



Testimony before the Committee on  
Homeland Security, House of  
Representatives

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TRANSPORTATION  
SECURITY

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

Statement of Cathleen A. Berrick, Director  
Homeland Security and Justice Issues





Highlights of [GAO-08-133T](#), a testimony to the Committee on Homeland Security, House of Representatives

## Why GAO Did This Study

The Transportation Security Administration (TSA) is developing the Transportation Worker Identification Credential (TWIC) to help ensure that only workers who are not known to pose a terrorist threat are allowed to enter secure areas of the nation's transportation facilities. This testimony is based primarily on GAO's September 2006 report on the TWIC program, and interviews with TSA and maritime industry officials conducted in September and October 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 addressing GAO recommendations; and (2) some of the remaining challenges that TSA and the maritime industry must overcome to ensure the successful implementation of the 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 help 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 and has initiated actions to address them.

To view the full product, including the scope and methodology, click on [GAO-08-133T](#). For more information, contact Cathleen A. Berrick, (202) 512-3404 or [berrickc@gao.gov](mailto:berrickc@gao.gov).

## TRANSPORTATION SECURITY

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

#### What GAO Found

Since GAO reported on TWIC in September 2006, TSA has made progress in implementing the program. Although GAO has not yet independently assessed the effectiveness of these efforts, TSA has taken actions to address legislative requirements to implement and test the program as well as address GAO's recommendations related to conducting additional systems testing, strengthening contractor oversight, and improving coordination with stakeholders. Specifically, TSA has

- issued a rule in January 2007 that sets forth the requirements for enrolling maritime workers in the TWIC program and issuing cards to these workers, and awarded a \$70 million dollar contract to begin enrolling workers;
- reported conducting performance testing of the technologies that will be used to enroll workers in the TWIC program to ensure that they work effectively before implementation;
- begun planning a pilot program to test TWIC access control technologies at 5 maritime locations in accordance with the Security and Accountability for Every Port Act;
- begun enrolling workers and issuing TWIC cards at the port of Wilmington, Delaware on October 16, 2007, and plans to do so at 11 additional ports by November 2007;
- added additional staff with program and contract management expertise to help oversee the TWIC enrollment contract; and
- stated that they have taken actions to improve communication and coordination with maritime stakeholders.

As TSA moves forward with TWIC, it and maritime industry stakeholders will be faced with addressing the following key challenges that can affect the programs' successful implementation.

- TSA and its contractor will need to transition from testing of the TWIC program to successful implementation of the program on a larger scale covering 770,000 workers at about 3,200 maritime facilities and 5,300 vessels.
- TSA and its contractor will need to educate workers on new TWIC requirements, ensure that enrollments begin in a timely manner, and efficiently process background checks, appeals, and waivers.
- TSA and industry stakeholders will need to ensure that TWIC access control technologies work effectively in the maritime environment, and balance new security requirements while facilitating maritime commerce.

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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 a key measure in securing the homeland. The TWIC program was created to help protect these facilities from the threat of terrorism by issuing identification cards only to workers who are not known to 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 the collection of personal and biometric information to validate workers' identities, background checks on transportation workers to ensure they do not pose a security threat, 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 is ultimately intended to support all modes of transportation, however, TSA, in partnership with the Coast Guard, is focusing initial implementation in the maritime sector.

In December 2004, September 2006, and April 2007, we reported on the status of the development and testing of the TWIC program.<sup>1</sup> Our 2004 report 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 TWIC cards. In our September 2006 report, we identified the challenges that TSA encountered during TWIC program testing, and several problems related to 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 which requires worker enrollment and card issuance, and plans to issue a proposed rule on

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<sup>1</sup>GAO, *Port Security: Better Planning Needed to Develop and Operate Maritime Worker Identification Card Program*, [GAO-05-106](#) (Washington, D.C.: December 2004), GAO, *Transportation Security: DHS Should Address Key Challenges before Implementing the Transportation Worker Identification Credential Program*, [GAO-06-982](#) (Washington, D.C.: September 2006), and GAO, *Transportation Security: TSA has made progress in implementing the Transportation Worker Identification Credential, but Challenges Remain*, [GAO-07-681T](#) (Washington, D.C.: April 12, 2007).

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access control technologies in 2008. Since September 2006, Congress passed the Security and Accountability for Every (SAFE) Port Act of 2006, which directed TSA, among other things, to implement the TWIC program at the 10 highest risk ports by July 1, 2007.<sup>2</sup> In January 2007, TSA awarded a \$70 million contract to begin enrolling workers and issuing TWIC cards to workers at these 10 ports.

My testimony today focuses on: (1) the progress TSA has made since September 2006 in implementing the TWIC program and addressing GAO recommendations, and (2) some of the remaining challenges that TSA and the maritime industry must overcome to ensure the successful implementation of the program. My comments are based primarily on our September 2006 report on the TWIC program, 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. In addition, in September and October 2007, we interviewed TSA officials regarding the agency's efforts to implement the TWIC program and our prior recommendations. We also interviewed officials at port facilities in Wilmington, Delaware and Los Angeles, California, as well as Maritime Exchange of the Delaware River and Bay officials, in October 2007 to obtain their views on the TWIC program. We conducted our work in accordance with generally accepted government auditing standards.

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## Summary

Since we reported on the TWIC program in September 2006, TSA has made progress in implementing the program. Although we have not yet independently assessed the effectiveness of these efforts, TSA has taken actions to address legislative requirements to implement and test the program and our recommendations related to conducting additional systems testing, strengthening contractor oversight, and improving coordination with stakeholders. Specifically, TSA has

- issued a TWIC rule in January 2007 that sets forth the requirements for enrolling maritime workers in the TWIC program and issuing cards to these workers, and awarded a \$70 million dollar contract in January 2007 to begin enrolling workers;
- reported conducting performance testing of the technologies that will be used to enroll workers in the TWIC program to ensure that they work effectively before implementation;

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<sup>2</sup>Pub. L. No.109-347,120 Stat.1884,1889 (2006).

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- begun planning a pilot program to test TWIC access control technologies, such as biometric card readers, at 5 maritime locations to address requirements of the SAFE Port Act;
  - begun enrolling workers and issuing TWIC cards at the port of Wilmington, Delaware on October 16, 2007, and plans to do so at 11 additional ports by November 2007;
  - added staff with program and contract management expertise to help oversee the TWIC enrollment contract, and developed additional controls to help ensure that contract requirements are met; and
  - stated that they have taken actions to improve communication and coordination with maritime stakeholders, including plans for conducting public outreach and education efforts.

As TSA moves forward with TWIC, it will be important that it work with maritime industry stakeholders to address the following key challenges that can affect the programs' successful implementation.

- TSA and its enrollment contractor will need to transition from testing of the TWIC program to successful implementation of the program on a much larger scale covering 770,000 workers at about 3,200 maritime facilities and 5,300 vessels. While TSA and the enrollment contractor report conducting performance testing of the TWIC enrollment and card issuance systems, it remains to be seen how these systems will perform during full scale implementation.
- TSA and its enrollment contractor will need to educate workers on new TWIC requirements, ensure that enrollments begin in a timely manner, and effectively and efficiently process 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, ensure that facilities and vessels can effectively and economically obtain information on workers that may pose a threat, and balance security requirements while facilitating maritime commerce.

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## 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

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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 which led to a 10-day shutdown of West Coast port operations cost the nation's economy an estimated \$1.5 billion per day.<sup>3</sup> 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 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 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. 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, which could result in the inconvenience and cost of obtaining duplicate credentials.

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## 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.<sup>4</sup> 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

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<sup>3</sup>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.

<sup>4</sup>Pub. L. No. 107-71, 115 Stat. 597 (2001).

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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 that could be used by workers in all modes of transportation.<sup>5</sup> 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.<sup>6</sup> In October 2006, the SAFE Port Act was enacted and required, among other things, the issuance of regulations to begin implementing the TWIC program and issuing TWIC cards to workers at the 10 highest-risk ports by July 1, 2007, conduct a pilot program to test TWIC access control technologies in the maritime environment, issue regulations requiring TWIC card readers based on the findings of the pilot, and periodically report to Congress on the status of the program.

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

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<sup>5</sup>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)).

<sup>6</sup>Pub. L. No. 107-295, 116 Stat. 2064 (2002).

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 \$103 million in funding for program development. (See table 1.)

**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	\$20	\$25.0
2004	\$49.7	0	0	\$49.7
2005	\$5.0	0	0	\$5.0
2006	0	\$15.0	0	\$15.0
2007	0	\$4.0	\$4.7	\$8.7*
<b>Total</b>	<b>\$59.7</b>	<b>\$19.0</b>	<b>\$24.7</b>	<b>\$103.4</b>

Source: TSA.

\*According to TSA, the agency has paid the enrollment contractor about \$8 million since January 2007. The remainder of the \$70 million enrollment contract will be paid in the future through user fees collected from workers that enroll in the TWIC program.

Note: According to TSA, the agency received authority from both the House and Senate Appropriations Committees to reallocate \$20 million in unassigned carryover funding to the TWIC program in Fiscal Year 2008. 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. 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 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

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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, 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.

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## TSA Has Made Progress Since September 2006 in Implementing the TWIC Program and Addressing GAO Recommendations

Since we reported on the TWIC program in September 2006, TSA has made progress in implementing the program. Although we have not yet independently assessed the effectiveness of these efforts, TSA has taken actions to address legislative requirements to implement and test the program and our recommendations regarding conducting additional systems testing to ensure that TWIC technologies work effectively, strengthening contractor oversight, and improving communication and coordination efforts with maritime 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 missed the July 1, 2007, SAFE Port Act deadline to implement the TWIC program at the 10 highest risk ports, citing the need to conduct additional tests to ensure that the enrollment and card issuance systems work effectively. However, TSA recently announced that this testing is complete, and began enrolling and issuing TWIC cards to workers at the port of Wilmington, Delaware on October 16, 2007. TSA also plans to begin enrolling workers at 11 additional ports by November 2007. In addition, TSA has also begun planning a pilot program to test TWIC access control technologies in the maritime environment as required by the SAFE Port Act.

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

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**

<b>Requirement</b>	<b>Description of requirement</b>
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 \$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 card will be \$60.
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 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 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, must have no known connection to terrorist activity, and cannot have been found 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, 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 card by TSA, or applicants who are disqualified based on connections to terrorism, may seek review by a Coast Guard 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 and TSA information.

The TWIC rule does not include 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 TSA requires that access control technologies be installed 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

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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 during 2008, at which time TSA will solicit public comments and hold public meetings.

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.

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### TSA Attributes Missed Deadlines to the Need for Additional Testing and Has Begun Planning a Pilot Program to Test TWIC Access Control Technologies

TSA did not meet the July 1, 2007 deadline in the SAFE Port Act to implement the TWIC program at the 10 highest risk ports. According to TSA officials, the deadline was not met because the agency and the TWIC enrollment contractor needed to conduct additional tests of the software and equipment that will be used to enroll and issue cards to workers to ensure that they work effectively before implementation. In our September 2006 report, we recommended that TSA conduct testing to ensure that the TWIC program will be capable of efficiently enrolling and issuing TWIC cards to large number of workers before proceeding with implementation. TSA officials stated that such testing was needed to ensure that these systems will work effectively when implemented and will be able to handle the capacity of enrolling as many as 5,000 workers per day, conducting background checks on these workers in a timely manner, and efficiently producing TWIC cards for each worker. In October 2007, TSA announced that this testing was complete and began enrolling and issuing TWIC cards to workers at the Port of Wilmington, Delaware on October 16, 2007. TSA also plans to begin implementing TWIC at 11 additional ports by November 2007. In addition, TSA and Port of Wilmington officials stated that the enrollment contractor has already successfully enrolled and issued TWIC cards to those individuals that will be responsible for enrolling port workers as well as certain federal employees, such as TSA and Coast Guard officials.

TSA has also begun planning a pilot to test TWIC access control technologies, such as biometric card readers, in the maritime environment

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as required by the SAFE Port Act. According to TSA, the agency is partnering with the Port Authorities of Los Angeles, Long Beach, Brownsville, and New York and New Jersey, in addition to Watermark Cruises in Annapolis, Maryland, to test the TWIC access control technologies in the maritime environment and is still seeking additional participants. TSA's objective is to include pilot test participants that are representative of a variety of facilities and vessels in different geographic locations and environmental conditions. TSA officials stated that pilot participants will be responsible for paying for the costs of the pilot and will likely use federal port security grant funds for this purpose. According to TSA officials, 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. In addition, in September 2007, TSA published the TWIC card reader specifications, which outline the requirements for biometric TWIC card readers that will be used by maritime locations participating in pilot testing. These specifications will enable these maritime locations to begin purchasing and installing card readers in preparation for testing. TSA officials stated that the results of the pilot program will help the agency issue future regulations that will require the installation of access control systems necessary to read the TWIC cards.

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

Since we issued our report in September 2006, TSA has taken several steps designed to strengthen contract planning and oversight, although we have not yet independently assessed the effectiveness of these efforts. We previously reported in September 2006 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.

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- Required the enrollment contractor to survey customer satisfaction as part of contract performance.

In addition to these steps, TSA 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, TSA officials stated that they have hired an independent contractor to help provide oversight of the enrollment contract and ensure that the enrollment contractor fulfills contract requirements and achieves established performance metrics.

In addition to contract planning and oversight, TSA has also taken steps to address our previous recommendations regarding improving 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, according to stakeholders, TSA never provided the final results or report on TWIC testing to stakeholders that participated in the test. Some stakeholders also 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.

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

- posting frequently asked questions on the TSA and Coast Guard Websites;
- 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; and
- 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.

Stakeholders from the Ports of Wilmington, Delaware; Los Angeles, California; and the Maritime Exchange of the Delaware River and Bay with whom we spoke in October 2007 stated that TSA and its enrollment contractor have placed a greater emphasis on communicating and coordinating with stakeholders and on correcting past problems. For example, an official from the Port of Wilmington 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, TSA reported that the TWIC enrollment contractor 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. Port of Wilmington officials stated that the subcontractor is developing a list of trucking companies that deliver to the port so that information on the TWIC enrollment requirements can be mailed to truck drivers.

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

As we reported in September 2006 and April 2007, TSA and maritime industry stakeholders will need to address several challenges to help ensure that the TWIC program will be implemented successfully. As we reported in September 2006, TSA and its enrollment contractor must transition from testing of the TWIC program to successful implementation of the program on a much larger scale covering 770,000 workers at about 3,200 maritime facilities and 5,300 vessels. While TSA and the enrollment contractor report conducting performance testing of the TWIC enrollment and card issuance systems, it remains to be seen how these systems will perform as TSA begins enrolling large numbers of workers at ports nationwide. In addition, maritime stakeholders with whom we spoke in September and October 2007 identified the need for TSA and its enrollment contractor to educate workers on the new TWIC requirements, ensure that the contractor conducts enrollments in a timely manner, and process numerous background checks, appeals, and waiver applications. Furthermore, TSA and industry stakeholders will need to ensure that TWIC access control technologies work effectively in the maritime environment, will be compatible with TWIC cards that will be issued soon, and balance security requirements while facilitating maritime commerce. As a result, it will be important that TSA's TWIC access control technology pilot comprehensively test the TWIC program in an operational environment to ensure that it works effectively with the least negative impact on maritime commerce.

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## TSA and Its Contractor Will Have to Enroll and Issue TWIC Cards to Large Populations of Workers at Numerous Port Facilities and Vessels

In September 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 required the contractor to develop an enrollment test and evaluation program to ensure that enrollment systems

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function as required under the contract. As previously stated, TSA officials reported that the enrollment contractor and the agency have conducted performance testing of the TWIC enrollment systems to ensure that they work effectively and are able to handle the full capacity of enrollments during implementation. In September 2006, we also reported that TSA will need to ensure 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.

In March and April 2007, and again in October 2007, we 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 enrollment and issuance of TWIC cards to workers. These stakeholders expressed concerns related to the following issues:

**Educating workers:** TSA and its enrollment contractor will need to identify all workers that are required to obtain a TWIC card, educate them about how to enroll and receive a TWIC card, and ensure 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 drivers that deliver to the port may be located in different states or countries, and may not be aware of the requirements.

**Timely enrollments:** Maritime stakeholders expressed concern about the ability of the enrollment contractor to enroll workers at his port in a timely manner. For example, at this port, the enrollment contractor 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 with whom we spoke 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 processes

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for the potentially large population of workers that do not pass the check. According to TSA, the agency has already 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.

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### TSA and Industry Stakeholders Must Ensure That TWIC Access Control Technologies Work Effectively and Balance 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, work 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 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, obtaining information from TSA on workers who may pose a threat to security, how biometric card readers would be implemented and used on vessels, and how these vessels would obtain information on workers that may pose a threat. For example, in October 2007, we spoke with maritime industry officials from the Port of Wilmington and the Maritime Exchange of the Delaware River and Bay regarding the process for obtaining information from TSA on workers that may pose a threat to security. TSA plans to provide a secure Web site, whereby port officials can log in and obtain the most recent list of workers enrolled in the TWIC program that have been subsequently identified as a threat to security. Maritime industry officials stated that it was not clear how often they will have to access this Web site and whether the list provided by TSA could be efficiently compared to workers with access to secure areas of the port facility or vessel to ensure that none of these workers are granted access to secure areas. Instead, port officials will have to manually compare the list of workers to those at the port or provide the list to security guards to check each worker as they enter secure areas of the port facility or vessel—a labor intensive and potentially costly process. Maritime officials stated that TSA should clarify these requirements and develop a process to allow port facilities and vessels to regularly update their access control

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systems, in an automated fashion, with lists of workers that may pose a threat in the second rule pertaining to TWIC access control technologies.

Because of comments regarding TWIC access control technologies 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 some time during 2008, which should allow more time for maritime stakeholders to comment on the technology requirements and TSA to address these comments.

In September 2006, we reported 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. 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. 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 commerce, and stated that it plans to obtain additional public comments on this issue from industry stakeholders 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 security benefits 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

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develop the requirements and procedures for implementing and using TWIC access control technologies in the second rulemaking. The 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.

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## Concluding Observations

Preventing unauthorized persons from entering secure areas of the nation's ports and other transportation facilities is a key component of securing the homeland. The TWIC program was initiated in December 2001 to mitigate the threat of terrorists accessing secure areas. Since we reported on this program in September 2006, TSA has made progress towards implementing the program, including issuing a TWIC rule, taking steps to implement requirements of the SAFE Port Act, awarding a contract to enroll workers in the program, and beginning to enroll workers in the TWIC program. TSA has also taken actions to address legislative requirements to implement and test the program and our previous recommendations to improve the TWIC program regarding conducting additional testing, strengthening contractor oversight, and improving communication and coordination with maritime stakeholders. While the additional testing that TSA reports conducting and the actions it has taken should help address the problems that we have previously identified, the effectiveness of these efforts will not be clear until the program further matures. In addition, TSA and its contractor must enroll about 770,000 persons at about 3,200 facilities in the TWIC program. As a result, it is important that TSA and the enrollment contractor effectively communicate and coordinate to help ensure that all individuals and organizations affected by the TWIC program are aware of their responsibilities. Finally, it will be critical that TSA ensures that the TWIC access control technology pilot fully tests the TWIC program in an operational maritime environment and the results be used to help ensure a successful implementation of these technologies in the future.

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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.

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## Contact Information

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