

Testimony of Judith Marks,
President, Lockheed Martin Transportation and Security Solutions
Before
The Transportation and Infrastructure Committee,
Subcommittee on Coast Guard and Maritime Transportation
On
TSA's Transportation Worker Identification Credential Program
Wednesday, January 23, 2008

Chairman Cummings, Ranking Member LaTourette and Members of the Subcommittee:

Thank you for the opportunity to discuss the Transportation Worker Identification Credential, or TWIC, program. I look forward to sharing the progress we have achieved on this important program. This testimony will provide a background on the TWIC program, the Lockheed Martin contract and the steps we have taken to begin enrollment of the maritime community.

The Transportation Worker Identification Credential (TWIC) is a Transportation Security Administration and U.S. Coast Guard initiative. The TWIC program provides a tamper-resistant biometric credential to maritime workers requiring unescorted access to secure areas of port facilities, outer continental shelf facilities, and vessels regulated under the Maritime Transportation Security Act, or MTSA, and to all U.S. Coast Guard credentialed merchant mariners. TSA has estimated that roughly 750,000 individuals will require TWICs. Enrollment and issuance began in October 2007. To obtain a TWIC, an individual must provide biographic and biometric information (such as fingerprints), sit for a digital photograph, and successfully pass a security threat assessment conducted by TSA.

The TWIC final rule, published in the Federal Register January 25, 2007, reflects input obtained through four public meetings and over 1,900 comments from the maritime industry. While TWIC may be implemented across other transportation modes in the future, the TWIC Final Rule sets forth regulatory requirements to implement this program in the maritime mode first. This rule does not require maritime owners and operators to purchase or install card readers compatible with TWIC at this time. A second rulemaking is anticipated in calendar year 2007 and will propose additional access control requirements and the use of electronic readers. The public will have opportunities to comment on the proposed standards.

The program's goals are:

- Positively identify authorized individuals who require unescorted access to secure areas of the nation's maritime transportation system;
- Determine the eligibility of an individual to be granted unescorted access to secure areas of the maritime transportation system;
- Enhance security by ensuring that unauthorized individuals are denied unescorted access to secure areas of the nation's maritime transportation system; and,
- Identify individuals who fail to maintain their eligibility qualifications after being permitted unescorted access to secure areas of the nation's maritime transportation system and revoke these individuals' permissions.

TIMELINE

The TWIC program began in the Spring of 2002 with Phase I, which was a planning phase conducted by TSA personnel. This phase concluded in Spring of 2003. Phase II was the technology evaluation phase, performed by Maximus, Inc. under contract to TSA. Phase II ran from Fall 2003 to Fall 2004. Phase III of the TWIC program was the prototype phase, performed by BearingPoint under contract to TSA. Phase III began in the Fall of 2004 and concluded with the prototype report which was issued in the Fall of 2005.

The current phase of the TWIC program, the production phase, was competitively awarded to Lockheed Martin in January of 2007 and is currently underway.

Relevant legislation includes the Maritime Transportation Security Act (MTSA) of 2002 and the Security and Accountability for Every (SAFE) Port Act of 2006.

Enrollment Activities to Date

Before discussing our role in depth, I'd like to provide a snapshot of where we are in the enrollment phase of the program. We have been operational for approximately 90 days and I am proud to report, we are deploying more sites faster than any other credentialing program in operation today. To date, we have enrolled over 43,000 individuals and over 10,000 of those enrollees have activated and received their cards. We have deployed to 52 of 147 port locations as of this week and are enrolling approximately 2,000 workers per day. We are proud that Lockheed Martin has met every contractual milestone on the TWIC program including deploying to some of the nations' largest ports including LA/Long Beach, New York, and Houston. We are reporting very good overall wait times at enrollment facilities. Perhaps most importantly, we have received a greater than 90% positive customer satisfaction rating to date based on customer surveys. As with any program of this magnitude, we have experienced some start-up challenges, in areas such as network connectivity, customer interaction, and wait times. We feel strongly that these issues are all resolvable and, have immediately deployed resources, assets and skilled people to address them when and where they are identified. We strive to apply the lessons we learn in each port deployment to avoid repetition.

LOCKHEED MARTIN'S PHASE IV CONTRACT AND TSA OVERSIGHT

Lockheed Martin was awarded the TWIC Phase IV contract on January, 29, 2007. The initial task order, Task Order 1, provides for initial enrollment of the maritime population, as well as support of the Information Technology (IT) system that collects applicant information and manages the lifecycle of the TWIC Credentials. The term of the initial contract award is through October of 2008. Four additional options, if exercised, would extend the contract to January 2012, for a total of five years.

The TWIC Phase IV contract is performance-based, with financial incentives and disincentives tied to measurable performance goals. Lockheed Martin developed a Quality Assurance Surveillance Plan (QASP) which contains specific metrics negotiated with TSA. As part of our contract, these metrics will be used to determine whether we are meeting the performance goals and whether we receive award fees or if we must remit penalties. TSA has identified a specific quality assurance monitor to track the following key performance parameters:

- On-time Port Mobilization
- On-Time Completion of Maritime Population Enrollment
- Customer Satisfaction
- Enrollment Wait Time
- Enrollment Processing Time
- Fingerprint Reject Rates
- Helpdesk Response Time
- Helpdesk Resolution Time
- Enrollment Failure Rate (Enrollments that Fail to Process)

The TWIC fee, as of October 1st, 2007, is \$132.50 for a new credential, for an applicant who does not possess a current qualifying background investigation. This fee breaks down as follows:

- \$43.25 for Information Collection / Credential Issuance (Lockheed Martin)
- \$72 for Complete Security Threat Assessment (STA) and Card Production (TSA)
- \$17.25 FBI Criminal History Records Check

The \$43.25 collected by Lockheed Martin covers the cost of enrollment facilities, personnel, travel, and fixed and mobile enrollment equipment. This fee also covers the cost of the card stock, which is delivered by Lockheed Martin to TSA's card printing facility in Corbin, KY. This card production operation is run by the US Customs and Immigration Service (USCIS) and is outside the scope of Lockheed Martin's contract. In addition, the background vetting of TWIC applicants, selection and schedule of port enrollments, the Consolidated Screening Gateway (CSG), adjudication of eligibility, appeals, and the card readers are also outside the scope of Lockheed Martin's contract; the responsibility for these activities rests with TSA.

Lockheed Martin brings a number of relevant strengths to the Phase IV contract. The most significant challenges that we face are as follows:

- (1) Rapid deployment of personnel and equipment to facilities that we must locate and secure on a very tight timeline,
- (2) Support, maintenance, and evolution of a complex information technology system involving advanced biometric identification systems and protection of sensitive personal information, and,
- (3) Higher than anticipated populations in the Gulf Coast specifically in Louisiana and Houston.

Lockheed Martin has spent many years evolving our biometric and credentialing expertise. Dating back to the 1980's when Lockheed Martin began development of the FBI's Integrated Automated Fingerprint Identification System (IAFIS), we have had decades of experience in the biometric field. Over the past five years we have supported the federal government in advancing their HSPD-12 employee credentialing activities, including collaborative work with DHS, HHS, and GSA. As the lead systems integrator, we also provide core technology and integration services to the Registered Traveler initiative.

PROGRAM OUTREACH

While TWIC is a complex logistical undertaking and an advanced technology activity, we recognize that it is more than just another large, complex project management task. This program will touch hundreds of thousands of Americans' lives, and we have taken steps to ensure that the experience is as positive as possible for those affected. We have included, as part of our rollout strategy a Communications and Stakeholder Outreach Team led by Deloitte Consulting, LLP. There are two key elements to this team's strategy as follows:

- (1) **National-Level Stakeholder Leadership Communications and Feedback** – As part of the Lockheed Martin proposal to TSA, we recognized that effective stakeholder outreach and communications would be critical for success. This activity is facilitated primarily through the formation of the TWIC Stakeholder Communications Committee (TSCC). The TSCC is facilitated by Lockheed Martin and Deloitte Consulting. TSA and the Coast Guard take a leadership role in our monthly TSCC meetings, which are attended by representatives from 49 organizations including labor unions, industry associations, and other related groups. The TSCC provides a forum for communication about the program status and key features, and allows an opportunity for stakeholders to provide feedback and voice concerns. Each TSCC meeting features at least one special topic, such as an overview of the TWIC technology, or a briefing from an Administrative Law Judge (ALJ) on the Appeals & Waivers Process. Each meeting covers rollout status, review of action items, and an open forum for members to ask questions on topics of interest. The TSCC is an important channel for dissemination of information to the maritime population.
- (2) **Local Port Outreach** – At the local level, the Outreach Team has been working since the Phase IV contract was awarded to meet directly with local stakeholders either by telephone or in person. The purpose of these meetings is to educate the local population on the key elements of the TWIC program, and to obtain their support in communicating with the local population. Where possible, these outreach sessions are a collaborative

effort between the Lockheed Martin Team, TSA, and the Coast Guard. We begin the outreach process by working through the Coast Guard Captains of the Port, and attempt to reach all key stakeholders. We provide leave-behind materials in the form of flyers and posters, so that local stakeholders can continue to act as a “communications force multiplier” with the local population.

ENROLLMENT POPULATION

One of our key focus areas in our deployment operations is to understand the size and geographic distribution of the maritime population. Initial projections developed under contract to TSA were provided to Lockheed Martin as part of the TWIC IV solicitation process. These projections indicate an estimated 750,000 applicants will be enrolled during the initial term of the Lockheed Martin contract. Since contract award, the Coast Guard, TSA, and Lockheed Martin have received reports from a number of ports indicating that the actual population may be significantly larger in some areas than was initially anticipated. We anticipate the initial population to be slightly over 1 million people, versus the initial estimate of 750,000. We are responding to these concerns in two ways:

- (1) Under the leadership of the Coast Guard, TSA and Lockheed Martin have participated in a series of conference calls with each Coast Guard District to discuss specific population discrepancies and to request data that would support increased estimates at specific ports. In addition, we have more detailed discussions in the Gulf Coast, specifically in Baton Rouge and Houston where we see higher than initially anticipated numbers. Once we have obtained any revised population figures, facilities, equipment, and personnel will be adjusted as appropriate in our deployment plans. Lockheed Martin will continue to follow up with each port’s stakeholder community as launch dates approach and ensure that we have surge capacity on hand to respond to greater than expected turnout.
- (2) Because we will always have some level of uncertainty in the anticipated enrollment population, we have taken a very flexible approach to planning our operations. We will focus first and foremost on use of mobile enrollment workstations that can be taken directly to stakeholder facilities. This provides an additional level of convenience for the individual workers, and also allows for more effective management of applicant throughput, by minimizing lines at fixed facilities and easing the burden on major employers. In addition to use of mobile units, we have developed a national surge plan that will allow for rapid expansion of capacity at any of the 147 port locations. The first step would be to extend the hours or add additional work shifts with our existing enrollment staff. Second, we would add additional staff and increase hours and shifts. The third step would be to increase the number of enrollment stations by bringing in mobile enrollment stations. Lastly, Lockheed Martin would secure additional fixed facility space. We demonstrated this flexibility and used this plan to move additional assets and resources into key areas such as Baton Rouge, Lake Charles, New Orleans and Houston. In addition, we have commenced mobile deployments at 18 locations to date. We have achieved significant success in these deployments and received very positive customer feedback.

PRIVACY AND DATA SECURITY

We recognize that the information provided by TWIC applicants is personal in nature and subject to privacy restrictions. We have engaged Deloitte Consulting's Privacy Practice to review the data handling of the TWIC program and to design and document a comprehensive privacy system for TWIC. Deloitte is recognized as a leading global provider of privacy and data protection services, having privacy practitioners around the globe. Deloitte employs over 185 privacy professionals in the US and Canada, over 30% of whom are Certified Information Protection Professionals (CIPPs).

The TWIC Privacy System addresses the following:

- Transparency in privacy practices to the applicants for the TWIC program in the handling of applicant's Personally Identifiable information (PII);
- Outlines the individual rights and privileges of applicants and card holders;
- Supports applicant's consent for collection, use, and disclosure of PII;
- Outlines acceptable use and handling of applicant and card holder's PII by the TWIC Program;
- Identifies the key security safeguards to support the privacy and confidentiality of PII; and,
- Enables change management for the privacy system to reflect changes in laws, regulations or TWIC program requirements.

The TWIC program has applied the preceding features across four key elements of the overall program:

- **IT Security** – All TWIC applicant data is protected electronically from the moment it is obtained. All of our data communications are processed over secure network connections and all data is encrypted, both in transit and at rest. Applicant data is only stored on a local enrollment station until it is transmitted to the central database. Provided a secure connection exists at the time of enrollment, the applicant's data is erased from the local machine immediately upon completion of the transaction. For added security and accountability, all persons processing a system transaction must digitally sign that transaction using a digital certificate from their own TWIC credential.
- **Physical Security** – The central TWIC system is housed in a secure government facility, and can only be accessed by individuals possessing a TSA security clearance and a demonstrated need for system access. Our enrollment facilities are secured after hours, and any TWIC credentials located on premise are stored in a GSA-rated safe when the center is not open for business. When enrolling a TWIC applicant, we ensure that a physical barrier exists between enrollment stations and the waiting area,

- **Privacy Officer** – We have identified an individual who is the privacy advocate for the Lockheed Martin elements of the TWIC program. This person will act as an advisor for disposition of issues raised by any TWIC applicant who has concerns about Lockheed Martin’s handling of their personal information. This person has extensive privacy experience, having dispositioned legal matters related to legislation such as the Driver’s Privacy Protection Act (DPPA) and the Health Insurance Portability and Accountability Act (HIPPA), as well as providing counsel on privacy matters to a number of DHS programs.
- **Helpdesk Security** – When an applicant calls our helpdesk, it is important that they quickly obtain useful information about the status of their account. Equally important, however, is verifying the caller’s identity, before any personal data is divulged. For this reason, our privacy program includes helpdesk authentication procedures for validation of identity during helpdesk calls.

STAFFING

We anticipate employing over 400 field personnel at the peak of the maritime population enrollment period. The selection and training of these personnel is of paramount importance to our success. We are selecting personnel local to each port enrollment location to maximize local familiarity and to provide for a long-term base of trained personnel after the initial enrollment period. Our personnel are selected based on behavioral interviewing techniques focused on the capability to perform a customer service-oriented function. Once hired, our personnel must complete the TWIC credentialing process, including the same Security Threat Assessment (STA) that a transportation worker must undergo. No access to the TWIC system is granted without the STA being successfully completed. All of our personnel must successfully complete 40 hours of classroom training. This includes technical training and customer service training. We deliver both lecture course materials and scenario-based role-playing techniques. Of the 40 hours of classroom training, 21 hours are dedicated to customer service-related topics. In addition, we incorporate lessons learned at operating enrollment locations to further improve the customer service experience for enrollees as well as provide on-the-job updates to our trusted agents.

MINIMIZING INCONVENIENCE

As we recognize that the TWIC credentialing process will be an added burden on a population that is already working hard to support a constantly-growing maritime transportation system, we have taken steps to make this process as convenient as possible. Features of the TWIC deployment approach include:

- (1) **Mobile Enrollment and Card Issuance** – As mentioned earlier in this document, we will work with major stakeholders at all ports to enroll as much of the population as

possible at stakeholder facilities. These may be employer facilities, union halls, or industry association offices. We will also coordinate the issuance of cards at these locations wherever possible, again to provide convenience.

- (2) **Pre-Enrollment Options** – To minimize the time a worker must be onsite at an enrollment location, we offer multiple pre-enrollment options. Pre-enrollment involves advance provision of biographical information so that this information does not need to be collected at the time of enrollment. Pre-enrollment may be accomplished online, via the TWIC Helpdesk phone number, or, at larger ports, via laptop-based self-service kiosks. Pre-enrollment also provides an opportunity to schedule an appointment at the TWIC enrollment facility, further reducing an applicant’s wait time.
- (3) **Multilingual Support** – We recognize that certain parts of the country have significant populations of non-native English speakers. In these locations we will have trusted agents who speak other languages. Our pre-enrollment website and helpdesk are both bilingual (English/Spanish), as is our enrollment center workstation software.
- (4) **Fingerprint Rejects** – As with any program involving a FBI background fingerprint check, a percentage of the population will have their fingerprints rejected by the FBI as unreadable. This represents an inconvenience for the applicant because, in this scenario, another set of prints must be collected. While we cannot eliminate this situation, we can minimize and educate in the process. To minimize the number of rejects, we are applying quality algorithms to each set of fingerprints captured in our enrollment centers. This provides trusted agents with an immediate indicator if prints are of low quality, and provides an opportunity to recapture them on the spot. If repeated attempts to capture high-quality prints are unsuccessful, the applicant can be educated at the time of enrollment on the possibility of an FBI rejection, and can plan in advance for a possible resubmission. The use of the advance quality check on other programs, specifically the TSA HAZMAT driver endorsement program, has kept FBI rejects to 1.5-2% of the applicant population, less than half of the 4% average seen by the FBI. To date, we have seen approximately a 2% reject rate with an overall improvement at each enrollment center over time.

GULF COAST

One of the areas we have seen significant differences in the population estimates to date has been in the Gulf Coast. In Baton Rouge, initial estimates were in the 6000 range and current estimates appear to be closer to 40,000 to 60,000. This initially resulted in higher-than-expected demand, particularly in sites such as Baton Rouge and Lake Charles, which resulted in longer-than-desired wait times. To address this, we have implemented our surge plans and have taken several key actions.

In Baton Rouge, we have increased our capacity to five times greater than the number of enrollment stations originally deployed. In addition, we have scheduled mobile enrollment at four additional sites. Feedback from our Exxon mobile enrollment has been positive and we have seen a reduction in wait times at the Baton Rouge site. We are also working to extend the

operating hours and increase staff. We recently opened in New Orleans and we are taking a similar approach there. In addition to the fixed enrollment center, we will be utilizing three mobile enrollment locations. Finally, in Lake Charles, we have implemented surge plans and have increased our enrollment capacity threefold to ensure we are prepared to handle the expected population. We have seen a significant improvement in both throughput and wait times at this site. We have an additional site opening in South Louisiana the week of February 18th.

In Houston, we anticipated a large demand and started with a higher capacity than originally planned, we also instituted longer operating hours. To date, Houston throughput has been the highest of any site to date, averaging 250 enrollments per day with good wait times. We will continue applying these lessons learned and adjust and surge as required to meet the demand.

CONCLUSION

Mr. Chairman, as you know, Lockheed Martin is involved with a number of homeland security programs. With each of these, the goal of a less vulnerable, more secure nation drives our every action. With TWIC, we are particularly proud to have the opportunity to work on a program that will protect the engine of America's economy: her ports. In so doing, and in strong partnership with TSA, we bring to bear our technical skill and resources to implement this initiative in a manner that is both secure and convenient. We will continue to serve our customer with pride and dedication, doing all that we can to minimize inconvenience to port workers while striving for the best in maritime security.

Thank you for the opportunity to submit this testimony for the record.