IMPROVING MANAGEMENT OF THE AVIATION SCREENING WORKFORCE

HEARING

BEFORE THE

SUBCOMMITTEE ON ECONOMIC SECURITY, INFRASTRUCTURE PROTECTION, AND CYBERSECURITY

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C O N T E N T S

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Panel II

IMPROVING MANAGEMENT OF THE AVIATION SCREENING WORKFORCE

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Thursday, July 28, 2005

HOUSE OF REPRESENTATIVES,
COMMITTEE ON HOMELAND SECURITY,
SUBCOMMITTEE ON ECONOMIC SECURITY,
INFRASTRUCTURE PROTECTION, AND CYBERSECURITY,
Washington, DC.

The subcommittee met, pursuant to call, at 10:07 a.m., in Room 2128, Rayburn House Office Building, Hon. Daniel Lungren [chairman of the subcommittee] presiding.

Present: Representatives Lungren, Pearce, Sanchez, Thompson, Dicks, DeFazio, Jackson-Lee, Pascrell, and Langevin.

Mr. LUNGREN. [Presiding.] The Committee on Homeland Security, Subcommittee on Economic Security, Infrastructure Protection and Cybersecurity will come to order.

The subcommittee today is meeting to hear testimony on improving the management of the aviation screening work force.

I would like to welcome everybody to today's hearing.

When Congress directed TSA to take over responsibility for airline security screening, we sought a system that would produce better trained screeners, thus increasing security.

Directly following the terrorist attacks of September 11th, Transportation Secretary Norm Mineta set forth a goal of processing passengers within 10 minutes or less. Yet by all accounts TSA hasn't met this goal.

Instead, according to the DHS inspector general, we have multibillion dollar enterprise that inefficiently targets and burdens children and the elderly.

I might add, on the positive side, that TSA has recently changed its standard operating procedures, effective July 14th, to allow TSA supervisors at screening checkpoints the decision-making capability and authority to waive secondary screenings on passengers that are clearly under the age of 12.

I appreciate that particular change. I am glad it is coming.

And while I applaud TSA for this step forward, it is indicative of the overall problem that we ever had such a contrary position or policy in the first place and that it took so long and so many bad stories and hearings to force such common-sense action. There is, obviously, always room for more improvement.

TSA screening operations have been plagued by high attrition rates, high injury rates, high absenteeism, screener shortages and other problems that are indicative of a problematic structure.

Furthermore, the role of security director at airports is extremely important. This individual must be able to handle crowds in such a way that manages the length of security lines. He or she needs to understand when flights are departing and when travelers are arriving in order to open an efficient number of screening lanes at different points throughout the day.

And so it begs the question: Can the federal government itself effectively run screening operations at 440 airports of different sizes across the country from its location in Washington, D.C.?

Some believe the answer is no.

As I see it, TSA problems may be rooted in a rigid centralized control which gives less weight than it should to airport diversity and shows a lack of initiative.

TSA often has little firsthand knowledge of local airport conditions, job markets and other market anomalies. The result, I fear, leaves airports short of screeners and passengers stuck in long lines.

TSA would be better served shifting workforce decision-making to the local level and providing flexibility and incentives to improve operations while focusing on setting overall training and performance standards at the national level.

I might just add that I have been informed that there is a dispute between the House and the Senate conferees in the appropriations realm as to what the proper level of screeners should be; even a suggestion on the Senate side that there ought to be a cut in the overall number of screeners.

It just goes to show, as far as I am concerned, that we ought to be a little more original in our thinking and a little more flexible in how we try and solve this problem.

I am also concerned that TSA has unfairly disadvantaged airports that wish to use federal contractors to provide screening by not putting an end to the liability question.

The simple act of opting out of the use of federal employees to provide screening functions should not leave airports open to massive new financial and legal liabilities, particularly since the contract screeners will be working under direct TSA supervision and in compliance with all TSA security directives and regulations.

I would urge the TSA to work with the department to expedite the decision-making process and addressing this and other questions that seem to be hampering the development of viable options to the current TSA model.

I would like to thank our witnesses for taking the time to join us today. I look forward to hearing each of your perspectives on this issue.

PREPARED OPENING STATEMENT OF HON. DANIEL E. LUNGREN

[Call hearing to order]

I would like to welcome everyone to today's hearing of the Committee on Homeland Security Subcommittee on Economic Security, Infrastructure Protection, and Cybersecurity. This morning, we will focus on the Transportation Security Administration's (TSA) management of the Federal airport screening workforce.

When Congress directed TSA to take over responsibility for airline security screening, we sought a system that would produce better trained screeners, thus increasing security.

Directly following the terrorist attacks of September 11th, Transportation Secretary Norman Mineta set forth a goal of processing passengers within 10 minutes or less. TSA has yet to meet this goal.

Instead, according to the DHS Inspector General, we have a multi-billion dollar enterprise that inefficiently targets and burdens children and the elderly.

I might add that TSA recently changed its Standard Operating Procedures, effective July 14, to allow supervisors at screening checkpoints the decision-making capability and authority to waive secondary screenings on passengers that are clearly under the age of 12.

While I applaud TSA for this step forward, it is indicative of the overall problem with TSA management that we ever had a contrary policy in the first place, and that it took so long and so many bad stories and hearings to force this common-sense action. It shows in my view that there is much room for improvement.

TSA screening operations are plagued by high attrition rates, high injury rates, high absenteeism, screener shortages, and other endemic problems that are indicative of a problematic structure.

Furthermore, the role of "Security Director" at airports is extremely important. This individual must be able to handle crowds in a way that manages the length of security lines. He or she needs to understand when flights are departing and when travelers are arriving in order to open an efficient number of screening lanes at different points throughout the day.

It begs the question: "Can the Federal government effectively run screening operations at 440 airports across the country from it's location in Washington, DC"

The answer appears to be a resounding "No." As I see it, TSA problems are rooted in it's rigid, centralized control, which gives little weight to airport diversity and shows a general lack of initiative or thought.

TSA often has little firsthand knowledge of local airport conditions, job markets and other market anomalies. The result leaves airports short of screeners and passengers stuck in long lines.

TSA would be better served shifting workforce decision-making to the local level and providing flexibility and incentives to improve operations, while focusing on setting overall training and performance standards at the national level.

I am also concerned that TSA has unfairly disadvantaged airports that wish to use Federal contractors to provide screening by not putting an end to the liability question. The simple act of "opting-out" of the use of Federal employees to provide screening functions should not leave airports open to massive new financial and legal liabilities, particularly since the contract screeners will be working under direct TSA supervision and in compliance with all TSA security directives and regulations.

I urge the TSA to work with the Department to expedite the decision-making process in addressing this and other questions that seem to be hampering the development of viable options to the so-far flawed TSA model.

I would like to thank our witnesses for taking the time to join us today. I look forward to hearing each of your perspectives on this issue.

PREPARED OPENING STATEMENT OF HON. CHRISTOPHER COX

Thank you, Mr. Chairman. Let me first welcome and thank the witnesses for appearing before the Committee today.

I believe that it is vitally important that we take a hard look at the Transportation Security Administration's (TSA's) management of its airport screener workforce. It has been almost three years since TSA assumed the screening functions from the airlines, and we have garnered enough experience by now to begin to seriously examine whether adjustments are necessary.

First, I'd like to commend the men and women of TSA for their dedication to this country. Through their hard work, TSA has met the most difficult challenges set out by Congress, and our Nation is more secure for their effort.

However, from our experiences in other areas, we know that running a massive operating agency is not one of the strong suits of the Federal government. Despite this fact, Congress forced the Administration to create a 45,000-strong airline passenger and baggage screening bureaucracy almost overnight.

We gave TSA enormous responsibilities and challenging mandates. We told the agency to completely take over what had previously been a private function carried out by hundreds of individual airports and airlines, to hire tens of thousands of Federal screeners in short order, to develop and implement stringent new security requirements and policies, to quickly deploy major new technologies, to conduct new and complex R&D efforts—and, essentially, to oversee itself.

So TSA is the policy maker and the policy implementer; the regulator, and the regulated; the operator and the manager; the technology developer and the technology deployer; the implementer and the overseer. It is, without doubt, a most unusual structure, whether we look at the public or private sector, and one that is fraught with inherent conflicts of interest.

It thus should come as no surprise that, by almost every measure, TSA has been struggling—with its notorious operational problems, and numerous examples of administrative waste and abuse. Predictably, TSA also lags behind the private sector in the area of labor force management. Attrition rates, absenteeism, overtime, and on-the-job injuries rates all are significantly higher than those of comparable private sector-run screening operations.

For example, if you compare two similar airports in two similar job markets—Boston and San Francisco—we see that TSA's screener attrition rate at Logan Airport in Boston is much higher than that of the Federal contractor in San Francisco, which operates one of the five contract screener pilot programs mandated by Congress. If TSA were to cut its attrition rate in half, it could save the American taxpayers $40 million annually in recruitment and assessment costs alone. Overall, TSA wastes hundreds of millions of dollars annually in lost productivity and unnecessary expenditures.

I, like many in Congress, want the Federal government to be more business-like. However, in reality, it is not a business and never will be. It lacks the tools and the agility to properly manage its costs and its workforce. But most of all, it lacks competitive pressure to innovate and be responsive to its customers.

And I am concerned that TSA views the contractor-run screener pilots as competitors that must be crushed, rather than encouraged. I know some call these pilots a return to "privatization," but that is sheer nonsense. Federal agencies hire contractors every day to do critical tasks, under their supervision and control. We even hire contractors to do our intelligence analysis. Surely, contractors can run a screening checkpoint without sacrificing security—indeed, in covert testing by independent parties, the contract screeners performed as well or better than TSA screeners, and in some cases at significantly lower cost to the taxpayers.

We must be open to exploring alternatives to the TSA employee model of airport screening, while, of course, maintaining the Federal government's role with respect to setting security standards and oversight.

We have assembled two expert panels today, and I look forward to hearing from the witnesses how we can work together to make TSA more efficient and more effective.

Mr. LUNGREN. And now I would recognize the Ranking Member of the full committee, Mr. Thompson, for whatever comments he may make.

Mr. THOMPSON. Thank you very much, Mr. Chairman and members of the committee. I look forward to the testimony of both our panels today on what I consider a very important subject.

This September, it will be 4 years since terrorists turned passenger planes into lethal weapons, causing mass casualties and enormous destruction.

In the weeks and months after the attack, it appeared as though commercial aviation might be a victim of these heinous attacks. In 2001 alone, the U.S. commercial aviation industry reported losses of over $6 billion. Between 2001 and 2003, it incurred losses of $21 billion and laid off about 150,000 employees.

A fear of another 9/11 attack caused the public to avoid air travel. Americans lacked confidence that low-paid, poorly trained screeners that turned over at a rate of 100 percent to 400 percent annually, would be able to protect them from another attack.

The creation of a federalized screener force was one of the key actions Congress took to signal the Americans that it was safe to fly again.

Unfortunately, TSA in many instances has not fulfilled its part of the bargain.

TSA has struggled to identify the right number of screeners necessary to get passengers through the checkpoints efficiently and effectively. Just this week, they shifted screeners away from airports that consistently have long wait lines.

Since 2003, TSA has said that 45,000 is the right number of screeners. That is hard to believe, especially with the prospect of record-breaking travel this summer in excess of 200 million people.

Screeners deserve a lot of credit. They have, at times, a tedious job. But they must stay sharp and vigilant, especially given the limitations of the technology currently found at checkpoints.

The department's inspector general has concluded that performance of aviation screeners stands little chance of significantly improving without better technology. Yet this administration has chosen not to fund any new letters of intent for fiscal year 2006 to help airports acquire better screening equipment.

We know that there is better technology out there. But this administration, too, does not fund it.

This places an even greater strain on screeners by forcing them to continue to work with inefficient equipment and engage in labor-intensive searches. All of us have had to go through the labor-intensive searches.

This just defies logic.

TSA may not be managing its affairs as well as it could, but I cannot see how putting the responsibility of screening passengers and baggage in the hands of private firms will make us any more secure.

There is nothing in any screener's audit that has been issued to date to convince me that private screeners are any better at identifying weapons and would-be attackers than federal screeners.

Congress has done a great deal to restore confidence and enhance security in our aviation sector. Wide-scale privatization of screening would be counterproductive.

Thank you, Mr. Chairman. And I look forward to the testimony of the witnesses.

Mr. LUNGREN. I thank the gentleman for his comments. Other members of the committee are reminded that opening statements may be submitted for the record.

We are pleased to have two distinguished panels of witnesses before us today on this important topic. Let me just remind the witnesses, because of the number of witnesses we have, that we would ask you to keep your oral testimony to no more than 5 minutes. Your entire written statements will appear in the record.

We will also allow each panel to testify before questioning any of the witnesses.

The chair calls for the first panel and recognizes Mr. James Bennett, the President and Chief Executive Officer of the Metropolitan Washington Airports Authority, to testify on behalf of the Airports Council, International North America and the American Association of Airport Executives.

STATEMENT OF JAMES BENNETT

Mr. BENNETT. Thank you, Mr. Chairman.

I appreciate the opportunity to discuss the views of the airport community on improving management of the aviation screening

workforce on behalf of the Airports Council International, North America, the American Association of Airport Executives, and our joint legislative organization, the Airport Legislative Alliance.

In addition to being an active member of those groups, I serve as the president and CEO of the Metropolitan Washington Airports Authority.

Today's hearing is certainly timely, given the situation that is emerging in airports across the country as TSA struggles to make its current labor-intensive passenger and baggage screening model work in the face of growing passenger levels.

The strains are clearly beginning to show, with wait times at screening checkpoints becoming unacceptable in a number of airports, and with problems with checked baggage screeners beginning to take a toll.

As frequent travelers, the members of this subcommittee know all too well the current situation.

The problems with passenger and baggage screening today are not only a huge inconvenience for the traveling public, they represent a serious security threat as well.

Long lines in airport terminals at screening checkpoints do not equal better aviation security. To the contrary, those long lines, as past experiences prove, are inviting targets for terrorists.

The answer in the long term, as the subcommittee helped highlight in recent hearings, is the deployment of better technology. The in-line installation of explosive detection equipment in airports, for example, can dramatically improve the efficiency and effectiveness of checked baggage screening while saving the federal government literally billions of dollars in personnel costs.

With the dramatic proof of these benefits so clearly evident at the few airports that actually have in-line systems, it is unbelievable to me that the federal government hasn't invested more in upgrading additional airports to inline systems.

With the promise of better technology for passenger and checked baggage screening some years away, steps must be taken in the short term to improve the existing situation. Along those lines, Congress must act to provide sufficient resources for screening operations, and TSA must ensure that those resources are deployed in the right way.

Additionally, TSA must do much more to move away from its highly centralized, Washington-based approach to managing screening operations and give additional authority locally to federal security directors and to airport operators to address unique local problems.

The current rigid approach to recruiting, assessing, hiring, training and retaining screeners has led to large vacancy and attrition rates at a number of airports across the country.

In contrast, there are a few locations where FSDs and local airport authorities have been given limited authority to be creative and innovative in their approach to screening. Most notably, at the five pilot program airports with private screening companies known in our industry as the "PPS", the results have been encouraging, as my colleague from San Francisco will highlight.

Many of us in the airport community had hoped that the screening partnership program, also known as opt-out, would become a

way of building on a positive result of the PP–5 program and provide an opportunity for encouraging better local approaches to security screening.

Unfortunately, that has not been the case; largely because of the structure of the current program. As you know, only one airport beyond the original five pilot program airports has expressed an interest in opting out.

The airport operator has virtually no say in how screening operations will be designed at the airport under the current opt-out program. They are not allowed to decide the specific qualified screening company that will operate at the airport, and they have no role in deciding how screening will ultimately function at their facility.

The only thing that an airport gets out of participating in the current opt-out program is an enormous potential liability exposure. This is something that Congress must work to address.

In addition to addressing the liability question, Congress must consider changes to the law that would give airport operators the authority to select and enter into contracts directly with qualified screening companies to screen passengers and property at the airport; give airport operators the ability to perform passenger and baggage screening directly if they so choose; and require TSA to establish a notification process under which airports submit a detailed proposal for passenger and baggage screening.

This is not a comprehensive list, but should offer the subcommittee an idea of some of the hurdles that now exist to the program.

In closing, I note my sincere hope that the subcommittee will soon address the issues raised today and evaluate the federal government's approach to aviation security as part of a comprehensive review of the Aviation and Transportation Security Act that was passed in the immediate aftermath of 9/11.

We are now 4 years beyond the tragic events of that day, and it is clearly time to evaluate the areas where we have it right and the areas that need improvement.

With another 300 million passengers expected to be added to the already overburdened system, we simply cannot afford to continue placing Band–Aids on a fundamentally flawed system.

Thank you for the opportunity to be here today. I look forward to your questions.

[The statement of Mr. Bennett follows:]

PREPARED STATEMENT OF JAMES E. BENNETT

Mr. Chairman, I want to thank you and the subcommittee for holding this important hearing to explore improvements in managing the nation's aviation screening workforce. Although the Aviation and Transportation Security Act (P.L. 107–71) gave the federal government direct regulatory and operational control over all aspects of passenger and baggage screening at commercial service airports, the airport community has worked aggressively since the events of 9/11 to partner with the Transportation Security Administration to meet its mission and mandates in this area. Given the public nature of airports and the inherent responsibility we have to ensure the safety and security of our facilities, airport operators are eager to play an even more active role in developing solutions in this area and in addressing other aviation security-related challenges.

I have been involved in pursuing improvements to airport security for a number of years in leadership positions at airports in Phoenix and in Washington and as an active member of both the American Association of Airport Executives—which

represents the men and women who manage primary, commercial service, reliever, and general aviation airports—and Airports Council International—North America—which represents local, regional and state governing bodies that own and operate commercial airports in the United States, and Canada. I currently serve as Chairman of the ACI–NA Government Affairs Committee and would note for the record that I am here in that role today to testify on behalf of AAAE, ACI–NA, and our Airport Legislative Alliance, a joint legislative advocacy organization.

Before discussing some of the specific areas in which improvements can be made with regard to passenger and baggage screening, I want to emphasize the fact that enhancing the security and safety of airport facilities and the aviation system remains the number one priority for airport operators. While a number of my comments focus on improving the efficiency of the screening process, the fact is that improved security goes hand-in-hand with that goal. Long lines and poor customer service does not equal better aviation security. To the contrary, long lines in airport terminals and at security screening checkpoints are inviting targets for terrorists as past experiences prove. Improving the screening process through better management and the deployment of better technology will help reduce that immediate threat, help target scarce resources on areas of greatest risk, provide passengers with better service, and free resources for other homeland security needs.

Growing Traffic Levels Make New Approaches to Screening a Necessity

As every member of this subcommittee knows as a frequent traveler, passengers are returning to our nation's skies in record numbers. The increased volume combined with problems inherent in today's labor intensive screening system have pushed the Transportation Security Administration's passenger and baggage screening capabilities to the limit as evidenced by ever increasing wait times at passenger screening checkpoints and by growing problems with checked baggage screening. Without dramatic changes to the aviation security model in use today, we will not be able to meet the demands created by the nearly 300 million passengers the Federal Aviation Administration projects will be added to today's already crowded aviation system within the next decade.

A recent report in USA Today entitled "Checkpoint or Choke Point" highlighted a number of airports where passengers can wait in lines up to two hours or more before they clear security. Maximum wait times of 45 minutes or more are not uncommon. Problems and delays with baggage screening are also beginning to take a toll. As reported in the July 4, 2005 Washington Post, a number of flights have been routinely delayed this summer at Dulles Airport as planes sit at the gate waiting for passenger baggage to work its way through the screening process.

While additional screening resources may ease the situation at some airports, we all understand that the realities of the federal budget situation and the myriad of competing homeland security priorities make it highly unlikely that a mountain of new funds will somehow miraculously appear to deploy additional screeners. And, while a number of airports have a genuine need for more bodies, it is clear that the answer moving forward lies in fundamentally changing our approach to security screening rather than in putting band-aids on the existing, personnel-dependent screening system.

As the subcommittee heard in recent hearings, the deployment of better technology holds great promise in allowing TSA to meet that goal in the long-term. The in-line installation of explosive detection equipment in the nation's airports, for example, will quickly pay huge dividends in terms of enhanced security and dramatically reduced TSA personnel requirements. Additionally, the Registered Traveler program and others aimed at focusing scarce resources on those individuals that represent the highest risk will undoubtedly enhance security and system efficiency, as will improved technology at screening checkpoints.

Unfortunately, we are at least a few years away from making the promises of those technologies a reality. To deal with pressing challenges in the short-term, Congress must provide adequate resources and TSA must do a better job of deploying those resources while working to become more responsive and innovative in its approach to screening. As the limited experience of the five private screening pilot program airports (PP5) and a few other TSA-managed locations has helped prove, devising local solutions to local problems can pay enormous dividends and should be encouraged to the greatest extent possible.

TSA should build on some of the successes of the PP5 program and work to make the Screening Partnership Program (SPP)—also known as the opt-out program— more viable and attractive to airports. Additionally, TSA must recognize that local flexibility and airport involvement are critical to devising workable solutions regardless of whether federal or private screeners are deployed at a given airport facility. At the airport level, this means TSA should delegate more day-to-day operational authority to Federal Security Directors.

Local Flexibility Critical in Addressing Short-Term Problems With Screening

The subject of today's hearing suggests that better management of the existing screener workforce could help alleviate some of the problems we are currently experiencing with passenger and baggage screening. Airports agree. TSA continues to struggle with recruiting, assessing, hiring, training, and retaining screeners—a fact that is evidenced by large vacancy rates at a number of airports across the country. In Oakland, for example, it is my understanding that the vacancy rate stands at 25 percent, and there are other airports that report similar problems with filling screener staff positions. The problems are exacerbated by high attrition rates for screeners. In Miami, for example, I understand that an average of 40 screeners leave each month.

In many instances, the strict rigidity of TSA in its hiring and staffing practices seems to be the source of current problems. A number of my colleagues tell me that many issues could be resolved through more flexible staffing schedules or through the use of additional part-time workers, for example. Unfortunately, there does not yet appear to be sufficient flexibility locally to tackle problems that are inherently local in nature. TSA has made some progress in this area, but we still have a long way to go. This is an area where the personnel practices of the private companies in the SPP offer some innovative examples and solutions for TSA.

As is the case in so many areas relating to security, one size does not fit all. The challenges in Washington, D.C. with regard to hiring, placing, and maintaining screeners are not the same as they are in San Francisco or Providence or New York. Each of these locations has unique local labor markets, unique balances between local and connecting traffic, unique seasonal traffic patterns, unique airport configurations, and so on down the list. To be effective, responsiveness to local airport operational characteristics must be the guiding criterion for the hiring and management of workforces.

While my colleague from San Francisco can ably discuss the specifics of his situation there with the PP5 program, it appears that the airport and the qualified private screening company have managed to devise a flexible and creative approach that has enabled them to side-step some of the issues that other airports are currently experiencing with screening under TSA management. Screener vacancy rates in San Francisco are incredibly low when compared to their counterparts on the other side of the Bay in Oakland, who continue to struggle with local workforce issues, as I mentioned earlier. While further refinements are needed, the experience at the PP5 airports has proven that flexibility and active local involvement are key components to successful screening operations. It is no surprise, then, that the original PP5 airports are inclined to remain part of the Screening Partnership Program.

Federal Government Should Make Screening Partnership Program a Viable Option for Airports

Unfortunately, the role of local airport operators in the existing Screening Partnership Program—the extension of the PP5 program—is minimal. The only real authority that an airport operator now has is to raise its hand at the beginning of the process and express an interest in having TSA use a private contractor. After that, airports have virtually no say in how screening operations will be designed; they are not allowed to decide the specific qualified screening company that will operate at their airport; and they have no role in deciding how screening will ultimately function at their facility. The only thing that an airport potentially gets out of participating in the current program is enormous potential liability exposure. Given that construct, it is not surprising that only a couple of smaller airports have expressed an interest in opting out.

In order to make the opt-out program truly viable, the law must be changed to give airports additional control over the design and implementation of plans for passenger and baggage screening at their individual facilities. Airports, for example, must be free, should they so choose, to select and contract directly with the qualified companies with which they intend to work and establish the scope of work rather than wait for TSA to make such decisions. TSA should remain responsible for establishing standards and providing regulatory oversight, but airports should be given the freedom to decide how best to get the job done. We believe that TSA is best suited for regulatory functions while airport operators and their private sector partners are best suited for operational and customer service functions.

Additionally, serious consideration must be given to providing airports with liability protection. San Francisco has done an enormous amount of work in coming up with a series of specific recommendations in this area, and I believe Congress must address these issues if there is to be meaningful participation in the program.

Many of these items obviously require statutory changes. As Congress moves forward with its discussion in this area, I would encourage you to consider the following:

- **Airport operators must be given the authority to select and enter into contracts directly with qualified screening companies to screen passengers and property at the airport.** Under current law, airports simply apply to participate in the program and then rely on TSA to select qualified vendors. TSA—as opposed to airports—enters into contracts with those vendors to perform passenger and baggage screening. Airports must be given a more prominent role in the process and more control in managing the contracts and performance.
- **Airport operators must be given the ability to perform passenger and baggage screening directly if they so choose. The law must make clear that airport operators should be able to qualify as a qualified screening company.**
- **TSA should establish a notification process under which airports submit a detailed proposal for passenger and baggage screening for approval.** Under current law, interested airports apply to participate and the process moves on from there without their involvement. Interested airports should be encouraged to work closely with qualified private sector partners and then submit that plan to TSA for approval.
- **Participating airports must be given protection from liability exposure.**

This is not intended to be a comprehensive and final list, but it is included for purposes of moving the discussion forward and to give the subcommittee an idea of some of the specific concerns that a number of airport operators have raised as impediments to participation. If some of these items were to be resolved, I believe that many airports would at minimum give the program a much closer look.

In addition to encouraging additional local involvement and new and creative approaches to screening, the opt-out program potentially could be utilized to move forward with the in-line installation of EDS equipment at participating airports. By providing interested airport operators with additional control and a steady and reliable funding stream—either by guaranteeing a base level of continued funding to support screening operations or by alternative means such as a formula that captures key airport characteristics such as passengers and amount of baggage screened—some airports might be willing to move forward on their own with in-line systems. The concept here is to capture and utilize the eventual personnel savings from in-line systems to pay for the initial capital investment and debt that a participating airport would use to fund that system. We have had numerous conversations with the subcommittee staff about this concept and believe that it has a great deal of potential—if the hurdles mentioned above can be cleared.

Mr. Chairman, I should note that even if Congress is able to make all of the changes I have highlighted here, there are a number of airports across the country that will not be interested in participating in the SPP. For that reason, it is imperative that TSA be encouraged to be innovative, creative, flexible, and inclusive in its approach to screening regardless of the type of employee who ultimately screens the passenger or their baggage. The keys as I have repeatedly mentioned are local flexibility, airport involvement, and tough security standards that all organizational models are compelled to meet.

Beyond additional local flexibility, we believe that it is critical that the agency establish measures and performance standards for passenger processing. While the 10-minute goal established initially by DOT Secretary Mineta may not be exactly the right standard, it is clear that a reasonable goal must be established and that the TSA and the full array of passenger and cargo processing personnel employed by the federal government must be held accountable for meeting such goals. We have goals holding the airlines accountable for meeting their schedules; it is only appropriate and right that we do the same with the federal workforce. Only by setting a standard can TSA and airport managers know that the workforce size and deployment model for their airport is the appropriate one.

While security is obviously the priority imperative, maintaining the efficient, effective functioning of the aviation system is also critical. We cannot realistically expect the traveling public to forever wait for improvements in a system that is often viewed as unnecessarily and increasingly intrusive and inefficient. The more hassle involved, the less inclined people will be to board aircraft. We have already seen convincing evidence that passengers who have an option have already forsaken air travel: short distance trips have seen the greatest decline in patronage. Too often, the effect has been to remove a spoke community from its connecting hub. Those

truths have had, and will continue to have, a profound effect on the airline industry and its financial well-being.

In the Long-Term, Technology is Crucial in Meeting Passenger and Baggage Screening Challenges

The subcommittee is well aware of the promise that technology holds in improving passenger and baggage screening thanks to its recent hearings on the subject. The airport community offered a very thorough assessment of the case for moving forward with in-line EDS installation and the deployment of programs like Secure Flight and Registered Traveler that can help focus the process on dangerous people before they ever have access to the aviation system.

Mr. Chairman, while more effectively managing the screener workforce is critical in improving screening efficiency and effectiveness, technology is the most critical component to creating a workable screening system in the long-term. As the 9/11 Commission recognized in its report and as experience has proven at the handful of airports that have in-line EDS systems, investing in technology can greatly enhance security while dramatically reducing costs.

The findings of the Government Accountability Office are compelling. At the nine airports where TSA has committed resources to moving EDS equipment in-line, these systems will save the federal government **$1.3 billion over seven years** through a dramatic reduction in personnel requirements. In-line EDS systems at those nine airports are estimated to reduce by 78 percent the number of TSA baggage screeners and supervisors required to screen checked baggage from 6,645 to 1,477. **TSA will recover its initial investment in in-line systems at those airports in just over a year.**

When you take the time to consider these facts, it is hard to comprehend why it is that the federal government hasn't acted more quickly to install in-line systems at airports across the country. Yet, here we sit with in-line systems operational in only a handful of airports, with screening workforces unnecessarily deployed to labor-intensive solutions, and with the Administration and Congress seemingly content with moving forward at only a few additional airports. At the Washington airports and at dozens of additional airports across the country where in-line systems make sense, there is currently no financing plan in place to move forward with in-line EDS projects. That is a startling and disappointing fact.

Some have suggested that airports should simply bite the bullet and move forward on their own without federal assistance, but those suggestions ignore reality. Setting aside the fact that passenger and baggage screening is the direct responsibility of the federal government, this approach isn't feasible at most airports, including those for which I am responsible. Plowing new resources into helping the federal government meet its obligations in this area would take money away from critical safety and capacity-enhancing projects and put an additional burden on our partners in the airline industry for an item that we were promised as necessary for homeland security.

Mr. Chairman, the federal government needs to invest now in making the promises of in-line EDS systems and other technologies a reality. While the up-front costs are certainly significant, these investments pay for themselves in short-order while dramatically improving the efficiency and effectiveness of the nation's passenger and baggage screening system.

Conclusion

After nearly four years of living with the current screening apparatus in our facilities, it is clear that placing a band-aid on today's broken system is not the answer moving forward. In the short-term, TSA must encourage additional local input and flexibility and work to make the opt-out program a viable opportunity for airport operators. In the long-term, technology holds the key to addressing screening issues and many other aviation-security related challenges. The sooner the federal government can make the necessary investments, the sooner we can all begin to reap the benefits of enhanced security and efficiency.

Thank you for allowing me to testify today.

Mr. LUNGREN. Thank you, Mr. Bennett, for your testimony.

The chair now recognizes Mr. John Martin, Director of the San Francisco International Airport, to testify.

STATEMENT OF JOHN MARTIN

Mr. MARTIN. Thank you, Chairman Lungren, the full committee, Ranking Member Thompson, Ranking Member Sanchez, members of the subcommittee.

I am John Martin, director of San Francisco International Airport, or SFO, which is the largest airport participating in the Screening Partnership Program, which I will refer to as the SPP.

I would particularly like to thank those committee members who have visited SFO and viewed our technology-based security systems firsthand. And I welcome other members and staff to do the same.

SFO has along history of initiating state-of-the-art security systems, such as biometric access control, professional standards for airport screening personnel beyond those required by the federal government, and developing the first automated in-line baggage screening system.

The private screening workforce approach has worked well at SFO, and we have submitted an application to continue in the SPP. However, we can only continue upon satisfaction of four items essential to the potential liability exposure issues at our airport. These liability concerns are shared across the industry, and I believe that if the liability issues are fully addressed, more airports will consider opting out.

Of the four conditions we presented to the TSA in the letter of April 28th, two of the conditions will require amendments to the Safety Act, and two can be addressed by administrative changes on the part of TSA.

SFO's conditional SPP application would require the following four conditions be fully met for implementation of SPP at SFO.

One, any contracted screening provider chosen by the TSA be both designated as a qualified anti-terrorism technology organization and certified as an approved product.

Two, liability limitations equivalent to those extended to designated qualified anti-terrorism technology organizations under the Safety Act must be extended to SFO itself so that we are shielded from liability exposure in excess of airports that choose not to opt out.

And these first two items are probably best addressed through an amendment to the Safety Act.

Number three, TSA's contract with a screening provider must require that SFO be indemnified by the contractor.

And, four, TSA's contract with a screening provider must require the company list SFO as an additional insured.

With respect to these two items, we believe that these are relatively simple for the TSA to address. And the SFO contracts involving the FAA at our airport provide a useful model.

We require our contractors to both indemnify the FAA and list the FAA as an additional insured. The contractors accept this practice and there is no additional cost to the airport or the contractors.

San Francisco asked to be a participant in the pilot screening program prior to the federalization of the nation's airport screeners under the TSA, because we had serious concerns about a new agency's ability to support the difficult and challenging process of recruiting, hiring and managing one of the largest and most important workforces at our airport.

Significant staff shortfalls over a long period of time with other federal agencies at SFO had been commonplace in the past.

Our private screening company, Covenant Aviation Security, is doing an excellent job and they have successfully deployed creative hiring and training programs, minimizing employee turnover and lost time.

There is a high level of customer satisfaction, and San Francisco enjoys the shortest average passenger screening time of any of the major airports in the United States.

The combination of collaborative efforts, best practices and the application of technology has resulted in a net reduction of 400 screeners at SFO since the TSA took over in 2002. And we have seen about a 20 percent increase in passengers during that time period.

An example of a team SFO initiative that has resulted in higher efficiency is the development of a screener control center that, in conjunction with our closed-circuit television program, is able to monitor the operation of SFO's 39 passenger checkpoint lines and the queuing of passengers to checkpoints from a central location.

This allows the Covenant staff to redeploy staff based on the length of the lines, the various checkpoints and overall, minimize staffing.

In conclusion, SFO can only continue in the airport screening privatization program if its core liability concerns are fully resolved both by congressional action to amend the Safety Act and through TSA cooperation in addressing the administrative issues.

Thank you.

[The statement of Mr. Martin follows:]

PREPARED STATEMENT OF JOHN L. MARTIN

Chairman Lungren, Ranking Member Sanchez and members of the Homeland Security Subcommittee on Economic Security, Infrastructure Protection and Cybersecurity, thank you for inviting me to participate in today's hearing on Improving Management of the Aviation Screening Workforce. I am John L. Martin, the Director of the San Francisco International Airport, which is the largest airport participating in the Screening Partnership Program (SPP).

First of all, I wish to commend this Committee, the staff and others in the Congress for the attention you are giving to the security problems facing our aviation system. We would particularly like to thank those committee members and staff who have visited San Francisco and viewed our systems first hand and welcome any other members and staff to do the same. Your support has allowed us to deploy one of the most comprehensive and robust screening programs and multi-layered security systems of any airport in the world.

I would like to preface my comments concerning the topic of today's hearing by expressing my belief that the security of our nation's airports is critical to the commercial well being of the United States. San Francisco International Airport has a long history of initiating state of the art security systems such as biometric access control; professional standards for airport screening personnel beyond those required by the federal government and developing the first automated inline baggage screening system.

Our mission as a major airport is to ensure that we have enhanced the capabilities of our organization by working in partnership with all relevant agencies including the Transportation Security Administration (TSA) and the Department of Homeland Security to make travel safe and secure.

Our present relationship with the TSA and, in particular, the local Federal Security Director's (FSD) staff has resulted in operations that have not only provided state of the art security, but has also delivered excellent customer service while substantially reducing the number of screeners.

The private screener workforce approach has worked well at SFO and while we have submitted an application to continue in the SPP, we can only continue conditioned upon satisfaction of four items that are essential to the potential liability exposure issues of SFO as a result of our participation. These liability concerns are

shared across the airport industry. I believe that if the liability issues are addressed, more airports may seriously consider opting-out.

Of the four conditions that we presented to the TSA in a letter on April 28, 2005, two of the conditions will require amendments to the Support Anti-Terrorism by Fostering Effective Technologies (SAFETY) Act and two can be addressed by administrative changes on the part of the Transportation Security Administration (TSA). I can't stress enough the need for these changes in order for Airports across the county to continue to use private screeners effectively. Without these changes I believe that it is very doubtful that many airports will consider opting out of the federal screener program.

SFO's conditional SPP application, would require the following four conditions be met for implementation of a SPP at SFO:

1. Any contracted screening provider chosen by the TSA for SFO must be both Designated as a Qualified Anti-Terrorism Technology (QATT) and Certified as an approved product for Homeland Security pursuant to the Support Anti-Terrorism by Fostering Effective Technologies (SAFETY) Act.

2. Liability limitations equivalent to those extended to Designated QATTs under the SAFETY Act must be extended to SFO with regard to any liability based upon screening activities and the act of opting-out or participating in the SPP so that SFO is shielded from liability exposure in excess of that of airports that choose not to opt-out.

3. TSA's contract with the screening provider must contain indemnification of the City & County of San Francisco and its Airport Commission (SFO) for the negligent acts and omissions of the screening contractor. The indemnity must apply to all claims for liability, not simply claims related to terrorist acts.

4. TSA's contract with the screening provider must additionally require the contractor to name the City and Commission (SFO) as additional named insureds on the screening providers required liability insurance policies.

San Francisco asked to be a participant in the pilot screening program, prior to the federalization of the nation's airport screeners under the TSA, because we had serious concerns about a new federal agency's ability to support the difficult and challenging process of recruiting, hiring and managing one of the largest and most important workforces at our airport. Significant staff shortfalls over a long period of time with other federal agencies at SFO had been commonplace in the past.

I believe that our private screening company, Covenant Aviation Security, is doing an excellent job. They work cooperatively as a team player with the Airport and the TSA and have successfully deployed creative hiring and training programs, which have minimized employee turnover and lost time due to injuries and illnesses. Further, I believe there is a higher level of customer satisfaction. It is worth mentioning that San Francisco has the shortest average passenger screening time of any major airport in the United States.

The collaboration between Airport management, the Federal Security Director (FSD) management staff and the contractor has allowed us to coordinate and deploy state of the art screening systems, which combined with a well trained workforce, provide an extremely high level of security and customer service. This combination of collaborative effort, best practices and the application of technology has resulted in a net reduction of more than 400 screeners since the TSA took over in 2002.

Overall, the SPP process has allowed SFO's FSD to spend his time on security issues, instead of managing the human resources function of over 1200 screeners. The Airport management has enhanced the screening system by adding sufficient checkpoint capacity to ensure adequate passenger processing capability.

The use of contractors under the SPP has helped to identify best practice solutions to security challenges. This being said, SFO, and other airports using private screeners, can only continue in the SPP if our liability exposure can be addressed. We have successfully dealt with this issue on contracts at the Airport that involve the FAA. These contractors are required to both indemnify the FAA and list the FAA as an additional insured. We have expressed these concerns to the TSA and look forward to correcting the exposure issues so that we can continue in this effective screening program.

Airports, despite being public agencies, operate as businesses. Security is too large a part of the operational base of our nation's aviation system to ignore best business practices. Flexibility and creative decision-making make it possible to have an efficient, cost effective and robust layer of security systems and should be encouraged regardless of whether the screeners are federal or contract employees.

Some examples of "Team SFO" initiatives that have resulted in higher efficiency include:

The development of a "Screener Control Center" (SCC) that, in conjunction with the comprehensive deployment of closed circuit television (CCTV) is able to simulta-

neously monitor the operation of SFO's 39 passenger checkpoint lanes and the queuing of passengers at checkpoints from a central location. The SCC has substantially increased the screening contractor's ability to adjust staff levels to support passenger volume changes at the checkpoints. The SCC has also reduced the potential for a passenger breeching the checkpoint. This system was installed by the Airport and paid for by the contractor.

The FSD's management staff has very effectively coordinated with the contractor to ensure the lowest level of staff attrition and the highest level of security and customer service performance by instituting a weekly detailed performance review with the contractor. This review consists of a comprehensive review of critical performance metrics including; passenger wait times per checkpoint; screener test results; training conducted; customer complaints; screener attrition; screening absenteeism and overtime vs. overtime goal review to name a few. The performance review has resulted in extremely effective operations. I believe this type of review illustrates one of the primary benefits of the SSP.

The Airport management has enhanced the screening system by adding sufficient checkpoint capacity to ensure adequate passenger processing capability. We have also aggressively and proactively deployed an automated baggage inspection system capable of screening over 53,000 bags per day using 45 CTX 9000s. These devices are multiplexed to a remote screening facility that allows for better oversight and supervision of "on screen resolution" (OSR) functions while significantly reducing the number of screeners needed to operate the system. SFO, could in fact, provide OSR for other cities using its existing facilities further reducing TSA costs.

All that being said, as previously noted, SFO can only continue in the Airport Screening Privatization Program if its liability concerns can be solved by Congressional action and TSA cooperation. First, Congress must amend the Safety Act to extend to SFO the liability limitations extended to QATTs under the Act. Second, TSA, at SFO, must contract with a screening provider that is both "designated" and "certified" under the Safety Act. And third, TSA's contract with the screening provider must contain a requirement both that SFO be indemnified for the negligence of the screening provider and that SFO be named as an additional insured in the screening provider's liability insurance policies.

Mr. LUNGREN. Thank you very much, Mr. Martin, for your testimony.

The chair would now recognize Mr. William DeCota, the Director of Aviation for the New York-New Jersey Port Authority, to testify.

STATEMENT OF WILLIAM DECOTA

Mr. DECOTA. Thank you, Chairman Lungren, Congresswoman Sanchez, Ranking Member Thompson, Congressman Pascrell and Congressman DeFazio.

I am William DeCota, director of aviation for the Port of Authority of New York–New Jersey. On behalf of the port authority, I am very pleased to be here to give you our thoughts regarding the management of the aviation screener workforce.

In my role, I run one of the largest airport systems in the world. There are four airports in my system that are critical to trade, travel, commerce and tourism in our region, as well as they are global gateways to this country: John F. Kennedy International Airport, which is a major domestic and international hub; Newark International Airport, a premier business airport; LaGuardia Airport; and a very vital corporate and general aviation reliever, Teterboro Airport; as well as the Downtown Heliport.

Together, they have been used by 94 million passengers, about 3 million tons of cargo and about 1.3million aircraft movements. And we are right now experiencing a very unprecedented number of customers, and we expect to serve over 100 million customers this year.

And that activity does produce tremendous economic activity and a lot of jobs.

We have entered into a very close partnership with the TSA and cultivate and sustain those good relationships with the TSA. At Newark Liberty, as well as our other airports, we hold weekly conference calls, biweekly inspections, organized tabletop sessions to solve problems, cross-train staff; and all of that is an effort to improve communication, coordination and also to enhance the screening process.

Of course, to be successful, we need committed backers such as you in Congress and the administration providing oversight, helping us to remain flexible and being able to support the endeavor financially and with material and human resources.

We recognize the TSA had a very difficult job in forming itself and very quickly assembling what it did assemble after September 11th, 2001. The passage of ATSA certainly gave a lot of direction in that regard, and aviation screening has certainly become much more focused.

To highlight that point, we are very pleased that the TSA workforce at Newark Liberty International Airport, as an example, recently performed exceptionally well in tests of checkpoint and bomb detection machine procedures.

More than 97 percent of the 1,234 screeners passed the test, giving Newark a pass rate that makes it amongst the highest of the top 30airports in the country.

Ideally, we would like to measure screening performance in terms of an objective set of performance measures. We like well-defined objectives for each component of the screening process. We like to receive regular feedback. We like measures such as contraband intercepted, average wait times, maximum wait times, staff courtesy and measures such as that.

Screeners are certainly the front line in the battle. We are very concerned that, when our passenger traffic is growing as quickly as I described and there is more cargo coming into our airports that recent TSA staffing strategies to address the 45,000-screener cap may make us lose a significant number of screeners at Kennedy and Newark airports.

LaGuardia may experience a modest increase but, under the redeployment plan, we are concerned that any resources that we have that are reduced will make our screening less effective.

We are also worried about diversions of our screeners to the Downtown Heliport and the Teterboro Airport, where we have regularly scheduled helicopter flights that are about to be inaugurated.

If proposed, anything less than 45,000 personnel or anything that fails to provide for inflations in labor costs will, in effect, result in fewer screeners. We really can't divert our front-line screener force to other duties. Some are being diverted to administrative duties. And, frankly, we believe that the GAO's May 2005 study, which recommended a number of training, management and supervision recommendations, need to be implemented.

We are monitoring and testing our airport experience under the screening partnership program, the opt-out program. The two approaches, one where the airport becomes the screening contractor, and the second where private screening companies selected and

managed by the TSA may not work the way we would like it to work.

So some airports could elect to serve as a direct screening contractor. Others, such as large hubs, may feel it would be an impractical managerial and administrative burden.

Regard to the second approach, some airport operators may see no significant advantage to their airports at this time in an arrangement where the TSA selects and manages a qualified contract screening company.

So we are basically concerned—and we are also concerned with the liability and political liabilities that come along with it.

We know that screeners can't do it alone. The TSA has enormous physical and capacity challenges, particularly in older airports such as mine, where there are 17 terminals. Those terminals need to be expanded. We and the airlines, and certainly the financially beleaguered industry, are not prepared to take on those kinds of costs.

And we need to see more in-line baggage systems supplied at our airport terminals. There are tremendous savings in personnel costs that can result from that.

We need funding for passenger and baggage screening modifications. Heretofore, we have not gotten letters in intent for in-line explosive detection systems. As this committee knows, only10 of the 430 commercial air service airports in the country have EDS systems in-line, and only nine letters of intent have been issued.

And funding is not the only problem. We recognize that it is costly, sometimes impossible, to expand facilities. And if the port authority wishes to really pioneer things such as remote baggage check in, we think with our new initiative in New York City, with the Farley-Moynihan Post Office that is going to become a train station that will be the nexus for our airport train systems that go to our facilities, that there is an opportunity for that.

We strongly support implementation of the inspector general's findings calling for greater deployment of technology. We believe the latest technologies need to be implemented.

We have a number of things in our testimony where we talk about CTX, the CT–80 machines, backscatter radar and a variety of other things that we think are important. Some of those involve privacy concerns that must be implemented.

We are very committed to being a test bed. We have been a test bed in the past. We have a number of pilots under way that I think will be instructive to this committee in terms of leading the way.

And we are very much supportive of risk-based approaches to try and allocate resources. We do that ourselves. We follow a Department of Defense approach to allocating resources. We are spending hundreds of millions of dollars in our terminals to do that.

And we believe that Secretary Chertoff's approach to try and allocate limited resources in that direction make a great deal of sense. And so we applaud those efforts.

I would like to thank the committee for this opportunity to testify. And we look forward to working with you in the future to trying to address the many issues that you are wrestling with now.

Thank you.

[The statement of Mr. DeCota follows:]

PREPARED STATEMENT OF WILLIAM R. DeCOTA

Chairman Lungren, Congresswoman Sanchez, Congressman Pascrell, and other distinguished Members of the Subcommittee, good morning. I am William DeCota, Director of Aviation for The Port Authority of New York and New Jersey. On behalf of the Port Authority, I would like to thank you for organizing this hearing and giving me the opportunity to testify today and to share with you our thoughts regarding the management of the aviation screening workforce. My comments will be brief and I request that my entire statement be entered into the record.

The Port Authority of New York and New Jersey is a bi-state public authority created in 1921 by our States with the consent of Congress. Its mission on behalf of the States of New York and New Jersey is to identify and meet critical transportation infrastructure needs of the bi-state region and provide access to the rest of the nation and to the world. In my role as Director of Aviation, I run four airports that are critical to the nation's trade, travel, commerce and tourism—a rapidly growing global gateway, John F. Kennedy International (JFK); a major domestic and international hub, Newark Liberty International (EWR); the premier business airport, LaGuardia (LGA); and a vital corporate and general aviation reliever, Teterboro (TEB); as well as an urban helipad, the Downtown Manhattan Heliport (DMH). These facilities can handle aircraft as diverse as a Piper Cub, a Sikorsky S–76, the Boeing 747–400 and soon the Airbus A380. These airports were used by 93.8 million passengers, with over 2.8 million tons of cargo and 1.1 million aircraft movements in 2004. We are serving an unprecedented number of customers this year, with JFK growing by more than 9%, LGA growing by 6% and Newark Liberty growing by 3.5%. By year-end, we expect to serve about 100 million passengers. This activity produces annually an astounding $62 billion in economic activity and directly and indirectly supports more than 375,000 jobs in the New York/New Jersey metropolitan region.

The Port Authority of New York and New Jersey has entered into a partnership with the Transportation Security Administration (TSA). The Port Authority and TSA are joined together in a common pursuit, exploring new territory and meeting difficult challenges. Like all partnerships, to be successful, the parties need to agree on objectives, share with each other our concerns and provide mutual support. To cultivate and sustain our good relations with TSA at Newark Liberty as well as our other airports, we hold weekly conference calls, conduct bi-weekly inspections, organize tabletop problem solving exercises, and cross-train TSA and Port Authority staff in an effort to improve communications and cooperation. Of course, to be successful, we need committed backers in Congress and the Administration who provide oversight while remaining flexible and most importantly who are willing to fully support the endeavor financially. As operator of one of the nation's busiest airport systems, it is vital that the aviation screening system be responsive to our increasing passenger and cargo traffic. The aviation screening system needs to be effective, customer-focused, performance-driven, risk-based and be given adequate resources to fulfill its mission.

We recognize that the TSA had a very tough job in quickly establishing its screening operation after September 11, 2001, and the passage of the Aviation and Transportation Security Act (ATSA). With the advent of TSA, aviation screening has become much more focused than that which existed before its establishment. To highlight this point, we are pleased that the existing TSA workforce at Newark Liberty International Airport recently performed exceptionally well on annual tests of checkpoint and bomb-detection machine procedures. More than 97 percent of the 1,234 screeners passed the tests, giving Newark a pass rate that, is among the highest of the nation's 30 largest commercial airports and better than the airport, did last year.

Ideally, we would like to measure aviation screening performance in terms of an objective set of performance measures. We would like a well-defined set of objectives for each component of the screening process for which we would receive regular feedback. For checkpoint screening such measures as contraband intercepted, average wait times, maximum wait times and staff courtesy are some of the basic measures for which airports desire regular feedback.

Screeners are the front line in the battle to protect our nation's airports from terrorism. Air passengers traveling through the high-profile, fast-paced New York/New Jersey region need the confident assurance of the TSA's diligent screening standards, and sufficient numbers of screening personnel to meet the heavy volume of traffic of our terminals. We are concerned that at a time when our passenger traffic is on the rise and surpassing previous levels, recent TSA staffing strategies to address the 45,000 screener cap propose that John F. Kennedy International and Newark Liberty International lose a significant number of screeners. Though LaGuardia

Airport may see some modest gain in staffing, under this "redeployment," we are concerned that even these resources may be diverted to address screening needs at Teterboro, our corporate/general aviation airport, and at the Downtown Manhattan Heliport, where regularly scheduled commercial helicopter flights soon will be inaugurated. Also, if proposed Congressional funding for TSA screeners funds less than the 45,000 personnel, or fails to provide for the inflation adjustments in such labor costs, airports that expected to maintain or benefit from an increase in screening staff may in fact find they receive fewer.

We are also concerned that at each of our airports some screening personnel are assigned administrative duties such as timekeeping instead of being properly deployed because there has been insufficient funding for administrative personnel. We must not divert our front-line screening force to other duties and we must ensure that they are thoroughly prepared for the challenges ahead. To ensure that the positive screener performance at Newark documented by the TSA's internal testing will continue at this high standard, we urge the TSA to adopt the training management and supervision recommendations of the GAO's May 2005 follow-up study.

We are monitoring the testing and airport experience under the TSA Screening Partnership Program, also known as the Opt-out program. In view of the significant improvement in passenger screening that is the result of the TSA assumption of these responsibilities after the attacks of 2001, we are reluctant to disrupt the current screening program at our airports at this time. There are two approaches to the private screening option, one where an airport itself becomes the screening contractor, and a second where a private screening company is selected and managed by the TSA. Though some airports may elect to serve as the direct screening contractor, others such as large hubs, may feel that it would be an impractical managerial and administrative burden. With respect to the second approach, some airport operators may see no significant advantage for their airports at this time in an arrangement where the TSA selects and manages a qualified contract screening service to perform the same functions as current TSA screeners, and to the same standards. Also, we are concerned that there may still not be effective and adequate shelter from the legal and political liability for the airport that entered into the opt-out agreement.

Of course, screeners can't do it alone. The TSA also faces enormous physical capacity challenges at airports as passenger traffic grows rapidly. Unfortunately, at some of our older terminal facilities like those at airports across the country, there is often a lack of adequate space for checkpoint and baggage screening. It is difficult and expensive to re-configure existing facilities and sometimes it is just not possible to add security lanes without undertaking an expensive capital construction project that neither the financially ailing airline industry nor we are well-prepared to undertake. We also need to reconfigure bag rooms to provide for the installation of equipment that is currently located in passenger terminal lobbies.

Even more baggage screening equipment is needed for our facilities since equipment needs cannot be determined by a ratio of total equipment to total passengers but must rather address the distribution of passengers across our many terminals at peak periods. In other words, the equipment isn't always where it is needed when it is needed. In-line baggage screening systems offer speed of processing, savings in personnel costs as well as the restoration of terminal lobbies for their original purposes. However, the cost of facility modifications to accommodate in-line screening is beyond our capacity to support.

We need federal funding for these passenger and baggage screening modifications. Heretofore sufficient funding has not been provided to the TSA for Letters-of-Intent (LOI) for the installation of in-line explosive detection systems. Currently, only 10 of more than 430 commercial service airports have in-line EDS systems. Under the LOI process, the federal government may commit to reimbursing airports for these projects over a three-to-five year period. However, due to a lack of resources, the TSA has only been able to issue LOI's for nine airports. FY 2006 TSA budget provisions only provide enough funding to support the existing obligations to these airports. The prospect for further in-line installations at other airports in the future, including those that we operate, is bleak unless TSA is provided with much greater funding for this purpose.

As we anticipate the need for much more money for in-line screening modifications, we are persuaded that current industry proposals for reimbursement agreements based on future cost savings may be a workable solution to TSA—airport capital funding. The idea is to activate existing legislative authority or structure new authority allowing airports needing an in-line baggage solution to define implementation plan, estimate the cost of implementation, calculate the annual O&M savings anticipated once the system is operational, compare that to a baseline current cost for TSA at our airports, then negotiate that annual savings amount to be dedicated

to the airport until a federal contribution equal to 90% of the implementation cost has been received.

As an aside, airport operators such as ourselves that lease many of our terminals to airlines and third parties have found that the Letter-of-Intent (LOI) process has posed many difficulties because the TSA's legal agreements do not readily allow for the pass-through of LOI obligations to the leaseholder for the investment in improvements to their leaseholds, though these improvements are for the public benefit. We continue to work with the TSA to conclude agreements to provide funding for baggage screening work at Newark Liberty's Terminal C.

Funding isn't the solution for every problem. Understanding that it is costly and sometimes impossible to expand our existing facilities to accommodate the ever-increasing number of checked bags that need to be screened, the Port Authority wishes to help pioneer such alternatives as remote baggage check-in. The New York/New Jersey region is unique in having a densely populated urban core with rail access to our two major international gateways. In the coming years, thanks to the leadership of Governor Pataki and Acting Governor Codey, and with the help of Congress, we will have a magnificent new portico to New York City; the stunning Moynihan Station, as terminus for our two airport rail connections, would be an ideal location to offer remote-baggage check-in. We would like to partner with the TSA to take advantage of passengers' desire to surrender their baggage after leaving their hotels, freeing themselves for an afternoon of sightseeing before heading out to the airports for their evening departures. By taking control of this checked baggage earlier in the day, the airport and TSA can alleviate peak-period congestion. This would alleviate added strains on old and overworked baggage handling systems and would permit the TSA to receive some checked baggage earlier than usual, thus permitting a more steady flow and more efficient screening. The TSA will be able to better deploy their resources if checked baggage screening is made more efficient. In order to move forward we seek federal resources to help construct and staff a remote baggage processing facility.

As the number one gateway to the nation, the Port Authority airports often serve as the initial point-of-entry for many international visitors. To ensure the safety and security of the nation, we commend efforts to implement new technologies that use biometrics and automation to efficiently and effectively process international guests. Improved passports with new biometric features are one element of this overall effort. While not the purview of TSA, we compliment the Department of Homeland Security (DHS) on the successful implementation of US-VISIT for arriving passengers. We hope that DHS incorporates the concerns of airports into the design of US-VISIT for departing passengers. Unlike US-VISIT inbound, which was incorporated into an existing process using existing Customs and Border Protection staff, US-VISIT outbound introduces a new process, with a new group of employees, inserted into the departure process after passengers would expect they had completed all the necessary formalities. Many passengers are likely to inadvertently run afoul of the new requirements because the proposed outbound process is not intuitive and is unnecessarily burdensome.

Recognizing that necessity is the motherhood of invention, there are now many technologies that have evolved since the creation of the TSA just four years ago. We strongly support the implementation of the Department of Homeland Security, Office of Inspector General, March 2005 Audit findings that call for the greater deployment of technology. The TSA needs to deploy the latest technology to aid the aviation screening workforce in detecting the threats that face us today. Certainly technological advances in screening equipment may help lead to greater staffing efficiencies and improved detection capability. Just this week, I had the honor of joining the Chairman of our Board of Commissioners, Mr. Anthony Coscia, at Newark Liberty to see a demonstration of TSA's Explosive Trace Detection Portal which is installed at Newark's Terminal A. Five are being installed at Newark and three already have been installed at JFK. We are pleased to have been a test site for explosive trace detection portals for passenger screening. We look forward to the wide incorporation of this equipment at screening points, though processing speed and space limitations may constrain its full utility at this time.

We also are grateful to have been the recipients at Newark Liberty and JFK airports of the pilot test deployment of the new Reveal CT–80 baggage screening equipment. These devices are smaller, though slower, than the CTX 5500 and 9000 equipment now consuming much of the lobby areas of our terminals, and may in some situations provide alternatives to costly modifications to our facilities.

New technology designed for the screening points such as backscatter X-ray which basically sees through persons' clothing and reveals concealed weapons, in the future will give screeners powerful tools in detecting weapons and explosives. We urge the TSA to push forward in resolving the privacy concerns attending this equipment

so that it may soon be made available at airports. Other technology such as automated explosives and weapons detection equipment for the passenger screening points should be further developed and deployed, and cutting edge technology aimed at subject stress or duress detection should be explored. Because terrorist capabilities and techniques will continue to increase and evolve, it is necessary that Research and Development in detection equipment and techniques continue to address the ever-changing threat.

The Port Authority of New York and New Jersey is committed to serving as a DHS/TSA test bed for technology to enhance security at our nation's airports. We have participated in tests of biometric access control, vehicle tracking, video situational awareness, RFID (Radio Frequency Identification Technology) cargo tracking, cargo radiation detection, ASDE–3 radar use for perimeter surveillance, and many more. A number of our fellow airports are also conducting such tests under TSA and DHS auspices as well as at their own initiative. We urge the government's continued investment in pilots of promising technology, and ask the TSA to facilitate the exchange of information among airports about the results and lessons learned from pilot tests.

Some technologies that can have demonstrable benefits to securing our airports are not so new and it confounds us that resources have not been made available. Our experience with costly terminal evacuations due to breaches of security screening points has convinced us that closed circuit television surveillance of the screening points is a necessity. In 2003, the Science and Technology Directorate of the Department of Homeland Security estimated the economic losses associated with terminal evacuations at American airports. They found that such evacuations at LaGuardia Airport alone ranged from $1.5 million to $5.95 million per incident. Surprisingly, after the TSA assumed control of the screening checkpoints and made the necessary modifications, the TSA did not install such surveillance. Chairman Coscia discussed this much-needed improvement to the TSA's screening area earlier this year with then Administrator Admiral Stone, and the Port Authority pledged to work with the TSA to accomplish this important goal. To our disappointment, the TSA has provided no specific funding for CCTV installation at the checkpoints. The Port Authority's lease arrangements with its tenant airlines would require that any Port Authority expense for such work be charged back to the airlines. Of course, the financially beleaguered airlines object to an expense that is not mandated by the TSA. While the Port Authority has applied for the use of Airport Improvement Funds (AIP) for this purpose, it must be noted that the use of limited AIP funds for such worthy security projects thereby depletes support for other necessary airport capital projects traditionally funded by AIP, such as airfield improvements.

We concur with the recent statements of the Secretary of the Department of Homeland Security, Michael Chertoff, asserting that our nation's limited security resources must be allocated on a risk-based approach, recognizing that different transportation sectors, and even individual airports face very different kinds and levels of terrorist threats and risks. This committee is also to be commended for highlighting the importance of risked-based decision-making. I can tell you from first-hand experience with our own facilities, that it is a sobering task to assess such threats and weigh these risks, and make the tough decisions about the distribution of resources. Under the leadership of the New York Governor, George Pataki, New Jersey Acting Governor Richard Codey, and Port Authority Chairman Anthony Coscia, and in partnership with the DHS Office of Domestic Preparedness, our agency has conducted security risk assessments of all of our facilities, and resolved to commit our resources to major capital security enhancement programs. These enhancements go beyond the current required security standards of the TSA, and reflect the best practices of our industry, as well as new technology adapted from research and testing of the Department of Defense and the TSA's own Transportation Security Lab in Atlantic City, New Jersey. We expect that we will assist our colleagues at other airports in leading the way on these improvements. It is a costly endeavor, however. For airport enhancements alone, the Port Authority's Board of Commissioners has authorized $219 million in capital work to harden our terminals and perimeters, to introduce new surveillance systems, and strengthen our access control systems. We endeavor to work in close partnership with the TSA on improving airport security, serving as test beds for TSA pilot projects, sharing our own research and experience, and developing and implementing new standards.

Earlier this year, Chairman Coscia pledged the Port Authority's commitment in this regard to TSA Administrator Stone, and offered our airports to be the first in the nation to implement the TSA's biometric standards for access control when they are officially promulgated. Similarly, our airports are currently pursuing additional background check procedures for workers in secure areas of our airports. At Newark Liberty, we conduct verification of social security numbers of employees working in

these areas. We believe that this is a beneficial augmentation to the current TSA requirements for screening employees, and it should have the support of statutory authority through Congressional legislation and federal regulation.

We applaud federal efforts to evolve to finding dangerous people in addition to dangerous things. This will allow the limited TSA resources to be more clearly focused on those with greater risk potential. Towards this end, programs such as the Registered Traveler Program and Secure Flight should be advanced. The Registered Traveler Program is an opportunity for private sector solutions to improve homeland security and the airline passenger experience with private sector companies paying for new TSA-certified screening equipment and technology to improve security and wait times for all travelers. For the Registered Traveler Program to be truly useful to the public, it must be interoperable across airports and must offer tangible means of speeding their screening. Space limitations in some of our Port Authority terminals do not allow for the addition of extra screening lines that could be dedicated to Registered Travelers without costly construction modifications. So other operational methods for quickly processing these passengers would be needed. Also, we expect that the TSA may soon want to incorporate facial recognition technology into closed circuit television surveillance at checkpoints to potentially match travelers against the terrorist watch and no-fly lists.

I would again like to thank the committee for this valuable opportunity to share our views. We look forward to working with this committee in the future on our shared goal of effective, customer-focused, performance-driven, risk-based security.

Mr. LUNGREN. Thank you, Mr. DeCota, for your testimony.

The chair would now recognize Mr. Mark Brewer, the President and Chief Executive Officer of the Rhode Island Airport Corporation, to testify.

STATEMENT OF MARK BREWER

Mr. BREWER. Thank you, Mr. Chairman.

Good morning, Mr. Chairman and members of the committee. I come before you today appreciative of the opportunity to discuss ways of improving management of the aviation screening workforce.

Again, my name is Mark Brewer. I am the president and CEO of the Rhode Island Airport Corporation, which is a quasi-governmental entity which operates a six-airport system in Rhode Island, including TF Green, also known as Providence, a medium hub air carrier airport which serves nearly 6 million passengers per year.

Today I would like to address three issues: improving the management of the workforce, technology enhancements and the so-called opt-out program.

First, improving the management of the workforce system. As TSA has transitioned from undersecretary to undersecretary, the priorities, personnel and indeed the organizational structure of TSA have changed. It has become, frankly, an industry joke about the revolving door at TSA.

Let me be clear: TSA has a massive job to undertake and I recognize and appreciate the depth and breadth of their role in all of our lives, but especially as an airport administrator. Yet TSA does not delegate authority for maintaining staffing levels at each airport to local federal security director, the FSD. In Providence, there are vacancies which remain unfilled until TSA headquarters gives authority to fill them.

To meet the current staffing needs, our FSD is required to "do the dance," as he calls it, by moving personnel between the checkpoint equipment and the lobby-installed EDS equipment. Shifting cross-trained personnel between various pieces of equipment and

mandatory overtime—and let me repeat, mandatory overtime—is the only way that he can make it work.

The TSA has only signed nine letters of intent for funding integrated EDS systems at approximately 400 air carrier airports with security programs. Providence was recently informed that we are number 89 on the top list of 100 airports to receive LOI monies.

Based on the current allocation of funds from Congress, we would have to wait decades for funding from TSA for an integrated system. There is no doubt in my mind that providing an integrated EDS system is a federal responsibility. It is not an airport responsibility. It is not an airline responsibility. It is a federal responsibility.

Congress needs to step up to the plate in a big way to provide this funding or find creative alternative funding sources for the system. It will take a large infusion of funds, in the billions, to get this accomplished. And I encourage this committee to play a leading role in a congressional commitment to fund integrated EDS systems more aggressively than in recent years.

While I am speaking of technology enhancements, I am appreciative of TSA's efforts to look into new technology. However, the process to evaluate and install these technologies is painstakingly slow.

But more to the point of this hearing, it is essential that Congress understand that TSA's introduction of security technology is the only way to reduce manpower requirements.

If, in fact, Congress concurs that the TSA goal is to offer world-class security along with world-class customer service, then it can only do so with a heavy reliance on technology.

Not to replace personnel with technology will create longer lines and thus additional terrorist targets in all of our terminal buildings.

Regarding the opt-out program, while I have no objection to the creation of an opt-out program for those airports that feel they would gain some benefit, I personally see no advantage based on the current structure of the program. The liability issues are enormous; not one that I could recommend to our board of directors that we accept.

Knowing that TSA selects the screening companies, provides the airport no flexibility on utilization of staff, and offers no control over the operational issues provides me no incentive to consider this as a viable option.

TSA employees currently performing these important government regulated functions in Providence have passed the recertification test at 100 percent proficiency for the past 3 years in a row.

It is difficult for me to argue that security will be enhanced by utilizing private employees merely because their paycheck is signed by a private firm versus the U.S. government.

In conclusion, Mr. Chairman, my points are these.

The TSA should empower the local FSDs to maintain their authorized staffing level. This step alone will enable those on the front lines to be more efficient and ensure a higher level of customer service.

Further, the staffing levels at each airport need to be realistic. As one airport grows and requires additional screener staffing, it

should not mean that another airport loses staff only to remain compliant with some arbitrary national cap.

Two, if the goal is to reduce manpower requirements, TSA should only do so by improving technology.

Finding ways to streamline and expedite the introduction of technology into airports is key. One proven way to do this relatively quickly is to appropriately fund the integration of EDS equipment into airports.

And third and lastly, continue to explore the issues associated with the privatization, or the so-called opt-out program, to make it a viable alternative to federal employees for those airport operations which would like to consider it.

The liability risks and lack of operational controls make it highly unlikely the interest will be there for many airport operators under the current structure of the program.

Again, Mr. Chairman, thank you for the opportunity to express my views to the committee.[The statement of Mr. Brewer follows:]

PREPARED STATEMENT OF MARK P. BREWER

Good Morning Mr. Chairman and members of the committee. I come before you today appreciative of the opportunity to discuss ways of improving management of the aviation screening workforce.

My name is Mark Brewer. I am the President and CEO of the Rhode Island Airport Corporation, a quasi-governmental entity which operates a six-airport system including T.F. Green Airport (also known as "Providence"), a medium hub, air carrier airport serving nearly six (6) million passengers per year. I have been involved in the airport management industry for over 30 years. I have also been involved airport security as the airport member of the FAA's Security Equipment Integrated Product Team (SEIPT) and an industry representative to the TSA's Security Technology Deployment Office (STDO). Further, I was co-chair of the American Association of Airport Executives (AAAE) Security Committee, and served four years on AAAE's Board of Directors. I currently serve on the Association's Policy Review Committee.

Today I will address three issues:

(1) *Improving Management of the Workforce:* I commend the committee for recognizing the need to study the management of the aviation screening workforce. The ever-changing leadership in TSA, multiple/changing priorities, funding limitations and centralized control of staffing decisions makes our national screening process inefficient.

(2) *Technology Enhancements:* Enhancements in technology are essential. Improvements to both the screening checkpoint technology and a greater priority on installing integrated EDS systems are very important to both enhanced security, greater customer service and reduced threats.

(3) *Opt out program:* Employee performance of TSA screeners in Providence has been excellent. The TSA employees have received a 100% recertification rating for the past three years running. The "Opt-Out" program, as currently structured, exposes the airport operator to potential liability by associating the airport directly with the screening checkpoint or EDS operation, yet provides the airport no input into the operational decisions of the screening process.

Allow me to address each of these points in greater detail.

First, **improving management of the workforce.**

As TSA has transitioned from Undersecretary to Undersecretary the priorities, personnel and indeed the organizational structure of have changed. It has become an industry joke about the revolving door at TSA. If you don't like the answer you get on an issue, just wait, perhaps the next (you fill in the position) will have a different point of view.

Let me be clear, TSA has a massive job to undertake. I recognize and appreciate the depth and breadth of their role in all of our lives but especially as an airport administrator. The TSA has worked diligently to keep lines of communication open with regularly scheduled telcons. TSA has an open door policy with aviation associations and airports to receive input into projects and security enhancements.

Yet, TSA does not delegate authority for maintaining staffing levels at each airport to the local Federal Security Directors (FSD). In Providence there are at vacan-

cies which remain unfilled until TSA HQ gives authority to fill them. The FSD is required to use an assessment center located 60 miles from the airport requiring any local applicants to trek to this location in order to potentially have the privilege to work for the TSA. The assessment center in Chelsea, Massachusetts, outside of Boston, while physically there, has no staff assigned to it to do assessing. While there is no official hiring freeze, TSA has elected not to hire. The net result is there are positions for screeners open in Providence with no authority or staff available to hire personnel for these positions. This is clearly an indication to me that a number cruncher has put a halt to the hiring process and consequently security and customer service suffer.

The TSA staffing level in Providence is officially 259 screeners; which is significantly less than the number of screeners called for in the TSA's own Regal model. I have recently learned that the number of screeners in Providence is potentially going to be reduced effective next fiscal year so as to reallocate FTE's to another airport. The passenger traffic in Providence is setting all-time records and we need more screeners, not less.

To meet the current staffing needs our FSD is required to, "Do the dance.", as he calls it; by moving personnel between the checkpoint equipment and lobby installed EDS equipment. Shifting cross-trained personnel between various pieces of equipment and mandatory overtime is the only way he can make it work. One could argue that the FSD should be applauded for his operational effectiveness, and we do. But we also recognize that the reason the dance is necessary at all is because authorized staffing levels are not maintained.

It is my suggestion that TSA HQ delegate the responsibility of maintaining authorized staffing levels to the local FSD. This will assist the FSD in maintaining the staffing levels required for the airport, thus reducing wait times and the unnecessary redistribution of the workforce throughout the day.

While I am on the subject of staffing levels I must share my concerns about the proposals in both the house and senate to reduce funding of the TSA screener staffing levels in the FFY '06 DHS spending budget. I understand these reduced funding levels could eliminate between 2000 to 6000 screening personnel. The only way to reduce personnel in Providence, and I would argue most other airports, is to increase the effectiveness of the technologies available to ensure proper throughput.

The TSA has only nine signed Letters of Intent for funding integrated EDS systems at the approximately 429 air carrier airports with security plans. It will be years, if not decades, before all airports have integrated EDS systems if the funding for these systems remains at current levels.

Providence was recently informed that we are #89 on a list of the top 100 airports to receive LOI monies. Based on the current allocation of funds from the congress we would have to wait decades for funding from the TSA for an integrated system. There is no doubt in my mind that the providing of an integrated EDS system is a federal responsibility. It is not an airport responsibility. It is not an airline responsibility. It is a federal responsibility. Congress needs to step up to the plate in a big way to provide this funding or find creative alternative funding sources for these systems. It will take a large infusion of funds, in the billions, to get this accomplished. I encourage this committee to play a leading role in a congressional commitment to fund integrated EDS systems more aggressively than in the recent years.

Second, **technology enhancements.**

T.F. Green Airport has been on the cutting edge of security technology enhancements. We were a test site for EDS equipment long before September 11 and the creation of the TSA. We were among the first airports in the country to receive screening checkpoint x-rays with the Threat Image Projection (TIP) training program. We were the first airport in the nation to install and operate the screening checkpoint explosive detection device commonly known as "the puffer." We were in the first group of ten airports to test biometric security credentials for airport employees. We are the sponsor of two federal grants testing additional security devices for both enhanced perimeter security and terminal building security.

I am appreciative of TSA's efforts to look into new technology. However, the process to evaluate and install these technologies is painstakingly slow.

But more to the point of this hearing, it is essential that congress understand that TSA's introduction of security technology is the way to reduce the manpower requirements. If, in fact, congress concurs that a TSA goal is to offer, "World Class Security along with World Class Customer Service" then it can only do so with a heavy reliance on technology. As mentioned earlier, Congress' proposed reduction in TSA's FFY '06 screener staffing budget will potentially reduce the number of screeners by 2000—6000 FTE's. These reductions in staffing can only reasonably be replaced if new processes and technologies are created to provide screening checkpoint customer throughputs similar to or above today's traffic volumes. Not to replace per-

sonnel with technology will create longer lines and thus additional terrorist targets in our terminals.

I encourage Congress to maintain world class security as the priority while understanding that customer service is a must.

I would be remiss if I did not re-emphasize the federal government's obligation to fund the integration of Explosive Detection Systems (EDS) into airport terminal buildings. Integrated EDS systems reduce the level of threat in the terminal because all bags are screened behind the scenes sooner, enhanced technologies such as "on-screen resolution" make the examination of the bags more efficient, allow passengers to get into the secure side of the terminal sooner and save the American taxpayers money. While the dollars committed to the integration of EDS systems are in the hundreds of millions of dollars each year, the reality is that it will take billions of dollars to complete these projects. I understand Congress has been researching alternative financing mechanisms for this purpose. To the best of my knowledge no creative funding solutions have been developed thus the full integration of EDS systems could take decades at the current rate.

Congress must recognize that additional threats are created by the imposition of the "short-term", lobby-installed, EDS solution. Congress appears to have no plan of how to fund the long-term integrated EDS solution. It will take time, dollars and a commitment from congress to provide TSA the resources to accomplish this mission.

Again, back to staffing levels, it has been proven that integrated EDS systems will save TSA and the federal government significant dollars in personnel costs. I understand one GAO study demonstrates money invested in integrated EDS systems is paid back in one year through personnel-related savings. It appears to me that the solution is obvious, let's work together to get it done.

Third, **Opt-out Program:**

While I have no objection to the creation of an opt-out program for those airports who feel they would gain some benefit, I personally see no advantage based on the current structure of the program. There are four main points I would like to make:

(1) Both the TSA screeners and privatized screeners are recruited and hired from the same pool of candidates. They are paid the same, trained the same, as well as, tested and reevaluated using the exact same criteria. They use the exact same equipment in the performance of their duties.

(2) For an airport operator to enter into an agreement with the TSA for the services of a private screening firm would imply both publicly and politically that the airport operator itself has some obligation in the screening of passengers and bags before they gain access to commercial air carriers. Passengers would also assume that an obligation exists, through its vendor, that the airport itself insures the safety and security of their aircraft as they proceed aboard. The liability issues are enormous; not one that I could recommend to our Board of Directors that we accept. Knowing that TSA selects the screening company, provides the airport no flexibility on the utilization of staff, and offers no control over operational issues provides me no incentive to consider this as a viable option.

(3) There has been no conclusive evidence presented to me which indicates that private firms exceed the security detection capabilities of the TSA employees currently performing these important government-regulated functions. The screeners at PVD have passed their recertification tests at 100% proficiency for the past three years in a row. It is difficult to argue that security will be enhanced by utilizing employees merely because their check is signed by a private firm vs. the U.S. Government. Again, I am not stating that I am opposed to the opt-out program in general. It is just a long way from being enticing for this airport operator to agree to take on the additional responsibilities and liabilities related with aviation security without the capability to actually manage the program.

(4) TSA's staffing of the congressionally-capped screening force can be better accomplished in one very important way; empower the Federal Security Directors to maintain a certain FTE manpower level based on the realistic needs of the airport. In Providence, and all other airports, no hiring may be accomplished unless approved by TSA HQ. Washington further provides guidelines on what percentage of part time employees each FSD should have. Again, each airport is different and the local FSD's need to be empowered to manage their staffing levels.

In conclusion, my points are these:

(1) The TSA should empower the local FSD's to maintain their authorized staffing levels. This step alone will enable those on the front lines to be more efficient and insure a higher level of customer service. Further, the staffing levels

at each airport need to be realistic. As one airport grows and requires additional screener staffing it should not mean that another airport loses staff only to maintain compliance with some national cap.

(2) As the industry rebounds from 9/11, passenger volumes grow, and if airport infrastructures remain the same, there will be a requirement for more screeners, not less. However, if the goal is to reduce manpower requirements TSA should only do so only by improving technology. Finding ways to streamline and expedite the introduction of technology into airports is key. One proven way to do so relatively quickly is to appropriately fund the integration of EDS equipment into airports.

(3) Continue to explore the issues associated with the privatization "opt-out" program to make it a viable alternative to federal employees for those airport operators which would like to consider it. The liability issues and lack of operational control make it highly unlikely the interest will be there for many airport operators under the current structure of the program.

Thank you for the opportunity to express my views to the Committee.

Mr. LUNGREN. Thank you, Mr. Brewer, for your testimony.

The chair would now like to recognize Mr. John DeMell, President of FirstLine Transportation Security, to testify.

STATEMENT OF JOHN DEMELL

Mr. DEMELL. Chairman Lungren, Ranking Member Sanchez, Ranking Member Thompson and other distinguished members of the subcommittee, thank you for the opportunity to assist your important review of the airport screener program and the Screening Partnership Program.

Since November 2002, FirstLine Transportation Security and our approximately 600 dedicated employees have provided aviation screening services for the TSA and the traveling public of Kansas City International Airport under the PP–5 and now the SPP.

Under the SPP, the TSA is responsible for oversight and direction of all screening-related activities, while FirstLine manages all human resources and administrative functions at standards that meet or exceed strict TSA mandates.

FirstLine and TSA have adopted a one-team, one-mission partnership model that has created a series of improvements to the security screening process and developed new initiatives that can serve as an example for other airports.

We are proud of the many innovations and efficiencies that we have implemented, each of them facilitated by our partnership of local TSA teams.

For example, FirstLine and TSA hold joint town hall meetings, conduct joint operational and planning sessions, and share a single communication system.

In partnership with the federal security director, FirstLine staff and operations center provide 100 percent visibility of all screening assets 100 percent of the time.

We have established an efficient zonal scheduling approach that results in essentially zero scheduling errors.

FirstLine has assumed responsibility for major portions of the assessment and hiring process in addition to becoming the first contractor responsible for new hire and ongoing security-related training. We now manage these programs in accordance with the standards that exceed the TSA's.

We also ensure that the training and evaluation of the screening workforce exceeds our contract objectives and performance metrics. All FirstLine screening staff are baggage and passenger qualified.

This dual-functioning screener approach facilitates efficiency, effectiveness, flexibility and, combined with our innovative scheduling technology and operations center management, ensures that the screening staff are available both wherever and whenever they are needed.

As a result, we have one of the shortest wait times in the country. TSA's tracking and recent media analysis bear this out.

In addition, we collaborated with the TSA to institute a policy of temporary transitional duty assignments for our workforce, which improves operational efficiency, enhances the health of our staff, and dramatically reduces the incidence and durations of on-the-job injuries.

Our success in managing the screener workforce is reflected in the pacesetting results of the TSA's customer reaction survey and by our performance accountability metrics reviewed with TSA twice a month.

Current highlights include overtime that is tracking at 1 percent of billed costs versus a goal of 5 percent. On-the-job injuries are 1.4 percent. Only one current worker's comp case is the result of a 2005 OJI. Employee absenteeism stands at 3.58 percent versus a goal of 5 percent. And our current month-to-date attrition rate is 1.6 percent.FirstLine's partnership with the TSA shows that the private sector has much to offer in the post–9/11 airport security model. Thus we have identified aspects of the current program that could be modified to ensure that the SPP becomes even more valuable for the federal government and the traveling public.

First, it is essential to an orderly hiring process that the SPP contractors and their local TSA partner have full control over the application, assessment and training process. For example, two-thirds of the approximately 600 applicants we have recently recruited were lost in the assessment system and never processed by the TSA's third-party contractor.

Second, liability concerns restrict the growth of the SPP program. Although FirstLine screening services have been designated as a qualified anti-terrorism technology under the Safety Act, potential airport participants seek clear assurances that the Safety Act indemnification afforded the screening contractor also applies to them and further protects the affirmative act of participating in the program.

Additionally, budget considerations remain an issue. Some airports, recognizing past unfunded mandates and concerned over federal appropriations issues, view the SPP as one area with potential for future funding reductions.Finally, many airports seek tangible advantages from this program. FirstLine strongly supports funding mechanisms which, when properly defined, return a portion of the savings derived from the SPP to participating airports in order to help fund needed security enhancements, such as in-line EDS baggage improvements.

On behalf of FirstLine and our employees, we are committed to ensuring that our work for the traveling public at Kansas City International and our partnership with the TSA continue to enhance the security of our airline passenger system.

Thank you.

[The statement of Mr. DeMell follows:]

PREPARED STATEMENT OF JOHN DeMELL

Chairman Lungren, Ranking Member Sanchez, and other distinguished Members of the Subcommittee, thank you for the opportunity to assist the Subcommittee's important review and assessment of the Airport Screener Program and the Screening Partnership Program of which FirstLine Transportation Security is a proud partner.

Since November 2002, FirstLine Transportation Security and our approximately 600 dedicated employees have provided aviation screening services for the Transportation Security Administration ("TSA") and the traveling public at Kansas City International Airport under the Airport Screener Privatization Pilot Program. This program was originally known as the "PP5 Program," but following its certification as an integral part of our nation's aviation security and its availability to all airports is now known as the Screening Partnership Program ("SPP").
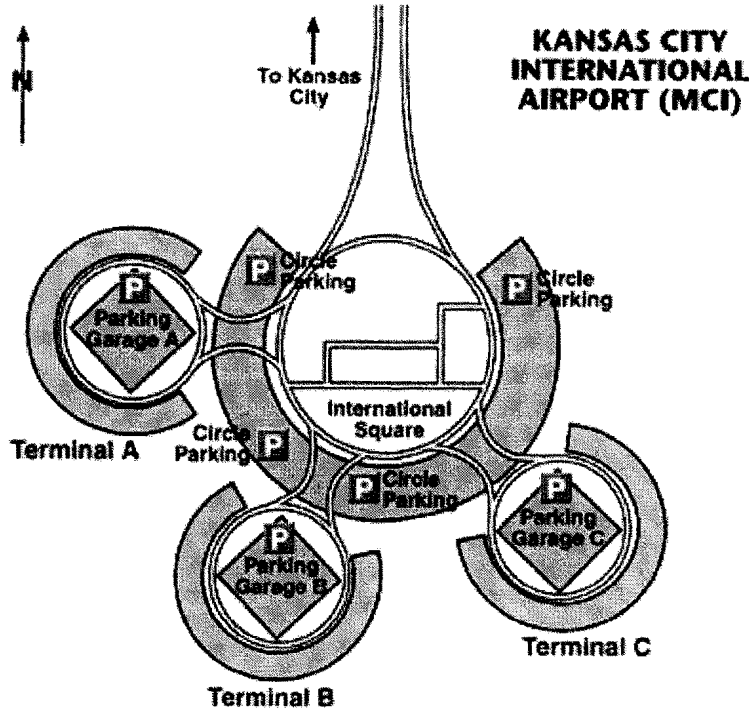
FirstLine Transportation Security is a subsidiary of SMS Holdings Corporation ("SMS"), a U.S. privately-owned company with a seventeen year history of providing security, aviation and facilities maintenance services across the Nation. FirstLine resulted from SMS's acquisition of the core management team of a company that for over twenty years had provided passenger screening and airline services across the U.S. The SMS family of companies also includes Valor Security Services, whose employees protect over 160 enclosed shopping malls in 32 states, Service Management Systems, a leading provider of facilities services management to multi-use facilities in 32 states; and PrimeFlight Aviation Services whose 4,000 employees provide airside and landside services in 60 airports nationwide. Our company has a strong reputation of quality managed services and considerable expertise and experience in a variety of areas important to our nation's commerce and the aviation industry.

Under the Screening Partnership Program, the TSA is responsible for oversight and direction of all screening and security related activities, while FirstLine performs world class human resources management in addition to all administrative functions related to the workforce. Our responsibilities include recruitment, screening of candidates, candidate assessment, screener training and ongoing personnel management and direction to the screening staff. SPP contractors must meet, as a minimum, the same overall hiring, training, and security requirements as those locations employing federal screeners. The employees of the SPP contractors generally receive their training from TSA, although in the case of FirstLine, we have responsibility for virtually all screener training requirements.

FirstLine is responsible for managing the screener workforce with respect to all human resource and administrative-related functions. This includes the establishment of compensation schedules at TSA-approved levels; performing payroll-related activities; rewarding and disciplining for performance; hiring and firing; orchestrating shift bids; and scheduling. All of our expenditures, including all compensation-related matters, are submitted on a monthly basis to TSA for review, approval, and payment under the terms of our contract.

We work closely with TSA site managers to ensure that security measures are consistent with TSA's procedures, and our screeners receive enhanced professional training covering all aspects of their work environment and job responsibilities. It is a partnership in which we share the TSA's mission to protect the Nation's transportation systems, that emphasizes high levels of screening effectiveness, outstanding customer service and significant cost and operational efficiencies. Our collaboration with TSA is geared towards a "win-win" result, and it is a partnership in which we are proud to play an important role. It is a partnership that works.

Given the unique and challenging layout of Kansas City International Airport, it is essential that FirstLine and TSA work creatively and proactively to ensure that screening operations are effective and provide security and customer service to the traveling public with minimal delay. We are particularly proud of the work that our employees perform at Kansas City International given the unique facility issues presented by the airport's layout. For those of you who have not traveled to or through Kansas City, the airport is arranged in three horseshoe-shaped terminals, with the distance between a gate entrance and the airport exterior entrance only a matter of a few dozen feet. It is possible to deplane and be outside meeting your ride within minutes.

KANSAS CITY INTERNATIONAL AIRPORT (MCI)

This configuration currently requires 11 screening checkpoints and 6 baggage screening stations, exacerbating the need for balancing our workforce between checkpoints and baggage screening stations. By comparison, Hartsfield International Airport in Atlanta has 4 screening checkpoints.

Moreover, once a passenger clears security, another unique aspect of the airport layout that increases our employee's workload is the fact that access to restroom facilities, food and refreshments, and many other creature comforts or needs reside close to the gate areas, but nevertheless outside security at most gates. Given passenger ingress and egress from the secure area, this creates the need to "double screen" many passengers.

It is important to highlight how well FirstLine and the TSA have partnered to deliver maximum security, efficiency and customer service to the traveling public in Kansas City, and meet the challenges of our role in protecting America. We have adopted a "One Team, One Mission" approach by acting cooperatively, creating a series of improvements to the security screening process, and developing new initiatives that can serve as a model for other airports. For example, FirstLine and TSA representatives hold joint Town Hall Meetings, attend each others' operational and planning sessions, and share a single communications system. In partnership with the Federal Security Director, FirstLine staffs and operates the TSA Operations Center at Kansas City International that provides 100% visibility of all screening assets 100% of the time, which given the configuration of the airport, is a significant accomplishment and testament to our working relationship with the TSA.

Management and Best Practices

As a company, we are exceptionally proud of the managerial enhancements and innovations we have implemented in our operations, improvements that could never have occurred without an effective partnership with the TSA team in Kansas City. We have collaboratively developed management approaches and tools that have resulted in significant reductions in days lost to injury and overtime costs, among other benefits.

In order to ensure that we meet the changing needs of a dynamic airport travel profile, we have established an Operations Center, functional 24 hours a day/seven days a week, that tracks staffing levels (actual vs. scheduled) and appropriate screener deployment, and coordinates all major FirstLine communications to and

from TSA, the airport and airline officials. We are utilizing innovative technology to develop, implement and administer a schedule that places screeners where they are needed, when they are needed, and we manage this process through the Operations Center. In cooperation with our local TSA partners we have established a zonal approach to scheduling that enhances our ability to schedule effectively resulting in essentially zero scheduling errors for the past year. We also train and empower our screening supervisors to manage, cooperate and redeploy screeners as necessary at the checkpoint level. The Operations Center and scheduling system, coupled with the protocols that guide and direct their operation, are some of the key reasons why we are able to respond effectively to operational situations and deploy the appropriate level of screener staff where and when they are needed.

Working with the TSA, FirstLine also developed a General Operations Guide (GOG) that documents all programs and procedures for the entire FirstLine Kansas City operation. The GOG provides standardized procedural and administrative guidance, and is a synopsis of standards established by FirstLine to meet and exceed the contractual requirements of the Transportation Security Administration. Based on our historic management experience with a workforce of similar size and scope to the screening team in Kansas City, FirstLine developed an Employee Handbook that documents procedures and rules for required employer/employee behavior and ensures that our team's performance exceeds the requirements of the TSA contract. In cooperation with our TSA partners, we also developed a set of 21 Performance Metrics for our work on behalf of the TSA, metrics that are reviewed twice per month, and also serve as the baseline for ongoing management initiatives to maximize contract performance.

Utilizing industry best practices, FirstLine has installed significant cost control procedures and other measures to improve efficiency. For example, we have deployed systems to ensure the highest levels of payroll accuracy, manage the full spectrum of materials acquisition, and provide for the security, efficient acquisition and control of uniform components. These systems and management tools proved so successful that the TSA expanded their use to encompass virtually all materials procurement and inventory management. Our preventative maintenance programs for security operations equipment have saved significant tax dollars and earned TSA and vendor recognitions. We have a lean, motivated and efficient administrative team at Kansas City backed up by a qualified corporate support center staff.

Assessment and Hiring

Beginning in late February 2005, FirstLine assumed responsibility for major portions of the assessment and hiring process. The assessment and new hire training programs are managed by FirstLine in accordance with a TSA-approved model, and with standards that exceed those required by TSA. FirstLine has teamed with industry experts to continually improve the hiring and assessment process to provide for greater efficiency.

Workforce Management and Training

A core aspect of our mission involves the training and evaluation of the screening workforce in order to meet our contract objectives and performance metrics. FirstLine makes a continuing, major commitment to training and evaluation. All FirstLine Screeners, Lead Screeners, and Screener Supervisors are baggage and passenger screening qualified. This Dual Functioning Screener (DFS) approach provides the TSA with screening efficiency, effectiveness, and flexibility, and allows us to deploy screeners throughout our checkpoints to meet changing demand and avoid bottlenecks. Each screener also receives a minimum of three hours of continuation training each week. Cross-training coupled with continuing training programs further improves the efficiency of our staffing in order to meet routine as well as exceptional operational needs.

Passenger wait times are an important issue to both the traveling public and airport managers nationwide. Our results in Kansas City are exceptional. While there are many reasons for this success, including the unique array of passenger checkpoints, the use of 100 percent cross-trained screening staff, combined with our innovative scheduling technology and Operations Center management has also played a significant role in delivering screening staff both wherever and whenever they are needed. The result is reduced wait times for travelers. As the TSA's own wait time reporting and a recent USAToday analysis of those wait times at major airports noted, travelers at Kansas City waited in excess of 10 minutes less than one half of one percent of the time. It is not an exaggeration to note that on most days, the line for Starbucks exceeds the wait time to clear security at our airport.

FirstLine's approach to enhanced training has resulted in our becoming the first contractor given the responsibility to conduct its own security-related training. Our security-related training applies to both new-hires as well as ongoing recurrent instruction, and adds to the enhanced customer service and human resources training

that we have accomplished throughout the duration of our contract. Portions of the initial assessment process remain the responsibility of the TSA although FirstLine remains prepared to assume this function once TSA resolves other issues impacting this transition.

FirstLine's Training Program is grounded in quantifiable tasks, conditions, and measurable standards. All DFS training is conducted by FirstLine training specialists certified by the TSA as TSA Authorized Instructors (TAIs). To manage this training program, FirstLine publishes monthly training calendars 60–90 days in advance of scheduled training. Our Training Department augments these Training Calendars with targeted monthly training tasks (focus areas). Both to gauge the program's effectiveness and to ensure that screeners remain current in their job duties, random monthly training quizzes are given to approximately 25% of the Screeners and Lead Screeners.

To support our training program and ensure that training does not come at the expense of our core security mission, FirstLine maintains a dedicated Training Support Team that relieves screening locations during computer-based training and other skills improvement sessions on a scheduled, rotating basis. The result of our approach is that each screener receives an average of 8–12 additional hours of focused training every month that is normally above and beyond the minimum weekly TSA requirement. Standardized training records ensure that every FirstLine screener meets or exceeds TSA training requirements, and facilitate 100% accountability of mandatory TSA weekly training requirements and screener certifications. As with all of our program elements, our training strategy is a cooperative endeavor fully supported by the Federal Security Director in Kansas City and his staff.

As another example of how we have linked our training and security objectives, FirstLine, in coordination with the TSA, has participated in expanding upon TSA's local and national covert testing program. As part of our efforts to add value to the partnership, FirstLine conducts additional training utilizing covert situations, further enhancing our screeners" practical skills and situational awareness. This dynamic application of simulated real-life training situations enhances and improves the safety and security of Kansas City's traveling public.

Workforce Management Techniques and Tools

Workplace safety is a critical component of FirstLine's partnership with the TSA. Both to improve operational efficiency and enhance the health of our workforce, FirstLine, in collaboration with the TSA, instituted a policy of Temporary Transitional Duty (TTD) assignments for our workforce. This program is a cooperative effort between the screener, their medical provider, and FirstLine. Minimum physical requirements are determined for each of the screening location positions, and workers scheduled to return to full duty within 90 days are assigned to a temporary duty assignment that is appropriate to their medical status as soon as they are physically able to meet the minimum physical requirements for a position. This temporary assignment, combined with FirstLine's proactive overall approach to reducing on-the-job injuries (OJI), is paying operational dividends—as our current OJI rate per 100 employees is 1.4. During a recent visit by TSA Headquarters staff to Kansas City, the review team indicated their plans to send their lead Workman's Compensation personnel to Kansas City to identify "best practices" that could be deployed throughout the TSA system.

As a private contractor, FirstLine has also brought to bear in Kansas City our experience from other personnel management circumstances. Early on, FirstLine established a standardized employee review process that identifies employee counseling needs and areas for improvement, and measures and quantifies our employees' successes and positive contributions. In addition to providing valuable two-way feedback regarding performance and staff interests, these evaluations are part of a larger incentive and motivational program that includes, among other aspects, a merit pay program. FirstLine has also established a wide array of employee recognition programs that commend our staff members for their accomplishments on a monthly, quarterly and annual basis. We also take opportunities at holidays or significant milestones, such as our contract anniversary, to offer additional incentives and expressions of appreciation, including prize raffles and refreshments.

We are also especially pleased to offer a tuition assistance program for those employees who have completed six months with the company. Eligible employees may seek reimbursement for classes taken at an accredited college/university—whether or not they are job related. The maximum reimbursement to an employee for tuition reimbursement, with benefits corresponding to company tenure is $10,000.

In keeping with our objective of continuous review and improvement, our programs are consistently reviewed—often with the involvement of our employees. This review includes effective input from our Employee Advisory Council (EAC), a group that provides an official forum for our screening staff to have real input into the

policy decisions we make that directly affect them. FirstLine's EAC is comprised of Screeners and Lead Screeners, and meets bi-weekly to review, analyze and make recommendations to improve policies and procedures that affect the screening workforce. As one example of the value of this forum, the EAC was instrumental in revising several important personal attendance management tools, including FirstLine's points-based Employee Attendance Management policy. This Policy ensures that FirstLine provides the TSA with optimal staffing levels at each work area, which is essential in order to effectively protect and serve the traveling public. A central feature of the program is that effective attendance management and control is the responsibility of each FirstLine employee. Employees receive a finite number of available scheduled and unscheduled absences. By effectively managing the time-off options, each employee is able to meet their FirstLine obligations while satisfying their unique and individual personal needs.

We have also established a Supervisor's Advisory Council (SAC), which serves as a key element of FirstLine's management team. The SAC's task is to review, analyze and make recommendations to improve policies and procedures at a management level that will improve FirstLine's efficiency, effectiveness, and support to the TSA.

The result of our workforce management plan has been to improve the efficiency and effectiveness of our staff and deliver value and reliable service to the TSA. The results, as measured through our twenty-one metrics bear out this success. Some current highlights of these metrics include:

• Overtime is currently tracking at one percent of billed costs, compared to a target goal of five percent;

On the Job Injuries (OJI) is currently 1.4 percent, with only one employee currently receiving workman's compensation resulting from a 2005 injury;

Employee absenteeism through the first half of July is 3.58 percent, compared to a target goal of five percent;

• Our current month-to-date attrition rate is 1.6 percent. Importantly, our calculation of attrition includes both voluntary and involuntary separations from the workforce, a methodology that differs from the metric used by the TSA for gauging attrition;

• Customer Satisfaction remains high and issues, should they arise, are handled in a timely fashion both to resolve where possible to the customer's satisfaction while affording teaching opportunities to improve internally. It should also be noted that Customer Satisfaction, as also measured through the TSA's own survey released in March show high levels of performance even outpacing in many areas the TSA's own positive results, and

• We continue to have 100% accountability of all personnel on a daily basis.

The TSA-FirstLine partnership in Kansas City has clearly been a success story. A TSA-commissioned study released in 2004 singled out our program for screening effectiveness, customer service excellence and significant efficiencies that generated approximately $7.9 million in annual savings when measured against a federal model of comparable size. We have been advised that more recent studies, including the GAO's review earlier this year, continue to bear out these successful results. The Kansas City Aviation Department's leadership continues to express strong support of our partnership program and its renewal and continuation. Security screening at Kansas City not only plays an important role in our nation's homeland defense, it is viewed as an integral part of a positive, security-effective and customer friendly travel experience for the airport and its customers.

Remaining Issues

With all of the demonstrated successes of the partnership in Kansas City and at other Screening Partnership locations, it is fair to ask why other airports have not embraced this alternative to fully federalized screening at their own locations. In our view, there are several factors that continue to limit the expansion of the SPP.

Liability and Indemnity

The primary concerns among airport authorities with respect to the SPP relate to liability and indemnity. Airports are concerned that should there be a security incident that results in litigation, they may become a party to the legal wrangling as either a customer or beneficiary of the Screening Partnership Program, or simply because they affirmatively applied to participate in the program. These concerns persist despite the comfort level of those airports currently in the SPP. To mitigate this issue with airports, FirstLine Transportation Security applied for and was granted a number of legal protections afforded by the SAFETY Act of 2002, becoming the first passenger and baggage screening company to receive a Designation under the Act.

Provisions of the law and associated regulations promulgated by the Department of Homeland Security afford wide and detailed protections to FirstLine as a Des-

ignated Seller of passenger and baggage screening services that are now designated as a Qualified Anti-Terrorism Technology (QATT). Although statements by TSA legal counsel and informal guidance by leadership at the Department of Homeland Security have sought to assuage the concerns of non-participating airports, a number remain uncertain of their legal protections due to the unique relationship they would hold as a stakeholder in the SPP. Potential participants have expressed a strong desire to receive unambiguous guidance from DHS that SAFETY Act provisions apply to their situation, and that FirstLine and future qualified screening companies must secure full Certification under the SAFETY Act for its technology in order to provide sufficient legal protection for participating airports. Such recognition could be provided once the TSA supplies specific benchmarks requested by the Department of Homeland Security. Clear specifications from DHS with respect to the impact of the SAFETY Act designation and certification for passenger and baggage screening technology and processes would certainly aid expansion of the program.

Continued and Reliable Funding

Budget considerations are always paramount with the federal government. Some airports, recognizing their past experiences with unfunded mandates and concerned over future efforts to address appropriations concerns, rightly or otherwise, view the SPP as one area which might be ripe for funding reductions in future years. The TSA has attempted to explain that annual appropriations for airport screening, federalized or partnership are derived from the same budget process and line item, but airports remain concerned that any future funding shortfalls would be borne by airport participants.

Shared Savings and Innovative Financing

Many airports see the qualitative and quantifiable advantages that the SPP affords but they properly asked what specific tangible advantages might be available to them. A partial answer may lie in the current quest to develop new and innovative ways to fund badly needed airport security enhancements including in-line baggage security systems (EDS). FirstLine strongly supports funding mechanisms which, when properly defined and administered, would return a portion of the savings we know can be derived from our partnership to participating airports in order to fund needed security enhancements. Such alternatives should be supported and implemented by TSA in order to further meet the request for tangible benefits for participating airports.

Mr. Chairman, our experience in partnering with the TSA to manage the screening workforce has convinced us that the private sector has much to offer TSA in our post-9/11 model and approach to passenger and baggage screening. As the Committee continues its important work in oversight of the SPP program and the TSA, we are confident that solutions to the issues of SAFETY Act Certification, funding reliability, and shared savings and financial innovation can be identified and deployed to improve the program. We believe that resolution of these issues will ensure that the Screening Partnership Program becomes an even more valuable tool for aviation security.

On behalf of FirstLine and our employees, we are committed to ensuring that our work for the traveling public at Kansas City International—and our partnership with TSA—continue to enhance the security of our airline passenger system. FirstLine is available to provide any additional information the Committee may request.

Mr. LUNGREN. Thank you, Mr. DeMell, for your testimony.

The chair now recognizes Mr. Robert Poole, Director of Transportation Studies and founder of the Reason Foundation, to testify.

STATEMENT OF ROBERT POOLE

Mr. POOLE. Thank you very much, Mr. Chairman, members.

I am Robert Poole, director of transportation studies at Reason Foundation, a think tank based in Los Angeles. My background is in both aero space and public safety, and I have been working on airport security issues since September of 2001.

My testimony today is drawn from a forthcoming Reason policy study on a new approach to airport screening. Today I will focus on two problems that are part of that overall agenda: overcentralization and conflict of interest.

Airports really are all different, and yet TSA runs screening in a highly centralized manner that doesn't really take that into account.

First of all, the allocation of screeners is done basically once a year, but aviation is much more dynamic than that. In our research, we analyzed a database of monthly changes in passengers handled by the top 100 airports. In some months, more than half of those airports had increases or decreases greater than 15percent.

Some extreme examples: In June 2003, Anchorage passengers increased 57 percent over the month before, in that one month. In November of that year, St. Louis passengers decreased by 47 percent, in one month.

Annual allocation of screeners guarantees shortages and surpluses at airports for much of the year.

The second example of centralization is the PP–5 program that has been discussed. What I think most people expected was that TSA would certify screening firms and let airports issue RFPs to those qualified firms, pick the best proposal to meet the needs of that particular airport, and contract with that firm.

But instead, of course, TSA thinks it needs to elect the firm, assign it to the airport and run the contract. I think this loses most of the advantages.

And then TSA extended this model to the SPP and they seem to be surprised that airports don't see any advantage to participating. I think we have heard today why that overcentralization gets so little flexibility. And combined with the liability exposure, most airports say, "Why bother? What is in it for me?"

The second basic problem is conflict of interest. This is the problem that Congress inadvertently created when they created TSA and gave it both service provision and regulatory duty.

That is analogous, unfortunately, to the old Atomic Energy Commission whose dual role was both to promote nuclear power and to regulate nuclear power plants. It could not do both of those jobs in an objective fashion. So Congress eventually split it into the functions in the Department of Energy and the separate Nuclear Regulatory Commission.

In our forthcoming report this fall, Reason will recommend that as part of the ongoing reorganization of DHS that the TSA should be refocused on security policymaking, research and development and regulation.

The provision of all airport security companies will be devolved to each airport under this regulatory supervision of the federal security director. And each airport, therefore, would have the responsibility for deciding how to do passport screening either by hiring a TSA-certified contractor or by using their workforce under TSA approval and certification.

Now, it turns out this model is actually what is taking place at most of Europe's airports. And there is a table in my written testimony, Table 3, that shows the example of all the European airports that use this kind of an approach.

With high standards set by the central government and performance penalties built into the model, this kind of performance contracting at the decentralized level has an excellent track record in Europe and should work equally well in this country.

Now, specifically, our paper will go into a lot more details, but how would airport-centered security work?

First, as I said, each airport would have the make or buy authority, decide how to do the screening, either with a contractor or in-house. And this means the TSA would have to allow for decentralized training and hiring and so forth and that is something that would be essential to make that work.

Secondly, the funding allocations would be made at least quarterly, as opposed to annually, and would be changeable on at least a quarterly, and ideally on a monthly, basis to keep lower funds for hiring and managing people in step with the changing levels of passenger workloads at each airport.

And we recommend these be lump-sum amounts; not micromanaged exactly how you spend each dollar, but allow the flexibility to have different categories and types of people performing different duties so that screeners at smaller airports could do other security functions besides screening in off hours when they are not really needed for peak load periods.

Also devolving the funds to the airports would give the airports the incentive to invest in in-line systems. If they can recover their costs in a year or 15 months, it makes all the reason in the world for them to do it and they could finance the installations that way.

So this would be an alternative way to put the incentive at the airport level with the funding available to do the in-line systems.

And finally, as everyone else here has said, I believe Congress should amend the Safety Act to give airports the same degree of protection as certified screening contractors.

To sum up, I am proposing two basic changes in airport screening, both of which I believe would require legislation: first, eliminate the TSA's conflict of interest by refocusing it on research and development, policy-making and regulation; second, fully devolve the screening responsibilities and funding to the airport level, giving airports the maximum flexibility under the full regulatory supervision of TSA's FSDs.

These changes will improve airport security by integrating all security functions under one management, free up baggage screeners to add to the workforce available for screening passengers, and save money overall.

And we will have a lot more details when our report comes out this fall.

Thank you very much.

[The statement of Mr. Poole follows:]

PREPARED STATEMENT OF ROBERT W. POOLE, JR.

My name is Robert W. Poole, Jr. I am the Director of Transportation Studies at the Reason Foundation, a public policy think tank based in Los Angeles. As a former aerospace engineer, I have been studying transportation issues for more than 20 years. My career also includes public safety and criminal justice research, and since Sept. 11, 2001, I have focused considerable attention on issues involving aviation security. I was in Washington advising Members during the House debates on the Aviation & Transportation Security Act of 2001, which created the Transportation Security Administration (TSA) and is perhaps best known for "federalizing" airport security.

I have recently completed research on an alternative to the model of airport screening mandated by ATSA and put into practice by TSA. My testimony today draws on portions of that forthcoming Reason policy paper.

Two Basic Problems: Centralization and Conflict of Interest

The most fundamental problem is the highly centralized way in which TSA has interpreted its charge under ATSA. This is at odds with the great variation in size, design, and function of America's more than 400 commercial-service airports. In addition, because of its legislated role as the principal provider of airport screening services, TSA is in the conflicted position of being both the airport security policy-maker/regulator and the provider of some (but not all) airport security services. My testimony will address both problems.

1. Overcentralization

From the outset, TSA has been plagued by the conflict between centralization and decentralization. Part of the rationale for "federalizing" airport security was to provide a consistently high level of security nationwide, regardless of the myriad differences among airports (which range from huge to tiny, from primarily origin & destination [O&D] to primarily transfer hubs, and from centralized terminals to multiple terminals). These differences crucially affect numerous aspects of both passenger and baggage processing. Early on, TSA officials verbally acknowledged this vast diversity by repeatedly saying, "If you've seen one airport, you've seen one airport." But their highly centralized approach has revealed that sentence to be mostly lip service.

One example is how TSA allocates screeners among the 446 airports it is responsible for. Once a year, it reallocates the screening workforce, to take into account changes in airline activity, using a confidential algorithm. These allocations may be tweaked occasionally during the course of a year, but airport directors have no idea how the algorithm works and little ability to influence the allocations.

The problem is that commercial aviation is an inherently dynamic industry. As part of our analysis, we looked at how much air service changes at individual airports. Tables 1 and 2 are drawn from a database of monthly enplaned passengers at the top 100 airports. For the sample year 2003, the tables illustrate the month-to-month volatility in passenger numbers at these airports, which account for the lion's share of passengers and screeners.

TABLE

Monthly Changes in Enplaned Passengers, Top 100 U.S. Airports, 2003

Month	No. airports with +/-10%	No. airports with +/-15%	Airport with greatest change	Amount of change
January	77	54	Pensacola	-26%
February	7	1	San Juan	-19%
March	95	81	Myrtle Beach	76%
April	24	6	Salt Lake City	-18%
May	29	15	Palm Springs	-37%
June	20	7	Anchorage	57%
July	19	10	Islip	26%
August	11	0	Wichita	-15%
September	82	56	San Juan	-38%
October	64	35	Palm Springs	39%
November	23	9	St. Louis	-47%
December	14	3	Myrtle Beach	-22%

Source: U.S. DOT T–100 carrier reports

TABLE 2

Examples of Monthly Airport Enplanement Volatility,
2003 (percent change)

Airport	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Ft. Myers	7	8	38	-11	-32	-20	3	-8	-23	38	28	6
Seattle	-21	-4	17	1	9	16	11	2	-25	-4	-4	12

Source: U.S. DOT T-100 carrier reports

A screener staffing allocation decided a year in advance is simply not a good fit for this dynamic airline environment. When a single airline begins serving, or withdraws from serving, such an airport, the change can happen in a matter of a month or two, but it may take TSA six months or more to catch up with it (if it is under sufficient pressure to make a change prior to the next annual screener re-allocation). During those many months, the airport will operate with too few or too many screeners.

A second example is the highly centralized way in which TSA has interpreted the provision in ATSA that allowed five airports to opt out of TSA-provided screening as a pilot program. What airports expected, and what most people would assume to be the way to implement such a program, would be for TSA to define criteria for such firms, certify those that met the criteria, define the rules for airports to implement outsourced screening, and then let those airports with acceptable plans issue RFPs and select the firm (from those on TSA's list) submitting the best proposal. The airport would then contract with the firm, under the supervision of the TSA's Federal Security Director who oversees all other security operations at that airport.

That was not how TSA implemented the pilot program, however. While it did certify a handful of firms, it did not allow airports to issue RFPs, select their preferred bidder, or enter into a contract. Rather, after TSA selected the five airports that would participate as the pilot sites, it assigned one of its certified firms to each airport. The TSA itself entered into a contract with each firm and directly supervised its operation at each airport. Moreover, when the November 2004 date specified by ATSA approached, after which point all airports would be free to opt out of TSA-provided screening in favor of contract operations, TSA defined its Screening Partnership Program along the same highly centralized lines.[1]

And the centralization does not stop there. As the Government Accountability Office (GAO) noted in an April 2004 assessment of the pilot program, because TSA runs the program in such a centralized manner, "private screening contractors have had little opportunity to demonstrate and achieve efficiencies."[2] Among other things, the GAO report notes that the contractors lack the authority to determine staffing levels and conduct hiring. Their head-count is part of the TSA's overall 45,000, allocated as part of the overall process. And actual hiring by the contractors must be coordinated through TSA headquarters. Before new staff can be hired by a contractor, TSA must authorize this, and it must set up an assessment center in the area, using TSA's national assessment contractor. According to GAO, this process typically takes several months. Their report notes a case at one of the pilot program airports where a staff shortage went on for months, waiting for TSA's process. The inability to hire screeners during this time "contributed to screener performance issues, such as absenteeism or tardiness, and screener complacency, because screeners were aware that they are unlikely to be terminated due to staffing shortages."[3]

GAO also reported that Federal Security Directors (FSDs) at non-pilot program airports expressed similar frustrations at TSA's centralization of hiring and training. In a survey of all 155 FSDs, GAO found that "the overwhelming majority. . .reported that they needed additional [local] authority to a great or very great extent."[4]

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[1] Transportation Security Administration, "Guidance on Screening Partnership Program," June 2004. (www.tsa.gov/interweb/assetlibrary/SPP—OptOut—Guidance—6.21.04.pdf).

[2] General Accounting Office, "Aviation Security: Private Screening Contractors Have Little Flexibility to Implement Innovative Approaches," GAO–04–505T, Washington, DC, April 22, 2004.

[3] Ibid, p. 7.

[4] Ibid, p. 10.

2. *Conflict of Interest*

Congress decided to "federalize" airport screening after concluding that the prior institutional arrangements included both regulatory failure and conflict of interest. Prior to 9/11, the Federal Aviation Administration was in charge of airport security, and its rules required that access to airport concourses be limited to those who cleared a basic screening process at checkpoints. The FAA delegated this screening responsibility not to the airports (which own the premises) but rather to the airline that had the largest presence on each concourse (generally a "signatory" airline that had signed a long-term use and lease agreement with the airport). The structural failure was that the airlines had no real incentive to make security a priority. Since operating this function was a cost item for airlines, and airlines operate in a very competitive business, their interest was to meet whatever requirements FAA laid down at minimal cost. Over time, that led to the well-documented situation in which the screening companies paid not much more than minimum wage, did only modest amounts of training, and suffered turnover rates sometimes in excess of 100 percent per year.

The regulatory failure was that the FAA essentially set no standards for hiring and training of screeners. Moreover, the FAA was de-facto satisfied with the relatively low level of performance of those screeners, when challenged by "Red Teams" that attempted to get prohibited items past the screeners. GAO called for implementation of performance standards for screening in 1987,[5] but the agency failed to act. In the 1996 FAA reauthorization act, Congress required FAA to "certify companies providing security screening and to improve the training and testing of security screeners through development of uniform performance standards."[6] Three years later, in January 2000, FAA issued a proposed rule, Certification of Screening Companies, which would have held companies to minimum performance standards. When the rule had not been finalized by November 2000, Congress directed FAA to issue a final rule no later than May 31, 2001.[7] The FAA failed to meet this deadline, so Congress then required it to report twice a year on the status of each missed statutory deadline. That was the situation as of Sept. 11, 2001.

In response, Congress took responsibility for airport security away from FAA and gave it to the newly created TSA, an appropriate response to regulatory failure. But in response to the structural failure, instead of doing as nearly every other country in the world does—making each airport responsible for securing its operations under national regulatory supervision—Congress instead vested in TSA not only the regulatory responsibility but also the service provision duties of airport screening. Note that TSA was not given responsibility for carrying out access control or perimeter patrols or law enforcement functions at the airports. Those security functions were still the airport's responsibility, under the watchful eye of the TSA's Federal Security Director (FSD) assigned to that airport. But for baggage and passenger screening, TSA was to be both the regulator and the operator.

This dual role is a potentially serious conflict of interest. As one airport director said to a *Chicago Tribune* reporter in the early days of TSA, "The problem inherent in the federally controlled screening process is that you end up having a federal agency sitting in the middle of your terminal, essentially answerable to nobody."[8] This point was underscored in BearingPoint's report on the five pilot-program airports. "Because the screeners at a private contractor [pilot program] airport are not government employees, the FSD is able to take a more objective approach when dealing with screener-related issues raised by stakeholders such as airport management or air carriers."[9]

The classic example of a federal agency with this kind of dual-role conflict was the Atomic Energy Commission, created after World War II to encourage peaceful uses of nuclear power. In carrying out this mission, the AEC became both a promoter of nuclear energy (funding research & development, doing educational/marketing work, etc.) and the regulator of all civilian nuclear reactor operations. Eventually, public criticism of the conflict of interest—that the AEC could not serve as an objective regulator if it was also the chief promoter of nuclear power—led Congress to split those functions. It created a purely regulatory body, the Nuclear Regulatory Commission, for that role. And it shifted the R&D functions into the newly created Department of Energy.

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[5] General Accounting Office, "Aviation Security: FAA Needs Preboard Passenger Screening Performance Standards, GAO–RCED–87–182, Washington, DC July 24, 1987.
[6] Sec. 302, P.L. 104–264.
[7] Sec. 3, P.L. 106–528.
[8] Jon Hilkevitch, "Airports Not Sold on Federal Screeners," *Chicago Tribune,* April 6, 2002.
[9] BearingPoint, "Private Screening Operations Performance Evaluation Report, Summary Report," Washington, DC: Transportation Security Administration, April 16, 2004.

Rethinking TSA's Role in Screening

Early in 2005 separate reports were made to Congress, one by the DHS Inspector General's Office and the other by the GAO. Based on testing of airport screening operations, both concluded that screening performance today, several years after TSA took over, is no better than it was shortly before or shortly after 9/11. In other words, the new agency with a budget of $5.5 billion per year, nearly half of which is devoted to baggage and passenger screening, has not led to improved protection of planes from dangerous objects.

The GAO report also concluded that the performance of screeners at the five pilot-program experts was modestly better, on average, than that of TSA screeners—enough of a difference to be statistically significant. Given that TSA provision of screening services entails a conflict of interest, those findings serve to strengthen the case for separating such service provision from TSA's inherently governmental role as security policy-maker and regulator in aviation. That would permit the actual provision of airport security to be devolved to each airport, as it is in Europe and most of the rest of the world, under TSA oversight via the FSDs. Airports would be free to provide those services either in-house, with their own workforces, or by contracting with a TSA-certified security company.

A. Separating Policy-Making and Regulation from Operations

The dual-role nature of TSA stems directly from the ATSA legislation. Thus, this problem can only be corrected by new legislation to overhaul TSA in the interest of improving its performance, thereby increasing aviation security.

We can gain useful perspective on this issue by looking at how European governments have addressed this issue. Europe began confronting hijackings and terrorist attacks on airports in the late 1960s. Risk analysis identified the need for a comprehensive approach that included background checks of airport personnel, passenger and baggage screening, and airport access control. The initial approach in most nations was to use national government employees to beef up airport security, either from the transport agency or the justice agency. But beginning in the 1980s, European airports began developing a performance contracting model, in which government set and enforced high performance standards and airports carried them out—usually by hiring security companies, but occasionally with their own staff. Belgium was the first to adopt this model, in 1982, followed by The Netherlands in 1983 and the United Kingdom in 1987, when BAA was privatized. The 1990s saw a new wave of conversions to the public-private partnership model, with Germany switching in 1992, France in 1993, Austria and Denmark in 1994, Ireland and Poland in 1998, and Italy, Portugal, Spain, and Switzerland in 1999.

Table 3 provides a breakdown of outsourced passenger and baggage screening at 33 large European airports as of late 2001. Of these, only Zurich and Lisbon airports were not using the performance contracting model, and in both nations, efforts to shift to this model were under way.

TABLE 3

Outsourced Passenger and Baggage Screening in Europe

RANK BY TOTAL INT'L PAX [1]	CITY (AIRPORT CODE)	PASSENGER & HAND BAGGAGE SCREENING [2]	Private Screeners?	HOLD BAGGAGE SCREENING Y	Private Screeners?
1	LONDON (LHR)	BAA	Y	ADI Initial, SIS (CIVAS)	Y
2	PARIS (CDG)	SIFA/Brinks/ICTS	Y	ICTS/ASA/SIFA	Y
3	FRANKFURT/ MAIN (FRA)	FRAPORT	Y	FRAPORT and others [3]	Y
4	AMSTERDAM (AMS)	Group 4 Falk	Y	Randon Securicor-ADI & Group 4 Falk	Y
5	LONDON (LGW)	BAA	Y	ICTS; Initial	Y
6	BRUSSELS (BRU)	Securair	Y	Securair	Y

Outsourced Passenger and Baggage Screening in Europe—Continued

RANK BY TOTAL INT'L PAX [1]	CITY (AIRPORT CODE)	PASSENGER & HAND BAGGAGE SCREENING [2]	Private Screeners?	HOLD BAGGAGE SCREENING Y	Private Screeners?
7	ZURICH (ZRH)	State Police	....	State Police [4]	See note 4 below
8	COPENHAGEN (CPH)	Copenhagen Air-port Security	Y	Copenhagen Airport Security	Y
9	MANCHESTER (MAN)	Manchester Airport plc	Y	Securicor/ADI	Y
10	MADRID (MAD)	Vinsa, State Police	Y	State Police	....
11	MUNICH (MUC)	SGM (Airport Company)	Y	various private companies [3]	Y
12	ROME (FCO)	Aeroporto di Roma; physical searches handled by police	Y	Aeroporto di Roma	Y
13	DUSSELDORF (DUS)	ADI	Y	ADI	Y
14	MILAN (MXP)	SEA; physical searches handled by police	Y	SEA	Y
15	DUBLIN (DUB)	Aer Rianta (Airport Authority)	Y	Aer Rianta (Airport Authority)	Y
16	STOCKHOLM (ARN)	Group 4 Falk	Y	Group 4 Falk	Y
17	VIENNA (VIE)	VIASS	Y	VIASS and others [3]	Y
18	PARIS (ORY)	ASA, SIFA	Y	ICTS, Brinks	Y
19	BARCELONA (BCN)	Prosegur, State Police	Y	Prosegur,State Police	Y
20	LONDON (STN)	BAA	Y	ADI (Securicor)	Y
21	LISBON (LIS)	State Police [5]	See note 5 below	State Police [5]	See note 5 below
22	OSLO (OSL)	ADECCO, Olsten	Y	ADECCO, Olsten	Y
23	MALAGA (AGP)	80% Securitas/ 20% State Police	Y	80% Securitas/20% State Police	Y
n/av	GENEVA (GVA)	Airport Authority	Y	ICTS	Y
n/av	ATHENS (ATH)	ICTS/Wackenhut/3D	Y	Hermis/Civas	Y
n/av	NICE (NCE)	ICTS, SGA	Y	ICTS, SGA	Y
n/av	HELSINKI (HEL)	Securitas	Y	Securitas	Y
n/av	BIRMINGHAM (BHX)	ICTS & AAS	Y	ICTS & AAS	Y
n/av	BERLIN (BER)	Securitas	Y	Securitas	Y

Outsourced Passenger and Baggage Screening in Europe—Continued

RANK BY TOTAL INT'L PAX [1]	CITY (AIRPORT CODE)	PASSENGER & HAND BAGGAGE SCREENING [2]	Private Screeners?	HOLD BAGGAGE SCREENING Y	Private Screeners?
n/av	STUTTGART (STR)	FIS	Y	FIS	Y
n/av	COLOGNE (CGN)	ADI	Y	ADI	Y
n/av	HAMBURG (HAM)	FIS	Y	FIS	Y
n/av	HANNOVER (HAJ)	FIS	Y	FIS	Y

[1] Based on 1999 Int'l Airport Traffic Statistics from ACI.

[2] As of October 2001.

[3] These airports do not have centralized baggage screening, but airlines hire private companies to x-ray bags.

[4] Public/private partnership underway.

[5] Legislation proposed to permit public/private sector partnership.

Source: Aviation Security Association

The GAO visited five nations in 2001 to examine their security screening practices—Canada and four European nations (Belgium, France, The Netherlands, and the United Kingdom).[10] Its report focused on the superior performance of the European airports, all of which use the performance contracting model. GAO reported significant differences between their screening practices and that of then-current U.S. airports in four areas:

• Better overall security system design (allowing only ticketed passengers past screening, stationing law enforcement personnel at or near checkpoints, etc.);
• Higher qualifications and training requirements for screeners (e.g. 60 hours in France vs. 12 hours as then required by FAA);
• Better pay and benefits, resulting in much lower turnover rates; and,
• Screening responsibility lodged with the airport or national government, not with airlines.

Most of these lessons were incorporated by Congress into the ATSA. What was largely ignored, however, was the fact that under the European conditions of high standards and oversight, performance contracting (hiring private security firms, paying them adequately, and holding them accountable for results) is the model adopted by nearly all European airports over the past two decades. Israel and a number of other nations in the Caribbean and the Far East also use this model.

Companies that do not meet the standards and perform effectively are not simply fined but actually have their contracts cancelled. Since these are typically long-term (e.g., up to six-year) contracts, losing such a contract is a serious loss of business, creating a strong incentive for high performance. Companies often bid on a whole package of security services, not just passenger screening, paid for via a single monthly charge. This avoids undue cost pressures being put on any one element.

The alternative recommended here is not "privatization"—which would be the case if all airports were required to use private contractors. Rather, it is devolution. The idea would be to remove TSA's conflict of interest by devolving the actual provision of screening to the airport level, which is where all other aspects of airport security (such as access control and perimeter protection) already reside. Airports would then have the option of complying with federal screening requirements either with their own TSA-approved screening workforce or by hiring a TSA-certified screening contractor. This approach has strong support among airport directors, and is also embraced by the leading congressional champion of TSA reform, Rep. John Mica (R, FL), chairman of the House Aviation Subcommittee. Mica has called for

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[10] General Accounting Office, "Aviation Security: Terrorist Acts Demonstrate Urgent Need to Improve Security at the Nation's Airports," Testimony of Gerald L. Dillingham before the Senate Commerce, Science, and Transportation Committee, Sept. 20, 2001.

"a decentralized screening program with federal oversight," citing the TSA's conflict of interest a case of "the regulator regulating itself." [11]

B. Airport-Centered Security

How would devolution work? As in Europe, the airport director would be in charge of securing the airport premises, under the supervision of the TSA Federal Security Director (FSD) assigned to that airport. I will discuss four key aspects a devolved model of airport screening.

1. Make-or-Buy Authority

The most fundamental aspect of devolution is that the responsibility for carrying out the screening of baggage and passengers would be shifted from TSA to each individual airport. And as with all other airport services, it would be up to the airport to decide how to carry out the screening functions. Like most businesses, airports outsource some services and perform others using their own paid staff. In the case of screening, as with other security functions, the operations would have to comply with all TSA requirements.

But with TSA no longer being in the business of screening, its requirements would have to be reconfigured for the new circumstances. To gain the flexibility advantages that go along with devolution, the hiring and training of screeners should be devolved rather than being centralized in Washington and carried out by a national TSA contractor. Rather, TSA would provide training requirements and a core curriculum which could be used by airports, TSA-certified screening contractors, and TSA-certified screener training firms operating on a decentralized basis in various parts of the country.

2. Funding Allocations

Under current law, passenger and baggage screening are paid for by TSA, whether provided by its own workforce or by TSA-certified contractors. This funding would presumably continue under devolution, but in order to take advantage of the flexibilities provided by devolution, two key changes should be made in how the funding is done. First, the allocations should be made far more frequently than once a year; ideally every month but at least quarterly. This should be done in accordance with a transparent workload formula arrived at with significant input from the airport organizations, AAAE and ACI–NA. Second, each airport should receive a lump sum amount which it can use as it sees fit for TSA-approved screening operations.

Why monthly allocations rather than the current more-or-less annual allocation? The idea is to better match resources with workload. As Tables 1 and 2 illustrated, today's dynamic, highly competitive airline industry is characterized by rapid change. USAirways downsizes its hub at Pittsburgh; JetBlue orders 100 new larger-size regional jets to add service to many smaller airports; America West and USAirways merge, very likely leading to further cutbacks at some airports; and one of more legacy carriers may well liquidate (Chapter 7 bankruptcy), leading to significant changes in service. With funding allocations adjusted every month among the 446 airports with screeners, and the local flexibility to increase and decrease staffing as needed, there will be a much better match of screening workforce to actual workloads.

In addition to keeping funding in pace with passenger flow, the devolved system should leave the funds unencumbered by many of the current requirements. Currently, TSA screeners are paid on a national wage scale, regardless of local living costs. And TSA-certified screening contractors must, per ATSA, pay the identical wages and benefits to their screeners. While the intent of these provisions in ATSA was to prevent a return to minimum-wage screeners with high turnover, that was a brute-force solution to a problem caused by the lack of FAA standards for screener selection, training, and performance. With hiring and operations under the control of each airport, the airport or its contractor should be free to innovate, using whatever mix of job functions and compensation approaches will best get the job done, while meeting all TSA training and performance standards. Thus, especially at smaller airports, the same employee might do passenger screening during peak morning hours and do access-control or perimeter patrol during the remainder of her shift. Some airports (or their contractors) might develop workable split-shift approaches to cover morning and afternoon peaks without paying for a lot of unproductive time in between. The point is to let airports and their contractors decide on the best use of the screening money, to get the most bang for the buck.

3. Incentives for In-line Baggage Systems

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[11] U.S. Rep.John L. Mica, "Screening Reform," *Aviation Week & Space Technology,* June 6, 2005.

The imposition, in ATSA, of extremely tight deadlines for implementing 100 percent explosive-detection inspection of all checked baggage also led to brute-force solutions. Large and medium airports mostly installed huge EDS machines in their ticket lobbies or in available spaces in their baggage areas; in either case, they had to be loaded by hand, one bag at a time. Between the inherently slow processing time and this hand-feeding, processing rates were often as low as 100 bags/hour. Hence, in order to prevent massive delays, large numbers of $1 million apiece EDS machines were required. Smaller airports were equipped mostly with explosive trace detection (ETD) machines as their primary means of compliance with the inspection mandate; in addition, thousands of ETDs were installed at large and medium airports for secondary screening of bags identified as suspicious by EDS. As of June 2004, some 1,228 EDS and 7,146 ETD machines had been installed at U.S. airports.[12]

These brute-force approaches are very labor-intensive. If EDS machines are integrated into a conveyor-fed baggage processing system (in-line system), and especially if go/no-go assessments are made at a remote display terminal (on-screen resolution), the bag processing rates go way up and the labor involved goes way down. The latest GAO report on the subject finds that under ideal conditions, an in-line EDS system can process 425 bags/hour compared with 180 bags/hour under ideal conditions for stand-alone EDS. And replacing an ETD operation with stand-alone EDS changes throughput from 36 bags/hour to 180 bags/hour.[13]

The savings in labor are equally impressive. According to the GAO report, a typical lobby-based EDS installation has one EDS plus three ETDs, requiring a workforce of 19 screeners. This can be replaced by an in-line EDS requiring just 4.25 screeners—a 78 percent reduction. For the nine large airports that have implemented in-line systems, TSA's retrospective analysis found a reduction in bag screeners and supervisors of 78 percent. Similar GAO calculations analyzed replacing a 3 to 5-unit ETD installation with one stand-alone EDS plus one ETD for alarm resolution. The former would require 12.3 to 20.5 screeners, while the latter needs only 6.75. If we take the intermediate case of a 4-unit ETD installation, the reduction in staff from 16.4 to 6.75 is 59 percent.

Because of numbers like these, several airports that have switched from stand-alone, lobby-based EDS to in-line systems with on-screen resolution have reported a payback period of little more than one year. TSA's analysis of nine airports shifting to in-line system reached a similar conclusion, the GAO reported. In other words, the one-time investment in in-line EDS quickly pays for itself in reduced payroll costs. (It should be noted that GAO's review of TSA's aggregated analysis found that the results held true for eight of the nine airports; modification costs were so high at Seattle's SEA–TAC that there were no net cost savings from the conversion.[14])

If the screening funds were devolved to airports as proposed above, it would clearly be in an airport's interest to finance the investment in new screening systems so as to achieve these ongoing savings. And once the costs of the equipment and facility modernization were paid off, the savings could be used for other security improvements, such as more passenger screening lanes and screeners, if needed. Over time, as overall screening costs came down, smaller annual allocations from TSA would be needed, thereby producing federal budget savings.

4. Liability

One of the issues that have held back many airports from participating in the post-November 2004 Screening Partnership Program is liability. With TSA as their provider of screening services, if a terrorist incident having any connection with passenger or baggage screening occurs at the airport, then TSA is the party most likely to be at risk for lawsuits. But if the airport opts for a TSA-certified contractor, and such an incident occurs, there has been concern that the airport might be at greater risk for not having gone with the standard approach.

This liability issue arose first in connection with EDS machines and other technologies needed in security protection. In response, Congress passed the Support Anti-terrorism by Fostering Effective Technologies Act, better known as the SAFETY Act. It provides a process by which companies providing homeland security technologies or services can become certified by DHS and win a limit on their liability. FirstLine and Covenant, two of the leading private screening companies, have recently received this designation.

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[12] Government Accountability Office, "Airport Security: Systematic Planning Needed to Optimize the Deployment of Checked Baggage Screening Systems," GAO–05–365, March 2005.
[13] Ibid.
[14] Ibid, Appendix IV.

However, if TSA withdraws from the provision of screening services and this function is devolved to airports, the same liability concern may arise. Under that new set of alternatives, it would maintain more of a level playing field between in-house and contracted screening services if airports were made eligible to receive the same extent of SAFETY Act protection as designated screening companies.

Summing Up: Benefits of Reform

I have argued for two basic changes in the model of airport security that has been employed in the United States since the passage of the ATSA legislation in 2001. Those changes are (1) to remove the TSA's conflict of interest by making it the policy-maker and regulator, but not the provider, of airport screening; and (2) to devolve screening responsibility to the airport level, under the supervision of TSA's Federal Security Director in each case.

Those changes would improve airport security in several ways. By making all on-airport security functions the responsibility of the airport, this approach would lead to a more integrated approach, with the FSD supervising everything. Removing TSA's conflict of interest, and making the airport responsible for all aspects of security (as in Europe) should also increase accountability for results.

This approach should also produce meaningful savings in annual payroll costs for screening functions, as well as permitting a shift of screeners from baggage to passenger screening. The net savings will free up scarce airport security resources for other needs such as lobby security, access control, and perimeter control. Over time, those savings at airports may permit TSA and DHS to spend relatively more on protecting vital non-aviation infrastructure.

This concludes my presentation. More details on this subject will be available this fall, when Reason publishes the policy study on which these comments are based.

Mr. LUNGREN. I thank you.

I thank all of you for your testimony. This is a very interesting subject and one that many Members have a personal interest in.

At this time, I have several questions I would like to ask.

Mr. Bennett, Mr. Martin, Mr. DeCota, Mr. Brewer, I take it from your testimony that no one objects to a continuation of an opt-out program, although you might question whether you want to get in it now, Mr. Brewer or Mr. DeCota? But if there were to be a continuation, you would all like to see some changes, is that correct?

Mr. Martin, since you seem to be operating a fairly large airport operation that has the private screeners, in your particular circumstance, do you think that you would see a different level of service if you were not in the opt-out program right now?

Mr. MARTIN. It depends. I have great confidence in our current federal security director. I think he would do a good job if we converted to a federal workforce.

But based upon my 10 years as director and 25 years at the airport, I have seen over time the way Immigration and Customs staffs were very short staffed in the 1980s and 1990s and there were periods where we had terrible lines in the Customs processing for that reason.

So there is an inherent distrust that I have of a federal agency's ability to maintain adequate staffing and, at times, the real commitment to customer service.

Mr. LUNGREN. You referred to your airport as utilizing a technology-based system. Are you suggesting that you use technology more than the other airports do?

Mr. MARTIN. I am. Before 9/11, before TSA was even in operation, we made a decision to go with a full in-line operation in our international terminal and we were proceeding with that by October of 2001. We now have a full in-line system airport-wide.

All of the images from the in-line CTX 9000s are viewed from a multiplexing room, at one remote center. The images are either

cleared or if they are not cleared, the bags are routed to a room to the back to be opened, where the people who are opening the bags can see an actual image of what the suspicious item is.

That system overall, this in-line system, has been the most important thing in reducing the level of staffing. And we found a pay-back period based upon that reduced staffing of about two and a half years, given the capital costs.

Mr. LUNGREN. So who paid for the capital costs?

Mr. MARTIN. TSA. TSA covered about 60 percent—TSA and FAA covered about 60 percent of the costs; about 40 percent by the airport.

Mr. LUNGREN. But you were arguing that the labor cost savings over time paid for it?

Mr. MARTIN. Given the labor cost savings, there is about a two-and-a-half-year pay-back period. And based upon the analysis my staff has done, we think at a national level, it is probably a 3-to 4-year pay-back period.

Mr. LUNGREN. If you didn't have that in-line system, would you believe that your opt-out system would be beneficial as opposed to the other government employee system?

Mr. MARTIN. We still see benefits. The level of sick time usage, of worker's comp, is much lower at our airports than nationally.

The contractor has employed baggage handlers to do the heavy lifting of bags rather than using a generic job classification. And that certainly has reduced the workers—

Mr. LUNGREN. Would you explain that a little bit?

Mr. MARTIN. Generally, I believe the TSA uses one classification of employees both to screen passengers and also to lift the bags in the areas where the CTXs are. And many of those personnel are not appropriate to lifting the heavy bags, resulting in a lot of worker's compensation claims.

What Covenant has done is hired a lot of former airline baggage handlers to perform the heavy lifting of the bags.

Mr. LUNGREN. Is there a different rate of pay for the ones who actually are the lifters versus the screeners?

Mr. MARTIN. I am sorry, I don't know.

Mr. LUNGREN. But you have seen savings with respect to worker's comp.

Mr. MARTIN. Worker's comp and a lower level of sick-time usage.

And in general more creativity in the training and the hiring process than we think the TSA would have. And the contractor has been very productive in working as a team member, for instance in putting in place our security command center to monitor the lines at all the checkpoints through a camera system and then re-deploying staff based on the length of the lines.

Mr. LUNGREN. Mr. DeCota, you mentioned that you have a very good relationship with TSA. I am very pleased to hear that, and that you have regular communications and so forth.

What about the question of flexibility? Mr. Martin has suggested that just that simple little issue of having the people who are lifting the bags different than the screeners has actually been a benefit. Is that flexibility allowed in the process that you have?

Mr. DECOTA. I have not seen the flexibility in my process, but I have not also seen that flexibility nested within what I understand the opt-out program works.

I know he has some flexibility because he has 100 percent in-line system. At my airports, there are no in-line systems. There will be one when the new American Airlines terminal opens at the end of next month. There will be a second after we have reconfigured Newark's Terminal B, which is a 1973 terminal. We are spending about $300 million to modernize that terminal and in that we will undertake the expenditure for in-line on our own.

But right now, we have the same rigid categories, we have the same rigid, inflexible—Washington, D.C., is where we get our staff from. Our FSD does not have the flexibility to do his own hiring, recruitment. The training programs are all passed down from Washington.

So right now, we have the issues of absenteeism particularly with training, vacation scheduling and injuries as Mr. Martin described, because it is the baggage handlers. And I don't see how any of that changes under the Screening Partnership Program.

Mr. LUNGREN. Thank you, Mr. DeCota.

The Chair recognizes the Ranking Member of the subcommittee, Ms. Sanchez.

Ms. SANCHEZ. Thank you, Mr. Chairman.

And thank you, gentlemen, for being before us today. As you can quite imagine, many of us, especially if we live in California and work in Washington, D.C., get to go through a lot of airports. And I think I have been through all of yours, probably most of them in the last month.

And I have found, my personal experience has been, regardless of who is working, whether it is a contractor or it is the TSA, that the difference with respect to what happens at the screening area is the training of the personnel.

In other words, if I go to an airport on Monday and I have good people who are trained and understand what is going on, I get through pretty fast. If I have people who are just being trained—there is a lot of on-the-job training going on, too, at the same time that we are going through—you can be 20 or 30 minutes.

The other day, I think I was at SFO and my purse—this one, to be exact—went through and I went through and then it was stopped. And it was opened up, and it was looked at. And then it was put through the machine again. And then it was stopped, and it was opened up, and it was looked through. And then it was taken apart and put in a bin and looked through again.

And the third time it was put through as I sat there looking at the process, my wallet was being given away to somebody else because it happened to be in a bin beside my purse. And, of course, I was pulled aside. So I had to, sort of, signal and tell them, "No, no, no, that stuff is mine."

And I took a good look. I also talked to a lot of the personnel as I go through. Some of them recognize me, some of them don't. But the training, I think, is very, very vital.

So my question to you, Mr. Martin, is what do you think of the training that is going on with respect to non–TSA or contracting,

sort of, people versus the training that the TSA people are getting? Do you see differences in that?

Mr. MARTIN. Well, first, I agree that training is the most important thing for all the screeners. And I do not think that there is a big difference, if any difference, between the training that is being provided for Covenant employees versus federal screeners. And I know our federal security director is very involved in that, overseeing the training program that Covenant has in place.

Ms. SANCHEZ. So does training to the individual contracting employees come from the TSA or from the same source that trains the TSA people?

Mr. MARTIN. It is provided by Covenant, but in accordance with TSA standards and monitored closely by the TSA.

Ms. SANCHEZ. I have a question for Mr. Martin again; he had some very interesting testimony.

You said that one of the differences you think you saw was recruiting, hiring and managing, which was more difficult under TSA, you thought, maybe was getting better done, there were more people being hired, faster, et cetera.

One of the problems we had when we had private companies, before we went to TSA, was that the background checks weren't being done, or they weren't being done correctly, and we had felons, we had domestic violence warrants out on some of these people, we had people, quite frankly, that weren't supposed to be in our country.

Do you think if we went to SFO today and pulled all those people who work for the contracting company and pulled them off, do you think we would find any of this stuff in their background?

Mr. MARTIN. Those employees are all subject to the same background checks as the TSA employees.

Ms. SANCHEZ. But that is not what I asked you. I said, do you think if I pulled off your employees, the contract employees, would we find these types of things in their background?

Mr. MARTIN. I don't think we would, because all of those employees have had the background check process completed.

Ms. SANCHEZ. So the background check process completion was done by the TSA for those contractors or the contractors themselves signed to the effect that they checked their backgrounds and everything?

Mr. MARTIN. The employee information is provided to the TSA, and I believe they then work with another federal agency that runs the background check.

Ms. SANCHEZ. So are you trying to tell me that, whether you are a private company with employees or whether you are the TSA, basically your background checks and everything are being done by the same people?

Mr. MARTIN. That is right.

Ms. SANCHEZ. Okay. So we are not really changing the process in that.

So the other difference you think is, what; that the people are getting hired faster by management so they go through that process? Because you said, the difficulty with TSA was that you saw recruiting, hiring and managing worse off in the TSA levels than you saw in the contractors.

Explain to me where the differences are that you saw.

Mr. MARTIN. Of course, we never had TSA employees performing the screening, but I saw that with the Customs and Immigration over time in the 1980s, the 1990s.

Ms. SANCHEZ. Okay. So you didn't see a difference between TSA employees and what you have got now.

Mr. MARTIN. I haven't had that opportunity because I have only had private contract employees.

Ms. SANCHEZ. Thank you.

Mr. LUNGREN. Mr. Pearce is recognized for 5 minutes.

Mr. PEARCE. Thank you, Mr. Chairman.

Appreciate the testimony by each of you.

Mr. Martin, do you all track your costs in dollars per person screened? Do you have any performance measures of your own internally?

Mr. MARTIN. I don't.

I know that the federal screening director meets weekly with Covenant to monitor the performance and has very exacting standards. And I personally have seen that as one of the benefits of the program, is the federal screening director is able to spend their time on maintaining the assessments of the program and the broader security issues, rather than dealing with just the human resources issues.

Mr. PEARCE. I may have been a little bit too tight on the question. The parameters maybe not in your hands, but they exist on the part of the contractor, and then a federal employee comes in and, kind of, looks over those data.

Mr. MARTIN. They do. And those standards do exist under the TSA's guidance, and those are the factors that determine the amount of bonus, if any, that Covenant receives.

Mr. PEARCE. Do we measure wait times also?

Mr. MARTIN. Yes.

Mr. PEARCE. I have not seen those objective screening goals.

Mr. Poole, I think it was you who said that we have spent $5.5 billion and basically haven't improved the capability of the public to know that they are somewhat protected from dangerous objects. Can you explain that just a little more?

Mr. POOLE. That statement was based on the recent reports this spring from the DHS inspector general and the GAO. And details were in the classified version of the reports, which I have not seen, but the broad conclusions were discussed on the floor of Congress, particularly by Chairman Mica of the Aviation Subcommittee, saying that the performance is measured by teams that come in and try to sneak prohibited items through the checkpoint. The rate of those things being successfully detected today apparently are no better than they were at the time TSA was created.

And so that means you really have to question what are we getting for the very large expenditure we have made on keeping dangerous objects off of planes.

Mr. PEARCE. So then these are not your personal observations, but those that you have gleaned from the GAO report.

Mr. POOLE. That is correct.

Mr. PEARCE. Thank you.

Mr. MARTIN AND MR. DeMell, you both mentioned that you have screening control centers, screening operation centers, that monitor checkpoint lines to adjust staffing levels.

First of all, are you aware that the TSA is doing that at any of the airports under their control? And is this technique just characteristic of your own operations, or do you see them among other private operations?

Mr. MARTIN. I am not aware of other airports that have such a system in place. Our operation is staffed by both TSA and Covenant employees, and it was very much a partnership program between all three organizations.

Mr. PEARCE. Mr. DeMell?

Mr. DEMELL. In our particular case, our operations center shows the actual movement of screeners by name, by function, in real-time. It is available not only to our staff in the control center, but to our FSD in his office. He can watch in real-time people being moved from one checkpoint to another.

Mr. PEARCE. If you have a surge of passengers today that didn't exist tomorrow, how do you get people off—how do you get them to work if you are doing this flex staffing, how do you get them in and on the floor?

Mr. DEMELL. We have a zonal staffing approach. We don't staff by checkpoint, we staff by zone.

Mr. PEARCE. But what if all of your zones get hit with a rush at once? Do you have the capability to respond?

Mr. DEMELL. We have the capability to move those people immediately.

Mr. PEARCE. Do you forecast tomorrow's flight schedules at all? Do you try to anticipate what tomorrow's load is?

Mr. DEMELL. Our schedules are done a week at a time and reviewed daily.

Mr. PEARCE. How do you determine the staffing levels a week ahead? The TSA tells me they can't do it for privacy concerns. And I said, just call up and ask if there are any seats left on the aircraft going to different towns. That will tell you. When I call the travel agent, they can tell me, "You haven't got a prayer of getting on any plane all day long," or, "Yes, all the seats are empty tomorrow."

Mr. DEMELL. The TSA provides us with—

Mr. PEARCE. I don't want you to say anything that is going to cause you to go to jail. Be careful.

Mr. DEMELL. The TSA provides us with those passenger loads, which are provided by the airlines themselves. That is the only information we have to work with, so that is what we have to deal with.

Mr. PEARCE. Okay. You generally are able to adapt and keep your wait times down pretty low.

Mr. DEMELL. I think that is evident by all the studies that have been done. I think there is only one airport in the country that has lower wait times than our airport.

Mr. PEARCE. Thank you, Mr. Chairman.

Mr. LUNGREN. The gentleman, Mr. Thompson, Ranking Member of the full committee, is recognized for 5 minutes.

Mr. THOMPSON. Thank you very much. It has been interesting testimony so far, Mr. Chairman.

As I look at the title of the hearing, which is, "Improving Management of the Aviation Screening Workforce, "two of—Mr. Martin and Mr. DeMell have a relationship from a private standpoint.

Mr. Martin, you talk about the baggage handlers and checkpoint screeners in this kind of situation. Do you know whether or not the rate of pay for these individuals equals or is near what TSA was paying people?

Mr. MARTIN. I do not know that. I know that either it is comparable, but I don't know whether it is slightly above or slightly below. But it is very much comparable to what TSA screeners I know are getting paid in Oakland and San Jose.

Covenant also provides bonuses to employees based on performance level.

Mr. THOMPSON. Can you provide us with average payroll information you have access to on that contract so the committee can look at it and make some determination also?

Mr. MARTIN. I will do that.

Mr. THOMPSON. With respect to the Kansas City contract, is your rate of pay commensurate with what TSA was paying?

Mr. DEMELL We are required to provide a pay scale that is equal to or exceeds that which the TSA pays. And that is the total pay package to include the benefits package.

Mr. THOMPSON. Now, that is in your contract?

Mr. DEMELL. Correct.

Mr. THOMPSON. As you know, and I know you know, you are involved in an organizing dispute with the workers there. Could you provide us why you think workers shouldn't have the right to organize?

Mr. DEMELL. The decision really isn't mine, Mr. Thompson. The edict was issued by the TSA.

And our only position is that if security is, in fact, an issue, that our airport should operate under the same auspices as any other airport in the country.

Mr. THOMPSON. Well, since you have mentioned TSA, can you provide us with that edict that TSA told you that workers could not organize?

Mr. DEMELL. They didn't just tell us, it was a public statement. But, yes, we can provide that.

Mr. THOMPSON. I would love to have that because, obviously, I think?

Mr. DEMELL. The heart of the matter.

Mr. THOMPSON. That is not correct but I would love to see that point.

The other issue for Mr. DeCota, can you tell me whether or not TSA has provided your operation with the latest technology in screening and what have you, or are we still dealing with 2001 technology and, obviously, we are a long ways from that? Can you share on that?

Mr. DECOTA. Yes, I appreciate the question, Congressman.

I guess, given that we have 17 terminals and given that they are serving a 100 million passengers, there is quite a different patchwork of equipment that we have at each of our airports and at each of our terminals.

The equipment we have fully meets the requirements of the law to electronically screen all passengers and baggage. We have early stage EDS machines. We have explosive trace detection machines, which take up a lot of room in lobbies and use card tables and swipes. And so we have that.

We have some of the newer EDS machines, such as the CTX 9000s and the new L–3 machines. We are fortunate that we have recently begun to receive some of the newer technologies, Reveal's CTX–80 machines. We just announced the other day at Newark Liberty International Airport we have now received some of the new explosive detection system portals, where people walk through the puffer machines. And so we are now going to get some of those.

So we do have some of the new equipment, but we clearly do not have new equipment like that in every single terminal that we operate. So there is a different level of screening that passengers are being subjected to depending upon where and when.

Mr. THOMPSON. Well, Mr. Brewer, can you tell me whether or not your experience with TSA and technology has been one where you had to bring the technology to TSA and say, "Look ,people, we can do it a better way. We can do it cheaper than what you are suggesting"? And if so, what was your experience?

Mr. BREWER. Well, actually, thank you, Congressman.

We have worked very, very closely—we have an excellent working relationship with TSA, both on a national basis and with the local federal security director.

We were the first airport in the nation to receive this puffer explosive detection for persons walking through the checkpoint. And we had that late last year, and that is now being deployed.

We have also been a test site for some of the biometric employee credentialing, of the first 10 in the country to be able to have a pilot program for that.

We were, as every other airport in the nation, meeting the requirement to have all bags that went in to checked luggage—into the hold of the aircraft checked for—explosive detection by electronic means by December of 2002. All the equipment that we have in Providence was there in 2002.

We were also one of the first airports in the country to get the new screening checkpoint X-ray machines that use the threat image projection. Those were things that the TSA had in the pipeline.

And in my testimony, my issue wasn't so much that TSA has technology out there. There is always new technology being created. My issue is that it is so painstakingly slow to get it introduced into airports.

Mr. THOMPSON. Thank you very much, Mr. Chairman.

Mr. LUNGREN. I thank the gentleman.

Mr. Pascrell is recognized for 5 minutes.

Mr. PASCRELL. Thank you, Mr. Chairman.

Mr. DeCota and panelists, welcome to the hearing.

I have a question for you, Mr. DeCota. TSA reports that the screeners intercepted over 3,300,000 prohibited items at security checkpoints between October of 2004 and March of 2005 at Newark airports including knives, explosives, fireworks and a lot of other assorted things.

Among the top performers, Newark Liberty International Airport was at the top of detecting these things in the entire country. It achieved a 97 percent accuracy rate with its over 1,200 screeners.

You and I both know, and have oft thought about it, that Newark Airport has had negative press, a lot of problems for a variety of reasons. So I welcome this news.

I want you to account for Newark's turnaround.

Mr. DeCOTA. Thank you, Congressman.

Since we do work, as I said, very closely with the FSDs at each of our airports our understanding at Newark and I think we are seeing similarly good experiences at the other airports that we have.

But the management at TSA has really stepped up their discussions with their screeners in reinforcing standard operating procedures in terms of what needs to be done. They are also doing much more frequent evaluations of screeners in their evaluations and assessments so that they can get more rapid feedback so that it is reinforced back in the minds of the screener in terms of what the expectation.

The TSA has been using screeners at Newark Liberty International Airport and our other airports that have very good performance to augment the screening workforce.

And so therefore, people are being trained by the best of their own peers. And so that is a little bit of a two-edged sword because we are taking some of the best screeners off the line to train but at the same time, the train the trainer program seems to be working very effectively, as you described.

Mr. PASCRELL. Let me ask you this question: Are you looking at different characteristics before you hire an individual to be a screener?

Mr. DeCOTA. All of the hiring is done specifically by the TSA. My understanding is that they do have very, very specific characteristics the way we have characteristics for hiring people in customer service jobs. I don't know what their characteristics are that they actually—

Mr. PASCRELL. You mean you don't communicate with them as to what they are looking for in individuals? I mean, is this top secret? Is this another redacted report? How do you know what is going on if they are not telling you?

Mr. DeCOTA. I would have to ask, for instance, in my case, the Newark Liberty International Airport, Susan Baer, the general manager. She has the day-to-day relationship with the TSA.

I would not imagine that that would be a secret. I am sure the type of vigilance that is required to be a TSA person, the type of traits and characteristics wouldn't be as secretive, but I just don't personally understand—

Mr. PASCRELL. Well, I am looking at the numbers at Newark. I am looking at the numbers from the rest of the airports around the country. I wonder if it makes sense to you, since you are here testifying, that we make a special effort, because of their qualifications, to hire former law enforcement officers, which I have been talking about for 2 years. What do you think about that idea?

Mr. DeCOTA. Law enforcement officers certainly possess the types of traits that are required in these kinds of positions. I would

assume that they could be potential candidates, even under the TSA structure.

I assume that what you are referring to specifically would be using law enforcement officers perhaps under a contract basis, not unlike, perhaps, opt-out, but, sort of, a lesser form of that. We would have no problem with that. I think that our experience with our own law enforcement officers have been extremely good.

Mr. PASCRELL. Law enforcement officers are trained not only to work with the state of the art, taking advantage of the science and technology that is available, but law enforcement officers, more importantly, are taught how and what to look for and to look in somebody's eyes. They are very, very efficient in this.

It would seem to me there are so many, because folks are retiring earlier, after being pushed out of force. That has good and bad effects. I think that we should take advantage of that.

I have one more question, if I may, Mr. Chairman.

TSA announced that the nation's 45,000 screeners would be relocated. You are going to lose 39 screeners at Newark and 162 screeners at JFK and 76 at LaGuardia.

What impact do you believe this change in the screener resources will have on the wait lines, as well as the safety, more importantly, at the airports?

Mr. DECOTA. Well, as Mr. Bennett's testimony also provides, we believe that longer wait lines are directly a safety issues, that they are very much tied to each other, that it creates a very difficult vulnerability situation.

I think the reduction is serious in terms of the kinds of impact that it is going to have on us in terms of wait lines.

Mr. PASCRELL. Have you had a good relationship with the airlines in terms of moving the lines? Are we sacrificing safety at Newark, at LaGuardia, at Kennedy because the airlines don't like these long—nobody likes long lines. I don't know who does.

But are we sacrificing safety to move the folks along through these lines?

Mr. DECOTA. Not that I have seen, Congressman. Every passenger is subjected to the exact same types of checks that have been prescribed by the TSA.

Up until now, our wait times that exceed 40 minutes have been extremely minimal. We are really trying to enforce the 10-minute standard on the TSA, even though that is not an official TSA standard anymore.

The mistake right now that we think the TSA has made in the calculation of screeners that you describe, where I am going to lose screeners, is that some of the assumptions as they have looked at arrival distributions, passenger and bag throughput, flight schedules and volume, also include assumptions like 65 percent load factors. We don't have any airlines that have only—

Mr. PASCRELL. And finally, do you agree or disagree with the reduction in the amount of screeners at these airports?

Mr. DECOTA. Very much disagree.

Mr. PASCRELL. Have you expressed that to TSA?

Mr. DECOTA. We have had that discussion locally. I think the next step would be to elevate that to Washington.

Mr. PASCRELL. Mr. Chairman, thank you.

Mr. LUNGREN. Happy to give the gentleman an additional question.

Mr. DeFazio is recognized for 5 minutes.

Mr. DEFAZIO. Thank you, Mr. Chairman.

Mr. Martin, before 9/11, I remember San Francisco had the lowest rate of screener turnover because you had something called the living wage, isn't that right? Your screeners were paid much more than the other minimum wage screeners across the United States.

Mr. MARTIN. That is correct.

Mr. DEFAZIO. So you started, sort of, with that base. How do the wages now compare to the living wage that was paid before?

Mr. MARTIN. They are I think about $4 an hour higher than the wages paid before.

Mr. DEFAZIO. Okay. And you believe they are comparable to the federal wages.

Mr. MARTIN. Yes, they are comparable to the federal wages. I am sure of that. I just don't know—

Mr. DEFAZIO. Okay. How about health care, is that comparable to the federal program?

Mr. MARTIN. Health care is comparable as well.

Mr. DEFAZIO. And how about retirement?

Mr. MARTIN. I don't know about retirement.

Mr. DEFAZIO. Because I am just wondering how the company makes a profit if they are paying the same as the federal government and the federal government isn't paying more for your security than they would pay if they were installed there as public screeners without the profit added on.

Mr. MARTIN. I can't tell you that.

Mr. DEFAZIO. Can't tell me. Okay.

I am really curious about this liability exemption. You have total confidence in Covenant and the work they are doing, is that correct?

Mr. MARTIN. I believe they are doing a good job.

Mr. DEFAZIO. Okay. Then why do you want such a broad indemnification for liability?

Mr. MARTIN. The concern is that if there were ever a terrorist incident that originated at SFO, that the plaintiffs' attorneys would look at as many persons as possible to go after money and who had the deep pockets. And our concern is?

Mr. DEFAZIO. I understand that. Excuse me; I don't have a lot of time.

But my understanding is you want an indemnity that would apply to all claims for liability, even beyond the terrorist acts. I mean, the terrorist issue I will get into in a minute, but you want indemnification for other actions of these contractors.

Mr. MARTIN. We do. And it is the standard we require all of our own contractors to comply with, both for services they provide to us and—

Mr. DEFAZIO. How about if they just indemnify you? Why should the federal government indemnify you for a private contractor for their negligence that isn't a terrorist act? We will get to the terrorist act in a minute.

Mr. MARTIN. Congressman, we only want the contractor to indemnify us. And we want TSA to require the contractor to indemnify us.

Mr. DEFAZIO. Okay. All right. You want the contractor to be required by TSA to indemnify you.

Well, then I would ask the gentleman from FirstLine, have you indemnified your airports?

Mr. DEMELL. We have not.

Mr. DEFAZIO. Okay. Have they asked you for that?

Mr. DEMELL. They have not.

Mr. DEFAZIO. Okay. Would you do that if—

Mr. DEMELL. If we received full protection under the Safety Act, we would.

Mr. DEFAZIO. Well, wait a minute. But what is your liability limit now? I understand that—

Mr. DEMELL. $500 million.

Mr. DEFAZIO. $500 million. So you carry $500 million in coverage. And is that for terrorism or—

Mr. DEMELL. Terrorism.

Mr. DEFAZIO. Okay. What about other actions?

Mr. DEMELL. We are insured against any other claim against the airport that would result from negligence in passenger screening, lost items, damaged items.

Mr. DEFAZIO. So in a sense, you have indemnified them, sort of, on other than terrorism?

Mr. DEMELL. Other than terrorism, we follow what is required by the TSA.

Mr. DEFAZIO. But they haven't required exactly what he is asking for here?

Mr. DEMELL. I am not exactly sure exactly what he is asking for. So I really can't comment on that.

Mr. DEFAZIO. Okay. Right.

I guess I am still puzzled by this. You can have TSA and you wouldn't have any worry—right?—because it is the federal government.

Mr. MARTIN. I simply don't want any liabilities for the decision to have opted-out. And I believe that it is—

Mr. DEFAZIO. But aren't there consequences for decisions? I mean, you know, you want to opt-out. You don't want to have the federal screeners. You want to push that agenda until we have a kind of mixed match system.

At some point you have got to say, "Well, gee, we are going to have to go out and acquire some insurance here, because we want to have the private contractor, not the federal employee."

Mr. MARTIN. I am prepared to do that. We would prefer to stay in the opt-out program, but we are perfectly prepared to use federal screeners and I believe with our federal security director we can make that work.

But we simply must have those protections. And they are simple to provide. We get these from our contractors all the time.

Mr. DEFAZIO. Well, they are simple to provide, except from the perspective of someone who represents federal taxpayers. What obligations are we piling on to federal taxpayers so a private company

can make a profit, so you can have a private company in your airport?

Let's go beyond that. On the issue of the technology now, you don't have—I think we had one person say that you had the puffers at Rhode Island.

Does anybody have the walk-through portals that somebody mentioned privacy concerns about, the backscatter?

Mr. MARTIN. No.

Mr. DEFAZIO. Have you had those?

Mr. MARTIN. No.

Mr. DEFAZIO. Okay. Who do we expect is going to provide—say, in the case of San Francisco, you don't have either of those. You don't have the puffer walk-through or the backscatter portal or the enhanced screening for the passenger checkpoints. You are still using 1970s technology.

Part of the problem I will get to, Mr. Poole, in a second.

But who do you think is going to pay for that? The feds pay for the in-line EDS. Should the feds pay for the enhanced equipment at passenger checkpoints when you have a private contractor?

Mr. MARTIN. I believe that is a federal responsibility.

Mr. DEFAZIO. Okay. So the feds pay for the equipment. We bring in the private contractor. We indemnify them. We indemnify you. They make a profit. People probably don't get quite as good pay benefits and/or insurance, otherwise it just doesn't quite all add up. So I am just having a little problem with that.

But, Mr. Poole, you shouldn't quote things that you don't know. I have seen the classified reports. I have been involved in this issue. I introduced a bill in 1987 to enhance checkpoint screening, because I was appalled at what I learned at the time, which is since well-known: They couldn't find, a large percentage of the time, a fully assembled .45 caliber handgun encased in Lucite in a bag that could contain no more than two pieces of clothing. That was state of the art in 1987.

So I introduced my first bill back then. And I fought this issue for years, but it was always, the airlines pay for it? They didn't care about security.

So we went all the way up to 9/11 under that sort of circumstance, with some improvements over the years because of federal oversight and federal pressure. But, still, it was a problem.

I can tell you, without getting into classified stuff, that the tests that were conducted pre-9/11 compared to the tests post–9/11 are totally different and much more sophisticated challenges to the system.

So for Mr. Mica or anybody else to falsely equate the level of detection and security—although it nominally may look the same, in actuality, it is very different because you are dealing with very different sorts of threat items and test protocols than you did prior to 9/11.

And if you would go further in that report, they say, We have reached a cap in performance, we have got good people and they can't do better until they have technology that is after 1980.

And whether we have the private companies or the public screeners, they are dealing with junk that we threw out in the lobby of this building more than a decade ago because it was inadequate to

meet the threats against members of Congress and it was slow—
also, because it is like, Sir, there is something in your bag. Can I
stop the line? Can I have an extra employee standing here? Can
that extra employee walk all the way back down, stick the bag in
a different position on the line, put it through again, so I might
look at it? Yes, you can certainly do that. Okay, 2 minutes later
the bag comes through again. Everybody has been held up.

That doesn't happen here because we can do it in all the dimen-
sions at once. And so we need new technology.

And I would hope that your group would focus on those sorts of
things, too, because you can have the best screeners in the world,
whether they are private or public, and if they are working with
junk, they can't find the threat, they are not going to find the
threat, plain and simple.

Thank you, Mr. Chairman.

Mr. POOLE. Appreciate the corrections, and thank you very much.

Mr. LUNGREN. The gentleman's time is expired.

Mr. Langevin, you are recognized for 5 minutes.

Mr. LANGEVIN. Thank you, Mr. Chairman.

I would like to thank all of our witnesses for being here today.

I especially want to thank and welcome Mark Brewer, president
and CEO of the Rhode Island Airport Corporation, who is here to
represent TF Green Airport, which is actually located in my dis-
trict.

I think Mark is a great addition to this hearing, and I just want-
ed to let my colleagues know what a tremendous job he and his
team are doing in Rhode Island.

I have to say, I travel in and out of many airports, as we all do,
and I have to say that the TSA workforce at TF Green is one of
the best that I have ever encountered. And I know that they are
understaffed and operating at less-than-perfect circumstances but
they still manage to perform their job seriously and thoroughly
while at the same time providing excellent customer service.

I know Mark takes a lot of credit for that, and just wanted to
thank you for all of your efforts and for lending your expertise to
us here today.

I will start, if I could, with a question for you, and ask you, how
do you think TF Green will be impacted by the recently announced
reallocation of screeners, which will leave you with 32 fewer
fulltime equivalent positions? I wanted to know, do you think that
wait times will increase, or security is going to be compromised be-
cause of these reductions?

And I know that the FSDs are already involved in a delicate bal-
ancing act to make sure all of your bases are covered. Or can you
continue to make things work even with less personnel?

Mr. BREWER. I thank the congressman, and thank you for the
kind words. It is a pleasure to be here before the committee today.

We are very, very concerned about the reduction in staffing. It
is a 13 percent reduction in staffing for the TSA in Providence
alone—32 employees. We are currently allocated 259, destined to
go down to 227 if, in fact, this reallocation takes place.

We are setting new records. In fact, this second quarter of 2005
was an all-time record of passenger loads for the TF Green airport
ever. We are doubling the national average, about a 4 percent

growth. This June was 8 percent over last June, up 5 percent year-to-date. We are exceeding our all-time record, which was the year 2001. We were on a very fast track for a record year then until September 11th took place. We are beating those numbers this year.

To be able to say that someone cranks some numbers and now say we need 32 less or 13 percent fewer screeners for more traffic is inconceivable for me.

What happens is that we do not have the authority—the FSD does not have the authority to even keep us up to his current level because that is centralized, it is controlled down in Washington.

Someone, I am sure well-intentioned, looking at the bigger picture, but they put a halt to the hiring process. People that would like to work for TSA have to trek up 60 miles to an assessment center up in Chelsea, Massachusetts for the privilege to work for TSA. It is inconvenient; it is inconsistent.

Now, the one thing I would like to say, though, is that we have a pilot program at this assessment center where the federal security director does, in fact, have some involvement in the hiring process. Previously, he had none. It was done by a private contractor. The first time he saw employees was the day they walked in the door. We now have some opportunity to do that. And, in fact, the congressman talked about law enforcement capabilities: He does look for that.

In fact, we had an incident on July 13th where a gentleman went through the security checkpoint, alarmed, was challenged by the TSA, became belligerent. A law enforcement officer was called over, and a fight ensured. The passenger struck the officer, went down and was wrestling with him in an attempt to get the officer's gun.

Two of the TSA employees, one a former law enforcement officer and one a former corrections officer, got into the fray and actually assisted our police officer until backups were there. Momentarily, only a matter of seconds, but clearly that kind of expertise and thinking under pressure could have saved lives. And as far as I am concerned, they are both heroes.

Mr. LANGEVIN. On the issue, though, of security, can you elaborate on that? Will security be compromised as a result of these redactions?

Mr. BREWER. Absolutely, Congressman.

And the problem is when there are longer lines at the security checkpoint because with staffing levels reduced—we currently have seven lanes at our checkpoints—they will only be able—I did talk with the federal security director yesterday. They will only be able to staff six.

Currently, we have one of the shortest lines in the nation except during peak holiday periods and then we do have some concerns. What is going to happen is every day is going to be a peak holiday period with lines of 40 minutes or more. And we can have up to 1,000 people in line which just creates a tremendous terrorist threat; it is an opportunity for someone to do evil to a lot of people all at the same time.

And it is because we cannot get the people through the checkpoints fast enough. If anything, as we are growing, we need more people, not less.

Mr. LANGEVIN. I know that my time has expired, Mr. Chairman. If I could just have an additional couple of seconds just to ask one more question.

Mr. LUNGREN. Sure.

Mr. LANGEVIN. Thank you.

With respect to flexibility, for FSDs, can you go into a little more detail about what kind of improvements could be made to make your job easier?

Mr. BREWER. Absolutely.

I think that the biggest improvement that we could make in Providence and I think at most other airports is enhanced technology. We can only improve customer throughput and improve security by enhancing the technology.

If there is a mission by Congress or by TSA to reduce staffing, it has to be replaced with technology. The only way that is currently viable to do that is the integrated EDS system. That is why Congress needs to start appropriating more money, I believe to start getting integrated EDS systems across the country sooner.

Mr. LANGEVIN. And I know that we are about 89th out of the list of—

Mr. BREWER. Correct.

Mr. LANGEVIN. —waiting for our letter of intent.

Mr. BREWER. That is correct.

Mr. LANGEVIN. And we need to move more quickly than that.

Mr. BREWER. One of the things that TSA has asked us to do is airports to "lean forward." Those airports that lean forward for security, they will put a better eye on the ability to reimburse them through an LOI when the money becomes available. And we are doing that.

Mr. LUNGREN. The gentleman's time has expired.

Mr. LANGEVIN. Thank you.

Mr. LUNGREN. The gentleman from Washington, Mr. Dicks, you are recognized for 5 minutes.

Mr. DICKS. For those of you who this applies to, how do you reconcile TSA's failure to issue new letters of intent to help airports get the equipment they need to improve screener performance with that approach?

I mean, it isn't happening.

Mr. BREWER. My belief, Congressman, is that the reason that there aren't letters of intent out there is because they don't have the money to give out.

Each year, they get between $250 million and $300 million a year, which, with nine airports that already have the LOIs—the LOIs are over 4 years or 5 years. If you take nine airports and take one-fifth or one-quarter of what the TSA has obligated to pay, that comes up to be the $250 million or $300 million that—

Mr. DICKS. So we are not getting enough money.

Now, is it not true that, if we did upfront the money, that this would, in fact, save us money in terms of the number of screeners that would be necessary?

Mr. BREWER. I believe there have been several studies that show that to be true.

Mr. DICKS. What do you all think? I mean, you are the operator—

Mr. BREWER. I absolutely believe it is true. And, in fact, the allocation of people from—as I mentioned in my testimony, Congressman, our FSD is obligated to do what he calls the dance. He takes people from in the terminal building, lobby-installed EDS equipment, takes them off of that to put people at the screening checkpoint because the lines are getting too long.

Now, what happens is we have less EDS equipment that is available so the lines get longer there. Then, when those get unacceptable, he switches them back. It is a dance that he has to do. During holiday times and during peak periods, he has to bring in people on mandatory overtime.

Mr. DICKS. Well, now, we have a cap here. Is it 45,000?

Mr. BREWER. Correct.

Mr. DICKS. Now, I think the cap is unwise. We did go up to a very—I think a much higher level. And then the Appropriations Committee put in this cap.

Would it be better to let the TSA manage this issue? I mean, they have got to have the extra resources, obviously, to hire the people and to have the people.

But shouldn't it be based on what is needed on an airport-by-airport basis rather than having a national cap?

Mr. BREWER. Personally, I believe that to be true, sir.

The TSA commissioned something called the Regal model. My understanding is that the Regal model calls for much more than 45,000 screeners. And what is happening is, as airports are growing, the industry is rebounding, traffic is increasing—other airports—legitimately so.

And I was looking through the report that TSA issued the other day, and I give kudos to some of the airport directors who apparently had no service before and now have service, and they are getting onesies and twosies and fives and tens and twenty screeners.

TSA is obligated to find them from somewhere. So they are caught between a rock and a hard place. They know that there is increase in traffic, and yet we lose 13 percent of our screeners when our traffic is double the national average in terms of growth.

It is inappropriate, as far as I am concerned, and I think the TSA is probably doing the best that they can with the limitations that are put upon them, but I don't believe that 45,000 is the right number until such time as technology comes into place to replace those screeners and then you can reduce the number.

Mr. DICKS. So what you are suggesting is that Congress has to reconsider this number.

And I think with the rebounding industry, with traffic up, we certainly see this. I am out to the Northwest at Seattle/Tacoma. We certainly have seen that. We have a tremendous increase during the summer coming up this next month, August, and we really appreciate the fact that TSA has given us relief over the last 2 or 3 years.

But they have had to take it from somewhere else. It is a zero-sum game, as you mentioned. So other airports or other regions, you will have to lose people in order for us to get the people we need.

Now, we appreciate getting them. But I just think that this is something that Congress ought to reconsider and that this com-

mittee should take a position on and let the appropriators know that we think there is a problem with this 45,000 cap.

Anybody else want to comment on that?

Mr. DEMELL. I have a comment.

There is another issue that comes into play here, a TSA hiring process that doesn't allow for maintaining that 45,000-person workforce.

A TSA screener, once he hits the floor, that screener was recruited, was assessed, was trained and put in place by the private sector. And once he gets there, his H.R. function is managed by the private sector.

Mr. DICKS. I didn't hear what you said. His what?

Mr. DEMELL. The human resource function is managed by the private sector.

But the problem with the assessment process is most businesses can hire on an as-needed basis. And in this industry, because of the seasonality, it is critical. Under the present system, that doesn't happen.

An FSD has literally got to raise his hand, get in line, hope that there are funds allocated for an assessment process to hit his airport and therefore can only hire when the system allows him to do so, not when he needs to.

So the real question, along with the 45,000-person cap, is how many of those 45,000 screeners are actually on board and working?

Mr. DICKS. And that number is substantially below 45,000.

Mr. DEMELL. I would think so. I don't know what the number is but I would think it is not at the 45,000 number. And, in fact, I have heard suggestions that at any given time one-third of the workforce is not available for work.

On the private sector in Kansas City, we are running a test program. We have our own assessment right at the airport. We don't have to go to a regional assessment center; we can do it right at our airport. And that allows us, gives us a better opportunity to meeting staffing standards where they need to be.

And, in fact, that flexibility could very well allow you to operate with fewer screeners as long as those screeners are actually there and working.

Mr. DICKS. Does San Francisco have the same situation?

Mr. MARTIN. Covenant is able to do the testing and screening on site as well. But I believe that, nationally, the ultimate solution is to go to an in-line screening system at all of the major airports, with a very short payback period.

It just doesn't make good business sense. It doesn't make sense from a security perspective.

Clearly, these machines do a much better job than the lobby machines at catching plastic explosives.

The TSA could enter into LOIs with all airports and reimburse those airports as the TSA realizes labor savings. So, in effect, there is no money out the door in advance from TSA.

Mr. DICKS. I mean, Congress might even consider giving a borrowing authority. In other words, we do this for other entities within the government, saying, "You can go out and borrow the money."

Mr. MARTIN. We all certainly have the ability to go out and borrow the money in advance of the funds coming?

Mr. DICKS. Just getting the letter of intent is your problem?

Mr. DEMELL. Well, the real problem is the inability to think beyond the current fiscal year. I think that is the heart of the problem. The business is being managed one fiscal year at a time. There is no big picture, long-range thought process. Managing limited funds on a year-by-year basis is not going to get—

Mr. DICKS. And as was suggested, once you commit to eight or nine airports, it takes up all the money for 5 years so you can't bring in new airports—when, if we did that, we would save some money.

Thank you, Mr. Chairman.

Mr. LUNGREN. The chair recognizes Ms. Jackson-Lee for 5 minutes.

Ms. JACKSON-LEE. Thank you very much, Mr. Chairman, to the ranking member and to the ranking member of the full committee.

Let me thank the witnesses as well for their presentation. And let me offer my apologies if I pointedly ask maybe just one person a question. And the reason is, of course, that many of us have lived with this issue for a longtime—not necessarily on the Transportation Committee, but before coming here, I served as a member of the Aviation Authority in Houston, Texas, and have lived with aviation issues for a very, very long time—also as a member of the National League of Cities Board of Directors.

But I think the key issue here for me, first of all, is to thank all of you for the hard task that you have, but, frankly, to put on the record that security is federal issue. And whether it is the Minutemen at the border, the frustration of Americans or the frustration with immigration or the frustration of going through checkpoints, the bottom line: The buck stops with us.

And, frankly, I do not feel safe. And I don't think America should feel safe, frankly. And it is particularly noticeable through the efforts that TSA has tried to make.

And let me say this: Having been involved in the early stages of Transportation Security Administration's frustration of beginning or how to recoup, actually collaborating with them some 4 years ago the whole job fair in my district, to open up some opportunities for people in the community, but as well to stop the bleeding where they were not getting the numbers of individuals that they needed to pull through and to select to be able to place at their particular airports.

I, frankly, think that we have what we call security fatigue.

And we have been very fortunate. We look at what happened in London, what has happened in Madrid. We are very, very fortunate.

And the statistics show that the private screeners are as poor as the federal screeners. But the federal responsibility is greater than a private entity.

They can have poor participation and poor work habits and a poor track record at the private company, but the federal government and the American people look to the federal government and entrust in them the responsibility.

So frankly, I believe, and those of you who lead airports, that we need to do a better job. Frankly, I believe the cap should be re-

moved. Technology needs to be rendered. We need to look at TSA in a way that it is a front-line security emphasis.

For example—this is, sort of, an extended issue?anyone that has any conversations without letting anyone know that you are having conversations with a U.S. marshal. They are multi-talented and probably former law enforcement agents. What do we do with them?

Instead of expanding them and using them in a very constructive way even if it means using them in other, sort of, security means, we relegate them to the airlines and we constrict them in terms of how they can double-duty. I see the same kind of opportunities for Transportation Security Administration in these inspections.

Now let me cite for you, Mr. Bennett—I am going to come your direction. I am going to leave these fine gentlemen who have their individual airports and problems alone, but you represent the Council of Airports Executives and we have interacted with them, many of us have.

So let me just say this. Mr. DeCota, I am not sure if you have LaGuardia Airport, but let me cite him for example.

You have got individuals who mean well but are lacking, not only in security, but in the social graces. You have got long lines because you have people lacking in the social graces and the ability to look at items and even know what they are looking at.

So you have one person who says to a traveling member of the public when they go through and rings, "Go over and be checked," when we know that you get a second time to go through. Unless there is something that I don't know about.

When the passenger attempts to ask and make an inquiry, a simple inquiry, the person suggests that they are getting out of order and, "You better get over here and go somewhere." That is an altercation. I don't know what happened to the gentleman who was wrestled down; that is a security risk. But that is an altercation.

So TSA has an enormous responsibility, but it is the federal government's responsibility, and we need to darn sure take it. Because I don't believe that the private screeners have any liability that would answer the question to the American people on 9/11 why these folks got on through Boston and the other places that they went on.

Private screeners were responsible for that. And I am not convinced that they can be any better. But I am convinced that we have an obligation for the federal government to be better.

Private screeners have discrimination charges. I am reading an article here, "Employees Allege Discrimination by Airline Contractors." There are a lot of problems.

Mr. Bennett, would you just simply answer this question? You have given us solutions.

Why don't you think that this is the responsibility of the federal government and have these solutions of options for private contractors? Why don't you work with us, the Council of Executives, to ensure that we have the 45,000 above, that we have training and technology? That is the better route rather than relying on this option of private screeners and other such options that you recommend in your testimony.

Mr. BENNETT. Thank you for the question. I thought I was going to sit here all morning without having the opportunity—

Ms. JACKSON-LEE. I know your good work. You have got a great organization.

Mr. BENNETT. Thank you.

And just for the record, as I also am representing these organizations here today, I am also the president and CEO of the Metropolitan Washington Airports Authority, which operates Washington, Dulles International and Ronald Reagan Washington National Airport.

Ms. JACKSON-LEE. I am glad you said that. Thank you.

Mr. BENNETT. I am one of these folks also and wearing a couple of hats here today.

The federal government has a very, very important role in terms of security of the aviation system. It is most appropriate that the federal government be deeply involved in this process, that they set the standard and, in many cases, that they actually perform the function related to the safety of the aviation system. That goes without question.

But also a very critical and important partner in the security of the aviation system are the public agencies that own and operate the nation's airports.

And these public agencies, such as ours, such as all of my fellow panelists here, are governmental entities that have safety and security as their number one priority. And, in fact, they provide first response to all acts of not only terrorism, but day-to-day civil and criminal activities not only at their airports but throughout the communities in which those airports are located.

So we are very much safety and security entities as well as airport operators. And we think that we have a very important role to play in the security of the aviation system. It is a role that, to be honest with you, has been overlooked as this model has evolved over the past 4 years.

And many of the members of these organizations would like very much to have the opportunity to become more involved in the security of the aviation system because they believe that there are the opportunities to actually enhance and improve the security and make it better than what it is today.

Ms. JACKSON-LEE. Mr. Chairman, I would like to ask unanimous consent to put an article in the record, the Houston Chronicle, July 13th, 2005, "Employees Allege Discrimination by Airline Contractor."

And I would also like to put on the record a question that the gentleman would respond in writing is to the lack of crew lines that either the airport designates or maybe TSA designates and the frustration of crews who have been, if you will, targeted and seemingly discriminated against by TSA personnel.

I know that will be but I need to know whether airports have a particular designation for crew members going through.

Mr. LUNGREN. If I could just reserve the right to review it, I would put it in the record.

Ms. JACKSON-LEE. Thank you.

Mr. LUNGREN. I thank the lady for her questions.

And I thank the panel for their participation. It is a large panel. I am sorry that we didn't get all the questions asked that we might want to. But you have been very, very helpful to assist us in our overall inquiry.

The Chair would now like to call the second panel: Mr. Thomas Blank, the Acting Deputy Administrator of the Transportation Security Administration of the Department of Homeland Security.

Mr. Blank, thank you for returning to appear before our subcommittee. We appreciate your appearance.

As you know, your written testimony will be placed in the record in its entirety. We would ask if you could summarize that, perhaps, in 5 minutes, and then we could go into a round of questions.

STATEMENT OF THOMAS BLANK, ACTING DEPUTY ADMINISTRATOR, TRANSPORTATION SECURITY ADMINISTRATION, DEPARTMENT OF HOMELAND SECURITY

Mr. BLANK. I thank you very much, Mr. Chairman, Representative Sanchez and other distinguished members. I am pleased to have the opportunity to appear before you today on behalf of the Transportation Security Administration to report on the performance and management of our nation's aviation screeners.

Passenger and baggage screening is an essential component of TSA's layered approach to security. Although the public is currently focused on rail and bus security, the aviation system is still a significant target.

Screening passengers and their property in a way that ensures security and operational efficiency requires TSA to maximize all available resources, including personnel, technology and partnerships with the private sector.

Training is essential to improving passenger and baggage screener performance. Several current initiatives include an extensive review of our screener training program, improvements to our online learning center, which provides Web-based training and tracks the completion of required training, and the development of high-speed operational connectivity to ensure that Web-based training reaches all of our screeners nationwide.

Our experts are looking closely at the new-hire screener training program to structure the process to ensure that it is a stable, repeatable process that is flexible enough to meet the operational needs of all major airports, as well as smaller airports.

This approach will allow screeners to be operational in less time than the current new-hire training cycle.

Recurrent screener training was also recently examined and, as a result, those training courses and guidelines will be updated to meet current operational requirements.

In addition to completing all training requirements, all screeners must meet annual recertification standards. The process includes passing a standard operating procedures job knowledge test, an X-ray image interpretation test and a practical skills demonstration, as well as to meet or exceed these expectations on an annual performance assessment.

During 2004–2005 screener recertification, the national pass rate for screeners was 98.7 percent.

In addition to recertification, TSA uses the following indicators to measure screener performance: percentage of screeners scoring above the national average on threat image projection, the percentage of screeners scoring 85 percent or better on their annual performance recertification examination on their first attempt, and the results of the annual performance review.

TIP tests identify a screener's ability to see false images of weapons or other dangerous prohibited items on their X-ray equipment, the tests provide immediate feedback, and enhance the screener's vigilance by randomly and periodically exposing screeners to new emerging threat.

The TIP test results have shown a steady increase in screener performance on threat detection.

TSA uses several tools to measure the effectiveness of screening and screening machines including TIP results, covert test results, screener training exercises and assessments test results and screening machine performance data. Based on the results of these tests, TSA has made numerous changes to screening policies, training and equipment.

In short, TSA has made great strides to provide the best training, equipment and technology to the nation's aviation screeners. TSA will continue to maximize all available resources to accomplish our mission of ensuring the security of the nation's aviation system.

And if I could, in the time remaining, I would like to address the one issue that has come up here this morning, and it has been reported in the press and has been discussed by the Department of Homeland Security's former inspector general. And that goes to screener performance today versus screener performance on 9/10/01 as evidenced in covert tests.

And let me assure you that there is no comparison whatsoever between what was going on in terms of covert testing on 9/10/01 and the covert testing that is done today. And to allege that the screeners do not perform any better today than they did on 9/10/01 is a canard.

I brought with me an actual 9/10/01 FAA screener test object. This is the briefcase that would go through the screening machine on 9/10/01. And inside, just this briefcase, nothing else, nothing else, is this: This is a 9/10/01 test object in a briefcase with nothing else in it. And that is right off Disney's back lot. That is Wile E. Coyote right there. Nobody is going to miss that.

Yet those screeners on 9/10/01 did. And I will assure you that there is nothing—and outside the classified setting, I am not going to show you today's test object, but they do not look like this particular FAA-approved test object that was in use in those times.

With that, I will suspend. I would be pleased to take the subcommittee's questions.

Thank you, Mr. Chairman.

[The statement of Mr. Blank follows:]

PREPARED STATEMENT OF THOMAS BLANK

Good morning Chairman Lungren, Congresswoman Sanchez, and Members of the Subcommittee. I am pleased to have this opportunity to appear before you today on behalf of the Transportation Security Administration (TSA) to report on the performance and management of our Nation's aviation screeners. Passenger and bag-

gage screening is an essential component of TSA's layered approach to aviation security. The tools, training, and technology that the TSA provides to our screening workforce are the keys to our continued success in deterring potential terrorist threats and maintaining the security of our civil aviation system. Since the tragic attacks occurred earlier this month in London, the public is obviously focused on the security of our rail and bus systems. However, the Nation's aviation system is still a significant target and we must continue to be vigilant. Screening passengers and their property in a manner that ensures security and operational efficiency requires TSA to maximize all available resources, including personnel, technology, and partnerships with the private sector. We are constantly seeking new ways to meet the challenge of staying well ahead of those who attempt to foil our security measures by using all of our resources to the fullest extent.

Screener Training

TSA has initiated efforts to enhance screener training and we believe implementation of these efforts is essential to improving passenger and baggage screener training and performance. Such initiatives include reviews of our screener training programs, the development of the High Speed Operational Connectivity (HI–SOC) program, improving our Online Learning Center (OLC), and the development of internal controls that clearly define responsibilities for monitoring and documenting the completion of required training.

In order to become a certified screener, our screeners must complete a minimum of forty hours of classroom training, sixty hours of on-the-job training, and successfully complete all written and practical exams. TSA also requires recurrent screener training for certified screeners in order to maintain and refresh their skills, to learn changes in standard operating procedures, and to complete any necessary remedial training. A standard of three hours of duty time per week per screener is used by Federal Security Directors (FSD) to allow screeners to accomplish recurrent training. In addition to training requirements, all screeners must meet annual recertification standards, passing a Standard Operating Procedures Job Knowledge Test, an X-ray Image Interpretation Test, and a Practical Skills Demonstration, as well as achieve 'met or exceeded' expectations on their performance assessment. The screener recertification program for 2004–2005 began on September 20, 2004, and recently concluded on June 30, 2005. During this period, approximately 39,000 Federal and contract screeners were recertified and the national pass rate was 98.7%.

The Office of Workforce Performance and Training (WPT) is currently reviewing the new hire screener training program in order to structure the program so it is a stable, repeatable process, and reduces costs while maintaining the high quality of the training. The new hire training program meets the basic screener training needs of major airports, but has the flexibility to cater to the operational requirements of Category III and Category IV airports. This new approach will allow for a screener to be operational in less time than the current new hire training cycle. The phased approach model is based on the premise that the new screener should be trained in skills that are critical for the screener to achieve an independent operational role. However, the training should be structured to build on previous phases and allow the screener enough time to gain knowledge and practice in the lab and on the job to master the basic screening skills.

TSA also conducted a one-week Recurrent Training Workshop to evaluate the current status of the Recurrent Screener training program. As a result of this workshop, TSA's web-based training courses will be updated to include new topics, such as breach recognition and prevention, breach response, and situational awareness. Several existing courses will also be updated or modified to meet our current training needs. Revisions to training requirements for screeners returning to duty after prolonged absences (thirty days or more) were also recommended to provide screeners with ample opportunities to refresh screening skills after long periods away from duty. Another positive result from the workshop is the development of an annual training plan template that clearly delineates recurrent training guidelines into refresher training and skills currency training.

TSA is also partnering with one of our private sector screening pilot "PP5" airports to adapt their On Screen Alarm Resolution Protocol Recurrent Training Materials into a training package that can be deployed nationwide to all screeners. This protocol allows screeners to evaluate items causing an alarm and potentially clear those items without subjecting the bag to a secondary screening process. This method has proven to be an effective, sound, and safe process. As of July 15, 2005, TSA has trained 8,689 screeners using this protocol with a passing rate of 97.3%. We foresee meeting TSA's goal to introduce this method to all airports with explosives detection systems (EDS) early in FY 2006.

From the standpoint of training delivery, one of our most significant accomplishments is the TSA OLC. This system is available to screeners though the TSA intranet or a secure site on the World Wide Web. This system makes available over 350 general training and development courses in addition to TSA-specific training. Upgrades to the OLC were implemented in early April 2005 resulting in improved reporting tools which allow TSA to create tailored reports that training coordinators and Headquarters program managers can run on demand. New report products can be developed and implemented quickly when new requirements are identified. These report products will reflect a broad range of TSA training programs—Screener Training Exercises and Assessments (STEA) local testing, three hour recurrent training, mandatory employee training status and screener basic/on-the-job training status. This summer, we are also planning to expand the Performance Management Information System (PMIS) to include select OLC training summary data. This data will be available to managers and will include the ability to correlate training performance data with other TSA source data for cause and effect and trending analyses.

All training accomplishments must be documented in the OLC. A management directive mandates use of the OLC for documenting training records. This directive was revised in July 2005 to strengthen and clarify training recordkeeping requirements. TSA management routinely monitors national compliance with mandatory training requirements and recurrent training guidelines. Local FSDs are responsible for ensuring compliance on an individual basis. In March 2005, TSA Executive Leadership sent out a memorandum to advise all Assistant Administrators and FSDs that managers and supervisors will be held accountable for subordinates' completion of all mandatory training requirements. This accountability will be inserted into the performance plans of all TSA supervisors for FY 2006.

In order to ensure that all screeners have access to training available in the OLC and to provide TSA management with documentation of screener training, TSA has developed a plan to facilitate connectivity to all TSA airport training facilities. The HI–SOC program is a detailed plan and corresponding schedule for ensuring that training centers in airports receive high speed connectivity. The HI–SOC program includes a detailed plan for Wide Area Network (WAN) connectivity to TSA Airports including local area networking (LAN) to link operations centers, training centers and break rooms, baggage screening areas and checkpoints/passenger screening areas, and FSDs. The WAN will also facilitate XP migration, email migration, remote access to these systems via a Virtual Private Network (VPN) and facilitate intelligent phone deployment.

Screener Performance

Utilizing three primary performance measures, TSA has developed several baselines for screener performance. These performance measures are common to screeners at all airports with Federal screeners as well as at the five airports currently in the Screening Partnership Program (SPP).[1] Those same criteria would be applied as well to any airports that are currently federalized, but which may choose to participate in the privatized screening program in the future under the SPP. The privatized airports may also design performance measures other than those in common with the federalized airports in order to measure specific areas of contractor performance or other areas deemed of interest. Airports that enroll in the SPP will be required by their contractual arrangements to ensure that their screener performance meets or exceeds that in place for the federalized airports through measurement of performance.

TSA measures screener performance by utilizing the following indicators:
- Percentage of screeners scoring above the national average on Threat Image Projection (TIP);
- Percentage of screeners scoring 85% or better on their annual performance recertification examinations on their first attempt, and;
- Results of screeners' annual performance reviews.

Threat Image Projection (TIP) is a program whereby false images of weapons and other deadly and dangerous prohibited items are displayed on the X-ray screens of screening equipment. The screener is tested on the percentages that are correctly identified. TIP is currently active on over 1,800 TIP Ready X-ray (TRX) machines at all passenger screening locations nationwide. TIP serves as an invaluable, multifunctional system that extends well beyond an evaluation tool. It provides immediate feedback and functions as a reinforcement system that increases screener ac-

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[1] The five airports currently using private screeners are San Francisco International Airport, Kansas City International Airport, Greater Rochester International Airport, Jackson Hole Airport, and Tupelo Regional Airport.

curacy. TIP enhances screener attentiveness and vigilance through random and periodic presentations and exposure to new and emerging threats that they may not normally see during the routine course of passenger screening. TIP results, which have been collected and analyzed on a monthly basis since January 2004, have shown a steady increase in screener performance on threat detection.

Another important measure of screener effectiveness is evaluating the percent of screeners scoring 85% or better on their first attempt of their annual re-certification examination. TSA considers the first attempt score a more accurate representation of the "current operating proficiency" of the screener before any targeted remediation is provided to the screener. In conjunction with screeners' annual performance reviews, these performance measures provide an assessment of screener performance at both federalized and the privatized airports.

Screening Performance

In addition to the screener performance measures, TSA has developed screening performance measures at the national level. To measure screening performance, TSA developed the Baggage Screening Program Index and the Passenger Screening Program Index. Each is a composite index that tracks overall screening program performance in the areas of security screening and customer satisfaction. TSA's screening programs and can be tracked periodically to assess progress.

The tools used to measure effectiveness or probability of detection for screeners and machines include TIP results, covert test results, Screener Training Exercises and Assessments (STEA) test results and screening machine performance data. The TSA Office of Internal Affairs and Program Review (OIAPR) conducts covert tests to assess the effectiveness of aviation, maritime, and land security by using special techniques to replicate current terrorist threats in order to improve the safety and security of transportation modes. OIAPR airport covert testing protocols include penetrating passenger security screening checkpoints without detection with prohibited handguns (inoperable) and inert explosives, penetrating access control points in sterile and non-sterile areas, and hiding inert explosive devices in checked baggage. OIAPR covert tests provide instantaneous feedback to the screeners, their supervisors, and TSA management to improve existing airport security.

OIAPR produces classified monthly reports for senior TSA management that are designed to identify vulnerabilities in transportation systems, including equipment, policy, and personnel. Information reported by OIAPR allows TSA officials to develop system-wide strategies to improve airport security. TSA has made changes to policies, training, and equipment based on recommendations specified in monthly OIAPR reports. For example, TSA initiated "Step Forward" procedures for wanding individuals wearing long garments at passenger screening checkpoints. As of June 2005, OAIPR has tested 535 airports (93 airports have been tested multiple times). OIAPR commenced covert testing in September 2002 and, to date, has conducted 3,464 checkpoint tests, 757 checked baggage tests, and 13,056 access tests. OIAPR will complete a three-year covert testing cycle at all airports nationwide at the end of FY 05.

Screener Training Exercises and Assessments are utilized at the local level by the FSDs having individuals unknown to the screeners attempt to pass prohibited items through the checkpoints and in baggage. TSA uses screening machine performance data to determine the probabilities of detection. The probability of detection by both screeners and machines for passenger and baggage screening is classified and I would be happy to present this data in a secure forum.

Another important area of performance measurement is customer satisfaction. Customer satisfaction performance measure information is obtained through The Customer Satisfaction Index for Aviation (CSI–A). The annually computed index includes the results of a customer intercept survey, the results from a national survey completed by the Bureau of Transportation Statistics (BTS) at the Department of Transportation, and the trend in complaints and compliments that TSA receives through its contact center and at the airports. Additionally, TSA has developed packages for airport-initiated customer surveys. These allow individual airports to measure customer satisfaction by selecting questions from an approved list; those that they feel would provide important customer feedback. For Fiscal Years 2004/2005, the overall CSI–A is 78% on a scale of 100%.

TSA continually strives to develop and provide the best technology, training and operational procedures to our screeners to allow them to accomplish their screening mission in an effective and efficient manner. We have designed a program that focuses specifically on human factors and the steps we can take to continue to improve screener performance. In July 2003, TSA completed a comprehensive Passenger Screening Performance Improvement Study which focused on human factors and utilized principles of Human Performance Technology. Through this process,

TSA evaluated the nature of the screening work tasks, the screening workplace environment, and screener performance. This study identified potential systemic root causes that may contribute to poor performance and recommended solutions. As a result of the 2003 study, TSA initiated numerous other human factors engineering studies to address screener performance deficiencies. This wide range of human factors studies is helping us identify solutions that may be implemented through training, procedures, or technologies designed in certain manners.

Another factor that often affects screener performance is injury. TSA is making every effort to identify, mitigate, or eliminate factors that may be contributing to screeners' on-the-job injury rate. We have also implemented a Nurse Intervention Case Management Pilot Program at thirty-nine airports in November 2004. During this pilot, a Certified Nurse Case Manager manages injury claims telephonically or in person with interviews and visits to employees, supervisors, and physicians' offices, ensuring that injured screeners receive the best medical care. The focus is on the first 45 days after injury to ensure that appropriate diagnosis and care are expedited, which ultimately facilitates the screener's return to work. Prior to the pilot program start-up, the average lost production day count was 45 days per injury. Since the pilot began, the average has dropped to 12 days, resulting in a cost savings of about $261,692. During the first eight months of this pilot, the total cost avoidance is estimated to be $5.5M. TSA plans to expand this program nationally soon.

In addition to this pilot program, TSA is working to address screener injury rates in many other ways. For example, we established a new cross-functional screener injury task force to identify possible solutions for reducing screener injury rates. At the airport level, TSA created Safety Action Teams (SAT), comprised of management and employees, to identify and facilitate the resolution of safety issues and problems locally. Training also plays an important role in injury prevention so we developed 12 training courses aimed at injury prevention. Technology also plays a key role in injury reduction. Since the installation of in-line baggage handling systems at certain airports, the injury and illness rates at those airports have declined. These initiatives are just a few of the many ways TSA is working to improve screener performance by reducing injury rates.

To meet our demanding staffing needs, TSA has identified elements within the staffing standard which comprise the Screener Allocation Model. This model includes the equipment fielded at all airports and associated screener allocations. There are a number of factors that can impact the size of the screener workforce, including wait times, detection technology, checkpoint configuration, airline load factors, and schedules. TSA has set out to develop a more robust and dynamic tool to better define aviation security staffing requirements at the Nation's airports. The Screening Allocation Model provides TSA with an objective measure for screener staffing levels at each airport. In the future, In the future, TSA will be able to use this model to objectively reapportion its authorized screener workforce of 45K FTE. A report to Congress containing the elements of the Screener Allocation Model is currently under Departmental review for submission to Congress.

Checkpoint and Baggage Screening Technology

As TSA recently testified before this subcommittee on July 19, 2005, the TSA technology program is designed to provide optimal tools to our screeners. In support of screening checkpoint operations at airports throughout the country, TSA uses Enhanced Walk Through Metal Detectors (EWTMD), TIP-ready X-ray machines (TRX) and Explosive Trace Detection (ETD) units. To ensure that we continue to comply with the requirement to screen one hundred percent of checked baggage at all of the Nation's commercial airports, TSA uses ETD and EDS equipment. In-line EDS are currently deployed as a cost effective screening process at high volume airports.

TSA is also developing new technologies in support of passenger and baggage screening. We recently completed pilot projects for explosives detection trace portals and we are running an ongoing pilot project for explosives detection trace document scanners. Other significant technologies currently under evaluation include an automated EDS for carry-on baggage and a whole body imaging technology (x-ray backscatter) to improve the detection of explosives and prohibited items on people who walk through checkpoints. Another priority is the development of a technology solution to more effectively screen cast and prosthetic devices for weapons and prohibited items. TSA is also testing a newly certified EDS unit—the Reveal CT–80—that should provide TSA with an alternative to in-line systems for some airports.

As recommended in the General Accounting Office (GAO) December 2004 report titled "Aviation Security: Systematic Planning Needed to Optimize the Deployment of Checked Baggage Screening Systems," TSA is already in the process of developing a strategic plan to determine which airports would benefit from in-line screening so-

lutions as well as those that would benefit from replacing ETDs with EDS equipment. Additionally, TSA continually reviews and, as needed, refines the protocols and training of all screening procedures to include primary ETD screening for checked baggage.

TSA believes that increasing automated detection increases security capabilities, potentially minimizing personnel costs and staffing requirements, while increasing throughput capacity. Our efforts will focus on increasing our technological capabilities to keep pace with potential terrorists, whom we must assume are constantly examining how they can penetrate security at our Nation's airports.

Private sector partnerships

Another important resource we rely upon to accomplish our screening mission are public-private partnerships. TSA is currently operating several programs that leverage resources offered by the private sector, including the SPP and the private sector screening pilot known as PP5.[2] The SPP is a leading example of how TSA is partnering with the private sector to accomplish our screening mission and meet this important Congressional mandate. As required by the Aviation and Transportation Security Act (ATSA), TSA established the SPP to permit airports to apply to use private, rather than Federal, passenger and baggage screeners beginning on November 19, 2004. As ATSA requires, these private screeners must meet all requirements and qualifications applicable to Federal screeners concerning hiring and training, pay and benefits for private screeners must not be lower than Federal screeners, private screeners must be overseen by Federal Government supervisors, and screening services must be equal to or greater than the level provided by Federal screeners. TSA regards security as non-negotiable and will remain faithful to its core mission by ensuring that participants in SPP comply not only with the specific terms of ATSA but also other applicable statutory and other Federally-mandated requirements that affect aviation security.

TSA established the SPP Office to provide financial oversight, ongoing operational support, communications, and transition planning for airports that apply to participate in the program. To date, the agency has received seven applications for the program, including two applications from the Elko Regional Airport in Elko, Nevada and Sioux Falls Regional Airport in Sioux Falls, South Dakota. In addition, the five PP5 Pilot airports have submitted their applications to move into the SPP.

In establishing the SPP, TSA has sought to create a true partnership that leverages the strengths of the private and public sectors in order to fully capture the best of both worlds and work together toward our common objective—to ensure the security of the Nation's aviation security in a cost-effective and customer-oriented manner.

TSA has made great strides to provide the best training, equipment, and technology to all of our Nation's aviation screeners. In order to continue this progress and meet the challenge of staying ahead of those who pose a threat to our aviation system, TSA will continue to maximize all available resources—personnel, technology and partnerships with the private sector—in order to accomplish our mission of ensuring the security of the Nation's aviation system.

Chairman Lungren, Congresswoman Sanchez, and other distinguished Members of the Subcommittee, this concludes my prepared remarks. I would be pleased to answer any questions at this time.

Mr. LUNGREN. Thank you very much for your testimony. We appreciate that. We appreciate the visual addition we have here today.

Let me ask you a couple of questions.

Before 9/11, it was widely reported that annual attrition rates at the private screening companies were extremely high. How do current attrition rates for TSA screeners compare? And how do current rates for private screeners at those five pilot projects compare?

Mr. BLANK. Prior to 9/11, screener attrition rates were over 100 percent annually with the private-sector companies that managed the function under airlines' regulation—or our regulation, but airline costs—at that time.

[2] This program was also established by ATSA (P.L. 107–71) and comprises the following five airports: San Francisco International Airport, Kansas City International Airport, Greater Rochester International Airport, Jackson Hole Airport, and Tupelo Regional Airport.

TSA seems to have stabilized at an annual attrition rate of 23 percent, 24 percent. That is what we have seen over the past couple of years.

The private-sector companies—I am not precisely certain, but I do think they do have a bit lower attrition rates. And what I would suggest there is that, obviously, we are dealing with many more thousands of people than the private-sector companies are, and you have to take the attrition rate apart and say, "What is voluntary attrition and what is involuntary attrition?"

And when you do that, you will see TSA's attrition rate drop to about 18 percent, which means that we are firing some people for on-the-job actions: perhaps they commit a crime, they don't perform properly or something along those lines.

Mr. LUNGREN. Are there any areas in the country where the attrition rate is significantly better or worse than the national average? And if so, do we know why?

Mr. BLANK. Well, there are differences amongst regions. And I would attribute that to two things.

One, local job markets make the screener profession more attractive in some areas than in others.

And, candidly, airport TSA management can have something to do with that. So if we see an airport with a particularly high attrition rate, that would signal to us that we need to go to that airport and find out why that is occurring and what management improvements we want to make.

For instance, Houston Intercontinental has a very low attrition rate. It is down around 13 percent. Washington Dulles, who testified here, has a bit higher attrition rate. It is a problem for us at Dulles because there is not good public transportation to get out there, and because the cost of living and the competitiveness in this particular region to get and maintain screeners is a challenge.

So a number of factors are built into it, but there are differences.

Mr. LUNGREN. With respect to the flexibility that is allowed in the workforce, we have all types of airports. We have got the busiest airports; some of the people talked about that. We have got some that are not very busy, where it seems to me it would be very hard to figure out how a TSA screener, if that is all they were allowed to do, could possibly fill up 8 hours.

Do you have situations where someone is at an airport that only has a couple of flights a day, that your employees work split shifts? Or what do they do when they are not confronted with anybody?

Mr. BLANK. Well, that is a scheduling challenge. And what we would do is, where we see airports with a bank of flights in the morning, a bank of flights in the afternoon, we would try to emphasize part time, so that those individuals could come and go.

We would also use job-sharing agreements, where we might have two individuals that, maybe over an 80-hour week, two or three people are splitting those 80 hours up in some fashion or other. Somebody might work 40–20–20 for other two people, and that sort of thing.

So wherever we can get that kind of flexibility, we are definitely taking advantage of it. But it can't be perfect. It is hard and it is expensive to recruit part-time screeners. It is expensive to train them.

Mr. LUNGREN. I was just wondering—you know, again, I go back to the Southwest Airlines model. Before Southwest Airlines every airline felt that you had rigid job assignments: that is all you could do, you couldn't do anything else. Southwest showed that you could have people do more than one thing.

And, again, I am not an expert in this, but it just strikes me at some of these airports where you have got very little to do in terms of screening, just because of the nature of the service, whether flexibility where someone screens part of the time and does something else another part of the time.

Mr. BLANK. Under the Screening Partnership Program, at some smaller airports that we refer to as category 3 and 4, we would like to explore an arrangement where we shared an employee with the airport authority.

And let's say we had a situation with a bank of flights in the morning, as I said, we need a screener for 2 hours, we get a bank of flights in the afternoon for 2 hours. We would like to explore an arrangement where that individual is then for 4 hours in the course of the day on the payroll of the airport authority performing some function that is necessary in the context of those operations. We hope to be able to do that.

Mr. LUNGREN. I thank the gentleman.

The chair recognizes Mr. Thompson for questions.

Mr. THOMPSON. Thank you very much, Mr. Chairman.

And I appreciate the opportunity given me by the ranking member of the subcommittee to go and do a number of things that I am already late in doing. I am sure I will have to make it up, though, nonetheless.

Mr. Blank, I hope you were here for the testimony of the first panel.

Mr. BLANK. I heard it all, sir. I watched it in the next room.

Mr. THOMPSON. Mr. DeMell said that TSA had provided a directive that said that private security people could not organize. Are you aware of such a directive?

Mr. BLANK. That is not correct, sir. What we have said and our policy has been is that screeners may not, whether they are federal or private, engage in collective bargaining. We will not engage in collective bargaining. But if the private-sector screeners chose to organize themselves into a union, we have no policy and made no statement against that.

Mr. THOMPSON. I am glad to hear that. And I am glad we are on the record.

Several times members of the committee have been made aware of situations using the transportation worker identification card, and the fact that people are showing all kinds of identification when they are going on airplanes. And some of those identifications are expired passports, expired driver's license, any number of things, television station I.D. cards.

Where does your operation fall in this?

Mr. BLANK. We would like to take logical and reasonable steps to move to a place where you are absolutely required to have some sort of government-issued I.D. with picture displayed in order to be able to get your boarding pass and enter the sterile area and get on an airplane.

We think the REAL I.D. Act is going to bring some standardization to driver's licenses and other credential, is going to help get us in that direction.

We think our work on law enforcement identification verification, because there are so many different kinds of law enforcement credentials, we think that is going to help.

But as of today you do not have to have identification in order to be able to fly. If you were to come to the airport, have forgotten your wallet and not have identification on you, you would be permitted to fly, but you would be subjected to secondary screening. And we are not comfortable with that. We want to do better than that.

Mr. THOMPSON. That is news to me. I just assumed that if you left your I.D. you couldn't get on a plane. That is good. So at what point do you think TSA will have a hard and fast rule on identification?

Mr. BLANK. We are going to be influenced in that by other federal government activities. The REAL I.D. Act is going to have a benefit to TSA, but it is not TSA's to implement. HSPD–12, which is going to standardize federal credentials, will have a positive impact on that.

So we will continue to evaluate against threat and other risk information whether or not we should do that, at what rate we should do it or whether we should let what is happening as a result of other federal initiatives fill that gap for TSA.

Mr. THOMPSON. Well, I think we need to clear it up. It is confusing. If I have an electronic ticket, I have to show that I am that person. And what you are telling me now is that that is really not a policy.

Mr. BLANK. Well, the issue is the validity of the credential that you have. In other words, what we need to be able to make ourselves sure of—we may do this through some biometrics or other ways that we standardize credentials, but if you have a fraudulent credential, it is still possible—there is a chance we are going to catch you, but it is possible that that fraudulent credential could be used to get you aboard an aircraft.

And so eliminating fraudulent credentials is the objective.

Mr. THOMPSON. If you will bear with me, Mr. Chairman.

So there is no regulation for the I.D. or what is it now?

Mr. BLANK. Well, the regulation is that you are required to show government-issued I.D. at the time you get your boarding pass. Then we require the airlines to check that I.D. at the top of the line approaching the checkpoint. That is the requirement.

Now, if an individual presents themselves and they do not have any identification, the procedures would be to say, "Well, you will be subjected to secondary screening." And you would be patted down, hand wanded, and your carry-on bag would be examined.

Mr. THOMPSON. And I could get on the plane without I.D.?

Mr. BLANK. You could, sir.

Mr. THOMPSON. So, conceivably, bad people can get on planes without identification?

Mr. BLANK. Conceivably, they could. Then the next question is, could they bring that plane down? And what we would say is that the layers make that a reasonable risk, at least for now. Armed pi-

lots, hardened doors, trained cockpit crew, federal air marshals, inspections and the other security measures make that a reasonable risk for now.

Mr. THOMPSON. So do we have 100 percent luggage screening in this country now?

Mr. BLANK. Yes, sir.

Mr. THOMPSON. What about cargo screening on that passenger plane?

Mr.Blank. There is 100 percent screening of all cargo going into the belly of a passenger plane. Some of it is physically screened and some of it is screened through the protocols of the Known Shipper program.

Mr. THOMPSON. Thank you very much, Mr. Chairman.

Mr. LUNGREN. I thank the gentleman.

Mr. Pearce?

Mr. PEARCE. Thank you.

Mr. Blank, does TSA measure wait times?

Mr. BLANK. Yes, sir.

Mr. PEARCE. And how do those compare with TSA-operated airports and private-operated airports?

Mr. BLANK. Let's take a look at yesterday. San Francisco's average peak wait time was 8 minutes. Providence was 11 minutes.

Mr. PEARCE. Nationwide, do you compile the data?

Mr. BLANK. The answer is yes, but we compile it daily for the top 40 busiest airports.

Mr. PEARCE. And so nationwide, if you compiled the private screeners and the TSA screeners, what is the nationwide average? Are they comparable?

Mr. BLANK. Yes. Yes, sir, they are.

Mr. PEARCE. They are equal or comparable?

Mr. BLANK. They are comparable, but they are not exact. SFO was 8 minutes, Dulles was 12 minutes.

Mr. PEARCE. What about worker's comp? What is your worker's comp modifier for a TSA employee?

Mr. BLANK. I am not sure I understand the term "modifier," but it is 36 out of 100.

Mr. PEARCE. Modifier is an assignment by the insurance company. The higher your injury rates then the higher your premium is going to be.

And if you all don't have to go through the regular worker's comp system, how do your worker's comp injury levels per thousand compare to the industry?

Mr. BLANK. They are high. Transportation workers, whether they are luggage handlers or TSA workers are high.

Mr. PEARCE. How high? And how much higher?

Mr. BLANK. They are approximately in the low 30s per100. And that is high.

Mr. PEARCE. And what would they be among screeners in just private industry?

Mr. BLANK. They are considerably lower. I believe that they are in the order of eight to 10. But it is difficult to make a direct comparison, because the definition of injury for the federal government is broader than it is for the private sector. And the private-sector

costs, which is what you measure against, mainly reflect insurance premiums.

Mr. PEARCE. Having been in private industry, I don't see how you can say that you have a broader definition. I had to report every single thing, so we would have lost injuries due to a fingernail that was torn into the quick. I don't think you can get much broader than that. Frankly, I am not sure. I would appreciate seeing objective data on that.

There was funding diverted in the first year from equipment purchases to hiring costs. Is that still a function that is going on? Are we moving money from equipment to salaries?

Mr. BLANK. There may have been relatively small amounts from equipment to salaries. We have moved money to salaries.

Mr. PEARCE. It was above $100 million I think.

Mr. BLANK. Well, it was primarily out of I.T. costs or high-speed operational connectivity and out of training, as well as some equipment.

But we have spent, literally, billions of dollars on equipment. The EDS equipment program is just about the largest program in all of the Department of Homeland Security.

Mr. PEARCE. Are we seeing an accompanying decrease in salaries and the number of FTEs? That is what the private screeners tell us; that if they get the right equipment they can lower the personnel costs. Are you seeing that related decrease there?

Mr. BLANK. We know that we have efficiencies where we have in-line systems, but we are seeing increases at the checkpoint. So if we are able to reduce on the baggage screener side of the house, they are needed on the passenger screener. So overall we are not seeing a net personnel need reduced.

Mr. PEARCE. The initial projection for salaries was in the $100 million range in the first year. It went to $700 million. Does that anomaly still exist? Are we still running seven times what we thought on salaries?

Mr. BLANK. I think that is relatively the correct number.

Mr. PEARCE. So we have $700 million in the first year and part of that $700 million went—I think there was $1,500 for four or five extension cords in one Washington Post report. Are we still allowing those kinds of expenses to occur?

Mr. BLANK. The Washington Post was in error, sir. They reported that Eclipse got $21 million. If you look behind the curtain, TSA rejected all but $6 million of those costs.

So if Eclipse spent $1,400 for extension cords, TSA and the federal government did not pay for it.

Mr. PEARCE. You are saying then that The Washington Post maybe even in excess of partial error of the whole concept that we had an absolute nightmare in processing people? Was The Washington Post article incorrect in that regard?

Mr. BLANK. I would say this: I know what TSA paid to get that job done. What NCS Pearson may have paid its subcontractors, I don't have a copy of their contract and it is none of my business.

I know what we paid, and there are a couple of things that are at work, one of which is the way the money was appropriated. We can't go anti-deficient, so if we put $100 million to something that

we well know is going to be more than that, we only put $100 million to it so that we don't make commitments that we can't pay for.

So that is part of the fits and starts. But there is no question that the requirements of the contract changed in order to get the job done, and that is why it went up significantly.

Mr. PEARCE. Thank you, Mr. Chairman.

My time has expired.

Mr. LUNGREN. The Chair recognizes Ms. Sanchez for questioning.

Ms. SANCHEZ. Thank you, Mr. Chairman.

And thank you, Mr. Blank, for being before us today.

I just want to follow up on something that the ranking member, Mr. Thompson, asked you. He asked you if 100 percent of cargo in the belly was checked and you said yes.

Do you not mean that there are some companies who ship quite a bit and so they are in a special program and so they certify that, in fact, they have done all the right things and therefore that cargo gets on but it is not necessarily checked?

Mr. BLANK. Well, ATSA requires us to screen 100 percent of all cargo going in the belly of the aircraft. Our policy is that the Known Shipper program counts for screening and for compliance with ATSA.

And what we have done over the years is gradually increase the requirements for physical inspection. I can't say the precise amount because that is classified. But we have regularly increased the amount that is opened or put to an EDS machine or X-rayed.

But the screening for that cargo is that it comes from a known shipper. The people that are handling that have been subject to background checks and a number of other things. I can't go into any classified study but that is what we use to screen at this time.

Ms. SANCHEZ. And when you say "known shipper," that is like a DHL or something, right?

Mr. BLANK. They have to comply with various provisions that we lay down in order to be a known shipper. DHL may or may not be a known shipper but we would be more interested in DHL's customers. DHL may bring us cargo for the passenger aircraft belly, but they can't bring us a package that does not come from someone who is a known shipper.

Ms. SANCHEZ. So if I never shipped and all of a sudden I want to ship something and I give it to DHL, you are telling me that you are either going to put that piece through a machine or you are going to open it up before it gets on the belly of the plane.

Mr. BLANK. I think it would be—actually, DHL would take that from you, determine that you are not a known shipper, and they would get your package there on other than a passenger aircraft, either over the ground or on an all-cargo aircraft, or they would subcontract to a charter cargo operator.

Ms. SANCHEZ. So that package would have no possibility of going in the belly of a plane—

Mr. BLANK. If it does not come from a known shipper.

Ms. SANCHEZ. —that is carrying passengers?

Mr. BLANK. That is correct.

Ms. SANCHEZ. All right.

I have another question for you. We learned on Tuesday that you are undertaking a massive reduction of the 45,000 screeners that

you have. And there is a chart that was provided to us that sets forth all the different changes.

And it affects all sorts of airports: what I call large airports like Atlanta and smaller airports like my John Wayne Airport. Atlanta loses 21 screeners. Portland loses 168 screeners. My airport in Orange County, John Wayne Airport, loses 28 screeners.

And my question to you is, this is coming in the middle of what I thought was a record-breaking summer travel season. Can you tell me how you determined, what kind of factors you looked at, what criteria was used to make these proposed reductions? When would this reallocation occur? How often do you expect this kind of a shift to happen like this? How are federal security directors and our airport authorities notified? And how are they supposed to adjust to those allocations of the workforce?

And why does an airport like Atlanta, where every time I go through it it is completely and totally backed up as far as I see— maybe I just travel on peak time or maybe I just travel at a time when thunderstorms are hitting every time or what have you, but every time I go through that airport, it seems there are chronic lines and checkpoint problems.

Why are they losing screeners? How did you determine this?

Mr. BLANK. Well, if I can just give about 30 seconds of background.

How did we determine how many screeners an airport needs anyway? And we, going back to February of 2002, when we began to federalize checkpoints, we looked at the private-sector model that was in place at that time; that guided us. We got very smart consultants and industrial engineers, and we modeled checkpoints so that we could come to a number of what it would take to do the checkpoints across the country.

You will recall, that really didn't work very well because that is where we got 60,000 screeners, looking at what was out there and making some theoretical judgments.

So we were cut back, and we are currently capped at 45,000 FTE, and that is not a body count, that is a money count.

The next thing we did was try to develop a model on our own, and the model that we used considered enplanements, numbers of enplanements at a particular airport. And that factored in with a variety of other things, but that was a key driver in order to determine the allocation level.

Well, turns out that is not really a fair guide, either, because we really need to get an understanding of passenger screening because a connecting passenger isn't going to be rescreened. And so enplanements doesn't do for you what we need to do.

So we have worked over the past year to develop a screener allocation model that seeks to look at what happens in 5-minute increments at peak times, and what we need to do in terms of processing. We were guided by a goal of processing through in 10 minutes.

We looked at the number of checkpoints, the number of lanes in all of these airports. We looked at expected expansions, changes in flight schedules. We looked at arrival patterns so that we can understand that. And we included non-passenger demand, like airline employees and crew that we have to process through.

We used a sophisticated time and attendance software product that would help us understand staffing and plug in a lot of the industrial engineering that we have used.

So we came out with a reallocated number and then we understood that—we have always said, "If you have seen one airport, you have seen one airport." We took that number out to the federal security directors and others at a particular airport and said, "This is what our inputs and a relatively sophisticated model tell us you ought to be able to do the job with here. If you have the right mix of full-time and part-time screeners and if you are getting the proper efficiencies, if you are managing that workforce properly, this is what you ought to be able to do it with."

And there was some back and forth. Some adjustments were made to these numbers.

And at the end of the day, there are some airports that we have determined that we believe are overstaffed and some that are understaffed, and it is our intent to make the necessary adjustments.

Now, with regard to Atlanta, they physically don't have enough lanes to handle the peaks at Atlanta. They need to do some expanded coverage of lanes to get people through a Atlanta, so that is a contributing factor.

They also have challenges in Atlanta to recruit part-time workers. We would like to see Atlanta have about 20 percent part-time workers in its workforce. They have only 2 currently.

So that makes for some serious challenges that we have got to fix, from a management perspective, at a number of these airports.

Ms. SANCHEZ. Thank you, Mr. Blank.

I will just add that we use IAD a lot here, and I have noticed that you are going to increase it by something like 79 people. That is good. Because 2 weeks ago, we waited an hour and a half in that security line.

Mr. BLANK. I am sorry that happened, Congresswoman.

Ms. SANCHEZ. Thank you.

Mr. LUNGREN. The gentleman from the state of Washington?

Mr. DICKS. Thank you. And we appreciate your good efforts and good work.

How many active, ready-to-work screeners do we have today?

Mr. BLANK. You mean in the screener workforce?

Mr. DICKS. Right, that are under the 45,000 cap.

Mr. BLANK. Well, we have 47,600 screeners out there. And that equates to, right now today, approximately 43,500 FTEs.

Mr. DICKS. So the 45,000 is FTE.

Mr. BLANK. That is correct. Think of that as a money number.

Mr. DICKS. Okay. How many are working today?

Mr. BLANK. Over 47,000 are out there working.

Mr. DICKS. Some of them are part-time.

Mr. BLANK. Some of them are part-time. And I don't know that there are 47,600 people out there on the line today.

Mr. DICKS. Okay, how many FTEs would there be, 43,500?

Mr. BLANK. 43,500 is what the?

Mr. DICKS. So we are under the FTEs by 1,500?

Mr. BLANK. Well, we are, but here is what we have learned how to do. The requirement in the statute is that we are at 45,000 FTE at the end of the fiscal year, September 30.

So what we have done to deal with the holiday period and spring break is we have been up over that. We have been up to nearly 47,000 FTE. And now what we have to do is we have to manage down under that during this particular period of time so that we don't go anti-deficient at the end of the year.

Mr. DICKS. Is that what this new chart that everybody is talking about today is an attempt to do, to get down, by October 1 of 2005?

Mr. BLANK. We are where we need to be in order to not go anti-deficient on September 30, 2005. We are on-target.

Mr. DICKS. When you do this chart, okay, with all these different airports, what is the net of it? How much?

Mr. LUNGREN. Would the gentleman yield for just a moment?

Are you suggesting you are coming down at a time—isn't this a busy travel time?

Mr. BLANK. We are operating the system, as we did last summer, with about 43,500 FTE. We are now ready to go back up, to head back up to—

Mr. LUNGREN. No, but what I am trying to figure out is if you are trying to go back down by the end of the fiscal year. You use the same fiscal year we do, right?

Mr. BLANK. No, excuse me. Let me be clear.

Mr. LUNGREN. The image you have just given us is you are going down at a time when air traffic is going up so that you can hit a number that we in Congress have said you have to have, which means you are listening to us but you are not listening to the public. And maybe that is our fault.

Why don't you to explain it?

Mr. BLANK. Okay. Let me do it this way.

Mr. LUNGREN. Now that we have got you completely confused and ourselves confused.

Mr. BLANK. Historically, TSA did not hire up to the 45,000 FTE cap because federal security directors and others did not have the confidence that we understood our costs and the on boarding time and what our attrition rate was going to be, so that we would not go anti-deficient.

In other words, if you were a federal security director and you were authorized 200 screeners at your airport, what you would do is you would only hire up to like 190, because you would not want to go over the 200.

What we have gotten better at is to say, "You can go up to 225 at your airport to deal with Christmas time and the holiday season and spring break and even summer, but in the spring and the fall, you have got to learn how to get down under 200, to 185, so that you come out right at the end," okay?

So we have done that through the spring. And now, because we are dealing with the peak summer, now we are coming back up. And that 43,500 I mentioned, that is going to be 45,000 before long.

Mr. DICKS. Do you have enough training capability and the ability to find the people so that you can bring them in like that? Or are some of them full-time that go to part-time that go to full-time or go from full-time to part-time?

Mr. BLANK. Sometimes we offer a full-time and they might want to go to part-time. More often, we will take part-timers and tell them, "We are making you full-time. Is that okay?"

There was a lot of discussion here about centralized hiring, and that was the only way we could get the job done in the early days. In the past 10 months we have done a great deal to push hiring authorities out to local FSDs and empower them to make job offers and do assessments and that sort of thing.

And it is working pretty well that we are being able to identify and get vacancies filled; not as good as we need to be, but we are getting better.

Mr. DICKS. Now, funding levels: What was your budget request this year? How many FTEs did you request in your budget?

Mr. BLANK. The President's budget requested 45,000 FTEs.

Mr. DICKS. So you had enough money in there for 45,000. Where are the House and the Senate Appropriations Committees on this issue?

Mr. BLANK. Well, for fiscal year 2006, the House would cut the 45,000 by 2,000 and the Senate would cut it by 6,000.

Mr. DICKS. What was the thinking there? Or is there any? And I am an appropriator, so I can?

[Laughter.]

I am not on that subcommittee, however.

Mr. BLANK. I believe the thinking is that if you put more technology out there more quickly, then your personnel costs will go down.

Mr. DICKS. Well, that is the perfect lead-in then to the other question.

Now, you have got to answer—you have got all these gentlemen behind you and 429 airports that would benefit from in-line EDS. And yet we only have—wasn't there a contract for, how many, nine?

Mr. BLANK. Yes, sir.

Mr. DICKS. And how much is your budget request for that item? Couple of hundred million?

Mr. BLANK. For in-line EDS?

Mr. DICKS. Yes.

Mr. BLANK. $250 million?

Mr. DICKS. And that is obligated, right? How many years before somebody new is going to be added to this system?

Mr. BLANK. Well, I am not sure there is going to be anyone new added. We did not request any additional LOIs for fiscal year 2006. And I can't testify?

Mr. DICKS. Is there anything in the president's budget over the next 5 years for additional in-line? They do a 5-year projection here.

Mr. BLANK. Here is what I would say. For now, we are not requesting any additional money for in-line.

But here is what I would say. And I would say this to and have said this to some of the gentlemen sitting behind me. Federal participation doesn't need to prevent them from investing in their own in-line system. Boston did so prior to the time that 9/11 happened. They have another in-line now but at the time Boston built, they did not.

Tampa, Lexington, Boise, Fort Lauderdale, are all investing in in-line systems without—they have the hope but they don't have the commitment of federal reimbursement.

I will also say to these gentlemen, you have talked a lot about growth and there is significant growth. The airline traffic is growing, it is back, new terminals are being expanded. And what that means is these gentlemen back here, they are doing pretty well in the collection of passenger facilities charges.

If you ask the airports, they are going to tell you, they are sitting on some cash that they could invest in something.

Mr. DICKS. What is the incentive for them, though? If the federal government is paying for the screeners and if by making the investment we have reduced the number of screeners required, that is saving us money. How does it save them any money? I mean, what is the incentive for them to do that?

Mr. BLANK. Well, they have to compete for business at their airport. Every region in the country these days offers a choice. And so they want new facilities, best facilities, customer-convenient facilities.

Mr. DICKS. Okay. But let's get down to it.

If you walk away from this, there are going to be a lot of airports that are not going to be able to afford to do this or won't do it. And we then are stuck with the older equipment which is not as effective. I mean, Mr. DeFazio—who, by the way, thinks you are doing a great job and told me, "Now, be very easy on Mr. Blank today." I said, "Well, we have got to ask him the hard questions."

Mr. LUNGREN. There is always a first time.

Mr. DICKS. Yes, there is always a first time.

But the bottom line is we need to get this equipment, this higher technology, out in these airports. Now, how are we going to do it if there isn't a federal program?

And you are basically saying there isn't a federal program in the future.

Mr. LUNGREN. If the gentleman could be brief, Ms. Jackson-Lee is next up and I think we are supposed to get a vote shortly, so I want to make sure she has a chance to ask questions.

Mr. DICKS. Well, we have 15 minutes before they vote.

Mr. BLANK. Okay. Let me come at it two ways very, very quickly.

When the President's budget came out this year and there was no money for additional LOIs, and that became apparent, I went to airport trade association meetings and for the first time I saw equipment manufacturers stand up and say, "You know, there are different ways to do in-line systems and some of it doesn't have to cost as much as we really thought it did since we see the federal government share is going down."

So the manufacturers are our partners. The airports are our partners, the airlines and the federal government.

And who pays for what is a debate that we are very, very willing to have.

Mr. DICKS. Is the FAA involved in any of this? Does the FAA do any of this separately from DHS or TSA?

Mr. BLANK. No. In the early days, some airport improvement funds were allowed to be used for security, but that is no longer the case.

The other thing that I would say, in the context of the Department of Homeland Security, which this subcommittee and committee cares a great deal about, when I tell you that this program as it exists right now today, the EDS program, is one of the largest in all of the Department of Homeland Security, there are people that say, "Why would you make the largest larger? We have other threat vectors. We have chem, bio, rad. Why would we make the largest larger at the expense of neglecting these other threat vectors over here?"

So that is a policy debate we have to have too.

Mr. DICKS. But there is a chance here for a major saving.

Why not make some kind of a program, a loan program of some sort, a loan guarantee program of some sort available so that they can borrow the money and invest in the equipment and get us the extra increment of safety?

By not doing anything, I don't see how the federal government is providing leadership in an area where I think we have to provide leadership.

Mr. BLANK. I agree with you. And we are doing exactly that.

Airports are very good financiers, and we are engaged with a set of airports. And, in fact, there is report language in the House appropriations bill for 2006 that requires us to do a pilot program at five airports using creative financing aimed at turning the savings back. And we are engaged in thinking about how to do that.

While it is certainly not administration policy at this point, leasing of equipment might be an option in order to make these dollars go further.

Mr. DICKS. Thank you, Mr. Chairman, for being so lenient.

Mr. LUNGREN. The gentlelady from Texas?

Ms. JACKSON-LEE. Thank you, Mr. Chairman.

I always offer my appreciation to the chairperson of the subcommittee and the ranking member of the subcommittee and, of course, the chair and ranking of the full committee.

Mr. Blank, let me also thank the staff of the Transportation Security Administration for taking up a very tough challenge and, by and large, for complimenting the vast numbers of hardworking agents that you have in the various airports.

I think it is important for America to know that TSA is in every airport, short of those who may have opted out but if you are small, if you are rural—when I say small, small, that you are not a private system—you have the responsibility of having TSA agents. So that if you are somewhere in parts of South Dakota, North Dakota with a duly qualified airports, you are there as well as in the major airports in cities like Houston, New York, Los Angeles and others.

And might I also offer my appreciation for the very fine TSA personnel in the Houston Intercontinental Airport, my congressional district, and Hobby Airport in Houston, Texas.

Given those words of appreciation, let me also just restate again that I think that America's security is a federal issue. And I am not convinced of the various obstacles and hills and valleys that TSA is traversing through.

I am going to give you a series of questions along those lines.

First of all, if you had your druthers, what number of TSA agents, screeners? We are talking the number 45,000. What num-

ber would you suggest would be a reasonable response to the need that we now have?

What would be the option to encourage other airports to do the EDS in-line of their accord and then seek reimbursement? What kind of proposal would you put forward to this committee, for us to assist in that kind of reimbursement dollars so, in fact, that we could answer the question?

Where are we in terms of the Transportation Workers Identification Credential, TWIC? How far along are we in providing that particular identification card? And how much of an assistance would that give?

We have been talking dollars here and, of course, I have an adverse opinion about talking dollars and security. I think there is no greater responsibility other than adhering to the Constitution here in America.

Frankly, we are sitting in this committee talking about dollars. We are not securing America; we are talking about dollars.

I would rather give back tax cuts that have no value to the American people, particularly as it goes to large entities, and give you the money, to be very frank.

Because one day there is going to be an enormously tragic incident, the likes of 9/11. It is just the nature of what we live in. And all of the human talent may not be able to thwart it.

But the one thing that we need to be able to say, one thing you want to say, Mr. Blank: "I did everything I could." And right now, we cannot say that we have done everything that we could do. We are quarreling over 45,000 screeners. We are quarreling over EDS in-line. We are not doing everything that we can possibly do.

And then the other aspect is that we are not training the particular agents. The shortness of the training, the hard hours, the lack of flexibility—which I know are your problems. These are good Americans, but they are not trained and they don't have the equipment. And we are quarreling about dollars.

So if you would, on this question of dollars, if an approved opt-out program did not produce measurable savings, meaning all this talk about privatization and customer benefits'since we know the inspector general said it is four on your side and four on the private side—do you agree it should be terminated and TSA screening reinstated? And is there some criteria?

I believe that we have failed in doing all that we could for your agency. And I hope you were in the audience when I said LaGuardia in particular, I want to call them out, where somebody didn't allow a person to come back not three or four times but one time, shot them over to somewhere in an abrupt, ugly manner.

That is not security. And therefore we need to do a better job.

I would appreciate it if you answer those questions. And let's be straight up with us. All of us have the burden of the lives of Americans on our shoulders. If we don't do the right thing, I don't want to wake up one morning and said, "I am sorry because I didn't do the right thing and I didn't do everything that I could possibly do."

I yield to the gentleman.

Mr. BLANK. Congresswoman, thank you very much for your comments about TSA. Let me address the opt-out program.

For opt-out Screening Partnership Program, we are guided by the statute at TSA with regard to that program, which is to say that we are to make it available.

We are not to incentivize it. We are not to prefer one model over the other. We are to have it available to an airport that wishes to go down that line. And we are further instructed that the screeners must be paid the same and they must perform to the same standard.

With regard to overall number, I would like to roll the clock back a little bit to 2002, when we were in the process of going electronic for baggage screening in all of the airports. And we consistently heard that we were going to bring the aviation system to a halt, the airports were going to be in chaos, air travel would simply not exist. And that didn't happen.

And now we are hearing about untenable wait times because of the 45,000 cap and so forth.

And we have monitored it closely. We look at it very, very carefully every single day. But what we don't see is a metric that is telling us that that number is wrong as of now as I sit here before the subcommittee.

And if I look at wait times, I am going to see an average of about 10 minutes at the peak times of the 40 busiest airports yesterday. And so I am not prepared to tell you at this point that that number is not correct.

When we do as an agency believe that it is not correct, we will tell you. Because we understand and concur with what the previous panel said, that very crowded airport lobbies are a security threat. We recognize that, and we want to keep those lines down and move people through.

We get a little frustrated at TSA sometimes because no one seems to focus on the line at the airport check-in counter to get your boarding pass. And that is a little frustrating to us because we think those wait times can be longer than what the security wait time is.

As to EDS equipment, we are open to creative ideas as to how to get that job done. Leasing and savings that get turned back to the airport over some committed period of time are options that, from a matter of policy, we are trying to develop so we can have a robust debate and come before this subcommittee and present those.

As to TWIC, we are in the prototype phase and we have a number of important policy decisions that we need to make. Which is, how will we administer the TWIC program going forward? Will we do that through a contractor that is fielded by the federal government to manage and run that program, or will we set the standards and let the private sector produce TWIC cards, if cards are indeed involved, on a location-by-location basis?

So we have the knowledge from our piloting and our prototyping, and over the next several months we need to definitize precisely where that program is going.

And I appreciate, in particular, your comments about the demands of securing America and how one might feel if it is on his or her watch and a bad thing happens. That is on our minds at the helm of TSA, I can assure you.

Ms. JACKSON-LEE. Mr. Chairman, I thank you for your indulgence.

And I disagree with Mr. Blank on the 45,000, but I thank and respect his answer.

And I would also, Mr. Chairman, suggest that we have—and, Ranking Member—a hearing dealing with the ability of airlines to help invest in security matters. And maybe at this point of prosperity, or some form of prosperity, they might be willing to join in with this effort. But it is still I think the responsibility of the federal government.

I yield back, Mr. Chairman.

Thank you.

Mr. LUNGREN. I thank the gentlelady.

And I thank Mr. Blank and all the witnesses that appeared in our first panel for your valuable testimony, and all the Members for their questions.

The Members of the committee may have some additional questions for the witnesses, and we would ask you to respond to these in writing upon receipt. The hearing record will be held open for 10 days.

And without objection, the committee stands adjourned.

[Whereupon, at 12:52 p.m., the subcommittee was adjourned.]

FOR THE RECORD

ADDITIONAL QUESTION FOR THE RECORD FROM THE HON. DANIEL LUNGREN FOR JOHN W. DEMELL

Question: Could you please clarify for the Record, the amount of liability coverage that FirstLine Transportation Security, Incorporated carries?

Response: Liability insurance in the aviation sector is very difficult to buy at any price. The amount of liability coverage in place at FirstLine Transportation Security, Inc. is $50,000,000.00.

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