



Non-Intrusive Inspection Systems Program

Program Specific Recovery Act Plan

May 15, 2009



Homeland
Security

U.S. Customs and Border Protection

Message from the CBP Senior Accountability Official

May 15, 2009

I am pleased to present the following report, “U.S. Customs and Border Protection Non-Intrusive Inspection Systems Recovery Act Plan.”

This document has been completed in response to the Office of Management and Budget (OMB) *Updated Implementing Guidance for the American Recovery and Reinvestment Act of 2009, M-09-15*, which provides guidance for carrying out programs and activities enacted in the American Recovery and Reinvestment Act (“Recovery Act”) of 2009. Agencies are required to submit separate Recovery Program Plans for each program funded by the Recovery Act. This plan summarizes the Recovery Act projects and activities planned for Non-Intrusive Inspection Systems.



CBP would be pleased to respond to any questions you may have. Please do not hesitate to contact me at (202) 344-2300.

Sincerely,

Eugene H. Schied
Chief Financial Officer

Executive Summary

Pursuant to requirements of the American Recovery and Reinvestment Act (“ARRA,” P.L. 111-5), the following pages provide U.S. Customs and Border Protection’s (CBP) Recovery Act Plan for the NII Systems program. The ARRA authorized \$100 million dollars for the Department of Homeland Security (DHS) that will remain available through the year ending September 30, 2010. This mandated speed for the expenditure of federal funds into the economy of the United States is the essence and the essential spirit of the ARRA.

This funding must be expended specifically on NII systems. The Non-Intrusive Inspection (NII) Systems Program (large scale and small scale) supports the detection and prevention of contraband, including weapons of mass effect, illicit radioactive materials, illicit drugs, currency and other illegal contraband, from entering or furthering their entry into the United States. ARRA funding will provide replacement of systems that reach the end of their useful life and will increase detection accuracy and probability by providing additional NII systems at existing ports, and at new and enhanced ports. This will be done while also creating jobs and providing an economic stimulus into the nation’s economy. The legislation recognizes the important role that non-intrusive inspections play in both the security of our country as well as stimulus of commerce.

The purpose of this report is to outline the CBP NII Systems program’s major activities and objectives, the expenditure plan, delivery schedule, and risks associated with this initiative. The expenditure plan outlines the allocation of the \$100 million provided until the end of FY 2010 for the planning, management, acquisition, and deployment of CBP NII systems.



Non-Intrusive Inspection Systems (NII) Program Recovery Act Plan

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I. Legislative Requirement

This report is submitted per the requirements of the American Recovery and Reinvestment Act (“ARRA,” P.L. 111-5), which includes the following provisions:

SALARIES AND EXPENSES

For an additional amount for “Salaries and Expenses”, \$160,000,000, of which \$100,000,000 shall be for the procurement and deployment of non-intrusive inspection systems; and of which \$60,000,000 shall be for procurement and deployment of tactical communications equipment and radios: Provided, That no later than 45 days after the date of enactment of this Act, the Secretary of Homeland Security shall submit to the Committees on Appropriations of the Senate and the House of Representatives a plan for expenditure of these funds.

and,

Sec. 1603. All funds appropriated in this Act shall remain available for obligation until September 30, 2010, unless expressly provided otherwise in this Act.

This document also responds to the requirements set forth in the Office of Management and Budget Memorandum M-09-15, *Updated Implementing Guidance for the American Recovery and Reinvestment Act of 2009*.

This report addresses the \$100,000,000 that is designated for the procurement and deployment of non-intrusive inspection systems.

II. Funding

Obligation and Outlay Monthly Plan

TAFS	Appropriated to TAFS	Program Allocations		Funding Type	Funding Year	Planned Obligations and Gross Outlays											
		BA Allocations	Program Name			Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09		
70 9/10 0534 NII Systems, Recovery Act	\$100M	\$100M	Non-Intrusive Inspection Systems	Obligations	FY09	0	0	0	0	23.30	14.90	0	25.80	36.00	0		
				Outlays	FY09	0	0	0	0	0	0	0	0	0	19.0		
				Obligations	FY09	0	0	0	0	0	0	0	0	0	0		
				Outlays	FY09	11.72	11.72	11.5	4.00	4.00	3.50	5.50	5.50	5.30	9.51		
				Obligations	FY09	0	0	0	0	0	0	0	0	0	0		
				Outlays	FY09	9.00	0	0	0	0	0	0	0	0	0		
				Obligations	FY09	0	0	0	0	0	0	0	0	0	0		
				Outlays	FY09	0	0	0	0	0	0	0	0	0	0		

III. Objectives

The Non-Intrusive Inspection (NII) Systems Program (large scale and small scale) supports the detection and prevention of contraband, including weapons of mass effect, illicit radioactive materials, illicit drugs, currency and other illegal contraband, from entering or furthering their entry into the United States. This program is an essential aspect of U.S. Customs and Border Protection's (CBP) layered enforcement strategy. The goal of the NII Program is to match the technology and equipment with the conditions and requirements at each domestic port of entry and US facilities that process international mail, based upon an analysis of the conditions at each location. This synchronization will increase the effectiveness of the strategy by strengthening one of its most vital layers.

CBP inspects 100 percent of all targeted high-risk shipments. For this strategy to be fully effective, a proper mix of NII technology must be deployed to each port of entry. CBP considers factors such as traffic volumes, types and density levels of imported commodities, port infrastructure constraints, appropriate mix of equipment, as well as currently available off-the-shelf technology and cost effectiveness, to help refine its acquisition strategy. Whenever possible, NII technology must be deployed to every air, land and seaport of entry so that smugglers cannot take advantage of gaps in port inspection capabilities. The CBP NII Acquisition Plan is constantly being reevaluated as it continues to evolve. CBP will continue to make appropriate adjustments aimed at enhancing the overall efficiency and effectiveness of the program. CBP will also continue to pursue a mix of technologies designed to complement one another and present a layered defense to smuggling attempts. Deployment of NII technologies

has allowed us to augment our staff in attempts to maintain our enforcement posture while efficiently processing a significant volume of passengers and trade.

The ARRA funding will greatly assist the CBP objective of detecting and preventing contraband, including weapons of mass effect, illicit radioactive materials, illicit drugs, currency and other illegal contraband, from entering into the United States by replacing aging NII systems as they reach the end of their useful life, by expanding non-intrusive inspections at existing ports with inadequate inspection capability, and by providing non-intrusive inspection technology to new or enhanced ports.

IV. Activities

The ARRA funding provides for \$100 million for the procurement and deployment of NII systems (not specific to seaports). No new positions or full time equivalents (FTEs) will be funded with this program increase.

Following the events of September 11, 2001, CBP's reliance on NII technology to secure the borders became increasingly critical. Technologies deployed to our Nation's land, sea, and air ports of entry include large-scale X-ray and imaging systems, as well as a variety of portable and handheld technologies. NII technologies are viewed as force multipliers that enable screening or examining a large portion of the stream of commercial traffic while facilitating the flow of legitimate trade, cargo, and passengers.

The \$100 million will support acquisition and deployment of:

- Large-Scale NII (\$86.7 million):
 - 12 large-scale replacement systems for scanning containerized shipments and tractor trailer trucks/other vehicles at 6 sea Ports of Entry (POEs) and 6 land POEs (\$36 million);
 - 5 large-scale high-energy systems for new ports (\$15 million);
 - 24 low-energy mobile systems for scanning passenger vehicles (cars, RVs, and buses) at 10 LPOEs and 14 air POEs (\$22.7 million); and
 - 10 low-energy portal systems for scanning tractor trailer trucks/other vehicles at 10 LPOEs (\$13 million).
- Small-Scale NII (\$13.3 million):
 - Additional small-scale equipment (\$4.9 million); and
 - Replacement small-scale equipment (\$8.4 million).

Of the \$100 million, \$87 million is for equipment purchases and \$13 million is for other deployment/implementation services (facilitation/prep costs, training, and deployment support) along with program management and contractual services.

NII Technology – Cost Breakdown of \$100 million

Item	Quantity		Total Cost (\$ Millions)
Mobile High-Energy Replacement Systems	11		\$33.0
High-Energy Rail Replacement	1		\$3.0
New High-Energy X-ray Systems	5		\$15.0
Small-Scale NII			\$13.3
Low-Energy Mobile NII Technology – Commercial Airports	14		\$13.2
Low-Energy Portal Imaging Technology – Southern Border	5		\$6.5
Low-Energy Portal Imaging Technology – Northern Border	5		\$6.5
Low-Energy Mobile NII Technology – Southern Border	6		\$5.7
Low-Energy Mobile NII Technology – Northern Border	4		\$3.8
Total	51		\$100.0

V. Characteristics

There are no plans for the CBP Non-Intrusive System Program to award any type of funding listed in Section 4 of Appendix 3 to M-09-15.

VI. Delivery Schedule

Dates for the major milestones of the program below reflect acquisition and deployment of 51 large scale NII systems and about 200 pieces of 10-15 different types of NII small scale x-ray and hand-held equipment.

- **Contracts Awarded/Available**
 - Large Scale NII Systems: July – September 2009 (38% of large scale)
 - Large Scale NII Systems: October – November 2009 (62% of large scale)
 - Small Scale NII Systems: July – September 2009 (63% of small scale)
 - Small Scale NII Systems: October 2009 (37% of small scale)
- **Orders Placed**
 - Large Scale NII Systems: July – September 2009 (38% of large scale)
 - Large Scale NII Systems: October – November 2009 (62% of large scale)
 - Small Scale NII Systems: July – September 2009 (63% of small scale)
 - Small Scale NII Systems: October 2009 (37% of small scale)
- **Systems Delivered**
 - Large Scale NII Systems: October 2009 – December 2010
 - Small Scale NII Systems: September 2009 – July 2010

- **Systems Accepted & Deployed**
 - Large Scale NII Systems: October 2009 – December 2010
 - Small Scale NII Systems: September 2009 – July 2010

The CBP NII Systems program plans to have approximately 38% of the total funding obligated by the 4th quarter in FY 2009, with the remaining 62% obligated by the first quarter in FY 2010. Obligations and outlays quarterly schedule is below.

	FY09 Qtr 2	FY09 Qtr 3	FY09 Qtr 4	FY10 Qtr 1	FY10 Qtr 2	FY10 Qtr 3	FY10 Qtr 4	FY11 Qtr 1	FY11 Qtr 2	FY11 Qtr 3	FY11 Qtr 4	FY12 Qtr 1	FY12 Qtr 2	FY12 Qtr 3
Obligations %	0.0%	0.0%	38.15%	61.85%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Outlays %	0.0%	0.0%	0.0%	19.10%	34.60%	11.50%	16.30%	18.50%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

VII. Environmental Review Compliance and Federal Infrastructure Investments

Environmental Review Compliance:

The acquisition and deployment of non-intrusive inspection (NII) gamma and x-ray imaging systems will comply with the National Environmental Policy Act (NEPA), National Historic Preservation Act (NHPA), Endangered Species Act (ESA), and related statutes.

NEPA and Council on Environmental Quality regulations implementing NEPA direct CBP to fully understand, and consider during decision making, the environmental consequences of proposed federal actions (projects). CBP policies related to environmental planning and historic preservation require compliance with all federal, state, and local laws and regulations, Executive Orders and DHS directives for the protection of the human and natural environment. In accordance with these requirements, CBP will comply with all environmental planning and historic preservation requirements for the proposed fielding and operating Non-Intrusive Inspection (NII) imaging systems funded under ARRA.

CBP has determined that the majority of the recurring actions proposed for funding, and for which an environmental assessment is required, can be grouped by type of action or location. These groups of actions have been evaluated in a Programmatic Environmental Assessment (PEA) to comply with NEPA and its implementing regulations. The PEA for all NII imaging systems covers actions that are eligible for CBP funding for the acquisition, fielding, and operation of NII equipment for use at sea, air, and land ports of entry. Because actions proposed for funding under a PEA and the impacts of these actions can vary based on location and other site-specific criteria, CBP will prepare site-specific supplemental environmental documentation, Environmental Assessments or Records of Environmental Consideration, for each individual project covered by this PEA. This site-specific environmental planning documentation is tiered to the PEA.

Because NII imaging systems will be operated in industrial settings, CBP anticipates that the NII system will not have an impact on sites that are listed on, or potentially eligible for listing on, the

National Register of Historic Places. Each deployment site's historic nature is researched as part of the supplemental environmental documentation. Research includes identifying and contacting all current and former historic groups connected with the sites to determine historic or archeological significance. However, if in the course of deploying and operating the NII system CBP discovers that historical or archeological resources could be impacted, project operations will be suspended and the appropriate authorities consulted.

VIII. Measures

The goal of the CBP Non-Intrusive Inspection Systems Program is to match the technology and equipment with the conditions and requirements at each deployment site, including domestic ports of entry, border patrol checkpoints, and overseas ports, based upon an analysis of the individual conditions at that location. This synchronization will increase the effectiveness of the strategy by strengthening one of its most vital layers. The rate of traffic across our border is increasing. Without investment in this program, the CBP cannot meet its goal to examine 100 percent of all targeted high-risk containers for contraband. For this strategy to be fully effective, the proper NII technology must be deployed to each location in order to improve our detection and inspection capabilities. The ARRA funding for the NII Systems program will help meet this strategy

NII equipment enables officers at ports of entry to inspect conveyances and cargo for illicit contraband, including WMD components and other instruments used to support terrorist activities. It allows officers to view areas that are difficult to access with conventional physical inspection; provides a non-intrusive method to safely examine the interior of conveyances that contain hazardous materials; permits safer and faster scanning for radioactive emissions; and improves the processing time devoted to inspections. Measures for the NII program for FY09 are in the table below, including ARRA supported measures. As the plans and milestones for the NII systems program are met in FY09, they will be updated for future years to reflect the capability available through the use of the FY09 ARRA funding.

Fiscal Year	Strategic Goal(s) Supported	Measurement Area	Measurement Category	Measurement Grouping	Measurement Indicator	Baseline	Target
2009	Protect our Nation from Dangerous People	Mission and Business Results	Homeland Security	Border and Transportation Security	Percentage of National total Inbound Exams of land, sea, and rail cargo completed using NII systems	20.3%	To maintain overall inspection rate of 20% for land, sea, and rail cargo as cargo volume increases
2009	Protect our Nation from Dangerous People	Processes and Activities	Productivity	Productivity	Total Number of Contraband Seizures reported in the NII utilization report	1,003	To maintain at least 100% of the seizure rate of the prior year.
2009	Protect our Nation from Dangerous People	Mission and Business Results	Homeland Security	Border and Transportation Security	Percentage of targeted containers, cargo, and international mail inspected	100%	To maintain 100% inspection rate of targeted containers, cargo, and international mail.
2009	Protect our Nation from Dangerous People	Technology	Reliability and Availability	Availability	Average percent of NII imaging equipment operational availability	95%	Maintain average operational availability for NII imaging equipment of 95%
2009	Protect our Nation from Dangerous People	Customer Results	Service Coverage	Frequency and Depth	Total number of large-scale NII systems operational in the field	234 large-scale NII systems deployed as of the end of FY09	Increase the number of NII systems deployed to 234 by the end of FY09. This does not include any of the 39 additional systems purchased with ARRA funding. The systems purchased with ARRA funding will be deployed after FY09

IX. Monitoring/Evaluation

The cost and schedule for the ARRA activities are monitored and evaluated by the CBP NII project management staff on an on-going basis with additional CBP and DHS oversight and monitoring. Periodic reporting is monthly into the CBP and DHS systems. Part of the reporting includes earned value management (EVM) to evaluate the current status of the program and ensure the ARRA funding and activities are managed in accordance with the plan and milestones or that corrective action is taken.

Physical monitoring and verification of Large Scale NII (LS-NII) equipment is accomplished by an NII equipment Test Team adhering to the LS-NII Test and Evaluation Master Plan (TEMP) for completion of either a Government Factory or Site Acceptance Test (GFAT or GSAT) during system deployments. These systems must be inspected, accepted, and deployed by CBP. Small scale equipment deliveries are physically verified by CBP managers at the site where they are received.

X. Transparency

CBP, through DHS, has a link at the www.recovery.gov web site that requires financial data related to ARRA funding to be submitted on a regular basis. CBP's enterprise wide financial system, utilizing SAP software, integrates budget, accounting, procurement and property data. As a result we are in a strong position to quickly and accurately provide financial and performance data. The NII Systems program will provide its program cost and performance information through the Department. This program does not involve the utilization of grant processing and therefore, does not need to collect, compile, and disseminate grantee performance information.

XI. Accountability

CBP's financial system and processes will provide a strong capability to measure performance against Recovery Act goals, in particular obligated, expended and undelivered measures. Consequently, we will be able to monitor our financial performance in an accurate and timely manner and identify any issues quickly. In addition, our system gives us the same ability to measure actual performance regarding competitive procurement activity.

XII. Barriers to Effective Implementation

Acquisition and deployment of NII systems, especially large scale systems, have inherent risks associated with them that are exacerbated by the expedited timeline required under the ARRA. While CBP expects to identify and eliminate potential risks, there are potential barriers to effective implementation that include:

- The high volume of acquisition activity may require procurement authorizations to take longer than desired to be released
- Manufacturers may not be able to produce the quantities of systems within the requested timeframes
- The needed ambitious site preparation schedule for large scale NII systems may result in some sites not being completed when the systems are delivered
- Large scale systems deployment teams may have difficulty testing and deploying systems at the desired rate
- System operators may have difficulty getting the training due to the number of locations at which training must be provided
- Training for replacement operators, new operators if a relocation of the equipment occurs at a later date, plus periodic refresher training during the life cycle of the equipment is not addressed in the ARRA funding.
- Routine and emergency repair and maintenance activities may not occur due to funding being restricted to acquisition and deployment, and/or to a lack of operations and maintenance (O&M) funding to support the systems in future years; should it not be provided.