

Delay of U.S. Visa Program Will Slow Biometrics Industry

Robert L. Goodwin, Richard Hunter

The U.S. Department of State wants to delay requiring biometric visas by two years for those traveling to the United States. The move will slow the growth of biometrics vendors by drying up revenue from the public and private sectors.

NEWS ANALYSIS

Event

On 23 March 2004, the U.S. Departments of State and Homeland Security asked the Judiciary Committee of the House of Representatives to extend the deadline for implementing biometric visas from 26 October 2004 to the end of 2006. The State Department's Visa Biometric Program applies to 27 countries, where those traveling to the United States will be required to obtain passports with microchips containing biometric information about them.

Analysis

Reportedly none of the 27 countries could comply with the State Department's Visa Biometric Program by the original deadline. Uncertainties about biometric technology and privacy concerns have slowed its implementation. Biometric technologies centering on fingerprints have proved reliable in high-volume production applications, but iris scanning and faceprints have not demonstrated their reliability.

The deadline extension will hurt the entire biometrics industry. Many vendors are in fragile financial condition, and few countries have a greater sense of urgency about adopting biometrics than the United States. In particular, the U.S. federal government will set the standards that will drive the entire market. Because potential buyers in the private sector fear adopting biometric technologies that will turn out to be incompatible with federal standards, many of them won't make a move until the federal government has firmly established programs. Thus, delaying the Visa Biometric Program won't just stall major revenue from the federal government; it will dry up major revenue in the private sector, too. One major implementation holds out the prospect of relief for biometric vendors. The Transportation Security Administration's long-awaited Transportation Workers Identification Credential program is a large, approved project, although it has stalled for lack of funding in fiscal 2004 (ending 30 September 2004). This project could galvanize the biometrics industry if it shows signs of success.

Recommendations for biometrics vendors:

- Cut spending to a minimum and prepare for a couple more lean years before biometrics take off.
- Look for government-sponsored biometric security projects, probably pilots, in other venues.
- Look for possible projects with state and local governments, which have their own security challenges. Price your offerings aggressively to win pilot projects; deliver them successfully; and promote your successes broadly.
- If you are a small biometric technology firm, partner with large system integrators to expand sales coverage and delivery credibility.

Analytical Sources: Robert Goodwin and Richard Hunter, Gartner Research

Recommended Reading and Related Research

- "Hype Cycle for Transportation Technologies, 2003" — Transportation carriers have led the world in the introduction of certain new technologies, such as airline reservation systems, revenue accounting and yield management, biometrics identification, and package delivery and tracking. **By Robert Goodwin and others**

- "Good Business Practices Mean Better Transportation Security" — The highly distributed nature of the transportation industry makes it particularly difficult for companies to secure the infrastructure they oversee. Success will require cooperation with numerous partners, customers and government agencies. **By Robert Goodwin**

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