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**Questions and Answers for
the Committee on Energy
and Commerce,
House of Representatives**

On the e-Passport Program



Background

The U.S. e-Passport book contains both commercially available and uniquely assembled security materials. For example, the cover material is a commercially available product. It is brought into a secure assembly environment where an integrated circuit (IC) and antenna are added. The IC is produced under particularly strict security criteria because of its ultimate use. Highly reliable inventory control systems continuously track all e-Passport components through every step in the supply chain—at point of production, while in transit, and when delivered to GPO.

GPO, in collaboration with the Department of State, selects suppliers and materials. Any needed modifications to e-Passport components are presented to a formal committee of the GPO and State Department established for that purpose.

In the secure GPO manufacturing facility, all materials necessary for making a complete book are gathered. GPO then validates its inventory against electronic shipping records provided by suppliers. Each IC is tracked using secure manufacturing procedures and all products are accounted for in the process. The final manifest produced by GPO lists each IC and the e-Passport book in which that IC resides. The manifest is protected by encryption and sent electronically to the Department of State, along with an electronic transportation key.

Prior to shipment, GPO locks the IC in each e-Passport book. The books are then delivered by armored carrier to the Department of State. When the e-Passports arrive, the Department of State uses the transportation key to unlock and personalize them, recording on each IC the same personal information that is printed in the corresponding book.

High security is the norm for any security component supplier in the e-Passport supply chain. Long before the introduction of e-Passports, IC and smart card manufacturers provided financial institutions and governments with security products for credit cards and other applications. As suppliers to the financial services industry, these manufacturers are held to strict security standards. They are continuously audited by their clients and by the governments of the countries in which their products are made and assembled. The Department of State and GPO require additional security requirements beyond those already in place, auditing supplier facilities on a regular basis. Further, where prudent, the Department of State and GPO require that designated supplier employees sustain a background check in order to work on specific electronic e-Passport components.



Questions and Answers

1. What components of the passport production chain are manufactured abroad, and what is the rationale for any foreign production of any components of the new e-Passport?

The components sourced abroad are:

- Integrated circuits (ICs)
- Foil
- Some Security Inks
- Some Adhesive
- Some Laminate

GPO and the Department of State select passport components based on the criteria of technical excellence and the greatest security. In some cases, the best-performing materials are not made in the United States. With respect to the ICs, no vendor who responded to the RFP offered domestic-made products that met the rigorous compliance testing mandated by the ICAO (International Civil Aviation Organization) standards.

2. Have all interested U.S. Government parties been adequately consulted with and agreed to GPO's decision to utilize foreign production facilities, especially the U.S. State Department, the Departments of Justice and Homeland Security, and the Intelligence community?

GPO and Department of State made joint decisions on sourcing components. Department of State, as the customer would secure the concurrence of other agencies with equities in the e-Passport.

3. Does the U.S. Government have full confidence that the production line, comprising all aspects of manufacturing of the e-Passport, is secure and free of diversion or tampering? If not, who is responsible for doing this evaluation, and what steps will be, or are being undertaken to ensure that the evaluation is done?

GPO has taken all reasonable steps to assure that the production of and the supply chain for e-Passports is secure. GPO and the Department of State conduct periodic facility audits of the electronic component manufacturers along with the facilities which integrate the components into the passport cover. All other audits for other passport components, whether of domestic or international origin, are conducted by the GPO Director of Product Security. Further, the GPO Inspector General continues to audit and inspect the security and management of the e-Passport program.

4. Does the U.S. Government have a formal audit process where domestic and international production and assembly facilities are inspected to ensure they are secure and free from potential diversion or tampering? If so, who conducts this review, and are you satisfied with its scope and veracity?

Yes, GPO and the Department of State have a formal audit process to provide security assurance for the electronic component production and assembly facilities. Further, where prudent the Department of State requires that designated employees of the electronic production and assembly facilities sustain a background check in order to work on specific electronic e-Passport components. All other suppliers are audited in a formal process by the GPO Director of Product Security using the American National Standards Institute/ North American Security Products Organization Security Assurance Standards as criteria. GPO is satisfied with the scope and veracity of the audits.

5. Has GPO conducted a vulnerability assessment to understand whether certain newer components in the new e-Passport, such as the embedded chips, are susceptible to tampering or counterfeiting, and if so, what steps should be taken to safeguard against such activities.

Yes, GPO has conducted vulnerability assessments of the electronic component suppliers. These assessments are part of the contractor facilities audit and consider the question of tampering. As to counterfeiting, the components of the e-Passport were selected by the GPO and the Department of State for their high security value, either as delivered or further modified during the manufacturing process. Counterfeiting is always an assumed threat. When potential vulnerabilities are discovered in any part of the passport by the Department of State or Department of Homeland Security, usually at a border crossing, GPO and the Department of State respond by developing or modifying counterfeiting countermeasures. Further, these assessments go beyond an assessment of security to also address manufacturing risks, single points of failure, and other considerations necessary to assure continuity of operations in the supply chain.

6. Have there been any reported cases of counterfeiting e-Passports, and, if so, what are the facts related to those cases.

GPO is not aware of any reported cases of counterfeiting e-Passports. The Department of State or the Department of Homeland Security may have such information.



7. Has GPO done due diligence in vetting the various overseas contractors and if so using what process.

Yes, GPO has conducted appropriate due diligence in vetting the various overseas contractors. GPO and the Department of State perform regular audits of the IC suppliers and integrators, as previously described. Additionally, the Department of State conducts security evaluations on designated potential contractors to ensure that the use of such contractors is in the best interests of the U.S. Government.

8. Is GPO reaping an unwarranted profit with the production and sale of the e-Passport to the State Department, since its cost is alleged to be significantly lower than the price it charges the State Department. If GPO is profiting from this arrangement, how has it spent those funds, and is there an adequate accounting of said funds.

No. The passports produced by GPO for the Department of State are billed at a cost of \$14.80 each. This price includes materials, direct labor, indirect production costs, and overhead. The remainder of the passport charge, currently recognized as net income, is being dedicated to ongoing and/or anticipated future capital investments to support passport production as provided in the State/GPO Memorandum of Understanding dated December 6, 2007. Current capital investments include the construction and outfitting of the new secure production facility at the Stennis Space Center in Mississippi, as well as maintenance of an inventory of production materials.

