## Program Statistics

<table>
<thead>
<tr>
<th>Item</th>
<th>Number (as of 3-Jun-11)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Enrollments</td>
<td>1.89M</td>
</tr>
<tr>
<td>Cards Activated</td>
<td>1.72M</td>
</tr>
<tr>
<td>Total Applicants Denied* (2%)</td>
<td>36,000</td>
</tr>
<tr>
<td>Number of Enrollment Centers</td>
<td>135</td>
</tr>
</tbody>
</table>

* Denied appeals; denied waivers; cases closed due to applicant’s failure to provide sufficient documents; or, failure to respond.
Major Test Site—with Multiple Facilities

Single Facility Test Site
Pilot Participant and Reader Statistics

- 23 individual facilities or vessel operations participated
- 156 readers used in pilot test
- 33,000 TWIC holders (potential pilot population)

<table>
<thead>
<tr>
<th>Participant Type</th>
<th>Fixed</th>
<th>Portable</th>
<th>Total Readers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Container Terminals</td>
<td>60</td>
<td>13</td>
<td>73</td>
</tr>
<tr>
<td>Large Passenger Vessels/Terminals</td>
<td>2</td>
<td>25</td>
<td>27</td>
</tr>
<tr>
<td>Petroleum Facilities</td>
<td>21</td>
<td>4</td>
<td>25</td>
</tr>
<tr>
<td>Break-Bulk Terminals</td>
<td>12</td>
<td>6</td>
<td>18</td>
</tr>
<tr>
<td>Small Passenger Vessels/Towboats</td>
<td>0</td>
<td>6</td>
<td>6</td>
</tr>
<tr>
<td>Other</td>
<td>5</td>
<td>2</td>
<td>7</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>78</strong></td>
<td><strong>56</strong></td>
<td><strong>156</strong></td>
</tr>
</tbody>
</table>
Pilot Highlights and Status

- Reader laboratory testing is complete— included:
  - Functional testing: conformance to TWIC specification
  - Environmental testing: ability to withstand conditions anticipated to be encountered at maritime facilities (heat; cold; rain/snow; salt spray; dust; solar radiation; vibration; etc.)

- Field reader tests were completed May 31st — still collecting and reviewing final data collection at several large facilities

- Reader certification—will provide formal TWIC reader certification process; anticipate reader rule to require use of certified readers

- Pilot Report: delivery to congress early summer
Pilot Results / Challenges

- System design and integration of readers and physical access control systems (PACS) with facility or vessel operational profile is key

- Dedicated fixed systems were easier to install and operate than those integrated with other business-related systems; portable (handheld) readers offered flexibility at manned access points, or where credentials required checks absent an access point (i.e., vessel operations; spot checks; etc.)

- Operator and worker training with readers and PACSs was critical to smooth operations

- Registration of cards into PACSs was time-consuming for large facilities or those with a high number of truckers

- When reader systems are well-planned; properly installed; operated by knowledgeable personnel; and, TWICs are presented by users familiar reader operations, access point throughput is maintained with manageable impact to business operations.
Card Failures

- TWIC Program Office is aware cards are failing at unexpectedly high rates.
  - Failure rates first noticed as cards in service aged
  - Introduction of readers recently at high-traffic pilot sites exposed scope of problem

- Failures primarily impact ability of the card to be read “contactlessly” via close-range radio-frequency data exchanges with “contactless” readers.

- Other failures involve: the integrated circuit chip (ICC); de-lamination of the holographic security film; and, fading.

- PMO is investigating failures:
  - Completed a forensic analysis of contactless failures by independent laboratory
  - Sampled and tested cards at multiple maritime facilities
  - Continue to communicate with stakeholders; receive and evaluate card failures reported from owner/operators and security officials

- PMO is developing a plan of action and will follow up with members and stakeholders
- In the interim: Within 60 days enrollment centers will begin providing plastic cardholders and card handling instructions with every card activated
BACKUP SLIDES
Coast Guard Authorization Act - TWIC

- Coast Guard Authorization Act of 2010 contains some changes for ports and facilities
  - As CG reviews these requirements, we will follow the required notice and comment process, and ensure that CG offices are aware of these changes.

- Eight sections involve TWIC provisions:
  - Sec. 802: Transportation Worker Identification Credential (pilot report)
  - Sec. 808: Pilot Program for fingerprinting of maritime worker
  - Sec. 809: Transportation security cards on vessels
  - Sec. 814: Use of secondary authentication for transportation security cards
  - Sec. 815: Assessment of transportation security card enrollment sites
  - Sec. 818: Transportation security cards; access pending issuance; deadlines for processing; receipt
  - Sec. 819: Harmonizing security card and MMD expirations
  - Sec. 823: Transportation security card activations at any MTSA facility
Reader Requirements Rulemaking

Notice of Proposed Rulemaking (NPRM):

- NPRM under development
  - Comments from the Advanced NPRM which published 27 March 2009
  - Initial Technical Testing & Preliminary pilot data
- NPRM & regulatory impact assessment will be informed by complete pilot data
  - Publish NPRM after the final pilot report is presented to Congress, anticipated late CY2011

Final Rule:

- Anticipated late CY2012
  - Will incorporate comments received in response to NPRM

Final Implementation

- Anticipate 6 – 12 months
Test Plan – Three Phase Approach

- **Initial Technical Testing (ITT) – Completed**
  - Determined if industry-developed biometric card readers met TWIC card-reader specifications;
  - Included functional and environmental laboratory testing of a sampling of TWIC readers

- **Early Operational Assessment (EOA) – Completed**
  - Planned duration: 11 weeks at each site
  - Provides for start-up learning curve
  - Evaluates the technical performance of TWIC readers at test sites
  - Pilot participants select the readers they plan to test and install, and then use the readers as part of their normal business and operations

- **System Test & Evaluation (ST&E) – Completed (except at several LA/LB sites)**
  - Planned duration: 16 weeks at each site
  - Evaluates the operational and technical impact of installing and using TWIC readers at a variety of maritime facilities and vessels once readers/users achieve steady-state operation
  - Includes an assessment of reader effectiveness, suitability, and supportability
Pilot Delays

- **Start-Up Delays:**
  - **TSA:** In response to maritime stakeholder demands for readers capable of conducting a biometric match without PIN entry and without inserting the card into a reader (i.e., read the TWIC contactlessly) TSA developed a TWIC card and reader specification—a nine-month effort
  - **Industry:** Reader vendors then developed readers based on the new specification; first ICE list issued October 2008

- **Execution Delays:**
  - **Ports & Terminals:** The voluntary nature of the pilot allowed each participant to proceed at their own pace—timelines set by government are unenforceable (See Table 1)
  - **Ports:** Expressed concerns by ports regarding grant fund issues—waiver of matching funds; sufficiency of funds
  - **Ports & Terminals:** Slow pace of reader plan development; submission of grant supporting documents; and contract awards
  - **Terminals:** Impact of recession on commercial terminal operators—reduced staffs and financial reserves
  - **Technical:** Complexity of some installations—linkage to other databases; reader and physical access control system interface issues