



The Technology Modernization Fund

A new funding model for Federal technology modernization projects

U.S. Customs and Border Protection (CBP) Collection System Modernization:

Safer, better, more cost-effective management of Trade revenue

A TMF investment of \$15M accelerated CBP IT modernization efforts ultimately saving the agency over \$30M annually in legacy system operations and maintenance once the Automated Commercial System Mainframe is retired. The TMF investment in CBP modernized the payment processing system for the nation's second largest revenue-collecting government agency, moving CBP off their 30+ year old COBOL system and to the cloud, creating a more secure, reliable, resilient, and intuitive user experience for CBP, Partner Government Agencies, and the Trade community.

Background

CBP is the largest federal law enforcement agency and is the nation's second largest revenue-collecting agency in the Federal Government, enforcing the collection of over \$90B annually in duties, taxes, and fees.

Challenge

Currently, CBP's 30-year-old collection tool, the Automated Commercial System (ACS), is housed on the agency's last remaining mainframe solution that runs on 3.9 million lines of COBOL code. CBP spends roughly \$25M annually maintaining the legacy system, which is responsible for processing, documenting, and collecting incoming and outgoing cargo and its associated duties, fees, and taxes.

A modernized system is needed to meet the demands of the CBP mission and provide the agency with a flexible, secure, and intuitive platform to support the growing complexities of global trade facilitation and enforcement. This modern system, CBP Cloud, is not only used by CBP/DHS, but also by CBP's Partner Government Agencies like the Department of Treasury and the U.S. Citizenship and Immigration Services (USCIS) as well as the Trade community.

Solution

In 2018, before the TMF investment, CBP began modernizing several components of their existing mainframe system, funding and deploying three successful releases. The effort was slated to take several years to complete. However, in 2020 CBP leveraged the TMF as an innovative funding option for three additional releases.

Since the new CBP tool launch in 2021:

- 52M+ transactions processed
- \$90B+ in duties, taxes, and fees collected annually
- 92% of total revenue collected through ACH and EFT
- 12M cargo entries processed in FY2021 valued at \$2.7T in imports and \$1.6T in exports
- Holistic view of bill records for members of the Trade community

With TMF investment, CBP significantly accelerated their modernization to a new, secure, cloud-based platform, the Automated Commercial Environment (ACE). CBP successfully deployed their billing release in October 2021, which automated bill liquidation and distribution. Two additional releases modernized and automated the debt management and refunds systems.

These modernizations have made CBP's mission-essential operations more efficient, resilient, and secure, while safeguarding the Nation's global economic competitiveness through legitimate trade to benefit the United States, Partner Government Agencies, and the Trade community. The ACE platform will also reduce costs to the Agency, provide a common framework that aligns with other initiatives, and allow for future technological enhancements. CBP is expected to fund and deploy their final release in Q1 FY2024, which will enable the agency to retire the ACS mainframe.

Impact

In fiscal year 2021, CBP's new, modernized system cleared and processed more than 12 million cargo entries valued at over \$2.7 trillion in imports and \$1.6 trillion in exports. This project has already helped CBP improve customs enforcement, revenue collections, trade protections, and user experience through better and more secure features and business capabilities – all the while reducing the operations and maintenance costs associated with the existing system.

The new system saves CBP's workforce time and ensures customers get their refunds as quickly as possible, including by eliminating the need to stuff envelopes and send them by postal mail. CBP users now experience a user-focused interface that compiles information from across CBP systems for one holistic view of bill records, and for the first time, provides them with online visibility of their accounts within ACE Reports.

Role of the TMF

Without this funding, CBP would have had to continue to rely on the outdated ACS Collections mainframe system and pay significant yearly costs until the collections functionality is fully transitioned. With support from the TMF, the ACE Collections project is being conducted over four years as a single effort, rather than as incremental efforts over an unspecified time.

Through partnership with the TMF, the support of senior leadership, and thoughtful user-centered design methods, CBP's legacy modernization effort will be completed in FY24.

TMF provides resources and shared services to help the Administration, Congress, and its partner agencies rapidly deploy and make a difference in the lives of the public

This CBP Collections investment shows how the TMF uses its technical expertise to help the government improve processes, reduce errors and delays, build on existing knowledge and resources, and serve cross-agency needs with shared services. Annual agency budgets are typically not designed for large-scale shifts to sunset a mainframe tool. TMF investments and program support can help agencies modernize to reduce technical debt and streamline user experiences, including ones that cross agency boundaries. TMF can also help agencies adjust to urgent and shifting priorities, such as COVID-19 and national security events.