

GAO

Testimony

Before the Subcommittee on Border,
Maritime and Global Counterterrorism,
Committee on Homeland Security, House
of Representatives

For Release on Delivery
Expected at 10:00 a.m. EDT
Wednesday, September 17, 2008

TRANSPORTATION SECURITY

Transportation Worker Identification Credential: A Status Update

Statement of Stephen M. Lord, Acting Director
Homeland Security and Justice Issues





Highlights of [GAO-08-1151T](#), a testimony before the Subcommittee on Border, Maritime, and Global Counterterrorism, Committee on Homeland Security, House of Representatives

Why GAO Did This Study

U.S. transportation systems and the estimated 4,000 transportation facilities move over 30 million tons of freight and provide an estimated 1.1 billion passenger trips each day. Since 2001 the Transportation Security Administration (TSA), part of the Department of Homeland Security (DHS) has protected these systems and facilities from terrorist attack. One program TSA utilizes is the Transportation Worker Identification Credential (TWIC) program, through which a common credential is being developed for transportation workers with access to secure areas. Ultimately planned for all transportation sectors, TSA, in cooperation with the U.S. Coast Guard, is initially focusing the TWIC program on the maritime sector.

This testimony discusses (1) the progress made in implementing the TWIC program and (2) some of the remaining program challenges. This testimony is based on GAO's September 2006 TWIC report, as well as selected updates and ongoing work. To conduct this work, GAO reviewed program requirements and guidance, documentation on the status of the TWIC program, and interviewed program officials from TSA and the Coast Guard.

What GAO Recommends

GAO has previously recommended that TSA conduct additional testing of the TWIC program to help ensure that all key components work effectively. TSA agreed with this recommendation and has taken action to implement it.

To view the full product, including the scope and methodology, click on [GAO-08-1151T](#). For more information, contact Stephen M. Lord at (202) 512-4379 or lords@gao.gov.

TRANSPORTATION SECURITY

Transportation Worker Identification Credential: A Status Update

What GAO Found

Since GAO's 2006 report on the TWIC program, TSA and the Coast Guard have made progress in addressing legislative requirements and implementing and testing the program through a prototype and pilot, as well as addressing GAO recommendations related to conducting additional systems testing. Although GAO has not yet evaluated the effectiveness of TSA's and the Coast Guard's efforts, the two agencies have taken the following actions to continue to implement the TWIC program:

- In January 2007, TSA and the Coast Guard issued the first rule in federal regulation to govern the TWIC program, setting the requirements for enrolling maritime workers in the TWIC program and issuing TWICs to these workers. The Coast Guard issued complementary guidance in July 2007 to explain how the maritime industry is to comply with these requirements.
- Enrollment efforts began at the Port of Wilmington, Delaware, in October 2007, and additional enrollments are under way through a contractor. Of the 1.2 million identified TWIC users, 492,928 (41 percent) were enrolled as of September 12, 2008.
- The TWIC program has initiated its TWIC Reader pilot to test card reader technology for use in controlling access to secure areas of maritime transportation facilities and vessels, and assess the impact of their installation on maritime operations. This pilot is expected to inform the development of a second TWIC rule on implementing access controls in the maritime environment.

TSA and the maritime industry continue to face two potential challenges in implementing the TWIC program.

- TSA and its enrollment contractor continue to face challenges in enrolling and issuing TWICs to a significantly larger population than was done during TWIC program prototype testing. TSA and its enrollment contractor now plan to enroll and issue TWICs to an estimated target population of 1.2 million workers by April 15, 2009, compared to 770,000 workers estimated in January 2007. Over 700,000 additional workers (59 percent of projected enrollees) still need to be enrolled in the program by the April 15, 2009 deadline.
- TSA and industry stakeholders will need to ensure that TWIC access control technologies perform effectively in the harsh maritime environment and balance security requirements with the flow of maritime commerce. While testing is underway, the lessons learned of the ongoing tests remain to be distilled and used to inform the development of additional regulatory requirements

Madame Chairwoman and Members of the Subcommittee:

Thank you for inviting me to participate in today's hearing on the status of the Transportation Security Administration's (TSA) Transportation Worker Identification Credential (TWIC) program. The TWIC program was created to help protect the nation's transportation facilities from the threat of terrorism by issuing identification cards only to workers who are not known to pose a terrorist threat and allowing these workers unescorted access to secure areas of the transportation system. Key aspects of the TWIC program include collecting personal and biometric information, such as fingerprints, to validate workers' identities; conducting background checks on transportation workers to ensure that they do not pose a security threat; and issuing tamper-resistant, biometric credentials, such as identification cards, for use in granting workers unescorted access to secure areas. The TWIC program is ultimately intended to support all modes of transportation. However, TSA, in partnership with the Coast Guard, is focusing initial implementation on the maritime sector.

The TWIC program was established to respond to the provisions of several pieces of legislation and subsequent programming decisions. In the aftermath of the September 11, 2001, terrorist attacks, the Aviation and Transportation Security Act (ATSA)¹ was enacted in November 2001 and, among other things, requires TSA, an agency within the Department of Homeland Security (DHS), to work with airport operators to strengthen access control points in secure areas and consider using biometric access control systems² to verify the identity of individuals who seek to enter a secure airport area. In response to ATSA, TSA established the TWIC program in December 2001. Enacted in November 2002, the Maritime Transportation Security Act of 2002 (MTSA)³ required the Secretary of Homeland Security to issue a maritime worker identification card that uses biometrics to control access to secure areas of maritime transportation facilities and vessels. In addition, the Security and Accountability For Every (SAFE) Port Act of 2006 amended MTSA to direct the Secretary of Homeland Security to, among other things,

¹Pub. L. No. 107-71, 115 Stat. 597 (2001).

²A biometric access control system consists of technology that determines an individual's identity by detecting and matching unique physical or behavioral characteristics, such as fingerprint or voice patterns, as a means of verifying personal identity.

³Pub. L. No. 107-295, 116 Stat. 2064 (2002).

implement the TWIC Program at the 10 highest-risk ports by July 1, 2007.⁴ TSA's responsibilities include enrolling TWIC users, conducting security threat assessments, and processing appeals to adverse TWIC qualification decisions. The Coast Guard is responsible for developing maritime security regulations and ensuring that maritime facilities and vessels are in compliance with these regulations.

We have reported on the status of the development and testing of the TWIC program several times. Our 2004 report⁵ identified challenges that TSA faced in developing regulations and a comprehensive plan for managing the program, as well as several factors that caused TSA to miss initial deadlines for issuing TWICs. In September 2006, we reported⁶ on challenges TSA encountered during TWIC program testing and several problems related to contract planning and oversight. We have since provided updates to this work in April and October 2007.⁷

My testimony today focuses on (1) the progress made since September 2006 in implementing the TWIC program and (2) some of the remaining challenges that TSA, the Coast Guard, and the maritime industry must overcome to ensure the successful implementation of the program. Today's observations are based on our September 2006 TWIC report, which reflects work conducted at TSA and the Coast Guard, as well as site visits to transportation facilities that participated in testing the TWIC program; our subsequent updates to this work issued in April and October 2007; and our ongoing review of the TWIC program initiated in July 2008. This current review of the implementation of the TWIC program will be published in 2009, and is being conducted for the Senate Committee on Commerce, Science, and Transportation; the House Committee on Homeland Security; and the House Committee on Transportation and

⁴Pub. L. No. 109-347, 120 Stat. 1884 (2006).

⁵GAO, *Port Security: Better Planning Needed to Develop and Operate Maritime Worker Identification Card Program*, [GAO-05-106](#) (Washington, D.C.: Dec. 10, 2004).

⁶GAO, *Transportation Security: DHS Should Address Key Challenges before Implementing the Transportation Worker Identification Credential Program*, [GAO-06-982](#) (Washington, D.C.: Sept. 29, 2006).

⁷GAO, *Transportation Security: TSA Has Made Progress in Implementing the Transportation Worker Identification Credential, but Challenges Remain*, [GAO-07-681T](#) (Washington, D.C.: Apr. 12, 2007), and GAO, *Transportation Security: TSA Has Made Progress in Implementing the Transportation Worker Identification Credential Program, but Challenges Remain*, [GAO-08-133T](#) (Washington, D.C.: Oct. 31, 2007).

Infrastructure. As part of our current engagement, we reviewed program documentation on the status of TWIC implementation; related guidance provided by the Coast Guard; information from maritime industry stakeholders, such as TWIC Stakeholder Communication Committee meeting minutes and reporting by the National Maritime Security Advisory Committee—an advisory council to DHS. In addition, we interviewed TWIC program officials from TSA—including the TWIC Program Director—and the Coast Guard regarding their efforts to implement the TWIC program and our prior recommendations although we did not independently assess the effectiveness of these efforts. We requested and received comments on the draft statement from TSA. We conducted this work from July 2008 through September 2008 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.

Summary

Since we reported on the TWIC program in September 2006,⁸ progress has been made in implementing the program. Although we have not yet independently assessed the effectiveness of these efforts, TSA and the Coast Guard have taken action to address legislative requirements to implement and test the program as well as our recommendations related to conducting additional systems testing. Specifically:

- TSA and the Coast Guard issued the first TWIC rule in January 2007, which sets forth the requirements for enrolling maritime workers in the TWIC program and issuing TWICs to these workers. In July 2007 the Coast Guard issued guidance complementing the January 2007 TWIC rule. This guidance provides additional context for how the maritime industry is to comply with this TWIC rule.
- Enrollment efforts have been underway. As of September 12, 2008, 492,928 enrollees, or 41 percent of the anticipated 1.2 million TWIC users, have enrolled in the TWIC program. Further, 318,738 TWICs have been activated and issued.

⁸[GAO-06-982](#).

-
- The TWIC program initiated the TWIC reader pilot to test TWIC access control technologies and their impact on maritime operations. A second rule is planned to be issued on the use of TWIC access control technologies,⁹ including TWIC readers, for confirming the identity of the TWIC holder against the biometric information on the TWIC. However, TSA has not established a date for completing the pilot.

TSA and maritime industry stakeholders face two potential challenges in implementing the TWIC program.

- As we have previously reported, TSA and its enrollment contractor continue to face the challenge of enrolling and issuing TWICs to a significantly larger population of workers than was previously estimated. TSA and its enrollment contractor now plan to enroll and issue TWICs to an estimated target population of 1.2 million workers by April 15, 2009, compared to 770,000 workers estimated in January 2007.¹⁰ While 492,928 enrollments (41 percent) out of an estimated target population of 1.2 million had been processed as of September 12, 2008, an additional 707,072 workers (59 percent) still need to be enrolled in the program by the April 15, 2009, deadline.
- As highlighted in our prior work, TSA and industry stakeholders will need to ensure that TWIC readers perform effectively in the harsh maritime environment and balance security requirements with the flow of maritime commerce. However, since testing of how this technology works in practice and accumulating the lessons learned remains ongoing, TSA and Coast Guard have yet to incorporate the results of these tests into the second rule establishing the requirements and time frames for implementing TWIC access control technologies. Our ongoing work will assess how the results of this testing is used to inform the development of a second TWIC rule, and help ensure an appropriate balance between security and commerce requirements.

⁹With regard to TWICs, access control technologies include, for example, card readers capable of reading TWICs, existing systems for controlling access at maritime transportation facilities and vessels, the TWIC database containing biometric information, and the interface between existing access control systems and the TWIC database.

¹⁰The January 2007 TWIC rule established that all maritime workers were expected to hold TWICs by September 25, 2008; however, the final compliance date has been extended from September 25, 2008 to April 15, 2009, pursuant to 73 Fed. Reg. 25562.

Background

Securing transportation systems and facilities is complicated, requiring balancing security to address potential threats while facilitating the flow of people and goods. These systems and facilities are critical components of the U.S. economy and are necessary for supplying goods throughout the country and supporting international commerce. U.S. maritime transportation systems and facilities¹¹ move over 30 million tons of freight and provide approximately 1.1 billion passenger trips each day. The ports of Los Angeles and Long Beach estimate that they alone handle about 43 percent of the nation's oceangoing cargo. The importance of these systems and facilities also makes them attractive targets to terrorists.

These systems and facilities are vulnerable and difficult to secure given their size, easy accessibility, large number of potential targets, and proximity to urban areas. A terrorist attack on these systems and facilities could cause a tremendous loss of life and disruption to our society. An attack would also be costly. According to testimony by a Port of Los Angeles official, a 2002 labor dispute that led to a 10-day shutdown of West Coast port operations cost the nation's economy an estimated \$1.5 billion per day.¹² A terrorist attack at a port facility could have a similar or greater impact.

One potential security threat stems from those individuals who work in secure areas of the nation's transportation system, including maritime transportation facilities, airports, railroad terminals, mass transit stations, and other transportation facilities. It is estimated that about 6 million workers, including longshoremen, mechanics, aviation and railroad employees, truck drivers, and others access secure areas of the nation's estimated 4,000 transportation facilities each day while performing their jobs. Some of these workers, such as truck drivers, regularly access secure areas at multiple transportation facilities. Ensuring that only workers who are not known to pose a terrorism security risk are allowed unescorted access to secure areas is important in helping to prevent an attack.

TWIC Program History

In the aftermath of the September 11, 2001, terrorist attacks, the TWIC program was established in December 2001 to mitigate the threat of

¹¹For the purposes of this report, the term maritime transportation facilities refers to seaports, inland ports, offshore facilities, and facilities located on the grounds of ports.

¹²Testimony of the Director of Homeland Security, Port of Los Angeles, before the United States Senate Committee on Commerce, Science, and Transportation, May 16, 2006.

terrorists and other unauthorized persons from accessing secure areas of the entire transportation network, by creating a common identification credential that could be used by workers in all modes of transportation.¹³ As of September 2008 appropriated funds for the program totaled \$103.4 million. Below are a number of key actions taken with respect to the implementation of the TWIC program.

- **November 2002:** Enactment of the Maritime Transportation Security Act of 2002, which required the Secretary of Homeland Security to issue a maritime worker identification card that uses biometrics to control access to secure areas of maritime transportation facilities and vessels.
- **August 2004 through June 2005:** As part of its prototype testing, TSA—through a private contractor—tested the TWIC program at 28 transportation facilities across the country.
- **August 2006:** TSA decided that the TWIC program would be implemented in the maritime sector using two separate rules. The first rule covers use of TWICs as a credential for gaining access to facilities and vessels. The second rule is planned to address the use of access control technologies, such as TWIC readers, for confirming the identity of the TWIC holder against the biometric information on the TWIC.
- **October 2006:** The SAFE Port Act directed the Secretary of Homeland Security to, among other things, implement the TWIC program at the 10 highest-risk ports by July 1, 2007, and to conduct a pilot program to test TWIC access control technologies, such as TWIC readers, in the maritime environment.
- **January 2007:** TSA and the Coast Guard issued a rule requiring worker enrollment and TWIC issuance. TSA also awarded a \$70 million contract to begin enrolling workers and issuing TWICs to workers.
- **July 2007:** The Coast Guard issued guidance on how the maritime industry is to comply with the January 2007 TWIC rule and how the Coast Guard will implement TWIC compliance efforts.

¹³TSA was transferred from the Department of Transportation to DHS pursuant to requirements in the Homeland Security Act of 2002 (Pub. L. No. 107-296, 116 Stat. 2135 (2002)).

-
- **June 2008:** As part of the TWIC reader pilot, TSA issued an agency announcement calling for biometric card readers to be submitted for assessment as TWIC readers.

Key Components of the TWIC Program

The TWIC program includes several key components:

- **Enrollment:** Transportation workers will be enrolled in the TWIC program at enrollment centers by providing personal information, such as name, date of birth, and address, and will be photographed and fingerprinted. For those workers who are unable to provide quality fingerprints, TSA is to collect an alternate authentication identifier.
- **Background checks:** TSA will conduct background checks on each worker to ensure that individuals do not pose a security threat. These will include several components. First, TSA will conduct a security threat assessment that may include, for example, checks of terrorism databases or watch lists, such as TSA's No-fly and selectee lists. Second, a Federal Bureau of Investigation criminal history records check will be conducted to identify if the worker has any disqualifying criminal offenses. Third, the worker's immigration status and prior determinations related to mental capacity will be checked. Workers will have the opportunity to appeal negative results of the threat assessment or request a waiver in certain circumstances.
- **TWIC production:** After TSA determines that a worker has passed the background check, the worker's information is provided to a federal card production facility where the TWIC will be personalized for the worker, manufactured, and then sent back to the enrollment center.
- **Card issuance:** Transportation workers are to be informed when their TWICs are ready to be picked up at enrollment centers. Once a TWIC has been activated and issued, workers may present their TWICs to security officials when they seek to enter a secure area, and in the future may use biometric card readers to verify identify.

Progress Has Been Made in Implementing the TWIC Program

Several positive steps have been taken since our September 2006 report¹⁴ toward successfully implementing the TWIC program. One key step was the issuance of the first TWIC rule by TSA and the Coast Guard in January 2007 establishing requirements for providing workers and merchant mariners access to maritime transportation facilities and vessels. To help facilitate the rule's implementation, in July 2007 the Coast Guard issued complementary guidance to help the maritime industry comply with the new TWIC regulations and facilitate the Coast Guard's implementation of TWIC-related compliance efforts. In addition, enrollment efforts have been under way, and 41 percent of the estimated 1.2 million people needing TWICs have been enrolled. Finally, the TWIC program has initiated the TWIC reader pilot and is moving forward in testing TWIC access control technologies and their impact on maritime operations. However, TSA has not established time frames for completing this pilot program, the results of which will be used to inform the second rulemaking related to TWIC access control technologies.

TSA and the Coast Guard Issued a TWIC Rule, and Coast Guard Has Issued Complementary Guidance to Facilitate TWIC's Implementation

On January 25, 2007, TSA and the Coast Guard issued the first TWIC rule that, among other things, sets forth the regulatory requirements for enrolling workers and issuing TWICs to workers in the maritime sector. Specifically, this TWIC rule provides that workers and merchant mariners requiring unescorted access to secure areas of maritime transportation facilities and vessels must enroll in the TWIC program, undergo a background check, and obtain a TWIC before such access is granted. In addition, the rule requires owners and operators of MTSA-regulated maritime transportation facilities and vessels to change their existing access control procedures to ensure that a merchant mariner and any other individual seeking unescorted access to a secure area of a facility or vessel has a TWIC.¹⁵ Table 1 describes the key requirements in the first TWIC rule.

¹⁴GAO-06-982.

¹⁵Persons not required to obtain or possess TWICs before accessing secure areas include, for example, federal officials with specified types of credentials, state or local law enforcement officials, and state or local emergency responders.

Table 1: Key Requirements in the January 2007 TWIC Rule

Requirement	Description of requirement
Transportation workers	Individuals who require unescorted access to secure areas of maritime transportation facilities and vessels, and all merchant mariners, must obtain a TWIC before such access is granted.
Fees	All workers applying for a TWIC will pay a fee of \$132.50 to cover the costs associated with the TWIC program. Workers that have already undergone a federal threat assessment comparable to the one required to obtain a TWIC will pay a reduced fee of \$105.25. The replacement fee for a TWIC will be \$60.
Access to secure areas of maritime facilities and vessels	By no later than April 15, 2009, ¹⁶ facilities and vessels currently regulated under the Maritime Transportation Security Act must change their current access control procedures to ensure that any individual or merchant mariner seeking unescorted access to a secure area has a TWIC.
Newly hired workers and escorting procedures	Newly hired workers who have applied for, but have not received, their TWIC, will be allowed access to secure areas for 30 days as long as they meet specified criteria, such as passing a TSA name-based background check, and only while accompanied by another employee with a TWIC. Individuals that need to enter a secure area but do not have a TWIC must be escorted at all times by individuals with a TWIC.
Background checks	All workers applying for a TWIC must provide certain personal information and fingerprints to TSA so that they can conduct a security threat assessment, which includes a Federal Bureau of Investigation fingerprint-based criminal history records check, and an immigration status check. In order to qualify for a TWIC, workers must not have been incarcerated or convicted of certain disqualifying crimes, must have legal presence or authorization to work in the United States, must have no known connection to terrorist activity, and cannot have been adjudicated as lacking mental capacity or have been committed to a mental health facility.
Appeals and waiver process	All TWIC applicants will have the opportunity to appeal a background check disqualification through TSA, or apply to TSA for a waiver of certain disqualifying factors, either during the application process or after being disqualified for certain crimes, mental incapacity, or if they are aliens in Temporary Protected Status. Applicants who apply for a waiver and are denied a TWIC by TSA, or applicants who are disqualified based on a determination that he or she poses a security threat, may, after an appeal, seek review by a Coast Guard administrative law judge.
Access control systems	The Coast Guard will conduct unannounced inspections to confirm the identity of TWIC holders using hand-held biometric card readers (i.e., TWIC readers) to check the biometric on the TWIC against the person presenting the TWIC. In addition, security personnel will conduct visual inspections of the TWICs and look for signs of tampering or forgery when a worker enters a secure area.

Source: GAO analysis of TWIC rule and TSA information.

The January 2007 TWIC rule does not currently require owners and operators of maritime transportation facilities and vessels to employ TWIC readers to verify the biometric feature (e.g., TWIC holder’s fingerprints) of the TWIC. These requirements are to be issued under a second rule at a

¹⁶The final compliance date has been extended from September 25, 2008, to April 15, 2009 (73 Fed. Reg. 25562 (May 7, 2008)).

later date. As a result, the TWIC will initially serve as a visual identity badge (i.e., a “flash pass”) until the new rule requires that TWIC access control technologies, such as TWIC readers, be installed to verify the credentials when a worker enters a secure area. According to TSA, during initial implementation, workers will present their TWICs to authorized security personnel, who will compare each TWIC holder to his or her photo and inspect the card for signs of tampering. In addition, the Coast Guard will verify TWICs when conducting vessel and facility inspections and during spot checks using handheld TWIC readers to ensure that credentials are valid.

On July 2, 2007, the Coast Guard also issued some supplementary guidance to help facilitate implementation of the January 2007 TWIC rule. Among other issues, the Coast Guard’s Navigation and Vessel Inspection Circular (NVIC) Number 03-07 is designed to clarify the TWIC enrollment and issuance process, the waiver and application process, and approaches for enforcing TWIC program compliance. For instance, with regard to TWIC enrollment, the NVIC provides guidance on applying for appeals to disqualification decisions. The NVIC also provides guidance for escorting non-TWIC holders in secure areas. Under current procedures, one TWIC holder is allowed to escort 10 non-TWIC holders in secure areas of a facility.

TWIC Enrollment Efforts Are Progressing

As we reported in October 2007,¹⁷ following the issuance of the first TWIC rule in January 2007, TSA awarded a \$70 million contract to a private contractor to enroll the then estimated 770,000 workers required to obtain TWICs. Since our last update, enrollment in the TWIC program has progressed. TSA began enrolling and issuing TWICs to workers at the Port of Wilmington, Delaware, on October 16, 2007. Since then, 148 of 149 enrollment centers have been opened to meet TWIC enrollment demand, with the remaining center scheduled to be opened by September 17, 2008. Additionally, according to TSA, mobile centers have been deployed on an as-needed basis. As of September 12, 2008, TSA reports 492,928 enrollments and 318,738 TWICs activated and issued. All maritime workers are expected to hold TWICs by the January 2007 TWIC rule’s revised compliance deadline of April 15, 2009.

¹⁷[GAO-08-133T](#).

TWIC Reader Pilot Has Been Initiated to Test TWIC-Related Access Control Technologies

In response to our recommendation,¹⁸ and as required by the Safe Port Act,¹⁹ TSA has initiated a pilot, known as the TWIC reader pilot, to test TWIC-related access control technologies. This pilot is intended to test the business processes, technology, and operational impacts resulting from the deployment of TWIC readers at secure areas of the marine transportation system. As such, the pilot is expected to test the viability of existing biometric card readers for use in reading TWICs within the maritime environment. It will also test the technical aspects of connecting existing access control systems at maritime transportation facilities and vessels to TWIC readers and databases containing the required biometric information, for confirming the identity of the TWIC holder against the biometric information on the TWIC. After the pilot has concluded, the results are expected to inform the development of the second rule requiring the deployment of TWIC readers for use in controlling access in the maritime environment. However, at this time, TSA officials do not yet have a date established for the completion of this pilot. Further, time frames for completing the second rule are not set.

The TWIC reader pilot consists of three assessments with the results of each assessment intended to inform subsequent assessments. This testing is currently under way, and we will analyze the test results as part of our ongoing work. The three assessments are as follows:

- **Initial technical testing:** This assessment is laboratory-based and is designed to determine if selected biometric card readers meet TWIC card-reader specifications.²⁰ These specifications include technical and environmental requirements deemed necessary for use in the harsh maritime environment. At the completion of initial technical testing, a formal test report will be developed to prioritize all problems with readers based on their potential to adversely impact the maritime transportation facility or vessel. Based on this assessment, readers with problems that would severely impact maritime operations are not to be recommended for use in the next phase of testing. At this time, TSA is conducting the initial technical testing portion of the TWIC reader pilot. As part of this assessment, in June 2008, TSA issued an announcement calling for biometric card readers to be submitted for

¹⁸GAO-06-982.

¹⁹Pub. L. No. 109-347, 120 Stat. 1884, 1889-90 (2006).

²⁰TWIC Card Reader Specifications were first published in September of 2007 and last updated on May 30, 2008.

assessment as TWIC readers. According to the TWIC Program Director, an initial round of TWIC reader testing has been completed and a second round of testing has been initiated. This is expected to provide a broader range of readers to be used as part of subsequent assessments.

- **Early operational assessment:** This assessment is to evaluate the impact of TWIC reader implementation on the flow of commerce. Key results to be achieved as part of this assessment include obtaining essential data to inform development of the second rule, assessing reader suitability and effectiveness, and further refining reader specifications. As part of this process, maritime transportation facilities and vessels participating in the pilot are to select the readers they plan to test and install, and test readers as part of the test site's normal business and operational environment. In preparation for the early operational assessment segment of this pilot, the TWIC Program Director stated that program staff have started working with pilot participants to review test plans and expect to initiate the early operational assessment portion of the pilot in early 2009. As part of this pilot, TSA is partnering with maritime transportation facilities at five ports as well as three vessel operators.²¹ TSA's objective is to include pilot test participants that are representative of a variety of maritime transportation facilities and vessels in different geographic locations and environmental conditions.
- **System test and evaluation:** Building on the results of the initial technical testing and the early operational assessment, the system test and evaluation is intended to evaluate the full impact of maritime transportation facility and vessel operators complying with a range of requirements anticipated to be included in the second TWIC rule, such as TWIC reader effectiveness, suitability, and supportability. In addition, this evaluation is expected to establish a test protocol for evaluating readers prior to acquiring them for official TWIC implementation.

Our ongoing review of the TWIC program will provide additional details on the results of the TWIC reader pilot and how these results helped inform the anticipated second TWIC rule.

²¹Port test participants include the port authorities of Los Angeles, Long Beach, Brownsville, New York, and New Jersey. In addition, vessel operation participants include the Staten Island Ferry in Staten Island, New York; Magnolia Marine Transports in Vicksburg, Mississippi; and Watermark Cruises in Annapolis, Maryland.

TSA and Maritime Industry Stakeholders Face Two Potential Challenges in Implementing the TWIC Program

TSA and maritime industry stakeholders face two potential challenges in ensuring that the TWIC program will be implemented successfully. TSA and its enrollment contractor are planning to enroll and issue TWICs to a significantly larger population of workers than was originally estimated. Specifically, TSA estimates that it will need to issue TWICs to 1.2 million workers by April 15, 2009.²² This target population is significantly larger than the estimated target population identified in the January 2007 rule. Further, TSA and maritime industry stakeholders also face challenges in ensuring that TWIC access control technologies, such as biometric card readers, work effectively in the harsh maritime environment and ensuring that security requirements are balanced with the flow of commerce. However, since TSA is still testing this technology and accumulating the lessons learned from this testing, it is unclear how effectively this technology works in practice. These testing results will be used to help inform the development of the second rule establishing the requirements and time frames for implementing TWIC access control technologies. Our ongoing work will assess how the results of this testing are used to inform the development of the second rule and help ensure an appropriate balance between security and commerce.

Increase in estimated target population one of Several Issues Identified During the Initial Enrollment Process

In September 2006 we reported²³ that TSA faced the challenge of enrolling and issuing TWICs in a timely manner to a significantly larger population of workers than was done during the TWIC prototype test, which was conducted from August 2004 through June 2005. Since then, steps have been taken to improve the enrollment and TWIC issuance process. For example, according to TSA officials, the TWIC enrollment systems were tested to ensure that they would work effectively and be able to handle the full capacity of enrollments during implementation.

Despite these positive steps, there have been issues associated with the TWIC enrollment process. As documented in TWIC program documentation, enrollment issues include miscommunication about the wait time for TWICs to be available, such as enrollees being told that TWICs would be available in 10 to 30 days rather than 6 to 8 weeks. In addition, help desk issues existed, such as approximately 70 percent of calls placed to the help desk being abandoned and call wait times reported

²²As previously noted, the final compliance date has been extended from September 25, 2008, to April 15, 2009 (73 Fed. Reg. 25562 (May 7, 2008)).

²³[GAO-06-982](#).

to be as long as 20 minutes when they were planned for 3 minutes. According to TSA officials, actions have been taken to address these problems.

Additionally, in July 2008, the National Maritime Security Advisory Committee—chartered to advise, consult with, report to, and make recommendations to the Secretary of the Department of Homeland Security on matters relating to maritime security—reported²⁴ on several unresolved problems, which it contends help to foster an unfavorable sentiment among stakeholders.²⁵ Among other issues, the committee report noted

- poor communication and outreach regarding the trucking and merchant mariner communities, and whether these communities are fully aware of TWIC program requirements, and
- technical issues whereby biometric scanning equipment did not accurately record and process enrollee fingerprint templates.

TWIC program management disputed the National Maritime Security Advisory Committee's findings, stating that some of the findings in the report are outdated or inaccurate. For instance, according to the TWIC Program Director, the fingerprint rejection rates for the program are within acceptable standards as defined in the contract and are consistent with other government experiences. Moreover, the Program Director noted that to be helpful, the committee needs to prioritize the issues it identified. TSA plans to meet with the committee on September 18, 2008 to respond to the report.

Nevertheless, TWIC program management and the contractor report that they have taken action to remediate several of the problems identified above. For example, to address the issues related to the help desk, TWIC program management reports that it worked with its contractor to add additional resources at the help desk to meet call volume demand. Similarly, to counter the lack of access or parking at enrollment centers at

²⁴National Maritime Security Advisory Committee, TWIC Working Group, Discussion Items, as amended July 30, 2008.

²⁵The National Maritime Security Advisory Committee was established under the authority of the Maritime Transportation Security Act of 2002 to provide advice and make recommendations to the Secretary of Homeland Security via the Commandant of the Coast Guard on national maritime security matters.

Additional Steps Are Being Taken to Clarify Final Enrollment Figures and Address Enrollment Challenges

the Port of Los Angeles, TSA's contractor opened an additional enrollment facility with truck parking access as well as extended operating hours.

To help meet the challenge of enrolling and issuing TWICs to an estimated 1.2 million workers by April 15, 2009, TSA and the Coast Guard are working to update estimates for the number of people requiring TWICs. TWIC program management does not have a precise estimate of the total number and location of potential enrollees. For instance, while the January 2007 TWIC rule identifies that 770,000 TWIC enrollments were anticipated, that number has been revised to approximately 1.2 million—nearly double the original estimate. According to the TWIC Program Director, it is difficult to know how many individuals will enroll in the program as no association, port owner, or government agency previously tracked this information. The Program Director also told us that some anticipated enrollees may have been double counted. Therefore, the number of enrollees that actually enroll may be fewer than the estimated 1.2 million. As part of an effort to develop better enrollee estimates, TSA reports that it is currently completing a contingency analysis in coordination with the Coast Guard that will better identify the size of its target enrollee population at major ports. For example, in preparation for meeting enrollment demands at the Port of Houston, TWIC program officials are updating prior estimates of maritime workers requiring TWICs for access to this port's facilities. To better meet possible short-term spikes in enrollment application demand—such as in final weeks before individual ports must meet final TWIC enrollment requirements—the TWIC program is promoting the use of mobile enrollment centers whereby temporary centers are set up to help enroll employees for TWICs.

However, given that 492,928 enrollments (41 percent) out of an estimated target population of 1.2 million had been processed as of September 12, 2008, an additional 707,072 workers (59 percent) still need to be enrolled in the program by the April 15, 2009 deadline. Further, assuming the current rate of enrollment, there will be an estimated shortfall of 393,391 TWIC enrollees in April 2009. As such, meeting final enrollment and TWIC issuance requirements by April 15, 2009, could pose a challenge. We will continue to monitor these efforts as part of our ongoing engagement.

TSA and Industry Stakeholders Taking Steps to Ensure That TWIC Access Control Technologies Work Effectively in a Harsh Maritime Environment

In our September 2006 report,²⁶ we noted that TSA and maritime industry stakeholders faced significant challenges in ensuring that TWIC access control technologies, such as biometric card readers, work effectively in the maritime sector. Few facilities that participated in the TWIC prototype tested the use of biometric card readers. As a result, TSA obtained limited information on the operational effectiveness of biometric card readers for use with TWICs, particularly when individuals use these readers outdoors in the harsh maritime environment, where they can be affected by dirt, salt, wind, and rain. In addition, TSA did not test the use of biometric card readers on vessels, although they will be required on vessels in the future. Further, industry stakeholders with whom we spoke were concerned about

- the costs of implementing and operating TWIC access control systems,
- linking card readers to their local access control systems, and
- how biometric card readers would be implemented and used on vessels.

Because of comments received from maritime industry stakeholders prior to issuing its January 2007 TWIC rule, TSA and Coast Guard excluded all access control requirements from this rule. Instead, TSA and Coast Guard now plan to issue a second TWIC rule pertaining to access control requirements, such as TWIC readers.

In our September 2006 report, we noted²⁷ that TSA and industry stakeholders will need to consider the security benefits of the TWIC program and the impact the program could have on maritime commerce. According to TSA, if implemented effectively, the security benefits of the TWIC program in preventing a terrorist attack could save lives and avoid a costly disruption in maritime commerce. Alternatively, if key components of the TWIC program, such as biometric card readers, do not work effectively, they could slow the daily flow of commerce.

Our September 2006 report²⁸ also recommended that TSA conduct additional testing to ensure that TWIC access control technologies work effectively and that the TWIC program balances the security benefits of

²⁶ GAO-06-982.

²⁷ GAO-06-982.

²⁸ GAO-06-982.

the program with the impact that it could have on the flow of maritime commerce. In response to our recommendation and to address SAFE Port Act requirements,²⁹ TSA has initiated a TWIC reader pilot that, as previously discussed, includes an assessment of card readers against TWIC technical and environmental specifications. In addition, the pilot will include testing at various maritime transportation facilities and vessels to assess the performance of biometric card readers as well as the impact TWIC use will have on operations when used as part of existing maritime transportation facility and vessel access control systems. The results of this pilot are to be used to help develop the second TWIC rule on TWIC access control technologies, such as TWIC readers. However, as discussed earlier, this testing is still under way and TSA has not established a date for completing the pilot program. Moreover, a date has not been set for issuing the second TWIC rule on the requirements and time frames for implementing the TWIC access control technology. Our ongoing work will assess how the lessons learned from the testing are used to inform the development of the second rule and help ensure an appropriate balance between security and commerce.

Concluding Observations

Addressing the issue of maritime security is a major challenge given the size and complexity of the maritime transportation network. Since we first reported on the TWIC program in December 2004,³⁰ TSA has made progress toward implementing the program, including issuing a TWIC rule, enrolling some workers in the program, and conducting additional testing at several key maritime transportation facilities and vessels. While the additional testing that TSA reports conducting and the actions it has taken should help address the challenges that we have previously identified, the effectiveness of these efforts will not be clear until the program further matures. TSA still faces the challenges of clarifying the size of its target enrollee population and ensuring that the lessons learned from the ongoing TWIC pilot are distilled and used to inform the development of additional regulatory requirements. Given the looming April 2009 enrollment deadline and that more than 700,000 workers still need to be enrolled in the program, a late enrollment surge could potentially impact maritime security and trade. Successfully addressing these challenges will

²⁹The SAFE Port Act requires TSA to issue a final rule containing the requirements for installing and using TWIC access control technologies no later than two years after the initiation of the pilot.

³⁰[GAO-05-106](#).

help ensure that TWIC meets the goal of establishing an interoperable security network based on a common identification credential.

Madame Chairwoman, this concludes my statement. I would be pleased to answer any questions that you or other members of the subcommittee may have at this time.

Contacts and Acknowledgments

For further information on this testimony, please contact Stephen M. Lord at (202) 512- 4379 or at lords@gao.gov. Individuals making key contributions to this testimony include Cathleen Berrick, David Bruno, Chris Currie, Joseph Cruz, Lemuel Jackson, Sally Williamson, Geoffrey Hamilton, and Julie Silvers.

This is a work of the U.S. government and is not subject to copyright protection in the United States. It 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.

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 Web site (www.gao.gov). Each weekday, GAO posts newly released reports, testimony, and correspondence on its Web site. To have GAO e-mail you a list of newly posted products every afternoon, go to www.gao.gov and select "E-mail Updates."

Order by Mail or Phone

The first copy of each printed report is free. Additional copies are \$2 each. A check or money order should be made out to the Superintendent of Documents. GAO also accepts VISA and Mastercard. Orders for 100 or more copies mailed to a single address are discounted 25 percent. Orders should be sent to:

U.S. Government Accountability Office
441 G Street NW, Room LM
Washington, DC 20548

To order by Phone: Voice: (202) 512-6000
TDD: (202) 512-2537
Fax: (202) 512-6061

To Report Fraud, Waste, and Abuse in Federal Programs

Contact:

Web site: www.gao.gov/fraudnet/fraudnet.htm

E-mail: fraudnet@gao.gov

Automated answering system: (800) 424-5454 or (202) 512-7470

Congressional Relations

Ralph Dawn, Managing Director, dawnr@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