



DHS Exhibit 300 Public Release BY08 (Form) / TSA - Transportation Worker Identification Credentialing (TWIC) (2008) (Item)

Form Report, printed by: Administrator, System, Feb 12, 2007

OVERVIEW

General Information

1. Date of Submission:	Sep 11, 2006
2. Agency:	Department of Homeland Security
3. Bureau:	Security, Enforcement and Investigations (SEI)
4. Name of this Capital Asset:	TSA - Transportation Worker Identification Credentialing (TWIC) (2008)
Investment Portfolio:	TSA Home Portfolio 2008
5. Unique ID:	024-50-01-03-01-5628-00

(For IT investments only, see section 53. For all other, use agency ID system.)

All investments

6. What kind of investment will this be in FY2008?

(Please NOTE: Investments moving to O&M ONLY in FY2008, with Planning/Acquisition activities prior to FY2008 should not select O&M. These investments should indicate their current status.)

Acquisition

7. What was the first budget year this investment was submitted to OMB?

FY2005

8. Provide a brief summary and justification for this investment, including a brief description of how this closes in part or in whole an identified agency performance gap.

As established under the Maritime Transportation Security Act (MTSA), the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act (US PATRIOT Act), the Aviation Transportation Security Act (ATSA), and other legislation, TSA is charged with improving the ability to control access to secure areas of the nation's transportation infrastructure. TSA has statutory responsibility for issuing biometric credentials to transportation workers requiring unescorted access to secure physical and logical areas of the transportation system. However, there is no nationwide program which conducts threat assessments in accordance with consistent national standards and which also issues a common biometric credential recognized throughout the industry. The Transportation Worker Identification Program (TWIC) will address both of these issues. The vision of the TWIC Program is to improve security by establishing a system-wide common secure credential, used across all transportation modes, for all personnel requiring unescorted physical and/or logical access to secure areas of the transportation system.

While TWIC's mission is to issue the TWIC credential to all transportation modes, the first phase of the implementation strategy will issue TWIC credentials to the maritime industry only. After the TWIC Program has obtained the necessary approvals by TSA and DHS, TWIC cards will be issued to the other transportation modes as subsequent phases of the TWIC implementation strategy.

The TWIC program was developed through efforts that began in early FY 2002 to review, identify, and mitigate deficiencies in the transportation industry's ability protect the secure areas of their operations. This requirement yields the following mission needs:

- Positively identify authorized individuals who require unescorted access to secure areas of the nation's transportation system.
- Determine the eligibility of an individual to be authorized unescorted access to secure areas of the transportation system by conducting a security threat assessment.
- Ensure that unauthorized individuals are not able to defeat or otherwise compromise the access system in order to be granted permissions that have been assigned to an authorized individual.
- Identify individuals who fail to maintain their eligibility requirements subsequent to being permitted unauthorized access to secure areas of the nation's transportation system and immediately revoke the individual's permissions.

TSA's mission is to protect the nation's transportation systems to ensure freedom of movement for people and commerce. Its mission responsibilities are aligned with DHS's mission to prevent terrorist attacks and reduce America's vulnerability to terrorism. TSA is clearly responsible for deterring foreign and domestic terrorists from causing harm or disrupting the transportation system or

its users. Through the TWIC Program, TSA will conduct security threat assessments (STA) on all transportation workers by accessing criminal, terrorist and immigration databases for all transportation modes (this includes maritime, aviation, rail and surface). For those transportation workers who meet TSA's established criteria, personalized TWIC cards will be printed and issued to individuals. These transportation workers will then be able to present their cards at local facilities as demonstration of their access rights. The absence of such programs leaves America's critical maritime port facilities vulnerable to terrorist activities.

9. Did the Agency's Executive/Investment Committee approve this request?

Yes

9.a. If "yes," what was the date of this approval?

Mar 28, 2006

10. Did the Project Manager review this Exhibit?

Yes

12. Has the agency developed and/or promoted cost effective, energy-efficient and environmentally sustainable techniques or practices for this project.

Yes

12.a. Will this investment include electronic assets (including computers)?

Yes

12.b. Is this investment for new construction or major retrofit of a Federal building or facility? (answer applicable to non-IT assets only)

No

12.b.1. If "yes," is an ESPC or UESC being used to help fund this investment?

12.b.2. If "yes," will this investment meet sustainable design principles?

12.b.3. If "yes," is it designed to be 30% more energy efficient than relevant code?

13. Does this investment support one of the PMA initiatives?

Yes

If "yes," select the initiatives that apply:

Human Capital	Yes
Budget Performance Integration	Yes
Financial Performance	Yes
Expanded E-Government	No
Competitive Sourcing	Yes
Faith Based and Community	No
Real Property Asset Management	No
Eliminating Improper Payments	No
Privatization of Military Housing	No
R and D Investment Criteria	No
Housing and Urban Development Management and Performance	No
Broadening Health Insurance Coverage through State Initiatives	No
Right Sized Overseas Presence	No
Coordination of VA and DoD Programs and Systems	No

13.a. Briefly describe how this asset directly supports the identified initiative(s)?

Human Capital : TWIC is citizen-centered. Enrollment will be done at local ports and is expected to take 15 minutes per person.
 Budget Performance Integration: TWIC tracks outcome-oriented metrics to monitor program performance.
 Financial Performance: TWIC tracks fee costs and revenue monthly, monitors contracts, and is aligned with Sarbanes Oxley process.
 Competitive Sourcing: TWIC outsources work competitively and uses COTS technology extensively.

14. Does this investment support a program assessed using OMB's Program Assessment Rating Tool (PART)?

No

14.a. If "yes," does this investment address a weakness found during the PART review?

14.b. If "yes," what is the name of the PART program assessed by OMB's Program Assessment Rating Tool?

14.c. If "yes," what PART rating did it receive?

15. Is this investment for information technology (See section 53 for definition)?

Yes

For information technology investments only:

16. What is the level of the IT Project (per CIO Council's PM Guidance)?

Level 3

17. What project management qualifications does the Project Manager have? (per CIO Council's PM Guidance)

(1) Project manager has been validated as qualified for this investment

18. Is this investment identified as "high risk" on the Q4 - FY 2006 agency high risk report (per OMB's "high risk" memo)?

Yes

19. Is this a financial management system?

No

19.a. If "yes," does this investment address a FFIA compliance area?

19.a.1. If "yes," which compliance area:

19.a.2. If "no," what does it address?

It addresses TSA's statutory responsibility for issuing biometric credentials to transportation workers. Currently, a nationwide program, conducting threat assessments with consistent national standards and issuing a commonly recognized biometric credential, doesn't exist. These credentials will utilize Smart Card technology (consistent with HSPD-12 & FIPS 201-1) and be interoperable with other federal credentials based on these standards.

19.b. If "yes," please identify the system name(s) and system acronym(s) as reported in the most recent financial systems inventory update required by Circular A-11 section 52.

20. What is the percentage breakout for the total FY2008 funding request for the following? (This should total 100%)

Area	Percentage	
Hardware	1.00	
Software	6.00	
Services	65.00	
Other	28.00	
Total	100.00	★

21. If this project produces information dissemination products for the public, are these products published to the Internet in conformance with OMB Memorandum 05-04 and included in your agency inventory, schedules and priorities?

N/A

23. Are the records produced by this investment appropriately scheduled with the National Archives and Records Administration's approval?

No

SUMMARY OF FUNDING

SUMMARY OF SPENDING FOR PROJECT PHASES (In Millions)

1. Provide the total estimated life-cycle cost for this investment by completing the following table. All amounts represent budget authority in millions, and are rounded to three decimal places. Federal personnel costs should be included only in the row designated "Government FTE Cost," and should be excluded from the amounts shown for "Planning," "Full Acquisition," and "Operation/Maintenance." The total estimated annual cost of the investment is the sum of costs for "Planning," "Full Acquisition," and "Operation/Maintenance." For Federal buildings and facilities, life-cycle costs should include long term energy, environmental, decommissioning, and/or restoration costs. The costs associated with the entire life-cycle of the investment should be included in this report.

All amounts represent Budget Authority

	PY-1 & Earlier	PY	CY	BY
	-2005	2006	2007	2008
Planning:				
Budgetary Resources	60.064	12.716	0.000	0.000
Acquisition:				
Budgetary Resources	0.000	2.261	67.680	27.351
Subtotal:				
Budgetary Resources	60.064	14.977	67.680	27.351
Maintenance:				
Budgetary Resources	0.000	0.000	0.000	8.283
TOTAL, All Stages				
Budgetary Resources	60.064	14.977	67.680	35.634
Government FTE Cost	1.637	1.922	4.043	2.723
# of FTEs	14.00	9.00	28.00	16.00
Total, BR + FTE Cost	61.701	16.899	71.723	38.357

Note: For the cross-agency investments, this table should include all funding (both managing partner and partner agencies).

Government FTE Costs should not be included as part of the TOTAL represented.

2. Will this project require the agency to hire additional FTE's?

Yes

2.a. If "yes," how many and in what year?

FTE's will increase from 7 to 9 in FY06, and increase again to 28 in FY07. These FTE's are for all personnel working on the program, including program office, adjudicators, legal, revenue, and CSOC personnel. These increases are needed during the TWIC rollout phase to all maritime ports nationwide through the middle of FY08. These FTE costs are built into the TWIC fee.

3. If the summary of spending has changed from the FY2007 President's budget request, briefly explain those changes.

Life-cycle costs reported in last year's Business Case were \$1482 million. It was based on the assumption that TWIC cards would be issued to workers requiring unescorted access to restricted areas in all transportation sectors, including maritime, aviation and surface modes. The total TWIC population was then estimated to be approximately 6,000,000 transportation workers.

In FY06, TSA management significantly reduced the scope to the maritime population only--approximately 850,000 transportation workers, including turnover and lost cards. Once the entire maritime population has been issued TWIC cards, the program may at a later time be rolled out to other transportation modes. However, the maritime population is the only mode reflected in this business case.

The scope of the TWIC program was further reduced resulting from TSA's decision to allow local facilities to retain control over workers' access to their facilities. Costs for local access control had been included as part of last year's life-cycle costs. They are now excluded.

In addition, recent national events in maritime security having to do with foreign ownership of maritime ports have accelerated the implementation of the TWIC program within the maritime sector by almost one full year. This has also had a major impact on the program's schedule and budget.

A DHS Investment Review Board (IRB) was held on March 28, 2006 at which time the TWIC program office presented a draft cost, schedule and performance baseline. It also requested approval of KDP3 (production and deployment phase) in late FY06. IRB

approval to proceed was granted on that date. The Summary of Spending table in this Business Case represents the cost estimates presented in the IRB.

Since the IRB, the following actions have been taken: prototype operations at the vendor site were terminated in 3/06; the IDMS development environment is moving from the vendor's site to a TSA datacenter; and TSA is making other technical changes in preparation for production and deployment. Once the major enrollment contract has been awarded and other technical, schedule and cost changes are complete, the program will be rebaselined in the 1st quarter of FY07. The program also intends to begin enrollment in that quarter. It will be funded entirely from fee revenue when it is in full production.