

Rome rethink on US ID card suppliers

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Italy's centre-right government is set to abandon plans to issue sophisticated and secure identity cards using technology supplied by a US company.

Two Italian state-controlled companies have confirmed to the Financial Times that discussions are under way to drop technology supplied by **LaserCard**, a Mountain View, California-based company, for identity cards already being issued to foreign residents as well as future plans to issue them on a voluntary basis to Italian citizens.

The technology, which LaserCard says has never been successfully counterfeited, includes an optical stripe able to carry a range of personal data as well as a hologram of the holder's image.

Robert DeVincenzi, chief executive of LaserCard, which also provides the technology for the US Green Card for foreign workers, said he understood the government wanted to reduce the cost of the card but said it was incomprehensible that Italy was contemplating a "step backward" in terms of security.

The contract value of the foreign resident card was \$6m-\$7m a year to LaserCard, and the national identity card would have been worth three to four times that amount, Mr DeVincenzi said.

Poligrafico, the state-owned printing corporation and mint which is the prime contractor, confirmed that it had submitted a new design for the foreign resident card that would not include LaserCard's optical stripe.

Finmeccanica, a state-controlled and publicly listed industrial and defence conglomerate, has been contracted by Poligrafico to install the personal data on the national identity card.

Giovanni Soccodato, a senior Finmeccanica executive for strategy, said Poligrafico was also evaluating whether to replace the optical stripe on the national identity card "with other cheaper technology to assure a high level of security". The new technology would be compatible in the future with other functions, such as credit cards, drivers' and firearms licences.

According to a parliamentary source, a separate chip on the card supplied by **Siemens** might also be removed.

The Obama administration is following events closely and, according to an official source, has communicated its concern to Rome that the optical stripe made available to Italy under a technology transfer programme will be dropped, compromising Italy's ability to counter international terrorism, illegal immigration, trafficking in arms and people and other crimes.

Washington is lobbying for a pan-European standard on high security credentials and is concerned that backtracking by Italy – especially given the counterfeiting abilities of the Mafia – will weaken this process. Italy's ID scheme would have been the most sophisticated and secure in Europe.

The interior ministry did not respond to requests for comment.

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