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TRANSPORTATION SECURITY

TSA Has Made Progress in Implementing the Transportation Worker Identification Credential Program, but Challenges Remain

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Homeland Security and Justice Issues

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GAO-07-681T

TRANSPORTATION SECURITY

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Why GAO Did This Study

The Transportation Security Administration (TSA) is developing the Transportation Worker Identification Credential (TWIC) to ensure that only workers that do not pose a terrorist threat are allowed to enter secure areas of the nation's transportation facilities. This testimony is based primarily on GAO's December 2004 and September 2006 reports on the TWIC program and interviews with TSA and port officials conducted in March and April 2007 to obtain updates on the TWIC program. Specifically, this testimony addresses (1) the progress TSA has made since September 2006 in implementing the TWIC program; and (2) some of the remaining challenges that TSA and the maritime industry must overcome to ensure the successful implementation of the TWIC program.

What GAO Recommends

GAO has previously recommended that TSA develop a comprehensive plan for managing the TWIC program, conduct additional testing of the TWIC program to ensure that all key components work effectively, strengthen contract planning and oversight practices, and develop a plan for communicating and coordinating with stakeholders. TSA agreed with these recommendations.

What GAO Found

Since we issued our report on the TWIC program in September 2006, TSA has made progress toward implementing the TWIC program and addressing several of the problems that we previously identified regarding contract oversight and planning and coordination with stakeholders. Specifically, TSA has

- issued a TWIC rule that sets forth the requirements for enrolling workers and issuing TWIC cards to workers in the maritime sector;
- awarded a $70 million dollar contract for enrolling workers in the TWIC program;
- developed a schedule for enrolling workers and issuing TWIC cards at ports and conducting a pilot program to test TWIC access control technologies;
- added additional staff with program and contract management expertise to help oversee the TWIC enrollment contract; and
- developed plans to improve communication and coordination with maritime stakeholders, including plans for conducting public outreach and education efforts.

TSA and maritime industry stakeholders still face several challenges to ensuring that the TWIC program can be implemented successfully:

- TSA and its enrollment contractor need to transition from limited testing of the TWIC program to successful implementation of the program on a much larger scale covering 770,000 workers at about 3,500 maritime facilities and 5,300 vessels.
- TSA and its enrollment contractor will need to educate workers on the new TWIC requirements, ensure that enrollments begin in a timely manner, and process numerous background checks, appeals, and waivers.
- TSA and industry stakeholders will need to ensure that TWIC access control technologies will work effectively in the maritime environment, be compatible with TWIC cards that will be issued, and balance security with the flow of maritime commerce.

As TSA works to implement the TWIC program and begin enrolling workers, it will be important that the agency establish clear and reasonable time frames and ensure that all aspects of the TWIC program, including the TWIC access control technologies, are fully tested in the maritime environment.

United States Government Accountability Office

Mr. Chairman and Members of the Committee:

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. Ensuring that only workers that do not pose a terrorist threat are allowed access to secure areas of the nation's transportation facilities is critical to helping prevent a terrorist attack. The TWIC program was created to help protect these facilities from the threat of terrorism by issuing identification cards only to workers who do not pose a terrorist threat and allow these workers unescorted access to secure areas of the transportation system. To accomplish this objective, the TWIC program will include collection of personal and biometric information to validate workers' identities, background checks on transportation workers to ensure they do not pose a threat to security, issuance of tamper-resistant biometric credentials that cannot be counterfeited, verification of these credentials using biometric access control systems before a worker is granted unescorted access to a secure area, and revocation of credentials if disqualifying information is discovered, or if a card is lost, damaged, or stolen. The TWIC program was initially intended to serve all modes of transportation; however, TSA, in partnership with the Coast Guard, is focusing initial implementation on the maritime sector and is planning to implement the program in other modes in the future.

In December 2004 and September 2006, we reported on the status of the development and testing of the TWIC program.[1] Our 2004 report identified the challenges TSA faced in developing regulations and a comprehensive plan for managing the TWIC program and several factors that caused TSA to miss initial deadlines for issuing TWIC cards. Our September 2006 report identified the challenges encountered during TWIC program testing and several problems related to TWIC contract planning and oversight. In August 2006, TSA decided that the TWIC program would be implemented in the maritime sector using two separate rules. TSA issued the first rule in January 2007 requiring worker enrollment and card issuance and plans to issue a proposed rule on access control technologies in 2008. Since our September 2006 report, the Congress passed the Security and

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[1]GAO, *Port Security: Better Planning Needed to Develop and Operate Maritime Worker Identification Card Program*, GAO-05-106 (Washington, D.C.: December 2004), and *Transportation Security: DHS Should Address Key Challenges before Implementing the Transportation Worker Identification Credential Program*, GAO-06-982 (Washington, D.C.: September 2006).

Accountability for Every (SAFE) Port Act of 2006, directing TSA, among other things, to implement the TWIC program at the 10 highest risk ports by July 1, 2007.[2] In January 2007, TSA awarded a $70 million contract to begin enrolling workers and issuing TWIC cards to workers at these maritime facilities.

My testimony today focuses on two key areas: (1) the progress TSA has made since September 2006 in implementing the TWIC program and (2) some of the remaining challenges that TSA and the maritime industry must overcome to ensure the successful implementation of the TWIC program. My comments are based primarily on our December 2004 and September 2006 reports on the TWIC program, which reflect work conducted at TSA and the Coast Guard, as well as site visits to transportation facilities that participated in testing the TWIC program. In addition, in March and April 2007, we interviewed TSA officials and obtained some supporting documentation regarding the agency's efforts to implement the TWIC program. We also interviewed officials at port facilities in California, Delaware, and Florida that participated in TWIC testing concerning the implementation of the TWIC program. We conducted our work in accordance with generally accepted government auditing standards.

Summary

Since we issued our report on the TWIC program in September 2006, TSA has made progress toward implementing the TWIC program and addressing several of the problems that we previously identified regarding contract oversight and planning and coordination with stakeholders. Specifically, TSA has:

- issued a TWIC rule that sets forth the requirements for enrolling workers and issuing TWIC cards to workers in the maritime sector;
- awarded a $70 million contract for enrolling workers in the TWIC program,
- established a schedule for enrolling workers and issuing TWIC cards at ports and conducting a pilot program to test TWIC access control technologies,
- added staff with program and contract management expertise to help oversee the TWIC enrollment contract, and

[2]Pub. L. No.109-347,120 Stat.1884,1889 (2006).

- developed plans to improve communication and coordination with maritime stakeholders, including plans for conducting public outreach and education efforts.

TSA and maritime industry stakeholders still face several challenges to ensuring that the TWIC program can be implemented successfully:

- TSA and its enrollment contractor need to transition from limited testing of the TWIC program to successful implementation of the program on a much larger scale covering 770,000 workers at about 3,500 maritime facilities and 5,300 vessels.[3]
- TSA and its enrollment contractor will need to educate workers on the new TWIC requirements, ensure that enrollments begin in a timely manner, and process numerous background checks, appeals, and waivers.
- TSA and industry stakeholders will need to ensure that TWIC access control technologies will work effectively in the maritime environment, be compatible with TWIC cards that will be issued, and balance security with the flow of maritime commerce.

As TSA works to implement the TWIC program and begin enrolling workers, it will be important that the agency establish clear and reasonable time frames and ensure that all aspects of the TWIC program, including the TWIC access control technologies, are fully tested in the maritime environment.

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. transportation systems and facilities 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

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[3]TSA estimated the total number of workers, facilities, and vessels affected by the TWIC rule in the Regulatory Impact Assessment of the TWIC rule.

areas. A terrorist attack at 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 led to a 10-day shutdown of West Coast port operations, costing the nation's economy an estimated $1.5 billion per day.[4] A terrorist attack to 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 seaports, airports, railroad terminals, mass transit stations, and other transportation facilities. It is estimated that about 6 million workers, including longshoreman, 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 that do not pose a terrorism security risk are allowed unescorted access to secure areas is important in helping to prevent an attack. According to TSA and transportation industry stakeholders, many individuals that work in secure areas are currently not required to undergo a background check or a stringent identification process in order to access secure areas. In addition, without a standard credential that is recognized across modes of transportation and facilities, many workers must obtain multiple credentials to access each transportation facility they enter.

TWIC Program History

In the aftermath of the September 11, 2001, terrorist attacks, the Aviation and Transportation Security Act (ATSA) was enacted in November 2001.[5] Among other things, ATSA required TSA to work with airport operators to strengthen access control points in secure areas and consider using biometric access control systems 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 to mitigate the threat of terrorists and other unauthorized persons from accessing secure areas of the entire transportation network, by creating a common identification credential

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

[5]Pub. L. No. 107-71, 115 Stat. 597 (2001).

that could be used by workers in all modes of transportation.[6] In November 2002, the Maritime Transportation Security Act of 2002 (MTSA) was enacted and required the Secretary of Homeland Security to issue a maritime worker identification card that uses biometrics, such as fingerprints, to control access to secure areas of seaports and vessels, among other things.[7]

The responsibility for securing the nation's transportation system and facilities is shared by federal, state, and local governments, as well as the private sector. At the federal government level, TSA, the agency responsible for the security of all modes of transportation, has taken the lead in developing the TWIC program, while the Coast Guard is responsible for developing maritime security regulations and ensuring that maritime facilities and vessels are in compliance with these regulations. As a result, TSA and the Coast Guard are working together to implement TWIC in the maritime sector. Most seaports, airports, mass transit stations, and other transportation systems and facilities in the United States are owned and operated by state and local government authorities and private companies. As a result, certain components of the TWIC program, such as installing card readers, will be the responsibility of these state and local governments and private industry stakeholders.

TSA—through a private contractor—tested the TWIC program from August 2004 to June 2005 at 28 transportation facilities around the nation, including 22 port facilities, 2 airports, 1 rail facility, 1 maritime exchange, 1 truck stop, and a U.S. postal service facility. In August 2005, TSA and the testing contractor completed a report summarizing the results of the TWIC testing. TSA also hired an independent contractor to assess the performance of the TWIC testing contractor. Specifically, the independent contractor conducted its assessment from March 2005 to January 2006, and evaluated whether the testing contractor met the requirements of the testing contract. The independent contractor issued its final report on January 25, 2006.

Since its creation, the TWIC program has received about $79 million in funding for program development. (See table 1.)

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

[7]Pub. L. No. 107-295, 116 Stat. 2064 (2002).

Table 1: TWIC Program Funding from Fiscal Years 2002 to 2007 (Dollars in millions)

Fiscal Year	Appropriated	Reprogramming	Adjustments	Total funding
2002	0	0	0	0
2003	$5.0	0	0	$5.0
2004	$49.7	0	0	$49.7
2005	$5.0	0	0	$5.0
2006	0	$15.0	0	$15.0
2007	0	0	$4.7	$4.7
Total	$59.7	$15.0	$4.7	$79.4

Source: TSA.

Note: TSA's fiscal year 2008 congressional justification includes $26.5 million in authority to collect fees from transportation workers for TWIC cards.

Key Components of the TWIC Program

The TWIC program is designed to enhance security using several key components (see fig. 1). These include
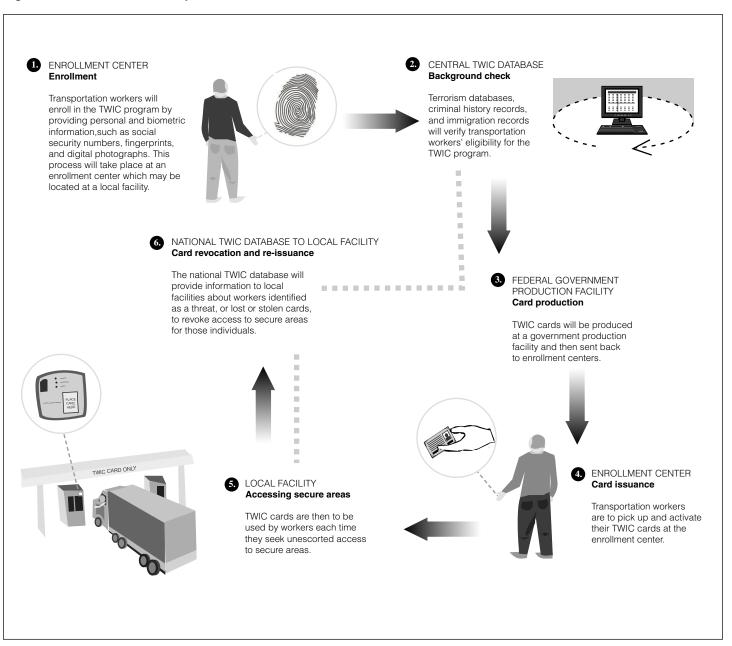
- **Enrollment:** Transportation workers will be enrolled in the TWIC program at enrollment centers by providing personal information, such as a social security number and address, and be photographed and fingerprinted. For those workers who are unable to provide quality fingerprints, TSA is to collect 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, terrorism databases or terrorism 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, workers' immigration status and mental capacity will be checked. Workers will have the opportunity to appeal the results of the threat assessment or request a waiver in certain limited circumstances.

- **TWIC card 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 card will be personalized for the worker, manufactured, and then sent back to the enrollment center.

- **Card issuance:** Transportation workers will be informed when their cards are ready to be picked up at enrollment centers. Once a card has been issued, workers will present their TWIC cards to security officials when they seek to enter a secure area and in the future will enter secure areas through biometric card readers.

Figure 1: Overview of the TWIC process

1. ENROLLMENT CENTER
Enrollment

Transportation workers will enroll in the TWIC program by providing personal and biometric information, such as social security numbers, fingerprints, and digital photographs. This process will take place at an enrollment center which may be located at a local facility.

2. CENTRAL TWIC DATABASE
Background check

Terrorism databases, criminal history records, and immigration records will verify transportation workers' eligibility for the TWIC program.

6. NATIONAL TWIC DATABASE TO LOCAL FACILITY
Card revocation and re-issuance

The national TWIC database will provide information to local facilities about workers identified as a threat, or lost or stolen cards, to revoke access to secure areas for those individuals.

3. FEDERAL GOVERNMENT PRODUCTION FACILITY
Card production

TWIC cards will be produced at a government production facility and then sent back to enrollment centers.

5. LOCAL FACILITY
Accessing secure areas

TWIC cards are then to be used by workers each time they seek unescorted access to secure areas.

4. ENROLLMENT CENTER
Card issuance

Transportation workers are to pick up and activate their TWIC cards at the enrollment center.

Source: GAO analysis of TSA information.

TSA Has Made Progress since September 2006 in Implementing the TWIC Program

Since we issued our report on the TWIC program in September 2006, TSA has made progress toward implementing the TWIC program and addressing several of the problems that we previously identified regarding contract oversight and planning and coordination with stakeholders. In January 2007, TSA and the Coast Guard issued a TWIC rule that sets forth the requirements for enrolling workers and issuing TWIC cards to workers in the maritime sector and awarded a $70 million contract for enrolling workers in the TWIC program. TSA is also taking steps designed to address requirements in the SAFE Port Act regarding the TWIC program, such as establishing a rollout schedule for enrolling workers and issuing TWIC cards at ports and conducting a pilot program to test TWIC access control technologies. TSA has also taken steps to strengthen TWIC contract planning and oversight and improve communication and coordination with its maritime stakeholders. Since September 2006, TSA reported that it has added staff with program and contract management expertise to help oversee the TWIC enrollment contract and taken additional steps to help ensure that contract requirements are met. In addition, TSA has also focused on improving communication and coordination with maritime stakeholders, such as developing plans for conducting public outreach and education efforts.

TSA Issued a TWIC Rule and Awarded a Contract to Begin Enrolling Workers and Issuing TWIC Cards This Year

On January 25, 2007, TSA and the Coast Guard issued a rule that sets forth the regulatory requirements for enrolling workers and issuing TWIC cards to workers in the maritime sector. Specifically, the TWIC rule provides that workers and merchant mariners requiring unescorted access to secure areas of maritime facilities and vessels must enroll in the TWIC program, undergo a background check, and obtain a TWIC card before such access is granted. In addition, the rule requires owners and operators of maritime facilities and vessels to change their existing access control procedures to ensure that merchant mariners and any other individual seeking unescorted access to a secure area of a facility or vessel has a TWIC. Table 2 describes the specific requirements in the TWIC rule.

Table 2: Requirements in the TWIC Rule

Requirement	Description of requirement
Transportation workers	Individuals who require unescorted access to secure areas of maritime facilities and vessels and all merchant mariners must obtain a TWIC card before such access is granted.
Fees	All workers applying for a TWIC card will pay a fee of $137 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. The interim replacement fee for a TWIC card will be $36.
Access to secure areas of maritime facilities and vessels	By no later than September 25, 2008, facilities and vessels currently regulated by 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 card.
Newly hired workers and escorting procedures	Newly hired workers, who have applied for, but have not received their TWIC card, 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 card. Individuals that need to enter a secure area but do not have a TWIC card must be escorted at all times by individuals with a TWIC card.
Background checks	All workers applying for a TWIC card must provide specific types of personal information and fingerprints to TSA to conduct a security threat assessment, that includes an FBI fingerprint-based criminal history records check, and an immigration status check. In order to receive a TWIC card, workers must not have been incarcerated or convicted of certain crimes within prescribed time periods, must have legal presence or authorization to work in the United States, have no connection to terrorist activity, and cannot have been found as lacking lack 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, either during the application process, or after being disqualified for certain crimes, mental incapacity, or are aliens in Temporary Protected Status. Applicants who appeal or seek a waiver and are denied by TSA may seek review by an administrative law judge.
Access control systems	The Coast Guard will conduct unannounced checks to confirm the identity of TWIC card holders using hand-held biometric card readers to check the biometric on the TWIC card against the person presenting the card. In addition, security personnel will conduct visual inspections of the TWIC cards and look for signs of tampering or forgery when a worker enters a secure area.

Source: GAO analysis of TWIC rule.

The TWIC rule does not include the requirements for owners and operators of maritime facilities and vessels to purchase and install TWIC access control technologies, such as biometric TWIC card readers. As a result, the TWIC card will initially serve as a visual identity badge until access control technologies are required to verify the credentials when a worker enters a secure area. According to TSA, during the program's initial implementation, workers will present their TWIC cards to authorized security personnel, who will compare the cardholder to his or her photo and inspect the card for signs of tampering. In addition, the

Coast Guard will verify TWIC cards when conducting vessel and facility inspections and during spot checks using hand-held biometric card readers to ensure that credentials are valid. According to TSA, the requirements for TWIC access control technologies will be set forth in a second proposed rule to be issued in 2008, at which time TSA will solicit public comments and hold public meetings.

As part of the TWIC rule, TSA is also taking steps designed to address various requirements of the SAFE Port Act including that it implement TWIC at the 10 highest risk ports by July 1, 2007. According to TSA, the agency has categorized ports based on risk and has developed a schedule for implementing TWIC at these ports to address the deadlines in the SAFE Port Act. In addition, TSA is currently planning to conduct a pilot program at five maritime locations to test TWIC access control technologies, such as biometric card readers, in the maritime environment. According to TSA, the agency is partnering with the ports of Los Angeles and Long Beach to test TWIC access control technologies and plans to select additional ports to participate in the pilot in the near future. TSA and Port of Los Angeles officials told us that ports participating in the pilot will be responsible for paying for the costs of the pilot and plan to use federal port security grant funds for this purpose. According to TSA, the agency plans to begin the pilot in conjunction with the issuance of TWIC cards so the access control technologies can be tested with the cards that are issued to workers. Once the pilot has been completed, TSA plans to use the results in developing its proposed rule on TWIC access control technologies.

Following the issuance of the TWIC rule in January 2007, TSA awarded a $70 million contract to a private company to enroll the estimated 770,000 workers required to obtain a TWIC card. According to TSA officials, the contract costs include $14 million for the operations and maintenance of the TWIC identity management system that contains information on workers enrolled in the TWIC program, $53 million for the cost of enrolling workers, and $3 million designated to award the enrollment contractor in the event of excellent performance. TSA officials stated that they are currently transitioning the TWIC systems to the enrollment contractor and testing these systems to ensure that they will function effectively during nationwide implementation. TSA originally planned to begin enrolling workers at the first port by March 26, 2007—the effective date of the TWIC rule. However, according to TSA officials, initial enrollments have been delayed. While TSA officials did not provide specific reasons for the delay, officials from the port where enrollments were to begin told us that software problems were the cause of the delay,

and could postpone the first enrollments until May 2007. In addition, TSA and the Coast Guard have not set a date by which workers will be required to posses a TWIC card to access secure areas of maritime facilities and vessels. According to the TWIC rule, once the agency determines at which ports TWIC will be implemented and by what date, this schedule will be posted to the Federal Register.

TSA Has Taken Steps to Strengthen Contract Planning and Oversight and Better Coordinate with Maritime Industry Stakeholders

Since we issued our September 2006 report, TSA has taken several steps designed to strengthen contract planning and oversight. We previously reported that TSA experienced problems in planning for and overseeing the contract to test the TWIC program, which contributed to a doubling of TWIC testing contract costs and a failure to test all key components of the TWIC program. We recommended that TSA strengthen contract planning and oversight before awarding a contract to implement the TWIC program. TSA acknowledged these problems and has taken steps to address our recommendations. Specifically, TSA has taken the following steps designed to strengthen contract planning and oversight.

• Added staff with expertise in technology, acquisitions, and contract and program management to the TWIC program office.
• Established a TWIC program control office to help oversee contract deliverables and performance.
• Established monthly performance management reviews and periodic site visits to TWIC enrollment centers to verify performance data reported by the contractor.
• Required the enrollment contactor to survey customer satisfaction as part of contract performance.

In addition to these steps, TSA has established a TWIC quality assurance surveillance plan that is designed to allow TSA to track the enrollment contractor's performance in comparison to acceptable quality levels. This plan is designed to provide financial incentives for exceeding these quality levels and disincentives, or penalties, if they are not met. According to the plan, the contractor's performance will be measured against established milestones and performance metrics that the contractor must meet for customer satisfaction, enrollment time, number of failures to enroll, and TWIC help desk response times, among others. TSA plans to monitor the contractor's performance through monthly performance reviews and by verifying information on performance metrics provided by the contractor.

In addition to contract planning and oversight, TSA has also taken steps designed to address problems that were identified in our September 2006

report regarding communication and coordination with maritime stakeholders. We previously reported that stakeholders at all 15 TWIC testing locations that we visited cited poor communication and coordination by TSA during testing of the TWIC program. For example, TSA never provided the final results or report on TWIC testing to stakeholders that participated in the test, and some stakeholders stated that communication from TSA would stop for months at a time during testing. We recommended that TSA closely coordinate with maritime industry stakeholders and establish a communication and coordination plan to capture and address the concerns of stakeholders during implementation. TSA acknowledged that the agency could have better communicated with stakeholders at TWIC testing locations and has reported taking several steps to strengthen communication and coordination since September 2006. For example, TSA officials told us that the agency developed a TWIC communication strategy and plan that describes how the agency will communicate with the owners and operators of maritime facilities and vessels, TWIC applicants, unions, industry associations, Coast Guard Captains of the Port, and other interested parties. In addition, TSA required that the enrollment contractor establish a plan for communicating with stakeholders.

TSA, the Coast Guard, and the enrollment contractor have taken additional steps designed to ensure close coordination and communication with the maritime industry. These steps include:

- Posting frequently asked questions on the TSA and Coast Guard Web-sites.
- Participating in maritime stakeholder conferences and briefings.
- Working with Coast Guard Captains of the Ports and the National Maritime Security Advisory Committee to communicate with local stakeholders.
- Conducting outreach with maritime facility operators and port authorities, including informational bulletins and fliers.
- Creating a TWIC stakeholder communication committee chaired by TSA, the Coast Guard, and enrollment contractor, with members from 15 maritime industry stakeholder groups. According to TSA, this committee will meet twice per month during the TWIC implementation.

Several stakeholders we recently spoke to confirmed that TSA and its enrollment contractor have placed a greater emphasis on communicating and coordinating with stakeholders during implementation and on correcting past problems. For example, an official from the port where

TWIC will first be implemented stated that, thus far, communication, coordination, and outreach by TSA and its enrollment contractor have been excellent, and far better than during TWIC testing. In addition, the TWIC enrollment contactor has hired a separate subcontractor to conduct a public outreach campaign to inform and educate the maritime industry and individuals that will be required to obtain a TWIC card about the program. For example, the port official stated that the subcontractor is developing a list of trucking companies that deliver to the port, so information on the TWIC enrollment requirements can be mailed to truck drivers.

TSA and Industry Stakeholders Need to Address Challenges to Ensure the TWIC Program Is Implemented Successfully

TSA and maritime industry stakeholders need to address several challenges to ensure that the TWIC program can be implemented successfully. As we reported in September 2006, TSA and its enrollment contractor face the challenge of transitioning from limited testing of the TWIC program to successful implementation of the program on a much larger scale covering 770,000 workers at about 3,500 maritime facilities and 5,300 vessels. Maritime stakeholders we spoke to identified additional challenges to implementing the TWIC program that warrant attention by TSA and its enrollment contractor, including educating workers on the new TWIC requirements, ensuring that enrollments begin in a timely manner, and processing numerous background checks, appeals, and waiver applications. Furthermore, TSA and industry stakeholders also face difficult challenges in ensuring that TWIC access control technologies will work effectively in the maritime environment, be compatible with TWIC cards that will be issued soon, and balance security with the flow of maritime commerce.

TSA and Its Contractor Face Challenges in Enrolling and Issuing TWIC Cards to Large Populations of Workers at Numerous Port Facilities and Vessels

In September of 2006, we reported that TSA faced the challenge of enrolling and issuing TWIC cards to a significantly larger population of workers in a timely manner than was done during testing of the TWIC program. In testing the TWIC program, TSA enrolled and issued TWIC cards to only about 1,700 workers at 19 facilities, well short of its goal of 75,000. According to TSA and the testing contractor, the lack of volunteers to enroll in the TWIC program testing and technical difficulties in enrolling workers, such as difficulty in obtaining workers' fingerprints to conduct background checks, led to fewer enrollments than expected. TSA reports that it used the testing experience to make improvements to the enrollment and card issuance process and has taken steps to address the challenges that we previously identified. For example, TSA officials stated that the agency will use a faster and easier method of collecting

fingerprints than was used during testing and will enroll workers individually during implementation, as opposed to enrolling in large groups, as was done during testing. In addition, the TWIC enrollment contract Statement of Work requires the contractor to develop an enrollment test and evaluation program to ensure that enrollment systems function as required under the contract. Such a testing program will be valuable to ensure that these systems work effectively prior to full-scale implementation. We also reported that TSA faced the challenge of ensuring that workers are not providing false information and counterfeit identification documents when they enroll in the TWIC program. According to TSA, the TWIC enrollment process to be used during implementation will use document scanning and verification software to help determine if identification documents are fraudulent, and personnel responsible for enrolling workers will be trained to identify fraudulent documents.

Since we issued our report in September 2006, we have also identified additional challenges to implementing the TWIC program that warrant attention by TSA and its enrollment contractor. We recently spoke with some maritime stakeholders that participated in TWIC testing and that will be involved in the initial implementation of the program to discuss their views on the challenges of enrolling and issuing TWIC cards to workers. These stakeholders expressed concerns regarding the following issues:

Educating workers: TSA and its enrollment contractor face a challenge in identifying all workers that are required to obtain a TWIC card, educating them about how to enroll and receive a TWIC card, and ensuring that they enroll and receive a TWIC card by the deadlines to be established by TSA and the Coast Guard. For example, while longshoremen who work at a port every day may be aware of the new TWIC requirements, truck divers that deliver to the port may be located in different states or countries, and may not be aware of the requirements.

Timely enrollments: One stakeholder expressed concern about the challenges the enrollment contactor faces in enrolling workers at his port. For example, at this port, the enrollment contactor has not yet begun to lease space to install enrollment centers—which at this port could be a difficult and time-consuming task due to the shortage of space. Stakeholders we spoke to also suggested that until TSA establishes a deadline for when TWIC cards will be required at ports, workers will likely procrastinate in enrolling, which could make it difficult for the contractor to enroll large populations of workers in a timely manner.

Background checks: Some maritime organizations are concerned that many of their workers will be disqualified from receiving a TWIC card by the background check. These stakeholders emphasized the importance of TSA establishing a process to ensure timely appeals and waivers process for the potentially large population of workers that do not pass the check. According to TSA, the agency already has established processes for conducting background checks, appeals, and waivers for other background checks of transportation workers. In addition, TSA officials stated that the agency has established agreements with the Coast Guard to use their administrative law judges for appeal and waiver cases and plans to use these processes for the TWIC background check.

TSA and Industry Stakeholders Face Challenges in Ensuring That TWIC Access Control Technologies Work Effectively and Balancing Security with the Flow of Maritime Commerce

In our September 2006 report, we noted that TSA and maritime industry stakeholders faced significant challenges in ensuring that TWIC access control technologies, such as biometric card readers, worked effectively in the maritime sector. Few facilities that participated in TWIC testing used biometric card readers that will be required to read the TWIC cards in the future. As a result, TSA obtained limited information on the operational effectiveness of biometric card readers, 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. Also, industry stakeholders we spoke to were concerned about the costs of implementing and operating TWIC access control systems, linking card readers to their local access control systems, connecting to TSA's national TWIC database to obtain updated security information on workers, and how biometric card readers would be implemented and used on vessels and how these vessels would communicate with TSA's national TWIC database remotely. Because of comments regarding TWIC access control technology challenges that TSA received from maritime industry stakeholders on the TWIC proposed rule, TSA decided to exclude all access control requirements from the TWIC rule issued in January 2007. Instead, TSA plans to issue a second proposed rule pertaining to access control requirements in 2008, which will allow more time for maritime stakeholders to comment on the technology requirements and TSA to address the challenges that we and stakeholders identified.

Our September 2006 report also highlighted the challenges that TSA and industry stakeholders face in balancing the security benefits of the TWIC program with the impact the program could have on maritime commerce. 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 maritime commerce. For example, if workers or truck drivers have problems with their fingerprint verifications on biometric card readers, they could create long queues delaying other workers or trucks waiting in line to enter secure areas. Such delays could be very costly in terms of time and money to maritime facilities. Some stakeholders we spoke to also expressed concern with applying TWIC access control requirements to small facilities and vessels. For example, smaller vessels could have crews of less than 10 persons, and checking TWIC cards each time a person enters a secure area may not be necessary. TSA acknowledged the potential impact that the TWIC program could have on the flow of maritime commerce and plans to obtain additional public comments on this issue from industry stakeholders and develop solutions to these challenges in the second rulemaking on access control technologies.

In our September 2006 report, we recommended that TSA conduct additional testing to ensure that TWIC access control technologies work effectively and that the TWIC program balances the added security of the program with the impact that it could have on the flow of maritime commerce. As required by the SAFE Port act, TSA plans to conduct a pilot program to test TWIC access control technologies in the maritime environment. According to TSA, the pilot will test the performance of biometric card readers at various maritime facilities and on vessels as well as the impact that these access control systems have on facilities and vessel business operations. TSA plans to use the results of this pilot to develop the requirements and procedures for implementing and using TWIC access control technologies in the second rulemaking.

Conclusion

Preventing unauthorized persons from entering secure areas of the nation's ports and other transportation facilities is critical to preventing a terrorist attack. The TWIC program was initiated in December 2001 to mitigate the threat of terrorists accessing secure areas. Since our September 2006 report, TSA has made progress toward implementing the program, including issuing a TWIC rule, taking steps to implement requirements of the SAFE Port Act, and awarding a contract to enroll workers in the program. While TSA plans to begin enrolling workers and issuing TWIC cards in the next few months, it is important that the agency establish clear and reasonable timeframes for implementing TWIC. TSA officials told us that the agency has taken steps to improve contract

oversight and communication and coordination with its maritime TWIC stakeholders since September 2006. While the steps that TSA reports taking should help to address the contract planning and oversight problems that we have previously identified and recommendations we have made, the effectiveness of these steps will not be clear until implementation of the TWIC program begins. In addition, significant challenges remain in enrolling about 770,000 persons at about 3,500 facilities in the TWIC program. As a result, it is important that TSA and the enrollment contractor make communication and coordination a priority to ensure that all individuals and organizations affected by the TWIC program are aware of their responsibilities. Further, TSA and industry stakeholders need to address challenges regarding enrollment and TWIC access control technologies to ensure that the program is implemented effectively. It is important that TSA and the enrollment contractor develop a strategy to ensure that any potential problems that these challenges could cause are addressed during TWIC enrollment and card issuance. Finally, it will be critical that TSA ensure that the TWIC access control technology pilot program fully test all aspects of the TWIC program on a full scale in the maritime environment and the results be used to ensure a successful implementation of these technologies in the future.

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

Contact Information

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