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United States
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DEPARTMENT OF HOMELAND SECURITY

U. S. COAST GUARD

STATEMENT OF

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ON THE

**TRANSPORTATION WORKER IDENTIFICATION CREDENTIAL (TWIC):
A STATUS UPDATE**

BEFORE THE

COMMITTEE ON HOMELAND SECURITY

**SUBCOMMITTEE ON BORDER, MARITIME AND
GLOBAL COUNTERTERRORISM**

U. S. HOUSE OF REPRESENTATIVES

SEPTEMBER 17, 2008

Good Morning Mr. Chairman and distinguished Members of the Committee, thank you for the opportunity to provide you an update about how the Coast Guard and the Transportation Security Administration (TSA) are partnering to implement the Transportation Worker Identification Credential (TWIC) program. I am Rear Admiral James Watson, Director of Prevention Policy.

At the outset, I would like to note with the commencement of TWIC enrollment in Wilmington, Delaware on October 16, 2007, and the 148 other enrollment centers thereafter, this program reached a major milestone where the plans and capabilities developed in the past will yield the security benefits envisioned for our ports and vessels. In the 20 months since the Department of Homeland Security (DHS) published the TWIC requirements in a Final Rule, the Coast Guard and TSA have been developing regulations, policies, systems, and capabilities to serve as a solid foundation for enrollment and compliance. The deliberate process and careful steps taken to lay this foundation have been absolutely crucial to ensuring that we gain the full security benefit from TWIC, facilitating compliance for the approximate 1.2 million people who are required to enroll.

Background

The TWIC program builds on the security framework established by Congress in the Maritime Transportation Security Act (MTSA) of 2002. Coast Guard regulations stemming from the Act established security requirements for maritime vessels and facilities posing a high risk of being involved in a transportation security incident. MTSA also required DHS to issue a biometric transportation security card to all licensed and documented U.S. mariners as well as those individuals granted unescorted access to secure areas of MTSA-regulated vessels and facilities. TSA was assigned this requirement, and because of our overlapping responsibilities, the Coast Guard and TSA formally joined efforts to carry out the TWIC program in November 2004. In this partnership, TSA is responsible for TWIC enrollment, security threat assessment and adjudication, card production, technology, TWIC issuance, conduct of the TWIC appeal and waiver process as it pertains to credential issuance, and management of government support systems. The Coast Guard is responsible for establishing and enforcing TWIC access control requirements at MTSA-regulated vessels and facilities. Both agencies communicate daily to make sure our collective efforts achieve the increased security objectives envisioned in MTSA.

TSA and the Coast Guard published a joint TWIC Notice of Proposed Rulemaking (NPRM) on May 22, 2006. Following the publication of the NPRM and the subsequent comment period, Congress enacted the Security and Accountability for Every Port Act of 2006 (the SAFE Port Act). The SAFE Port Act created new statutory requirements for the TWIC Program, including: the commencement of a pilot program to test the viability of TWIC cards and readers in the maritime environment; deployment of the program in priority ports by set deadlines; inclusion of a provision to allow newly hired employees to work while their TWIC application is being processed; and concurrent processing of the TWIC and merchant mariner applications.

TSA and the Coast Guard published the TWIC 1 Final Rule on January 25, 2007, in which the Coast Guard's MTSA regulations and TSA's Hazardous Material Endorsement regulations were amended to incorporate the TWIC requirements. After receiving many comments and concerns regarding technology issues of the reader requirements as proposed in the NPRM, we removed from this final rule the requirements to install TWIC readers at vessels and facilities. This requirement is currently being addressed in a second notice and comment rulemaking which I will discuss hereafter.

On May 7, 2008, TSA and the Coast Guard published a Final Rule moving the compliance date from September 25, 2008 to April 15, 2009. This extension provides 18 months from the initial enrollment center opening to the compliance date, the intended timeline of the TWIC 1 Final Rule. By extending the compliance date, this ensures that every individual who requires a TWIC will have the opportunity to enroll and TSA will have time to complete the security threat assessments on all applicants. This now allows mariners until April 15, 2009, to obtain a valid TWIC.

Owners and operators of MTSA regulated vessels have until the new compliance date to implement access control procedures using TWIC. For owners and operators of facilities and Outer Continental Shelf (OCS) facilities, the Coast Guard has begun announcing rolling Captain of the Port (COTP) zone compliance dates requiring the use of TWIC in access control procedures before April 15, 2009 in accordance with the TWIC 1 Final Rule.

The Coast Guard, TSA and TSA's contractor, Lockheed Martin, worked collaboratively to develop the rolling COTP zone compliance dates. Factors taken into account when determining dates include progress of TWIC enrollment and activation, estimated TWIC population, and the enrollment capacity in a given COTP zone. COTP zones are grouped geographically for compliance where possible to account for the regional nature of commercial operations and to address concerns regarding port competition within geographical regions. Compliance dates seek to balance progress of enrollment with the need to motivate individuals to enroll. Capacity to enroll the TWIC populations is also a critical factor. In general, COTPs with smaller estimated TWIC populations and fewer enrollment locations were grouped together for earlier compliance while larger populated port areas with multiple locations were grouped later in the compliance schedule to facilitate a smooth transition from the enrollment phase to compliance.

At present, TWIC compliance dates have been announced for 30 of the 42 COTP zones. The first compliance date of October 15, 2008, was published in the Federal Register on May 7, 2008, for COTP Zones Boston, Northern New England, and Southeastern New England. The most recent announcement for a TWIC compliance date of January 13, 2009, was announced for COTP zones Hampton Roads, Morgan City, New Orleans, Upper Mississippi River, Miami, Key West, and St. Petersburg on September 9th, 2008.

Policy

The Coast Guard and TSA developed several supplementary documents to help those who are required to comply with the regulation. To explain in detail how the Coast Guard intends to apply TWIC regulations, we established policy guidance in the form of a Navigation and Vessel Inspection Circular (NVIC), and provided answers in three Policy Advisory Council Frequently Asked Questions documents which were made available to the industry and general public on July 6, 2007, November 21, 2007 and January 7, 2008 respectively.

The Policy Advisory Council is a group which was established during the original implementation of the MTSA regulations. It is made up of Coast Guard representatives from Headquarters, Area, and District level commands that are charged with considering questions from stakeholders and/or field offices to ensure consistent interpretation of regulation. These guidance documents will assist the maritime industry and general public with TWIC compliance and are designed to ensure consistent application across all of our MTSA regulated facilities and vessels.

Additionally two Small Business Administration Compliance Guides, one for owners and operators and another for TWIC applicants, were written to explain the program in basic language intended for the general public. These guides are available on our web sites and at our field units in printed form.

Internal guidance documents for training, implementation, and enforcement for Coast Guard and TSA personnel were approved and distributed to field personnel during the first week of September.

Stakeholder Engagement and Outreach

From the onset, we have recognized that engagement with our affected stakeholders is crucial to successful implementation. The responses received during the NRPM comment period, for example, provided valuable insight into the unique operational issues facing labor, maritime facilities, and vessels required to comply with TWIC requirements. Comments questioning the technological and economic feasibility of employing the TWIC cards and card readers in the maritime environment led to splitting the rule, with the card reader requirements forming a separate, pending rulemaking.

The Coast Guard also solicited comments from Coast Guard field units and industry stakeholders while drafting the TWIC NVIC. We received over 400 comments voicing general support for the policy and highlighting issues which needed more clarification. The stakeholder dialogue continues and informs Policy Advisory Council decisions that aid in consistent TWIC implementation.

Since publication of the Final Rule, the Coast Guard, TSA and TSA's contractor Lockheed Martin have conducted numerous outreach events at national venues such as the Passenger Vessel Association, American Waterways Operators, National Association of Charter Boat Operators, National Association of Waterfront Employers, and National Petrochemical Refiners Association meetings, SMART card and biometric industry conferences, maritime union meetings, American Association of Port Authorities conferences, and many others.

While TSA has primary responsibility for outreach, the Coast Guard through Captain of the Port (COTP) and Area Maritime Security Committees (AMSC) continues to closely monitor and encourage enrollment for TWIC and work collaboratively with owners and operators of regulated facilities and vessels to ensure industry will be ready for compliance.

Enrollment Status

The first enrollment center opened on October 16, 2007. With the opening of the enrollment center in Saipan, all 149 enrollment centers are currently operational. As of September 5th, 2008, more than 483,000 people have enrolled for their TWIC. The estimated population for those who will require this credential is between 750,000 and 1.2 million individuals.

Compliance

The Coast Guard has the primary responsibility for ensuring compliance with the TWIC regulations. We are working extensively with our DHS partners, including TSA and Customs and Border Protection (CBP), to develop enforcement assistance protocols.

We have instituted several initiatives to encourage TWIC enrollment and to prepare owners and operators for compliance. One example is allowing MTSA exercise credit for facilities and vessels that survey TWIC holders through anticipated screening tactics and provide the data to the COTPs on the number of employees who have enrolled and activated their TWICs.

We are also performing spot checks at facilities to gauge overall compliance. The data collected from these efforts is critical in understanding the overall readiness for compliance within a geographic region.

Reader Requirements

The Coast Guard, with the support of TSA, has commenced work on the second TWIC rule which will address the requirement for TWIC readers in the maritime environment. Our intent for this rulemaking is to apply requirements in a risk-based fashion to leverage security benefits and capabilities. The Coast Guard solicited and received valuable input and recommendations from the Towing Safety Advisory Committee (TSAC), Merchant Marine Personnel Advisory Committee (MERPAC), and the National Maritime Security Advisory Committee (NMSAC) on specific aspects of potential applications of readers for vessels and facilities. As in all aspects of the TWIC program, our goal is to enhance maritime security while balancing the impact upon the stakeholders who are at the forefront of providing that security. As we evaluate the economic and operational impact on the maritime industry, we will continue to seek input and recommendations to develop and propose regulations requiring industry compliance.

Reader Pilot Testing

In accordance with the SAFE Port Act of 2006, TSA and the Coast Guard identified geographically and operationally diverse port and vessel locations willing to participate in the TWIC reader pilot testing. We are engaged in planning these pilot tests with ports and facilities including Los Angeles, Long Beach, New York, New Jersey, Brownsville, Magnolia Marine in Vicksburg, MS, Kinder Morgan in Chicago, IL, and Watermark Cruises in Annapolis, MD. All involved ports and facilities volunteered to participate and have received grants to purchase and install readers with necessary equipment. The initial planning and testing protocols have been developed and we look forward to deploying and testing readers in real world environments over the coming months. The data and lessons learned from the pilot tests will be invaluable information for the second proposed rulemaking.

The Way Ahead

As enrollment rolls out across the country, the Coast Guard is also focusing on implementation and enforcement of the TWIC regulations. Compliance for MTSA regulated facilities will be staged for each COTP Zone to gain the security benefits of the program as early as possible. TSA and the Coast Guard are continuing to monitor enrollment progress and trends. As we consider appropriate COTP zone compliance dates, we are mindful to balance the motivation to enroll with the capacity to deliver. In each case, the Coast Guard will announce compliance dates for each zone at least 90 days in advance. Currently, vessels and all mariners will be required to have TWICs by the national compliance date of April 15, 2009. Thus far, we have announced compliance dates for MTSA regulated facilities in 30 out of 42 COTP zones

To leverage TWIC's biometric capability, the Coast Guard is procuring handheld biometric card readers to enable verification of identity and validity of credentials during vessel and facility inspections and spot checks. We are also on track with developing the systems necessary to implement the provision for newly hired employees to work while they await issuance of a TWIC.

Conclusion

The TWIC program is a complex endeavor. We continue to work closely with TSA to facilitate outreach to the maritime industry and improve enrollment processes. We have accomplished important milestones, strengthened working relationships with public and industry stakeholders, and held a steadfast commitment to protecting the maritime transportation system while facilitating commerce. While we have accomplished a great deal, much work remains involving implementation, compliance, enforcement, and continued industry engagement. As in the past, we will ensure Congress is informed of our progress.

Thank you for the opportunity to testify today. I look forward to your questions.