

**DHS Did Not Fully Comply  
with Requirements in the  
Transportation Security Card  
Program Assessment**





## OFFICE OF INSPECTOR GENERAL

Department of Homeland Security

Washington, DC 20528 / [www.oig.dhs.gov](http://www.oig.dhs.gov)

September 22, 2021

MEMORANDUM FOR: The Honorable Alejandro Mayorkas  
Secretary  
Department of Homeland Security

FROM: Joseph V. Cuffari, Ph.D.  
Inspector General

SUBJECT: *DHS Did Not Fully Comply with Requirements in the  
Transportation Security Card Program Assessment*

JOSEPH V  
CUFFARI

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JOSEPH V CUFFARI  
Date: 2021.09.21  
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For your action is our final report, *DHS Did Not Fully Comply with Requirements in the Transportation Security Card Program Assessment*. We incorporated the formal comments provided by your office.

The report contains one recommendation aimed at improving the DHS TWIC® program. Your office did not concur with our recommendation. Based on information provided in your response to the draft report, we consider the recommendation open and unresolved. As prescribed by the Department of Homeland Security Directive 077-01, *Follow-Up and Resolutions for the Office of Inspector General Report Recommendations*, within 90 days of the date of this memorandum, please provide our office with a written response that includes your (1) agreement or disagreement, (2) corrective action plan, and (3) target completion date for each recommendation. Also, please include responsible parties and any other supporting documentation necessary to inform us about the current status of the recommendation. Until your response is received and evaluated, the recommendation will be considered open and unresolved.

Please send your response or closure request to  
[OIGAuditsFollowup@oig.dhs.gov](mailto:OIGAuditsFollowup@oig.dhs.gov).

Consistent with our responsibility under the *Inspector General Act of 1978, as amended*, we will provide copies of our report to congressional committees with oversight and appropriation responsibility over the Department of Homeland Security. We will post the report on our website for public dissemination.

Please call me with any questions, or your staff may contact Bruce Miller, Deputy Inspector General for Audits, at (202) 981-6000.



# DHS OIG HIGHLIGHTS

## *DHS Did Not Fully Comply with Requirements in the Transportation Security Card Program Assessment*

September 22, 2021

### Why We Did This Review

The *Transportation Security Card Program Assessment* (P.L. 114-278) requires DHS to assess the effectiveness of its transportation security card program by reviewing 10 program areas and preparing a CAP to respond to any findings. Our objective was to determine DHS' compliance with this statutory requirement.

### What We Recommend

We made one recommendation for DHS, in consultation with TSA and the Coast Guard, to re-evaluate the assessment to determine if further corrective actions are needed or justify excluding significant issues from the DHS CAP.

#### **For Further Information:**

Contact our Office of Public Affairs at (202) 981-6000, or email us at [DHS-OIG.OfficePublicAffairs@oig.dhs.gov](mailto:DHS-OIG.OfficePublicAffairs@oig.dhs.gov)

### What We Found

As required by Congress, we reviewed the Department of Homeland Security's corrective action plan (DHS CAP) and determined that it did not fully comply with P.L. 114-278. In August 2019, DHS published an assessment of the effectiveness of the Transportation Worker Identification Credential (TWIC®) program. As the joint managers of the program, the Transportation Security Administration (TSA) and the United States Coast Guard prepared the DHS CAP to address findings in the assessment, then submitted the DHS CAP to Congress in June 2020. Although the DHS CAP summarized the assessment's reporting on the required program areas and identified corrective actions for one area, it did not include corrective actions for the following program areas that we consider significant:

- TWIC program benefits may not outweigh its costs.
- TWIC's risk-mitigation value is limited.
- There may be non-biometric alternatives to the TWIC program.
- Vetting standards could potentially be improved.

TSA and the Coast Guard determined no further actions to potentially improve TWIC program efficiency and effectiveness were required and, therefore, DHS did not act on these significant issues. As a result, DHS may be missing opportunities to improve the TWIC program.

### DHS Response

DHS did not concur with the recommendation, which is considered open and unresolved.



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### Background

Following the September 11, 2001 terrorist attacks, Congress passed the *Maritime Transportation Security Act of 2002*<sup>1</sup> (MTSA), which required the Department of Homeland Security to protect critical portions of the Nation's maritime transportation infrastructure from acts of terrorism. MTSA also required DHS to issue biometric<sup>2</sup> transportation security cards to people needing access to secure areas of a vessel or port facilities. As a result, in 2007, DHS established the Transportation Worker Identification Credential (TWIC®) program. The *Security and Accountability for Every Port Act of 2006*<sup>3</sup> amended MTSA and directed DHS to implement the use of biometric transportation security cards with readers.

The Transportation Security Administration (TSA) and the United States Coast Guard (Coast Guard) jointly manage the TWIC program. TSA issues or denies a TWIC card after verifying an applicant's identity, immigration status, links to terrorist organizations, and criminal history. The Coast Guard enforces the TWIC program and MTSA regulations, use of TWICs, and access control procedures at the Nation's seaports.

In December 2016, Congress passed the *Transportation Security Card Program Assessment* (P.L. 114-278) (public law) to address concerns from the Government Accountability Office (GAO) and the DHS Office of Inspector General (OIG) about improving the TWIC program.

The public law requires DHS to:

- assess the effectiveness of the TWIC program by examining 10 required program areas in the credentialing process, the application process, and the security value of the program [Section 1(b)]; and
- prepare a corrective action plan (CAP) to respond to any deficiency in the effectiveness of the program [Section 1(c)].

Section 1(d)(1) of the public law requires DHS OIG to review the extent to which the DHS CAP:

1. responded to findings of the assessment;
2. included an implementation plan with benchmarks;
3. included programmatic reforms, revisions to regulations, or proposals for legislation; and

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<sup>1</sup> Public Law 107-295.

<sup>2</sup> Biometric options include fingerprints, facial recognition, and vascular scans.

<sup>3</sup> Public Law 109-347.



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4. considered any rulemaking by DHS relating to the program.

DHS commissioned the Homeland Security Operational Analysis Center (HSOAC), which is a Federally Funded Research and Development Center, to assess the effectiveness of the TWIC program. The HSOAC published its assessment, *The Risk-Mitigation Value of the Transportation Worker Identification Credential* (HSOAC assessment) in August 2019. The HSOAC assessment addressed the public law requirement to complete a comprehensive security assessment of the TWIC program.

TSA and the Coast Guard prepared the *Corrective Action Plan from the Assessment of the Risk Mitigation Value of the Transportation Worker Identification Credential* (DHS CAP), which DHS submitted to Congress in June 2020. The DHS CAP summarized the 10 required program areas and included the following five corrective actions related to the required program area, “Impacts of TWIC and TWIC Readers”:

1. Publish TWIC Reader Final Rule;
2. Conduct a Risk Analysis;
3. Develop an Education & Outreach Plan;
4. Enhance Coast Guard Risk Assessment Data; and
5. Update Coast Guard Policy relating to TWIC Program.

TSA and the Coast Guard both track activities and have established milestones to monitor progress completing these corrective actions. Following publication of the DHS CAP, TSA and the Coast Guard prepared the *TWIC Education and Outreach Plan* detailing its corrective action-related activities. The Coast Guard prepared a *Plan of Action and Milestones*, which includes action items for each corrective action assigned to it, as well as start and due dates and percent of completion for each task. Appendix B contains more information on TSA’s and the Coast Guard’s corrective actions.

Our objective for this review was to determine DHS’ compliance with the public law.

## **Results of Review**

### **DHS CAP Did Not Include Corrective Actions for All HSOAC Assessment Findings**

As required by Congress, we reviewed the DHS CAP and determined that it did not fully comply with the public law. Although the DHS CAP included summaries of the 10 required program areas in the HSOAC assessment, as well as planned corrective actions, it did not include corrective actions for the following issues that we consider significant:



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- TWIC program benefits may not outweigh its costs.
- The TWIC’s risk-mitigation value is limited.
- There may be non-biometric alternatives to the TWIC program.
- Vetting standards could potentially be improved.

These issues are significant because additional investment in TWIC may not be the most efficient or effective security decision for facilities. For example, total costs of biometric verification requirements, which are already considered high, are expected to significantly increase as additional facilities are required to participate in the TWIC program. These costs are borne by the facilities — the program stakeholders.

Table 1 shows the required program areas in which DHS identified the need for corrective action compared to areas in which OIG determined DHS should take action.

**Table 1. DHS OIG Analysis of DHS CAP**

Required Program Area	DHS Determination of Corrective Actions	OIG Determination of Corrective Actions
Impacts of TWIC and TWIC Readers	<b>Action Required</b>	<b>Action Required</b>
Program Costs and Benefits	<b>No Action Required</b>	<b>Action Required</b>
Known or Likely Risks at Ports	<b>No Action Required</b>	<b>Action Required</b>
Non-biometric Alternatives	<b>No Action Required</b>	<b>Action Required</b>
Vetting Standards	<b>No Action Required</b>	<b>Action Required</b>
Fee Structure	<b>No Action Required</b>	<b>No Action Required</b>
Redundancy with Other Credentials	<b>No Action Required</b>	<b>No Action Required</b>
Variation Among Federal and State Threat Assessments	<b>No Action Required</b>	<b>No Action Required</b>
TWIC Application Process	<b>No Action Required</b>	<b>No Action Required</b>
Reports by GAO* and DHS OIG	<b>No Action Required</b>	<b>No Action Required</b>

Source: DHS OIG review of the DHS CAP

\*Government Accountability Office



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We determined DHS should take corrective actions to address the following concerns identified in the HSOAC assessment.

#### TWIC Program Benefits May Not Outweigh Its Costs

According to the HSOAC assessment, it is unlikely the benefits of the TWIC program outweigh its costs. In addition, HSOAC asserted that the Coast Guard underestimated TWIC program costs. Specifically, the Coast Guard understated the number of TWIC readers required, which HSOAC estimated to be as much as 70 percent higher than previously reported. Also, according to the HSOAC assessment, the Coast Guard did not identify all certain dangerous cargo (CDC)<sup>4</sup> facilities, which could result in a significant increase in the number of facilities required to use TWIC readers and potentially quadruple TWIC program costs.

#### TWIC's Risk-Mitigation Value Is Limited

According to the HSOAC assessment, even though the threat of terrorism in the maritime environment is considered low, other security threats exist. Although TWIC's strength lies in identifying known or suspected terrorists, it cannot mitigate all risks in the maritime environment because it is one part of a complex security system in place at ports. In its assessment, HSOAC concluded it is not possible to determine the security value of TWIC alone in the maritime environment.

In addition, the HSOAC assessment referred to a 2000 study on crime and security in seaports<sup>5</sup> that required extensive data collection because local, state, and Federal law enforcement agencies "do not adequately collect ... crime data by seaports." According to the HSOAC assessment, "there is no clear system of seaport crime data statistics" and no way to determine how crime statistics have changed since the 2000 study.

#### Non-biometric Alternatives to the TWIC Program

MTSA required that TWIC be a biometric credential. The HSOAC assessment found biometrics to be a superior method to verify someone's identity. However, even though biometrics are considered more sophisticated, this method can have limitations. For example, a reader may not be able to read fingerprints. Furthermore, even without biometric information, TWIC cards would enable verification of a person's identity by matching a photograph and requiring a personal identification number.

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<sup>4</sup> 33 Code of Federal Regulations (C.F.R.) § 160.202 defines CDC as explosive, flammable, or noxious materials.

<sup>5</sup> *Report of the Interagency Commission on Crime and Security in U.S. Seaports*, Fall 2000.



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In addition, the current TWIC model using biometrics is not the only way for the program to operate. The HSOAC assessment identified two examples of credentialing models that other infrastructure sectors use — Security Identification Display Area cards, which are required to access secure areas at airports, and the Personnel Surety Program, which is used at certain regulated chemical facilities. According to the HSOAC assessment:

... regulatory barriers exist to adopting an alternative model. Adoption of another model would require amendments to MTSA to permit facilities to make their own credentialing decisions and to alter privacy provisions.

#### Potential Improvements to Vetting Standards

The HSOAC assessment identified the following potential improvements to vetting standards that DHS did not consider:

- integrating risk-prediction tools in TSA’s security threat assessment process, which TSA has not done; and
- re-evaluating the vetting standards routinely to benefit from new research or consider emerging threats, which might have value.

#### **Why These Four Issues Are Significant**

These issues are significant because additional investment in TWIC may not be the most efficient or effective security decision for facilities. For example, total costs of biometric verification requirements, which are already considered high, are expected to significantly increase as additional facilities are required to participate in the TWIC program. These costs are borne by the facilities — the program stakeholders. In addition, while non-biometric alternatives exist, DHS argues that biometrics are superior and required by MTSA, even though alternatives may be less expensive. Finally, TWIC does not address all security concerns, and its success is contingent on the strength of complex access control systems, of which it is one part.

The TWIC program began more than 10 years ago and is not fully implemented, and with the HSAOC assessment, Congress offered DHS an opportunity to change or improve the program. According to the public law, the DHS CAP “may include programmatic reforms, revisions to regulations, or proposals for legislation.” TSA and the Coast Guard prepared the DHS CAP based on their areas of responsibility and determined that no further actions on these potential improvements to program efficiency and effectiveness were required. Therefore, DHS did not act on these issues. Without considering these issues, DHS may be missing opportunities to improve the TWIC program.



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**Recommendation**

**Recommendation:** We recommend the Secretary of Homeland Security, in consultation with TSA and the Coast Guard, re-evaluate the HSOAC assessment, and report on further corrective actions necessary to address the four areas of concern from the assessment findings, as identified in this report, or justify excluding these areas of concern from the corrective action plan.

**Management Comments and OIG Analysis**

We have included a copy of DHS' management response in its entirety in Appendix A. We also received technical comments to the draft report and revised the report as appropriate.

DHS did not concur with our recommendation, which is open and unresolved. A summary of DHS' response and our analysis follow.

**DHS' Comments to the Recommendation:** Non-Concur. According to its response, Department, Coast Guard, and TSA leadership believe the DHS CAP satisfactorily addresses the findings of the HSOAC assessment, and a re-evaluation would unnecessarily complicate ongoing CAP implementation.

**OIG Analysis:** We consider DHS', the Coast Guard's, and TSA's actions partially responsive to the recommendation. Although the DHS CAP addressed the HSOAC assessment's required program areas and identified corrective actions for one area, it did not include corrective actions for four areas that we consider significant. The Coast Guard's actions address two of these four areas: the cost benefit of the program and non-biometric alternatives.

Cost Benefit of the Program and Non-Biometric Alternatives

According to DHS, the Coast Guard commissioned a follow-on study with the HSOAC to conduct a risk analysis that includes:

- an estimate of the number of facilities to which TWIC readers would apply;
- development and implementation of a risk assessment to support estimation of facility population and the costs of Transportation Security Incidents that may be mitigated by TWIC readers; and
- development of a revised cost estimate for the TWIC Reader Rule.

According to DHS, the revised cost estimate will address whether the TWIC program benefits outweigh its costs. In addition, DHS leadership believes that the DHS CAP addresses non-biometric alternatives. However, the Coast Guard may consider non-biometric alternatives when reviewing the follow-on HSOAC



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risk analysis that better defines the facility population, risks, and program costs.

DHS provided an estimated completion date of June 30, 2022.

DHS did not take additional action for the remaining two of the four areas we consider significant: risk mitigation value and vetting standards. In our recommendation, we stated that should DHS decide not to re-evaluate the HSOAC assessment it should justify excluding these areas of concern from the DHS CAP. We consider DHS' response as its justification for excluding these two areas.

#### Potential Improvement to TWIC Vetting Standards

TSA responded that the vetting standards are codified in statute. However, according to the *Transportation Security Card Program Assessment*, the DHS CAP "may include programmatic reforms, revisions to regulations, or proposals for legislation." TSA maintains that its processes to review the conduct of applicants under MTSA to determine if such conduct poses a security threat are robust, and any re-evaluation of the assessment program area focused on vetting standards is not necessary and would not result in new corrective actions for DHS and TSA.

Although Congress offered DHS an opportunity to change or improve the program, TSA did not consider revisions to regulations or propose legislation because vetting standards are codified. TSA will not re-evaluate the vetting standards on a routine basis to benefit from new research or consider emerging threats.

#### TWIC Risk Mitigation Value

DHS' response did not address the HSOAC's concern that risk mitigation of TWIC is limited. According to the response, "... TWIC risk mitigation was already addressed through the "Risk Analysis" line item in the DHS CAP, which included an Implementation Plan and benchmarks to address the HSOAC assessment's concern regarding the risk definitions and risk assessment." The risk definitions and risk assessment do not address TWIC's limited role in port security, where it is one part of a complex security system.



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**Objective, Scope, and Methodology**

The Department of Homeland Security Office of Inspector General was established by the *Homeland Security Act of 2002* (Public Law 107-296) by amendment to the *Inspector General Act of 1978*.

Our objective was to determine DHS' compliance with Public Law 114-278, Section 1(b) *Transportation Security Card Program Assessment*.

To accomplish our objective, we:

- reviewed *The Risk-Mitigation Value of the Transportation Worker Identification Credential – A Comprehensive Security Assessment of the TWIC Program*, August 2019; *Results from the Assessment of the Risk Mitigation Value of the Transportation Worker Identification Credential*, February 2020; and *Corrective Action Plan from the Assessment of the Risk Mitigation Value of the Transportation Worker Identification Credential – Report to Congress*, June 2020;
- interviewed officials from DHS Science and Technology Directorate's (S&T) Federally Funded Research and Development Center Program Management Office, the TSA Enrollment Services and Vetting Programs Office, and Coast Guard's Office of Port and Facility Compliance to understand how they coordinated and developed the DHS *Corrective Action Plan from the Assessment of the Risk Mitigation Value of the Transportation Worker Identification Credential*;
- reviewed S&T, TSA, and Coast Guard documentation that supported decisions made and actions taken to develop the DHS CAP;
- analyzed prior DHS OIG and GAO audit reports to understand the findings, recommendations, and associated corrective actions involving the TWIC program; and
- researched laws, regulations, and internal policies to identify applicable criteria governing the TWIC program.

We conducted this review between December 2020 and April 2021 under the authority of the *Inspector General Act of 1978, as amended*, and according to the *Quality Standards for Inspection and Evaluation* issued by the Council of the Inspectors General on Integrity and Efficiency. We believe the evidence obtained provides a reasonable basis for our findings and conclusions based upon our review objective.



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The Office of Audits major contributors to this report are Sean Pettersen, Director; John McPhail, Audit Manager; Megan McNulty, Program Analyst; Sabrina Paul, Program Analyst; David Widman, Auditor; Kevin Dolloson, Communications Analyst; and Katherine McCall, Independent Referencer.



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**Appendix A**  
**DHS Comments to the Draft Report**

U.S. Department of Homeland Security  
Washington, DC 20528



September 9, 2021

MEMORANDUM FOR: Joseph V. Cuffari, Ph.D.  
Inspector General

FROM: Jim H. Crumpacker, CIA, CFE  
Director  
Departmental GAO-OIG Liaison Office

**JIM H**  
**CRUMPACKER**  
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SUBJECT: Management Response to Draft Report: “DHS Did Not Fully  
Comply with Requirements in the Transportation Security Card  
Program Assessment”  
(Project No. 20-005-AUD-USCG, TSA, DHS)

Thank you for the opportunity to comment on this draft report. The U.S. Department of Homeland Security (DHS or the Department) appreciates the work of the Office of Inspector General (OIG) in planning and conducting its review and issuing this report.

The Department is pleased to note OIG’s recognition that the Coast Guard and Transportation Security Administration (TSA) are tracking activities and establishing milestones to monitor the progress made to complete the five milestones in the “Corrective Action Plan from the Assessment of the Risk Mitigation Value of the Transportation Worker Identification Credential” (DHS CAP) submitted to Congress in June 2020. The Department remains committed to completing actions in the DHS CAP, and conducting risk analysis in line with the Homeland Security Operational Analysis Center’s (HSOAC) assessment, “The Risk-Mitigation Value of the Transportation Worker Identification Credential,” dated August 2019.

The draft report contained one recommendation, with which the Department non-concurs. Attached find our detailed response to the recommendation. DHS previously submitted technical comments addressing several accuracy, contextual, and other issues under a separate cover for OIG’s consideration.

Again, thank you for the opportunity to review and comment on this draft report. Please feel free to contact me if you have any questions.

Attachment



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### Attachment: Management Response to Recommendations Contained in 20-005-AUD-USCG, TSA, DHS

OIG recommended that the Secretary of Homeland Security:

**Recommendation 1:** In consultation with TSA and the Coast Guard, re-evaluate the HSOAC assessment, and report on further corrective actions necessary to address the four areas of concern from the assessment findings, as identified in this report, or justify excluding these areas of concern from the corrective action plan.

**Response:** Non-concur. Department, Coast Guard, and TSA leadership believes that the DHS CAP satisfactorily addresses the findings of the HSOAC assessment, and that a re-evaluation would unnecessarily complicate its ongoing CAP implementation. For example, elements such as the Transportation Worker Identification Credential (TWIC) risk mitigation was already addressed through the “Risk Analysis” line item in the DHS CAP, which included an Implementation Plan and benchmarks to address the HSOAC assessment’s concern regarding the risk definitions and risk assessment. Further, in February 2021 the Coast Guard’s Office of Port and Facility Compliance (CG-FAC), with support from the Office of Standards Evaluation and Development (CG-REG) commissioned a follow-on study with the HSOAC to conduct a risk analysis that includes:

- an estimation of the facility population to which TWIC Readers would apply;
- development and implementation of a risk assessment to support estimation of facility population and the costs of Transportation Security Incidents that may be mitigated by TWIC readers; and
- development of a revised cost estimate for the TWIC Reader Rule, which address whether the TWIC program benefits outweigh its costs.

Upon completion of this second HSOAC study, currently scheduled for June 2022, the Coast Guard will consider pursuing additional action, as appropriate.

Leadership also believes that the DHS CAP addresses non-biometric alternatives to the TWIC program, as it was assessed by HSOAC in the Alternative Models and Redundancies (M&R) section, which identified knowledge, possession, and inference factor alternatives described their shortcomings, and also highlighted the strengths of biometric verifications. Moreover, the DHS CAP identified that TWIC is:

- highly resistant to counterfeiting;
- provides flexible credentialing to facilities and vessels included in the Maritime Transportation Security Act of 2002 (MTSA), Public Law 107-295; and
- provides the ability to conduct accurate terrorism and recurrent terrorism vetting.



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While the Department acknowledges that HSOAC's M&R section states that "biometric verification methods are in general considered to require more sophistication to defeat than non-biometric ones and make for a more robust security system," this document does not provide any recommendation or conclusion on alternatives that warrant corrective action. Further, the Coast Guard may consider non-biometric alternatives when reviewing the follow-on HSOAC risk analysis that better defines the facility population, risks, and program costs.

It is also important to note that, during the course of the OIG's audit, TSA representatives specifically informed the OIG audit team during meetings on February 3, 2021 and March 5, 2021 that TSA's vetting standards are codified in statute, and provided substantive documentation describing how TWIC vetting standards were established and codified, including permanent and interim disqualifiers, a look-back period, a redress process, and a complete list of disqualifying crimes and factors. This information was also made available to HSOAC researchers during its TWIC assessment.

These TWIC vetting standards provide an effective security baseline for the maritime environment. In the TWIC assessment, HSOAC determined that "appropriateness is ultimately a decision based on congressional intent," and the researchers confirmed that the regulations stipulate standards for the Security Threat Assessment (STA) to determine whether an applicant presents a security threat, such as threats to national security, to transportation security, or of terrorism and risks beyond terrorism. Consequently, HSOAC determined that the TSA "STA would detect known or suspected terrorists who seek to legally gain persistent access to the maritime environment," and the assessment states that "the Congressional Record suggests that some policymakers saw criminal history as inextricably linked to terrorism risk." On TSA's disqualifying criminal factors, HSOAC also stated, "criminal background checks can also contribute to the general security of the maritime environment, so the vetting standards are not wholly inappropriate in that they might have utility in reducing crime."

In addition, HSOAC acknowledged that "the federal government and industry might have different objectives in determining [security] risk," and "TWIC standards and the redress process attempt to strike a balance between the [federal and industry objectives]." HSOAC also determined that TWIC vetting "trends toward a higher risk tolerance given that a single vetting standard must apply to the entire population working in the maritime sector," and noted that a "facility may choose to adopt additional criteria beyond TWIC vetting standards to satisfy its specific security needs."

With this assessment, TSA maintains that its processes to review the conduct of applicants under MTSA to determine if such conduct poses a security threat are robust, and that any re-evaluation of the assessment program area focused on vetting standards is not necessary, and would not result in new corrective actions for DHS and TSA.

Estimated Completion Date: June 30, 2022.



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**Appendix B**  
**TSA and Coast Guard Corrective Actions from the DHS CAP**

- 1) Publish TWIC Reader Final Rule:<sup>6</sup> The Coast Guard drafted *TWIC – Reader Requirements; Delay of Effective Date*, which will implement TWIC reader requirements for certain high-risk passenger facilities and vessels. This final rule delayed implementing the reader requirements for 3 years for CDC facilities.
- 2) Conduct a Risk Analysis: The Coast Guard plans to conduct a risk analysis over the next 3 years to identify all CDC facilities that should use TWIC readers.<sup>7</sup>
- 3) Develop an Education & Outreach Plan: TSA and the Coast Guard plan to develop and implement a comprehensive outreach and education plan targeted for MTSR-regulated facilities and vessels, owners or operators, and security officers. TSA and the Coast Guard plan to develop new advisories, guidance, memorandums, and policy documents to mitigate stakeholder confusion and clarify TWIC definitions and processes.
- 4) Enhance Coast Guard Risk Assessment Data: The Coast Guard plans to develop and implement a revised process to improve data quality for security breaches in its Marine Information for Safety and Law Enforcement system.<sup>8</sup>
- 5) Update Coast Guard Policy relating to TWIC Program: The Coast Guard plans to review existing instructions, policies, and procedures related to the TWIC Program to determine whether updates and clarification are necessary.

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<sup>6</sup> The TWIC Reader Final Rule will require facilities Coast Guard determines to be high-risk to electronically inspect TWICs using biometric readers and match them to the holders.

<sup>7</sup> The Coast Guard commissioned the HSOAC to conduct the risk analysis. The scope of work includes three activities: estimate the population of facilities that handle CDC; develop and implement a risk assessment; and develop a revised cost estimate.

<sup>8</sup> The Marine Information for Safety and Law Enforcement system contains “significant event” information and the Coast Guard’s actions in the maritime environment.



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**Appendix C**  
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