director overseeing the port of origin for the CBP officer(s) added to small airports must determine that the movement of the officer(s) from one POE to another in fulfilling RSP agreements for additional CBP officers does not permanently affect operations at any other POE, including the POE that the officer(s) depart. However, CBP has not planned for how individual POEs or the agency more broadly would make these determinations or how CBP would evaluate any longer term impacts on overall CBP officer staffing resulting from the movement of officers among POEs.

³¹The overtime cap was set at \$35,000 for fiscal year 2016. Consolidated Appropriations Act, 2016, div. F, tit. II, 129 Stat. 2242, 2495 (2015). The overtime cap was raised to \$45,000 for fiscal year 2017. Consolidated Appropriations Act, 2017, Pub. L. No. 115-31, 131 Stat. 135, 410.

Office of Management and Budget guidance for making program expansion decisions indicates that agencies should evaluate cost-effectiveness in a manner that presents facts and supporting details among competing alternatives, including relative costs, benefits, and performance tradeoffs.³² Further, in September 2016 we developed a list of leading practices for evaluation based on the American Evaluation Association's *An Evaluation Roadmap for a More Effective Government*, including development of an evaluation plan or agenda, a description of methods and data sources in evaluation reports, procedures for assuring evaluation quality, and tracking the use of evaluation findings in management or reforms, among others.³³ CBP is taking steps to monitor its RSP and DAP and plan for program expansion. However, given its staffing challenges, CBP could benefit from developing and implementing an evaluation plan for assessing overall RSP and DAP performance. Such a plan could further integrate evaluation activities into program management and could better position CBP to assess relative costs, benefits, and performance trade-offs as CBP expands its RSP and DAP, and consider the extent to which any future program changes may be needed.

Conclusions

The amount of legitimate travel and trade entering through the nation's POEs continues to increase each year. To date, CBP and its partners have utilized public-private partnerships to help meet an increased demand for CBP services and infrastructure improvements at POEs, and agency officials and program partners have generally concurred that the RSP and DAP have been effective in helping to bridge CBP resource gaps and improve partner operations. However, given CBP's officer hiring and retention challenges and its finite resources for addressing infrastructure needs at POEs, CBP's ability to monitor and evaluate the

³²Office of Management and Budget, Circular A-94: *Guidelines and Discount Rates for Benefit-Cost Analysis of Federal Programs*.

³³American Evaluation Association, *An Evaluation Roadmap for a More Effective Government*, accessed November 22, 2017, <http://www.eval.org/d/do/472> and GAO, *Foreign Assistance: Selected Agencies' Monitoring and Evaluation Policies Generally Address Leading Practices*, GAO-16-861R (Washington, D.C.: September 2016). The American Evaluation Association published the roadmap to guide the development and implementation of federal agency evaluation programs and policies. The framework offers a set of general principles intended to facilitate the integration of evaluation activities with program management.

implementation of its public-private partnership programs is essential to ensuring that CBP leaders have the information that they need to make program decisions and identify and respond to challenges as the programs expand. As CBP continues to expand its public-private partnership programs, evaluating the RSP and DAP at the program level could better position CBP leaders to assess the relative costs, benefits, and performance trade-offs of continuing to expand the programs. It could also better position CBP to identify and respond to expansion challenges, such as CBP officer staffing.

Recommendation for Executive Action

The CBP Commissioner should develop and implement an evaluation plan to be used to assess the overall performance of the RSP and DAP, which could include, among other things, measurable objectives, performance criteria, evaluation methodologies, and data collection plans to inform future program decisions. (Recommendation 1)

Agency Comments and Our Evaluation

We provided a draft of this report to DHS and GSA for their review and comment. GSA indicated that it did not have any comments on the draft report via e-mail. DHS provided written comments, which are noted below and reproduced in full in appendix II, and technical comments, which we incorporated as appropriate.

DHS concurred with our recommendation and described the actions it plans to take in response. Specifically, DHS stated that CBP will develop and implement a plan to assess the overall performance of the RSP and DAP to inform future program decisions. The plan will evaluate current partnerships, including but not limited to: service denial rate; trend analysis of frequency and type of requests; annual stakeholder survey results; impact of multiple stakeholders in one port location on levels of service provided; impact of unanticipated operations and maintenance costs associated with property donations; and staffing implications on donations of upgraded port infrastructure. If implemented effectively, these planned actions should address the intent of our recommendation.

We are sending copies of this report to the appropriate congressional committees, the Secretary of Homeland Security, the Administrator of the General Services Administration, and other interested parties. In addition,

the report is 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) 512-8777 or gablerr@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 listed in appendix III.

A handwritten signature in black ink that reads "Rebecca Gambler". The signature is written in a cursive, flowing style.

Rebecca Gambler
Director, Homeland Security and Justice

List of Recipients

The Honorable Thad Cochran
Chairman

The Honorable Patrick Leahy
Vice Chairman

Committee on Appropriations
United States Senate

The Honorable John Barrasso
Chairman

The Honorable Thomas R. Carper
Ranking Member

Committee on Environment and Public Works
United States Senate

The Honorable Orrin G. Hatch
Chairman

The Honorable Ron Wyden
Ranking Member

Committee on Finance
United States Senate

The Honorable Ron Johnson
Chairman

The Honorable Claire McCaskill
Ranking Member

Committee on Homeland Security and Governmental Affairs
United States Senate

The Honorable Chuck Grassley
Chairman

The Honorable Dianne Feinstein
Ranking Member

Committee on the Judiciary
United States Senate

The Honorable Rodney P. Frelinghuysen
Chairman

The Honorable Nita M. Lowey
Ranking Member

Committee on Appropriations
House of Representatives

The Honorable Michael McCaul
Chairman

The Honorable Bennie Thompson
Ranking Member

Committee on Homeland Security

House of Representatives
The Honorable Bob Goodlatte
Chairman
The Honorable Jerry Nadler
Ranking Member
Committee on the Judiciary
House of Representatives
The Honorable Bill Shuster
Chairman
The Honorable Peter A. DeFazio
Ranking Member
Committee on Transportation and Infrastructure
House of Representatives

The Honorable Kevin Brady
Chairman
The Honorable Richard Neal
Ranking Member
Committee on Ways and Means
House of Representatives

Appendix I: Details of U.S. Customs and Border Protection Reimbursable Services Program Agreement Memoranda of Understanding

Since 2013, U.S. Customs and Border Protection (CBP) has entered into public-private partnerships with private sector or government entities under its Reimbursable Services Program (RSP) to cover CBP's cost of providing certain services at U.S. ports of entry (POE) upon the request of partners.¹ As of the end of fiscal year 2017, CBP approved 114 applications for reimbursable fee agreements. These services can include customs, immigration, agricultural processing, border security and support at any facility where CBP provides, or will provide services and may cover costs such as salaries, benefits, overtime expenses, administration, and transportation costs.² Once CBP selects an application for a new reimbursable services partnership, CBP and its partner sign a legally binding Reimbursable Services Agreement, which is a standard legal form that CBP uses for all new RSP agreements. Local CBP officials then work with the partner to negotiate the terms of a Memorandum of Understanding (MOU), which outlines how the partnership will work at the POE.

¹Ports of entry are facilities that provide for the controlled entry into or departure from the United States. Specifically, a port of entry is any officially designated location (seaport, airport, or land border location) where Department of Homeland Security officers or employees are assigned to clear passengers, merchandise and other items, collect duties, and enforce customs laws; and where DHS officers inspect persons seeking to enter or depart, or applying for admission into, the United States pursuant to U.S. immigration law.

²CBP can also receive reimbursement in addition to officer overtime and certain support costs if the fee agreement is for services at "small airports" that receive less than 100,000 international travelers per year. A fee agreement at a small airport may provide for reimbursement of: (1) salaries and expenses of no more than five CBP officers beyond the number assigned to the port on the date of signing, with no such limitation for CBP employees to support CBP officers in performing law enforcement functions; and (2) other CBP costs relating to law enforcement support services, such as temporary placement or permanent relocation of employees, including incentive pay for relocation, as appropriate.

**Appendix I: Details of U.S. Customs and
Border Protection Reimbursable Services
Program Agreement Memoranda of
Understanding**

In the following table, we provide select details from the 54 existing MOUs between CBP and its partners in the RSP.³

³As of the end of fiscal year 2017.

**Appendix I: Details of U.S. Customs and
Border Protection Reimbursable Services
Program Agreement Memoranda of
Understanding**

Table 9: Details of Current Memoranda of Understanding for U.S. Customs and Border Protection (CBP) Reimbursable Services Program (RSP) Agreements as of September 30, 2017

CBP Partner	Authority	Year CBP selected partner application	Port(s) of entry (POE) affected	POE type(s)	Types of services that partner can request	Types of partner requests for services^a	Intended result of requests for services
Miami-Dade County, Florida	560 ^b	2013	Miami-Dade County Seaport Miami International Airport	Sea Air	Freight or cargo processing ^c Traveler processing CBP officers or contractors (unspecified)	Ad-hoc Ad-hoc	Supplement CBP services or staffing Supplement CBP services or staffing
City of Houston Airport System	560	2013	George Bush Intercontinental Airport	Air	Freight or cargo processing Traveler processing Unanticipated irregular operations or diversions CBP officers or contractors (unspecified)	Ad-hoc Urgent	Supplement CBP services or staffing
City of El Paso, Texas	560	2013	Port of El Paso -Paso Del Norte bridge -Ysleta Bridge	Land	Freight or cargo processing Traveler processing	Scheduled Ad-hoc Urgent	Reduce wait times
Dallas/Fort Worth International Airport Board	560	2013	Dallas/Fort Worth International Airport	Air	Freight or cargo processing Traveler processing Unanticipated irregular operations or diversions CBP officers or contractors (unspecified)	Ad-hoc Urgent	Supplement CBP services or staffing Expand POE hours of operation
Turbana Corporation	559 ^d	2014	Port of Philadelphia	Sea	Freight or cargo processing	Ad-hoc Urgent	Expand POE hours of operation

**Appendix I: Details of U.S. Customs and
Border Protection Reimbursable Services
Program Agreement Memoranda of
Understanding**

CBP Partner	Authority	Year CBP selected partner application	Port(s) of entry (POE) affected	POE type(s)	Types of services that partner can request	Types of partner requests for services^a	Intended result of requests for services
South Texas Assets Consortium -Cameron County, Texas -City of Laredo, Texas -City of McAllen, Texas -City of Pharr, Texas -Rio Grande City, Texas	559	2014	Brownsville -Gateway International Bridge -Veterans International Bridge -Los Indios Free Trade International Bridge Laredo -Gateway to the Americas Bridge -Columbia Solidarity Bridge -Juarez-Lincoln Bridge -World Trade Bridge Hidalgo -McAllen-Hidalgo International Bridge -Anzalduas International Bridge Hidalgo -Pharr-Reynosa Bridge Rio Grande City -Rio Grande City-Camargo International Bridge	Land Land Land Land Land	Freight or cargo processing Traveler processing Unanticipated irregular operations or diversions Freight or cargo processing CBP officers or contractors (unspecified) Freight or cargo processing Traveler processing Unanticipated irregular operations or diversions Mission support Enforcement functions Freight or cargo processing Traveler processing Unanticipated irregular operations or diversions Mission support Enforcement functions Freight or cargo processing CBP officers or contractors (unspecified)	Ad-hoc Urgent Ad-hoc Urgent Ad-hoc Urgent Ad-hoc Urgent	Supplement CBP services or staffing Expand POE hours of operation Not specified Supplement CBP services or staffing Supplement CBP services or staffing Not specified
City and County of San Francisco Airport Commission	559	2014	San Francisco International Airport	Air	Freight or cargo processing Traveler processing Unanticipated irregular operations or diversions Mission support Enforcement functions	Scheduled Ad-hoc Urgent	Supplement CBP services or staffing Expand POE hours of operation
Port of Houston Authority of Harris County	559	2014	Port of Houston	Sea	Freight or cargo processing Traveler processing	Ad-hoc Urgent	Not specified
Broward County, Florida	559	2014	Port Everglades	Sea	Freight or cargo processing Traveler processing	Scheduled Ad-hoc Urgent	Expand POE hours of operation

**Appendix I: Details of U.S. Customs and
Border Protection Reimbursable Services
Program Agreement Memoranda of
Understanding**

CBP Partner	Authority	Year CBP selected partner application	Port(s) of entry (POE) affected	POE type(s)	Types of services that partner can request	Types of partner requests for services^a	Intended result of requests for services
Penn Terminals, Inc.	559	2014	Port of Philadelphia	Sea	Freight or cargo processing	Ad-hoc Urgent	Expand POE hours of operation
Greater Orlando Aviation Authority	559	2014	Orlando International Airport	Air	Not specified	Ad-hoc Urgent	Supplement CBP services or staffing Expand POE hours of operation Accommodate peak travel hours
Network Shipping, LTD	559	2014	Gloucester	Sea	Freight or cargo processing	Ad-hoc Urgent	Expand POE hours of operation
Los Angeles World Airports	559	2014	Los Angeles International Airport and LA/Ontario International Airport	Air	Freight or cargo processing Traveler processing Unanticipated irregular operations or diversions Mission support Enforcement functions CBP officers or contractors (unspecified)	Scheduled Ad-hoc Urgent	Supplement CBP services or staffing
County of Clark Department of Aviation	559	2014	McCarren International Airport	Air	Freight or cargo processing Traveler processing Unanticipated irregular operations or diversions CBP officers or contractors (unspecified)	Ad-hoc Urgent	Supplement CBP services or staffing Accommodate peak travel hours
Interoceanica Agency Inc. for Isabella Shipping Co. LTD	559	2014	Port of Philadelphia	Sea	Freight or cargo processing	Ad-hoc Urgent	Expand POE hours of operation
Independent Container Line, LTD	559	2014	Port of Philadelphia Port of Wilmington, North Carolina	Sea Sea	Freight or cargo processing Freight or cargo processing	Ad-hoc Urgent Ad-hoc Urgent	Expand POE hours of operation Expand POE hours of operation

**Appendix I: Details of U.S. Customs and
Border Protection Reimbursable Services
Program Agreement Memoranda of
Understanding**

CBP Partner	Authority	Year CBP selected partner application	Port(s) of entry (POE) affected	POE type(s)	Types of services that partner can request	Types of partner requests for services^a	Intended result of requests for services
Greenwich Terminals, LLC	559	2014	Port of Philadelphia	Sea	Freight or cargo processing	Ad-hoc Urgent	Expand POE hours of operation
Gloucester Terminals, LLC	559	2014	Gloucester	Sea	Freight or cargo processing	Ad-hoc Urgent	Expand POE hours of operation
Diamond State Port Corporation	559	2014	Port of Wilmington, Delaware	Sea	Freight or cargo processing	Ad-hoc Urgent	Expand POE hours of operation
City and County of Denver, Colorado	559	2014	Denver International Airport	Air	Not specified	Scheduled Ad-hoc Urgent	Not specified
American Airlines	559	2015	John F. Kennedy International Airport (Terminal 8)	Air	Freight or cargo processing Traveler processing Mission support CBP officers or contractors (unspecified)	Ad-hoc Urgent	Expand POE hours of operation
Ameron International Corporation	559	2015	Port of San Luis	Land	Not specified	Ad-hoc Urgent	Not specified
British Airways	559	2015	John F. Kennedy International Airport (Terminal 7)	Air	Freight or cargo processing Traveler processing Mission support CBP officers or contractors (unspecified)	Ad-hoc Urgent	Expand POE hours of operation
Broward County, Florida	559	2015	Fort Lauderdale-Hollywood International Airport	Air	Freight or cargo processing Traveler processing	Scheduled Ad-hoc Urgent	Supplement CBP services or staffing Expand POE hours of operation Accommodate peak travel hours
Dell, Inc.	559	2015	Santa Teresa	Land	Freight or cargo processing	Scheduled Ad-hoc Urgent	Expand POE hours of operation

**Appendix I: Details of U.S. Customs and
Border Protection Reimbursable Services
Program Agreement Memoranda of
Understanding**

CBP Partner	Authority	Year CBP selected partner application	Port(s) of entry (POE) affected	POE type(s)	Types of services that partner can request	Types of partner requests for services^a	Intended result of requests for services
Philadelphia International Airport – City of Philadelphia, Pennsylvania	559	2015	Philadelphia International Airport	Air	Freight or cargo processing Traveler processing Unanticipated irregular operations or diversions Mission support Enforcement functions CBP officers or contractors (unspecified)	Ad-hoc Urgent	Expand POE hours of operation
Phoenix Sky Harbor International Airport – City of Phoenix Aviation Department	559	2015	Phoenix Sky Harbor International Airport	Air	Not specified	Scheduled Ad-hoc	Expand POE hours of operation
Rocky Mountaineer	559	2015	Seattle King Street Station	Land	Freight or cargo processing Traveler processing Mission support Enforcement functions	Ad-hoc Urgent	Supplement CBP services or staffing
Virginia International Terminals, LLC	559	2015	Area Port Norfolk	Sea	Freight or cargo processing	Scheduled	Virginia International Terminals, LLC
A.B. Won Pat International Airport Authority	559	2016	A.B. Won Pat International Airport	Air	Traveler processing Unanticipated irregular operations or diversions	Scheduled Ad-hoc Urgent	Supplement CBP services or staffing
Copeca Jet Center, LLC	559	2016	Rafael Hernandez International Airport	Air	Freight or cargo processing Traveler processing Unanticipated irregular operations or diversions Mission support Enforcement functions CBP officers or contractors (unspecified)	Scheduled Ad-hoc Urgent	Supplement CBP services or staffing Expand POE hours of operation

**Appendix I: Details of U.S. Customs and
Border Protection Reimbursable Services
Program Agreement Memoranda of
Understanding**

CBP Partner	Authority	Year CBP selected partner application	Port(s) of entry (POE) affected	POE type(s)	Types of services that partner can request	Types of partner requests for services^a	Intended result of requests for services
Dole Fresh Fruit Company, Inc.	559	2016	Port of Gulfport Port of San Diego	Sea Sea	Freight or cargo processing Freight or cargo processing	Ad-hoc Urgent Ad-hoc Urgent	Expand POE hours of operation Expand POE hours of operation
East Coast Warehouse Centralized Examination Site	559	2016	Port of New York and New Jersey	Sea	Freight or cargo processing	Ad-hoc Urgent	Not specified
Global Container Terminals	559	2016	Port of New York and New Jersey	Sea	Freight or cargo processing	Ad-hoc Urgent	Not specified
Greenville-Spartanburg Airport District	559	2016	Greenville-Spartanburg International Airport	Air	Freight or cargo processing Traveler processing Unanticipated irregular operations or diversions	Ad-hoc Urgent	Expand POE hours of operation
State of Hawaii Department of Transportation	559	2016	Honolulu International Airport and Port of Honolulu	Air	Freight or cargo processing Traveler processing Unanticipated irregular operations or diversions Mission support Enforcement functions CBP officers or contractors (unspecified)	Scheduled Ad-hoc Urgent	Supplement CBP services or staffing
Jacksonville Aviation Authority	559	2016	Jacksonville International Airport and Cecil Airport	Air	Freight or cargo processing Traveler processing	Ad-hoc Urgent	Not specified
Kamino Air Import Corporation	559	2016	Port of New York and New Jersey	Sea	Freight or cargo processing	Ad-hoc Urgent	Not specified
Linea Peninsular, Inc.	559	2016	Port of Panama City	Sea	Freight or cargo processing	Scheduled Ad-hoc Urgent	Supplement CBP services or staffing

**Appendix I: Details of U.S. Customs and
Border Protection Reimbursable Services
Program Agreement Memoranda of
Understanding**

CBP Partner	Authority	Year CBP selected partner application	Port(s) of entry (POE) affected	POE type(s)	Types of services that partner can request	Types of partner requests for services^a	Intended result of requests for services
Massachusetts Port Authority	559	2016	Boston Logan International Airport and Port of Boston	Air Sea	Freight or cargo processing Traveler processing Unanticipated irregular operations or diversions Mission support Enforcement functions CBP officers or contractors (unspecified)	Ad-hoc Urgent	Supplement CBP services or staffing Expand POE hours of operation
City of Oakland Board of Commissioners	559	2016	Oakland International Airport	Air	Freight or cargo processing Traveler processing Unanticipated irregular operations or diversions Mission support Enforcement functions CBP officers or contractors (unspecified)	Scheduled Ad-hoc Urgent	Supplement CBP services or staffing Expand POE hours of operation
Salson Logistics	559	2016	Port of New York and New Jersey	Sea	Freight or cargo processing	Ad-hoc Urgent	Not specified
City of San Jose, California	559	2016	Mineta San Jose International Airport	Air	Freight or cargo processing Traveler processing Unanticipated irregular operations or diversions Mission support Enforcement functions CBP officers or contractors (unspecified)	Scheduled Ad-hoc Urgent	Supplement CBP services or staffing Expand POE hours of operation
Southwest Arizona Port Users Association, Inc.	559	2016	San Luis	Land	Freight or cargo processing	Scheduled Ad-hoc Urgent	Expand POE hours of operation
Imperial Pacific International, LLC	481 ^e	2017	Saipan International Airport	Air	Traveler processing Unanticipated irregular operations or diversions	Scheduled Ad-hoc Urgent	Supplement CBP services or staffing

Appendix I: Details of U.S. Customs and Border Protection Reimbursable Services Program Agreement Memoranda of Understanding

CBP Partner	Authority	Year CBP selected partner application	Port(s) of entry (POE) affected	POE type(s)	Types of services that partner can request	Types of partner requests for services ^a	Intended result of requests for services
Terminal One Group Association, LP	481	2017	John F. Kennedy International Airport (Terminal 1)	Air	Freight or cargo processing Traveler processing CBP inspection officers or contractors (unspecified)	Scheduled Ad-hoc Urgent	Expand POE hours of operation
North Carolina State Ports Authority	481	2017	Port of Wilmington, North Carolina	Sea	Freight or cargo processing	Ad-hoc Urgent	Not specified

Source: GAO analysis of U.S. Customs and Border Protection data. | GAO-18-268

^aPartners can make scheduled, ad-hoc, or urgent requests for reimbursable services. Scheduled requests are generally recurring requests that the partner requests in advance. Ad-hoc requests are generally one-time requests that partners make in advance but do not recur. Urgent requests are one-time requests to address an immediate partner desire for services.

^bPrior to repeal, Section 560 of the Consolidated and Further Continuing Appropriations Act, 2013, provided that by December 31, 2013, CBP may enter into no more than 5 reimbursable agreements for a period of up to 5 years for the provision of CBP customs and immigration inspection-related services and other costs incurred by CBP relating to such services. See Pub. L. No. 113-6, div. D, tit. V, § 560, 127 Stat. 198, 378-80 (2013).

^cFreight or cargo processing includes agricultural inspection.

^dPrior to repeal, Section 559 of the Consolidated Appropriations Act, 2014, authorized CBP to conduct a pilot program for 5 years to enter into indefinite partnerships with private sector and government entities at ports of entry for customs, agricultural process, border security, and immigration inspection-related services. See Pub. L. No. 113-76, div. F, tit. V, § 559, 128 Stat. 5, 279-85 (2014).

^eSection 481 of the Homeland Security Act of 2002, as amended by section 2 of the Cross-Border Trade Enhancement Act of 2016 repealed sections 559 and 560 and authorized CBP to enter into a fee agreement upon the request of any entity under which CBP is to provide certain services at a U.S. port of entry or any other facility at which CBP provides or will provide services. See Pub. L. No. 114-279, 130 Stat. 1413 (2016). While sections 560 and 559 were repealed by the Cross-Border Trade Enhancement Act of 2016, neither subtitle G of title 6, U.S. Code, nor section 4 of the Act, affect (1) any agreement entered into pursuant to sections 560 or 559, as in existence on December 15, 2016, and any such agreement shall continue to have full force and effect on and after such date; or (2) a proposal accepted for consideration by CBP pursuant to section 559, as in existence on December 15, 2016. Pub. L. No. 107-296, tit. IV, subtit. G, § 483, 116 Stat. 2135 (2002), as amended by Pub. L. No. 114-279, § 2(a), 130 Stat. at 1421 (classified at 6 U.S.C. § 301b).

In addition to the partners listed in the table above, CBP has also signed Reimbursable Services Agreements with the following partners, but has not completed negotiating the terms of an MOU as of the end of fiscal year 2017.

Fiscal year 2016 partners:

1. City of Charlotte Aviation Department
2. Dole Fresh Fruit Company (Port of Wilmington, Delaware; Port Everglades; and Port of Freeport)

**Appendix I: Details of U.S. Customs and
Border Protection Reimbursable Services
Program Agreement Memoranda of
Understanding**

3. GT USA LLC
4. Port of Galveston
5. Presidio Port Authority Local Government Corporation
6. Red Hook Container Terminal, LLC
7. United Parcel Service Co.

Fiscal year 2017 cycle 1 partners⁴:

1. Connecticut Airport Authority
2. Delta Air Lines, Inc.
3. DonJon Marine Co., Inc.
4. International Transportation Services, Inc.
5. PAZOS/Jet Aviation San Juan
6. Port of Hueneme/Oxnard Harvard District
7. Raleigh-Durham Airport Authority
8. Reno-Tahoe Airport Authority⁵
9. Rhode Island Airport Corporation⁶
10. Sarasota Manatee Airport Authority
11. Solairus Aviation

⁴In fiscal year 2017, CBP implemented a process to accept and evaluate applications for RSP agreements during three application cycles per fiscal year. Cycle 1 includes the months of November, December, January, and February. Cycle 2 includes the months of March, April, May, and June. Cycle 3 includes the months of July, August, September, and October.

⁵CBP signed separate RSP agreements with the Reno-Tahoe Airport Authority for reimbursable overtime services and for additional CBP officers. Section 481 authorities allow CBP to receive reimbursement in addition to officer overtime and certain support costs if the fee agreement is for services at “small airports” that receive less than 100,000 international travelers per year. A fee agreement at a small airport may provide for reimbursement of: (1) salaries and expenses of no more than 5 CBP officers beyond the number assigned to the port on the date of signing, with no such limitation for CBP employees to support CBP officers in performing law enforcement functions; and (2) other CBP costs relating to law enforcement support services, such as temporary placement or permanent relocation of employees, including incentive pay for relocation, as appropriate. Pub. L. No. 114-279, 130 Stat. 1413 (2016).

⁶CBP signed separate RSP agreements with the Rhode Island Airport Corporation for reimbursable overtime services and for additional CBP officers.

12. TraPac, LLC
13. United Airlines
14. Yusen Terminal LLC

CBP also selected applications for RSP partnerships from the following stakeholders but has not completed Reimbursable Services Agreements or MOUs as of the end of fiscal year 2017.

2017 Cycle 1:

1. APM Terminal Los Angeles
2. Atlantic Aviation
3. California Cartage Company
4. Chiquita Brands International Inc.
5. Cincinnati/Northern Kentucky International Airport
6. Eagle Marine Services, Ltd
7. FCL Logistics, LTD
8. Lee County Port Authority
9. Long Beach Container Terminal LLC
10. Pacific Device Inc.
11. Paine Field/Snohomish County Airport⁷
12. Port Authority of New York and New Jersey
13. Price Transfer, Inc.
14. Prime Air Corp
15. Total Terminals International, LLC
16. West Basin Container Terminal

2017 Cycle 2:

1. Air Products & Chemicals
2. Airport Aviation Service, Inc.

⁷CBP selected the Paine Field/Snohomish County Airport for RSP agreements to cover reimbursable overtime services and for additional CBP officers.

3. ALOFT AeroArchitects
4. Black Falcon, LLC
5. BNSF Railway Company
6. Chiquita Brands International Inc.- Hueneme, California
7. Compania Panamena de Aviacion (Copa Airlines)
8. Crowley Latin America
9. Dynamic International Airways
10. Georgetown Air Services, LLC
11. Inchape Shipping Services
12. J4V, LLC
13. Maritime Endeavors Shipping Co. Ltd
14. Maryland Department of Transportation – Maryland Port
Administration
15. Miami Air International
16. MRTV, LLC
17. Peirce County Terminal
18. Port of Seattle
19. Port of Skagit
20. Port Tampa Bay
21. Ports America Chesapeake, LLC
22. Sanford Airport Authority
23. South Carolina Ports Authority
24. South Jersey Transportation Authority
25. SSA Marine, Inc.
26. State of Hawaii Department of Transportation⁸
27. The Hershey Company
28. TJ3 Air, LLC

⁸CBP selected the State of Hawaii Department of Transportation for RSP agreements for reimbursable overtime services and for additional CBP officers.

**Appendix I: Details of U.S. Customs and
Border Protection Reimbursable Services
Program Agreement Memoranda of
Understanding**

29. WNShipping USA Inc.

30. 721 Logistics LLC

Appendix II: Comments from the Department of Homeland Security

**Appendix II: Comments from the Department
of Homeland Security**

U.S. Department of Homeland Security
Washington, DC 20528



**Homeland
Security**

February 9, 2018

Rebecca Gambler
Director, Homeland Security and Justice
U.S. Government Accountability Office
441 G Street, NW
Washington, DC 20548

Re: Management's Response to Draft Report GAO-18-268, "U.S. PORTS OF ENTRY:
CBP Public-Private Partnership Programs Have Benefits, but CBP Could Strengthen
Evaluation Efforts"

Dear Ms. Gambler:

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

The Department is pleased to note GAO's positive recognition of the U.S. Customs and Border Protection's (CBP) public-private partnership program under the Reimbursable Services Program (RSP) and the Donations Acceptance Program (DAP), which helps meet the increased demand for additional CBP services and infrastructure. Specifically, as the report highlights, CBP's Office of Field Operations Alternative Funding Program, which administers the public-private partnerships program, has developed detailed guidance on the application process, and documented standard operating procedures, roadmaps, and other policies and procedures to administer the RSP and DAP.

CBP's number of public-private partnerships is increasing. These partnerships provide opportunities for a variety of additional services and infrastructure improvements at ports of entry. CBP remains committed to improving the program by developing and implementing an evaluation plan to better inform future program decisions as the programs continue to grow. For example, from fiscal years (FY) 2013 through 2017, CBP selected 100 partners for RSP agreements that could impact 98 ports of entry, and the total number of RSP partnerships doubled from FY 2016 to FY 2017. Similarly, the DAP approved nine new proposals in FY 2017, more than doubling the quantity and dollar value of partnerships entered into in previous years.

The draft report contained one recommendation, with which DHS concurs. Attached find our detailed response to the recommendation. Technical comments were previously provided under separate cover.

**Appendix II: Comments from the Department
of Homeland Security**

Again, thank you for the opportunity to review and comment on this draft report. Feel free to contact me if you have any questions. We look forward to working with you again in the future.

Sincerely,



J. M. H. CRUMPACKER, CIA, CFE
Director
Departmental GAO-OIG Liaison Office

Attachment

**Attachment: Management Response to the Recommendation
Contained in GAO-18-268**

GAO recommended that the Commissioner of U.S. Customs and Border Protection:

Recommendation: Develop and implement an evaluation plan to be used to assess the overall performance of the [Rembursable Services Program] RSP and [Donations Acceptance Program] DAP, which could include, among other things, measurable objectives, performance criteria, evaluation methodologies, and data collection plans to inform future program decisions.

Response: Concur. The CBP Office of Field Operations, Alternative Funding Program will develop and implement a plan to assess overall performance of the RSP and DAP, to include all necessary measurement and evaluation components to inform future program decisions. The plan will evaluate current partnerships, including but not limited to:

- Service denial rate;
- Trend analysis of frequency and type of requests;
- Annual stakeholder survey results;
- Impact of multiple stakeholders in one port location on levels of service provided;
- Impact of unanticipated operations and maintenance costs associated with property donations; and,
- Staffing implications on donations of upgraded port infrastructure.

Estimated Completion Date : April 30, 2018

Appendix III: GAO Contact and Staff Acknowledgments

GAO Contact

Rebecca Gambler, (202) 512-8777 or gablerr@gao.gov

Staff Acknowledgments

In addition to the contact named above, Kirk Kiester (Assistant Director), Dominick Dale, Michele Fejfar, Eric Hauswirth, Stephanie Heiken, Susan Hsu, Elizabeth Leibinger, David Lutter, and Sasan J. “Jon” Najmi made significant contributions to this report.

Appendix IV: Accessible Data

Data Tables

Accessible Data for Figure 2: Timeline of U.S. Customs and Border Protection (CBP) Public-Private Partnerships from 2013 through 2017

- 2013
 - Section 560 authorized CBP reimbursable services agreements
 - CBP established the Reimbursable Services Program (RSP)
 - CBP entered into 5 reimbursable fee agreements under Section 560
- 2014
 - Section 559 authorized a pilot program providing CBP and the General Services Administration (GSA) reimbursable services and donations acceptance authority
 - CBP entered into 15 reimbursable fee agreements under Section 559
- 2015
 - CBP entered into 9 reimbursable fee agreements under Section 559
 - CBP established the Donations Acceptance Program (DAP)
 - CBP tentatively approved 3 donation proposals under Section 559
- 2016
 - CBP entered into 22 reimbursable fee agreements under Section 559

- CBP tentatively approved 4 donation proposals and accepted 1 donation under Section 559
- Section 481 authorized a permanent program providing CBP authority to enter into reimbursable services agreements
- Section 482 authorized CBP and GSA to accept donations for certain ports of entry, provided that real property donation authority sunsets in December 2020
- 2017
 - CBP selected 63 new partners for reimbursable fee agreements under Section 481
 - CBP tentatively approved 9 donation proposals and accepted 5 donation agreements under Section 482

Accessible Data for Figure 3: U.S. Customs and Border Protection (CBP) Reimbursable Services Program Application Process

- Step 1 Initial review
 - Interested stakeholder submits application.
 - CBP officials evaluate the applications at the affected ports of entry and submit their findings to CBP headquarters.
 - CBP Chief Counsel reviews each application for legal sufficiency.
- Step 2 Evaluation panel
 - CBP officials at headquarters convene a panel to review the Chief Counsel and port of entry evaluations and to evaluate and score each application.
 - CBP officials at headquarters send the panel's selections to the CBP Executive Director for Operations and Executive Assistant Commissioner for final approval.
- Step 3 Notification

- CBP notifies applicants of its selection decisions.

Accessible Data for Figure 4: Process for Entering into a Reimbursable Services Program Agreement and Memorandum of Understanding

- U.S. Customs and Border Protection (CBP) approves a stakeholder's application and notifies the applicant of its selection.
- Officials from CBP headquarters conduct a site visit to meet CBP port officials and new partner officials at the port of entry
- CBP and the new partner sign a legally binding Reimbursable Services Agreement.
- CBP port officials and partner officials negotiate the conditions of how the partnership will work in a Memorandum of Understanding.
- Partners request services pursuant to conditions and intentions in the Reimbursable Services Agreement and Memorandum of Understanding.

Accessible Data for Figure 5: U.S. Customs and Border Protection (CBP) and General Services Administration (GSA) Application Approval Process for the Donations Acceptance Program

- Step 1 Initial review
 - Interested stakeholders submit applications.
 - CBP and GSA officials evaluate the applications at the affected ports of entry.
 - CBP Chief Counsel reviews each application for legal sufficiency.
- Step 2 Evaluation panel
 - CBP officials at headquarters convene a panel of CBP and GSA officials to review the Chief Counsel, port of entry, and GSA recommendations and evaluate the applications.
 - CBP officials at headquarters send the panel's selections to the affected ports of entry, GSA, and CBP's Enterprise Services office for concurrence.

- CBP officials at headquarters send the panel's selections to CBP's Office of Field Operations Executive Assistant Commissioner for final approval.
- Step 3 Notification
 - CBP notifies the applicants of CBP's and GSA's selection decisions.

Accessible Data for Figure 6: U.S. Customs and Border Protection (CBP) and General Services Administration (GSA) Process to Develop Donations Acceptance Program Proposals

- Phase 1 Evaluation and selection
 - CBP notifies applicant of its selection.
- Phase 2 Proposal planning and development procedures
 - CBP, GSA, and the new partner begin series of biweekly calls.
 - CBP provides the partner with a template roadmap to be collaboratively tailored by CBP, GSA, and the partner, illustrating the project tasks, milestones, and deliverables expected of all parties.
 - Officials from CBP headquarters and GSA conduct a site visit to meet the new partner officials, learn how the partner will implement the donation, and to initiate planning and development.
 - CBP, GSA, and partner officials negotiate the conditions of how the partner will execute the donation at the port of entry in a Memorandum of Understanding.
 - CBP, GSA, and partner officials collaborate to plan and design the project and cost estimate. CBP and GSA provide the partner with technical standards and operational requirements.
- Phase 3 Donation Acceptance Agreement procedures
 - CBP, GSA, and the partner sign a legally binding Donations Acceptance Agreement.

Accessible Data for Figure 7: General Processes to Administer U.S. Customs and Border Protection (CBP) Reimbursable Services Program (RSP) Agreements

- Step 1 Work ticket audit
 - RSP partner requests reimbursable services in the Service Request Portal.
 - CBP port officials review and approve the request. The portal creates a record of the services CBP will perform.
 - CBP officers complete the overtime and log their hours into the overtime management system to generate work tickets.

- Step 2 Partner billing
 - Payroll data uploads to the financial accounting system at the end of each CBP pay period.
 - Financial accounting system generates partner billing information.
 - The Office of Field Operations Budget office uploads the partner’s bill on Pay.gov for the billing cycle and Pay.gov notifies the partner it has 15 days to make a full payment.

- Step 3 Reimbursement
 - Once the partner makes a payment, collections are posted in the financial accounting system and CBP National Finance Center officials transfer the expenses to the RSP officer payroll fund to repay CBP’s Operations and Support account.

Accessible Data for Figure 8: Number of Partner Applications U.S. Customs and Border Protection’s (CBP) Selected for Its Reimbursable Services Program (RSP) from Fiscal Years 2013 through 2017

Year/Year-cycle	Number of stakeholder applications for the RSP	Number of RSP applications CBP selected for Reimbursable Services Agreements	Cumulative number of partners CBP selected for Reimbursable Services Partnerships
2013	16	5	5
2014	25	15	20

Year/Year-cycle	Number of stakeholder applications for the RSP	Number of RSP applications CBP selected for Reimbursable Services Agreements	Cumulative number of partners CBP selected for Reimbursable Services Partnerships
2015	16	9	29
2016	50	22	51
2017 Cycle 1	45	33	84
2017 Cycle 2	31	30	114

Accessible Data for Figure 10: U.S. Customs and Border Protection (CBP) Audit Steps for Reimbursable Services Program (RSP) Overtime Request, Fulfillment, and Billing Processes

- Step 1 Request and fulfillment of services
 - RSP partner requests reimbursable services in the Service Request Portal.
 - CBP port officials review and approve the request. The portal creates a record of the services CBP will perform.
 - CBP officers complete the overtime and log their hours into the overtime management system to generate work tickets.
 - Work ticket audit
 - CBP port supervisors review the overtime work tickets at the end of each shift.
 - CBP port supervisors update the Service Request Portal to reflect what CBP officers worked.
 - CBP port supervisors and CBP officials at headquarters compare overtime work ticket information to the portal records weekly.

- Step 2 Financial audit and partner billing
 - Payroll data uploads to the financial accounting system at the end of each CBP pay period.

- The financial accounting system generates partner billing information.
- Billing information audit
 - Officials at the CBP National Finance Center compare the billing information to the overtime work ticket information after two CBP payroll cycles.
- The Office of Field Operations Budget office uploads the partner's bill on Pay.gov for the billing cycle and Pay.gov notifies the partner it has 15 days to make a full payment.
- Step 3 Reimbursement
 - Once the partner makes a payment, collections are posted in the financial accounting system and CBP National Finance Center officials transfer the expenses to the RSP officer payroll fund to repay CBP's Operations and Support account.

Agency Comment Letter

Accessible Text for Appendix II: Comments from the Department of Homeland Security

Page 1

U.S. Department of Homeland Security

Washington, DC 20528

February 9, 2018

Rebecca Gambler

Director, Homeland Security and Justice

U.S. Government Accountability Office

441 G Street, NW

Washington, DC 20548

Re: Management's Response to Draft Report GAO-18-268, "U.S. PORTS OF ENTRY: CBP Public-Private Partnership Programs Have Benefits, but CBP Could Strengthen Evaluation Efforts"

Dear Ms. Gambler:

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

The Department is pleased to note GAO's positive recognition of the U.S. Customs and Border Protection's (CBP) public-private partnership program under the Reimbursable Services Program (RSP) and the Donations Acceptance Program (DAP), which helps meet the increased demand for additional CBP services and infrastructure. Specifically, as the report highlights, CBP's Office of Field Operations Alternative Funding Program, which administers the public-private partnerships program, has developed detailed guidance on the application process, and documented standard operating procedures, roadmaps, and other policies and procedures to administer the RSP and DAP.

CBP's number of public-private partnerships is increasing. These partnerships provide opportunities for a variety of additional services and infrastructure improvements at ports of entry. CBP remains committed to improving the program by developing and implementing an evaluation plan to better inform future program decisions as the programs continue to grow. For example, from fiscal years (FY) 2013 through 2017, CBP selected 100 partners for RSP agreements that could impact 98 ports of entry, and the total number of RSP partnerships doubled from FY 2016 to FY 2017. Similarly, the DAP approved nine new proposals in FY 2017, more than doubling the quantity and dollar value of partnerships entered into in previous years.

The draft report contained one recommendation, with which DHS concurs. Attached find our detailed response to the recommendation. Technical comments were previously provided under separate cover.

Page 2

Again, thank you for the opportunity to review and comment on this draft report. Feel free to contact me if you have any questions. We look forward to working with you again in the future.

Sincerely,

JIM H. CRUMPACKER, CIA, CFE

Director

Departmental GAO-OIG Liaison Office

Attachment

Page 3

Attachment: Management Response to the Recommendation Contained in GAO-18-268

GAO recommended that the Commissioner of U.S. Customs and Border Protection:

Recommendation: Develop and implement an evaluation plan to be used to assess the overall performance of the [Reimbursable Services Program] RSP and [Donations Acceptance Program] DAP, which could include, among other things, measurable objectives, performance criteria, evaluation methodologies, and data collection plans to inform future program decisions.

Response: Concur. The CBP Office of Field Operations, Alternative Funding Program will develop and implement a plan to assess overall performance of the RSP and DAP, to include all necessary measurement and evaluation components to inform future program decisions. The plan will evaluate current partnerships, including but not limited to:

- Service denial rate;
- Trend analysis of frequency and type of requests;
- Annual stakeholder survey results;

- Impact of multiple stakeholders in one port location on levels of service provided;
- Impact of unanticipated operations and maintenance costs associated with property donations; and,
- Staffing implications on donations of upgraded port infrastructure.

Estimated Completion Date : April 30, 2018

GAO's Mission

The Government Accountability Office, the audit, evaluation, and investigative arm of Congress, exists to support Congress in meeting its constitutional responsibilities and to help improve the performance and accountability of the federal government for the American people. GAO examines the use of public funds; evaluates federal programs and policies; and provides analyses, recommendations, and other assistance to help Congress make informed oversight, policy, and funding decisions. GAO's commitment to good government is reflected in its core values of accountability, integrity, and reliability.

Obtaining Copies of GAO Reports and Testimony

The fastest and easiest way to obtain copies of GAO documents at no cost is through GAO's website (<https://www.gao.gov>). Each weekday afternoon, GAO posts on its website newly released reports, testimony, and correspondence. To have GAO e-mail you a list of newly posted products, go to <https://www.gao.gov> and select "E-mail Updates."

Order by Phone

The price of each GAO publication reflects GAO's actual cost of production and distribution and depends on the number of pages in the publication and whether the publication is printed in color or black and white. Pricing and ordering information is posted on GAO's website, <https://www.gao.gov/ordering.htm>.

Place orders by calling (202) 512-6000, toll free (866) 801-7077, or TDD (202) 512-2537.

Orders may be paid for using American Express, Discover Card, MasterCard, Visa, check, or money order. Call for additional information.

Connect with GAO

Connect with GAO on [Facebook](#), [Flickr](#), [Twitter](#), and [YouTube](#).
Subscribe to our [RSS Feeds](#) or [E-mail Updates](#). Listen to our [Podcasts](#).
Visit GAO on the web at <https://www.gao.gov>.

To Report Fraud, Waste, and Abuse in Federal Programs

Contact:

Website: <https://www.gao.gov/fraudnet/fraudnet.htm>
E-mail: fraudnet@gao.gov
Automated answering system: (800) 424-5454 or (202) 512-7470

Congressional Relations

Orice Williams Brown, Managing Director, WilliamsO@gao.gov, (202) 512-4400,
U.S. Government Accountability Office, 441 G Street NW, Room 7125,
Washington, DC 20548

Public Affairs

Chuck Young, Managing Director, youngc1@gao.gov, (202) 512-4800
U.S. Government Accountability Office, 441 G Street NW, Room 7149
Washington, DC 20548

Strategic Planning and External Liaison

James-Christian Blockwood, Managing Director, spel@gao.gov, (202) 512-4707
U.S. Government Accountability Office, 441 G Street NW, Room 7814,
Washington, DC 20548