

SEQUESTRATION OVERSIGHT: PRIORITIZING SECURITY OVER ADMINISTRATIVE COSTS AT TSA

HEARING

BEFORE THE
SUBCOMMITTEE ON NATIONAL SECURITY
OF THE
COMMITTEE ON OVERSIGHT
AND GOVERNMENT REFORM
HOUSE OF REPRESENTATIVES
ONE HUNDRED THIRTEENTH CONGRESS

FIRST SESSION

APRIL 18, 2013

Serial No. 113-22

Printed for the use of the Committee on Oversight and Government Reform



Available via the World Wide Web: <http://www.fdsys.gov>
<http://www.house.gov/reform>

U.S. GOVERNMENT PRINTING OFFICE

81-243 PDF

WASHINGTON : 2013

For sale by the Superintendent of Documents, U.S. Government Printing Office
Internet: bookstore.gpo.gov Phone: toll free (866) 512-1800; DC area (202) 512-1800
Fax: (202) 512-2104 Mail: Stop IDCC, Washington, DC 20402-0001

COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM

DARRELL E. ISSA, California, *Chairman*

JOHN L. MICA, Florida	ELLJAH E. CUMMINGS, Maryland, <i>Ranking</i>
MICHAEL R. TURNER, Ohio	<i>Minority Member</i>
JOHN J. DUNCAN, JR., Tennessee	CAROLYN B. MALONEY, New York
PATRICK T. McHENRY, North Carolina	ELEANOR HOLMES NORTON, District of
JIM JORDAN, Ohio	Columbia
JASON CHAFFETZ, Utah	JOHN F. TIERNEY, Massachusetts
TIM WALBERG, Michigan	WM. LACY CLAY, Missouri
JAMES LANKFORD, Oklahoma	STEPHEN F. LYNCH, Massachusetts
JUSTIN AMASH, Michigan	JIM COOPER, Tennessee
PAUL A. GOSAR, Arizona	GERALD E. CONNOLLY, Virginia
PATRICK MEEHAN, Pennsylvania	JACKIE SPEIER, California
SCOTT DESJARLAIS, Tennessee	MATTHEW A. CARTWRIGHT, Pennsylvania
TREY GOWDY, South Carolina	MARK POCAN, Wisconsin
BLAKE FARENTHOLD, Texas	TAMMY DUCKWORTH, Illinois
DOC HASTINGS, Washington	ROBIN L. KELLY, Illinois
CYNTHIA M. LUMMIS, Wyoming	DANNY K. DAVIS, Illinois
ROB WOODALL, Georgia	TONY CARDENAS, California
THOMAS MASSIE, Kentucky	STEVEN A. HORSFORD, Nevada
DOUG COLLINS, Georgia	MICHELE LUJAN GRISHAM, New Mexico
MARK MEADOWS, North Carolina	
KERRY L. BENTIVOLIO, Michigan	
RON DeSANTIS, Florida	

LAWRENCE J. BRADY, *Staff Director*

JOHN D. CUADERES, *Deputy Staff Director*

ROBERT BORDEN, *General Counsel*

LINDA A. GOOD, *Chief Clerk*

DAVID RAPALLO, *Minority Staff Director*

SUBCOMMITTEE ON NATIONAL SECURITY

JASON CHAFFETZ, Utah, *Chairman*

JOHN L. MICA, Florida	JOHN F. TIERNEY, Massachusetts <i>Ranking</i>
JOHN J. DUNCAN, JR., Tennessee	<i>Minority Member</i>
JUSTIN AMASH, Michigan	CAROLYN B. MALONEY, New York
PAUL A. GOSAR, Arizona	STEPHEN F. LYNCH, Massachusetts
TREY GOWDY, South Carolina	JACKIE SPEIER, California
CYNTHIA M. LUMMIS, Wyoming	PETER WELCH, Vermont
ROB WOODALL, Georgia	MICHELE LUJAN GRISHAM, New Mexico
KERRY L. BENTIVOLIO, Michigan	

CONTENTS

Hearing held on April 18, 2013	Page 1
WITNESS	
Mr. John W. Halinski, Deputy Administrator, Transportation Security Administration, U.S. Department Homeland Security	
Oral Statement	9
Written Statement	11

SEQUESTRATION OVERSIGHT: PRIORITIZING SECURITY OVER ADMINISTRATIVE COSTS AT TSA

Thursday, April 18, 2013,

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON NATIONAL SECURITY,
COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM,
Washington, D.C.

The subcommittee met, pursuant to notice, at 10:00 a.m. in room 2154, Rayburn House Office Building, the Hon. Jason Chaffetz [chairman of the subcommittee], presiding.

Present: Representatives Chaffetz, Mica, Issa, Gowdy, Speier and Cummings.

Staff Present: Alexia Ardolina, Majority Assistant Clerk; Molly Boyd, Majority Parliamentarian; Daniel Bucheli, Majority Assistant Clerk; Caitlin Carroll, Majority Deputy Press Secretary; John Cuaderes, Majority Deputy Staff Director; Adam P. Fromm, Majority Director of Member Services and Committee Operations; Linda Good, Majority Chief Clerk; Michael R. Kiko, Majority Staff Assistant; Mitchell S. Kominsky, Majority Counsel; Mark D. Marin, Majority Director of Oversight; Scott Schmidt, Majority Deputy Director of Digital Strategy; Rebecca Watkins, Majority Deputy Director of Communications; Jaron Bourke, Minority Director of Administration; Devon Hill, Minority Research Assistant; Chris Knauer, Minority Senior Investigator; Rory Sheehan, Minority New Media Press Secretary; Cecelia Thomas, Minority Counsel.

Mr. CHAFFETZ. Good morning. The committee will come to order.

I would like to begin this hearing by stating the Oversight Committee mission statement. We exist to secure two fundamental principles. First, Americans have a right to know the money Washington takes from them is well spent; and second, Americans deserve an efficient, effective government that works for them. Our duty on the Oversight and Government Reform Committee is to protect these rights.

Our solemn responsibility is to hold government accountable to taxpayers, because taxpayers have a right to know what they get from their government. We will work tirelessly in partnership with citizen watchdogs to deliver the facts to the American people and bring genuine reform to the Federal bureaucracy. This is the mission of the Oversight and Government Reform Committee.

First, I would like to take a moment to express our deepest condolences to the victims and families of the Boston Marathon attacks and certainly what is happening at this time in West, Texas.

It affects all of us. You can't be human and not feel for the people that are having to deal with these things.

You also can't be grateful enough to the men and women who are there and responding. They woke up one day and everything was good and they were going to go to work or enjoy a marathon, or just be at home, and then all of a sudden, a disaster strikes, and terrorism strikes. And there are good men and women who wake up and answer that call and respond. They didn't necessarily choose or think they were going to be in that situation. But suddenly they were. Our hearts and prayers go to them.

And certainly, with my colleague and ranking member, Mr. Tierney, who is obviously in the Massachusetts area today, we will miss him, but totally understand it is the right place for him to be.

Senseless acts of violence and terrorism, such as what happened in the community of Boston, should never be tolerated. The bombings are a sober reminder that the threat of terrorism has not disappeared.

I want to specifically commend the TSA, including officers at the Boston Logan Airport for their dedication and working closely with the Boston police to heighten security and help ensure the safety of the traveling public. Their quick and immediate response in making sure that some of those facilities were secure for some of the departures of somebody who might be trying to escape are certainly commendable, not only in Boston but some of the smaller, other regional airports as well.

TSA proactively helped by asking passengers if they had seen anything, had photos or videos of the explosion. Also, it is my understanding that TSA wisely increased security at other significant airports during a period when it is unknown whether the bombings in Boston were part of a greater plot. For that, we are very grateful to the men and women who participated. That is what they are there for, and we need their help and their expertise and we appreciate it.

The tragedy which occurred in Boston is very much relevant to today's proceedings, as this hearing is designed to evaluate the impact of the sequestration on TSA's security operations. On March 1st of this year, the President issued a sequestration order, as required by law, mandating \$3.2 billion in budget cuts for the Department of Homeland Security.

Prior to and in the wake of sequester, Secretary Napolitano alarmed the public with sharp rhetoric on multiple occasions that TSA's operations would in fact be significantly impacted via the sequestration. For example, on March 4th of this year, Secretary Napolitano stated that airport lines were already "150 to 200 percent as long as they would normally expect," and that TSA would start sending furlough notices immediately.

However, in TSA Deputy Administrator Halinski's written testimony for today's hearing, Mr. Halinski states that "the initial projected impacts on wait times are largely mitigated." This assessment seems in stark contrast to Secretary Napolitano's initial rhetoric.

Now, we are almost two months beyond the start of sequestration, and today I would like to learn whether TSA has furloughed any employees, and if so, how many. I would also like to hear today

if Secretary Napolitano's concerns about wait times doubling for the traveling public has proven true.

Deputy Administrator Halinski's written testimony also notes that "After applying sequestration to its final enacted fiscal year 2013 appropriation, TSA's fiscal year 2013 funding level is \$670 million less than fiscal year 2012."

Placed in context, however, President Obama's fiscal year 2013 budget includes \$7.65 billion for TSA, which includes more than \$2.5 billion in fee collections. In other words, while the reduction to TSA's budget does require prudent planning, I strongly believe that TSA could be cutting unnecessary administrative costs and spending more effectively on security programs and other types of technology.

For example, despite the looming budget cuts required by sequestration, TSA agreed to an eyebrow-raising \$50 million contract for TSA uniforms. I will note, though, that I do appreciate the responsiveness from the TSA. In my short time here, I have seen a dramatic change in the responsiveness. Initially as we sent letters and other things back to the agency, we didn't get any responses. But in the case specifically of the uniforms, we got a very thorough and a very timely response. That is new. We like that. We encourage that. We applaud it and we note it here today.

Moreover, during the 112th Congress, this subcommittee held a series of TSA oversight hearings. During these hearings, we learned that there are numerous examples of ongoing waste at the TSA. These hearings examine the range of issues including the effectiveness, privacy issues, health risks associated with whole body imaging machines. We looked into the use of canines, airport perimeter security, SPOT program, TWIC, TSA procurement, deployment and storage of airport security-related equipment.

I would also note the work of the then-chairman of the Transportation Committee, Mr. Mica, who is here on this panel with us today, and thank him for his good work on the oversight of this as well.

GAO believes the SPOT program, for instance, which has already cost taxpayers more than \$800 million, is ineffective and recommended that Congress should consider limiting funding for the program. Likewise, committee investigators found that TSA had wasted approximately \$184 million by inefficiently deploying screening equipment and technology to commercial airports.

These are just a few examples of a number of potential ways for TSA to spend taxpayer funding more efficiently to account for the budget reduction without impacting security operations or increasing wait times.

Today's hearing should explore potential solutions to account for the budget cuts without affecting operations. For example, instead of using whole body imaging, TSA should be doing an analysis of whether canines would be more effective in conjunction with metal detectors and behavioral profiling and other types of efforts like that.

I also invited the Customs and Border Protection today, CBP, but unfortunately they are unable to testify.

Mr. Halinski, I would like to hear your thoughts on how to lessen wait times for international travelers entering the United States.

I look forward to hearing from the Deputy Administrator about the continued planning for sequestration and the challenge faced by the TSA and the solutions we can reach together.

I would now like to recognize the gentlewoman from California, Ms. Speier, for her opening statement.

Ms. SPEIER. Mr. Chairman, thank you, and thank you, Mr. Halinski, for being here. I too want to associate myself with the comments made by the Chair in applauding the first responders in Boston, our FBI who was on the scene immediately, and send our condolences to the families who have lost loved ones and those who have endured excruciating pain and maiming as a result of this horrific incident. It draws into clarity why we do need to have a homeland security operation and TSA as well.

I first want to make clear that I believe that deficit reduction should be a priority. But I am also of the opinion that spending cuts should be targeted and implemented in a strategic way.

Unfortunately, Congress did not allow Federal agencies that discretion. Instead, Congress required all Federal agencies to make a hatchery of cuts to every program activity and program. This was supposed to be such a bad idea that it would not happen. But as a result of this dysfunction and the institution it has, and we and the public are now seeing some of the consequences.

We heard on Tuesday about planned cuts to services in our national parks, our beloved Smithsonian. But at least those do not affect our national security.

At TSA, sequestration was causing reductions in the number of TSA officers at the Nation's airports. TSA was powerless to prevent that outcome because Congress had required the agency to impose these across the board cuts. So Congress took action, as only Congress can. It passed a new law that provided TSA with additional funds to partially reverse the effects of sequestration. Still, Congress has not even tried to reverse the effects of sequestration at most other Federal agencies.

Today we will hear from TSA regarding the impacts of sequestration on their operations, and on national security. I look forward to hearing how they have been affected by these budget cuts and its plans to try and balance administrative personnel and equipment costs going forward.

One of the biggest cuts has been to TSA's information technology budget. This includes checkpoint technologies, security screening equipment and infrastructure accounts. These budget cuts have caused contracts for new IT equipment and maintenance to be deferred or reduced, leaving security equipment prone to error and threatening our citizens safety.

At the same time, I have in the past been concerned by some of TSA's technology programs and procurement efforts including the much-discussed airport puffer machines several years ago, that were purchased without any determination of whether they would work in an airport environment.

I would like to hear from TSA how TSA has improved its technology procurement practices and how, in this challenging budget environment, TSA will ensure accountability and an adequate acquisition workforce to ensure proper use of TSA funds in technology development.

Finally, the Federal air marshals the last line of defense against those who seek to disrupt domestic flights, through criminal or terrorist actions, will be cut by \$49 million and are expected to remain on a hiring freeze. I look forward to hearing how this will affect the security of the traveling public and its long-term implications for the air marshal services.

These are not speculations or scare tactics, but rather, these cuts are affecting real people and we need to have our eyes wide open to assess to what extent these cuts potentially jeopardize the safety and security of the United States. It is the responsibility of Congress to make these budget cuts more targeted and less likely to put innocent citizens in harm's way.

I would like to join with the chairman and my colleagues on both sides of the aisle to start a meaningful, bipartisan negotiation to replace aspects of the sequester and to prevent these cuts from becoming something we will regret. I have recently launched the bipartisan Congressional Watchdog Caucus with Congressman Coffman of Colorado to create a culture of accountability for taxpayer dollars. I firmly believe that if we work together we can be smarter in weeding out waste, be fiscally sound and still ensure the safety of the traveling public.

In light of the despicable terrorist bombings that occurred in Boston on Monday, I cannot imagine that any American citizen is remotely interested in hearing about how the dysfunction of this Congressional body allowed unnecessary and preventable budget cuts to compromise their safety.

I yield back.

Mr. CHAFFETZ. I now recognize the chairman of the full committee, the gentleman from California, Mr. Issa.

Mr. ISSA. Thank you, Mr. Chairman, Ranking Member Speier, Mr. Cummings, my ranking member, and Mr. Mica.

We have all sat through multiple hearings about the dysfunctional organization known as the TSA. Now, Ms. Speier says sequestration is to blame. If I were a southerner and had been around animals long enough, I could say "bull" in a better way. But it is bull.

You are here today because, in fact, you have more assets than you should possibly need. You have grown assets, you have grown bureaucracy, your organization is constantly known as TSA, Thousands Standing Around. And the reason is, you endlessly include more and more people doing less and less.

And I am not blaming the men and women of the TSA. There has been a pattern of acquisitions, of products that don't work, warehouses filled with equipment that was bought and not used, contracts that promised to do one thing, and \$1 billion later, they don't do what they claim to do.

I think the most important thing is, until people going through checkpoints see the efficiency of people with blue uniforms, and by the way, I would like those blue uniforms to be a little more cost effective the next time you buy them, they are not going to believe a word you say today. You can tell us everything you want to tell us, but the men and women on the dais here, we go through the checkpoints. We see it. We see long lines, we have seen long lines for more than a decade, as your numbers have increased.

We see more people right now working in the headquarters of the TSA than work in the GAO, our accounting and investigation section. You have practically as much overhead as all of Congress. And yes, you have made cuts in areas that could potentially endanger America, because you haven't been willing to have attrition and right-sizing. You haven't encouraged alternatives to Federal employees when you could.

Now, the truth is, and I think the chairman would say he has seen it going back to Utah, like I have seen it going back to California, I listen to people who are TSA employees being used to say, no water bottles, put this in there, do this, do that. The bottom line is, that does not have to be an essential function. There were essential failures on 9/11, and they were mostly what we didn't know. And each time we have had another incident, we learn something else, your men and women, your hard-working men and women, have tried to react.

But between too much overhead, organizational failures, incredible staffing questions, I am going to close with this, Mr. Chairman. And this is not a normal opening statement for a chairman. But when I see these little daises being put up so that supervisors can look over the legions of people that it takes to put somebody through a line, I could do a simple count, and every member here can. The number of people to move a person through the line is not going down, it is going up.

Now, you are going to testify about, woe is me, we are going to be unsafe because we got a little less dollars. Go back to your budget after 9/11, 2003, 2004, 2005. Move it up in constant dollars and I am terribly sorry, but by 2004, tell me that shouldn't have been your highest cost at the time. It is not that there were more travelers, there were less.

So as you give us your testimony, bear in mind that the only people who will really believe that you are doing all you can for efficiency and safety are people who have not flown.

I yield back.

Mr. CHAFFETZ. I thank the chairman. I now recognize the ranking member, the gentleman from Maryland, Mr. Cummings, for an opening statement.

Mr. CUMMINGS. Thank you very much.

I had not intended to even attend this hearing. I really didn't intend to say anything. But I want us to not be distracted. I want us to not be distracted.

We have to make sure that the people that we represent are getting the best service possible. Their health, their safety, their welfare is number one.

It is easy to sit back and try to quarterback the other team. Decisions have to be made at TSA, and I am going to believe that TSA wants to do the right thing. That does not necessarily mean that I or my colleagues will agree with those decisions.

But first of all, I want to make sure that those decisions are based in a culture of integrity. That is number one. Number two, I want to know that they are informed decisions; that is, that you have gathered information and your decisions are based upon information that is accurate. Number three, I want to know that the decisions were based upon and consistent with the goals of TSA.

Now, we all know that sequestration has had its impacts. It has had a tremendous impact. If it can have an impact on Johns Hopkins University, which is smack dab right in the middle of my district, which is now having to end research on some life-saving types of research, it certainly can have an impact on TSA. What I am interested to know is, number one, how these decisions were made; number two, is there some room to do things differently; number three, were they consistent with making sure that the public is safe.

And certainly we all want to know that there is a balance. Safety is number one. And convenience is down the line. I don't want to sacrifice safety for convenience. So I am hoping that the testimony will shed some light on what I just said.

Finally, let me leave you with this. In the end, the Republic is looking at us, as members of the Congress, and I am sure asking why can't you all get this right. I am not going to sit here and blame TSA, I am going to blame us. We are the ones who are responsible for sequestration, because of our failure.

Now, that does not let TSA off the hook. But we have our own homework to do. But in the midst, and I tell my kids that usually in bad situations, people do not so bright things. Under pressure, people do not so bright things. So I am hoping that while we are going through this sequestration that we are making the very best decisions, consistent with the goals that I just mentioned. So I am looking forward to hearing the testimony. And I want to know what the future looks like, no matter what, assuming that this Congress is doing what it is supposed to do. I am praying to God that we do, but assuming that we don't, assuming that there are additional cuts, I want to know what the future looks like. Because that is what we have to deal with. We cannot deal with illusions. This is reality, because we are dealing with the safety of our constituents.

With that, Mr. Chairman, I want to thank you for your courtesy, and I yield back.

Mr. CHAFFETZ. I thank the ranking member and now recognize the gentleman from Florida, Mr. Mica, for five minutes.

Mr. MICA. First of all, thank you, Mr. Chairman, and ranking member. Let me say that Mr. Chaffetz and I and the chairman have sat down to look at how we are going to approach improving and reforming TSA. And with this hearing, we are beginning under the jurisdiction of this subcommittee, National Security, that process.

We will continue that in my subcommittee, Government Operations. We will begin a series of hearings in May and we will target some operations that transcend just the national security area. And you can see from the passion of the chairman, probably at the full committee, we will be taking up this matter as far as the need to reform and dramatically overhaul an agency that has spun out of control.

I can tell you that it has spun out of control because I helped create it. Originally we had 16,500 screeners, private screeners under the airlines' supervision. On 9/11/2001, it wasn't that group that failed, it was the Federal Government who did not set guidelines or parameters or restrictions in place. Never, I can tell you, in our

wildest imagination, did we expect to balloon from 16,500 to 65,000 TSA employees. In fact, we have now grown to bigger than seven Cabinet agencies. We are spending close to \$8 billion, an incredible sum of money.

We have 51,000 screeners, according to their website. That means you have another 14,000 administrative staff. I see they are now cooking the latest books and trying to mislead Congress on what they spend for administration, which is approximately \$1.8 billion for screening and about \$1.2 billion. They have 28 percent of the headquarters employees who are supervisors. We are here to talk about sequestration, and as the chairman pointed out in his opening statement, the Secretary tried to mislead the public and the Congress by saying that line would be 150 percent or people would be inconvenienced by what Congress did.

Now, with 51,000 screeners, they can't get the job done. I can tell you it can be done with less than half that number. We need to get them out of the screening business. They are not law enforcement officers. TSA was set up to connect the dots and also to set the standards and also to coordinate some of the effort. But what we have now is an agency that again has spun out of control. We have again a situation where they are spending money, and we will look at it today, on things like uniforms. I am told that our Marines are given a \$400 lifetime allowance. And a few weeks before sequestration they sign a multi-million, I think it is tens of millions of dollars for thousand dollar, which I guess they had agreed to with the screeners' allowance, to put that into perspective.

We only have 457 airports where we have TSA's presence, and we are spending in fact huge amounts of money with huge amounts of personnel. If you take 3,000 to 4,000 people in Washington, administrative personnel, another 10,000 in the field, do the math of the army that is out there in administrative staff alone, not to mention the failures in training, employment, in a whole host of areas that are all outlined. I would ask that this report that the Transportation Committee put together on the tenure record of TSA, which is a record of failure, it was outlined by the chairman, the purchase and implementation of deployment of top technology, of hiring and training, retaining personnel. It goes on and on.

The different systems that have been put in place, not by my judgment, but by other evaluative agencies like GAO, the failure in behavior detection programs, never detecting a single terrorist, in fact, letting some of the known suspects get through. It is a record of failure and it needs to stop.

I look forward to working with Chairman Chaffetz, the full committee chairman, ranking member and others to do better. We can and we must. I yield back.

Mr. CHAFFETZ. Without objection, we will enter that into the record. So ordered.

Does the gentleman from South Carolina have an opening statement?

Mr. GOWDY. No, sir, Mr. Chairman.

Mr. CHAFFETZ. Members will have seven days to submit opening statements for the record.

We will now recognize our first panel, the only witness that we have here today, Mr. John Halinski, who is the Deputy Adminis-

trator for the Transportation Security Administration. Mr. Halinski, we appreciate your being here today.

Pursuant to committee rules, all witnesses are sworn in before they testify. So if you would please stand and raise your right hand.

Do you solemnly swear or affirm that the testimony you are about to give will be the truth, the whole truth and nothing but the truth?

[Witness responds in the affirmative.]

Mr. CHAFFETZ. Thank you. You may be seated, and let the record reflect that the witness answered in the affirmative.

Mr. Halinski, we now recognize you for your opening statement.

**STATEMENT OF JOHN W. HALINSKI, DEPUTY ADMINISTRATOR,
TRANSPORTATION SECURITY ADMINISTRATION, U.S. DE-
PARTMENT OF HOMELAND SECURITY**

Mr. HALINSKI. Good morning Chairman, distinguished members of the Subcommittee. Thank you for the opportunity to testify today about the impact of sequestration on the Transportation Security Administration's operations.

As you know, the President's March 1 sequestration order, as mandated by law, requires across-the-board budget cuts at most Federal agencies, including \$3.2 billion in cuts for the Department of Homeland Security through the end of this fiscal year.

TSA is the Federal Government's lead agency for protecting our transportation systems from terrorist attacks while ensuring the freedom of movement for people and commerce. The agency manages effective and efficient screening and security of all air passengers, baggage, and cargo on passenger planes. It also deploys Federal Air Marshals internationally and domestically to detect, deter, and defeat hostile acts targeting air carriers, airports, passengers, crews, and other transportation infrastructure.

Each year, transportation systems protected by TSA accommodate approximately 640 million aviation passengers; 751 million passengers traveling on buses; more than 9 billion passenger trips on mass transit; nearly 800,000 daily shipments of hazardous materials; more than 140,000 miles of railroad track; more than 4 million miles of public roads; and nearly 2.6 million miles of pipeline.

TSA functions as a critical component of those efforts with a highly dedicated workforce working around the clock and across the globe to execute our transportation security responsibilities. Every day we interact closely with public and private sector stakeholders in the aviation, freight rail, mass transit, passenger rail, highway, and pipeline sectors to employ an intelligence-driven, risk-based security approach across all modes of transportation. We are dedicated to preventing terrorist attacks, reducing the vulnerability of our transportation systems to terrorism, and improving the experience of the nearly 1.8 million domestic air passengers who fly each day.

Throughout the planning efforts, TSA and its DHS components were careful to strike a balance to take prudent, responsible steps to implementing the across-the-board budget reductions. Our guiding principles have been as follows. One, preserve TSA's frontline operations and other mission-critical activities to the maximum ex-

tent possible. Two, take care of our workforce by managing hiring practices, managing overtime and through other means.

While the reductions required by sequestration will continue to impact our operations, the recent passage by Congress of the fiscal year 2013 Consolidated and Further Continuing Appropriation Act provides TSA with some additional funding for transportation security officers, which to some degree lessens the impact on our workforce and operations.

TSA will use these additional funds to maintain its security screening workforce through prudent management of hiring and controlled overtime.

Although initial projected impacts on wait times are likely to be mitigated through the additional funding provided by Congress, travelers may see lines and wait times increase during the busiest travel periods or required surge operations. The Federal Air Marshal Service has had a hiring pause in place for more than a year to manage a planned program adjustment from \$965.8 million in fiscal year 2012 to \$929.6 million in fiscal year 2013. Congress further reduced that funding in the full fiscal year 2013 appropriation to \$906.9 million, or \$858 million under sequestration, an 11.1 percent cut below fiscal year 2012 levels.

The FAMS mission funding is dominated by personnel, travel, and related costs. TSA continues to assess the personnel actions and mission adjustments that will be necessary at this decreased budget level.

Sequestration has also had impacts on TSA's information technology, checkpoint technology, security screening equipment and infrastructure accounts, totaling a \$288 million reduction from fiscal year 2012. In light of these cuts, IT service contracts, equipment refreshment and maintenance schedules will be deferred or reduced through the end of the fiscal year. Furthermore, security equipment technology replacement and investment plans are being adjusted to reflect the reduced budget level.

Finally, TSA is taking action to establish additional controls across the agency. We have canceled previously approved training activities, conferences and meetings that require travel. This includes management control training, field and oversight and compliance audits, operational and support program coordination planning and preparedness training.

Our Nation continues to face an evolving threat to our transportation system. In the face of sequestration, TSA will continue implementing an intelligence-driven, risk-based approach to security across all transportation modes, and to do so as efficiently as possible.

Thank you for the opportunity to appear before you today. I look forward to answering your questions.

[Prepared statement of Mr. Halinski follows:]

Statement of

**John W. Halinski
Deputy Administrator**

**Transportation Security Administration
U.S. Department of Homeland Security**

Before the

**United States House of Representatives
Committee on Oversight & Government Reform
Subcommittee on National Security**

April 18, 2013

Good morning Chairman Chaffetz, Ranking Member Tierney and distinguished Members of the Subcommittee. Thank you for the opportunity to testify today about the impact of sequestration on the Transportation Security Administration's (TSA) operations.

As you know, the President issued a sequestration order on March 1, as mandated by law, requiring across-the-board budget cuts at most Federal agencies, including \$3.2 billion in cuts for the Department of Homeland Security (DHS) through the end of this fiscal year.

TSA is the Federal Government's lead agency for protecting our Nation's transportation systems from terrorist attacks while ensuring the freedom of movement for people and commerce. The agency manages effective and efficient screening and security of all air passengers, baggage, and cargo on passenger planes. It also deploys Federal Air Marshals internationally and domestically to detect, deter, and defeat hostile acts targeting air carriers, airports, passengers, crews, and other transportation infrastructure. Each year, transportation systems protected by TSA accommodate approximately 640 million aviation passengers;

751 million passengers traveling on buses; more than 9 billion passenger trips on mass transit; nearly 800,000 daily shipments of hazardous materials; more than 140,000 miles of railroad track; over 4 million miles of public roads; and nearly 2.6 million miles of pipeline.

As it faces a changing fiscal landscape, TSA's guiding principle has been, and will continue to be, to provide the most effective security in the most efficient manner. Since its creation, TSA has continuously refined and evolved our workforce, process, and technology capabilities to protect the Nation's transportation systems against acts of terrorism, while ensuring the freedom of movement for people and commerce.

TSA functions as a critical component of our Nation's counterterrorism efforts with a highly dedicated workforce working around the clock and across the globe to execute our transportation security responsibilities. Every day we interact closely with public and private sector stakeholders in the aviation, freight rail, mass transit and passenger rail, highway, and pipeline sectors to employ an intelligence-driven, risk-based security approach across all modes of transportation. We are dedicated to preventing terrorist attacks, reducing the vulnerability of the Nation's transportation systems to terrorism, and improving the experience of the nearly 1.8 million domestic air passengers who fly each day.

Initial Sequestration Planning

Throughout the planning efforts, TSA and its DHS components were careful to strike a balance to take prudent, responsible steps to implement the across-the-board budget reductions. Our guiding principles have been as follows:

- First, we focus on preserving TSA's frontline operations and other mission-critical activities to the maximum extent possible.
- Second, understanding that TSA is a labor-driven organization and our employees are essential to carrying out our mission, we strive to avoid and, if required, minimize furloughs to the greatest extent possible. Hiring freezes and potential furloughs not only have operational impacts but adversely affect employee morale and well-being.

Although under the continuing resolution TSA was operating at the fiscal year (FY) 2012 enacted level, TSA realized there was a possibility that several of its major operational programs might face reductions under the enacted FY 2013 appropriation. To ensure that TSA could maintain its critical operation missions and their support, TSA planned to operate at the lower Congressional mark.

Program Adjustments Resulting From Sequestration

TSA's FY 2013 budget request was \$200 million less than its FY 2012 appropriation, reflecting a variety of planned efficiencies. After applying sequestration to its final enacted FY 2013 appropriation, TSA's FY 2013 funding level is \$670 million less than FY 2012, or about 8.8 percent less than the previous fiscal year.

While the reductions required by sequestration will continue to have impacts on TSA, the Fiscal Year 2013 Consolidated and Further Continuing Appropriations Act provides TSA with additional funding for Transportation Security Officers (TSOs), which allows TSA to mitigate to some degree the impacts on their workforce and operations. TSA will use these additional funds to maintain its security screening workforce through prudent management of hiring and controlled overtime. Although initial projected impacts on wait times are largely mitigated through the additional funding provided by Congress for TSOs, at reduced levels of personnel and restricted overtime, travelers may see lines and wait times increase during the busiest travel periods or required surge operations.

The Federal Air Marshal Service (FAMS) has had a hiring freeze in place for over a year to manage a planned program adjustment from \$965.8 million in FY 2012 to \$929.6 million in FY 2013. Congress further reduced that funding in the full FY 2013 appropriation to \$906.9 million, or \$858 million under sequestration, an 11.1 percent cut below FY 2012 levels. The FAMS mission funding is dominated by personnel, travel, and related costs. TSA continues to assess the personnel actions and mission adjustments that will be necessary at the decreased budget level.

Sequestration has also had significant impacts on TSA's information technology, checkpoint technology, security screening equipment and infrastructure accounts, totaling a \$288 million reduction from FY 2012 levels. In light of these cuts, information technology (IT) service level contracts, refreshment of IT equipment and maintenance schedules will be deferred or reduced through the end of the fiscal year. Furthermore, security equipment technology replacement and investment plans are being adjusted to reflect the reduced budget level. While TSA is working to minimize disruption to operational support and security services to the

greatest extent possible, in many cases equipment also already reached or exceeded its planned service life.

Finally, TSA has taken action to establish additional controls across the agency. We have canceled previously approved conferences, meetings that require travel, and training activities. This includes management control training, field oversight and compliance audits, operational and support program coordination planning and preparedness training.

Conclusion

Our Nation continues to face evolving threats to our transportation system. In the face of sequestration, TSA will continue to implement an intelligence-driven, risk-based approach to security across all transportation modes while implementing operational and management efficiencies across the organization. Thank you for the opportunity to appear before you today. I look forward to answering your questions.

Mr. CHAFFETZ. Thank you, Mr. Halinski. Again, we appreciate your being here.

I will now recognize myself for five minutes.

How many furloughs do you anticipate, or how many have happened so far and how many do you anticipate?

Mr. HALINSKI. Sir, at this point we do not anticipate any furloughs. We believe that through managed hiring practices, and control of overtime, we will not have to furlough any of our personnel.

Mr. CHAFFETZ. So no furloughs. Number two here on my list of questions, where specifically are we experiencing longer lines than pre-sequestration? You have the same personnel, right? So there are no furloughs. Where are we having longer lines?

Mr. HALINSKI. Sir, I would tell you that I don't know that we are having longer lines across the board anywhere at the checkpoint. If we do, it can be dependent on a number of factors, weather, flight delays, things like that.

Mr. CHAFFETZ. So there are natural things that would happen that have nothing to do with sequestration. Would it be fair for me to say that due to sequestration, there are no longer lines?

Mr. HALINSKI. I would say that we have not experienced any longer lines at this point, sir.

Mr. CHAFFETZ. When did you start planning for sequestration?

Mr. HALINSKI. Sir, we started planning for sequestration in 2012.

Mr. CHAFFETZ. Do you know when in 2012?

Mr. HALINSKI. I don't have that right off the top of my head, sir. I know it was in late 2012 we started looking at sequestration, the effects. And we planned almost on a daily basis. We looked at a number of factors. What I would say, sir, is that things moved quickly. It was bit of a moving target. Sequestration, no sequestration, CR, no CR, budget, no budget. And we continued to plan based on numbers that we got both from the House and the Senate.

Mr. CHAFFETZ. What I am trying to do is commend you for the fact that, the contrast that I see here, I want to commend you for planning in such a way that you were able to absorb a cut in the budget. Despite what Secretary Napolitano said, there are no longer lines, there are no furloughs out there. TSA is one place that we can point where the services were basically uninterrupted, and the effect to the public was minimized. I compliment you for that. I think we can all, every once in a while, we have growing and expanding budgets and you have cut back just a little bit, you have tightened your belt a little bit, you have become more efficient. Sometimes that pushes you. My compliments and hats off to you.

The inbound international passengers are experiencing some lines. But that has nothing to do with the TSA, is that correct? Is that Customs and Border Patrol that is slowing those lines down?

Mr. HALINSKI. Sir, I believe that the Secretary clarified a couple of weeks ago when she was talking about longer wait times that it was not the TSA, that it was Customs and Border Protection, where they were experiencing longer wait times, sir.

Mr. CHAFFETZ. So you did something that they didn't do. Obviously you have been able to make the adjustments, no furloughs, no longer lines. I think there are an awful lot of scare tactics out there, they still continue, you still have people saying, oh, my goodness, the world is falling down and people are going to die and we

can't invest. But at least I think part of the story here with the TSA is you have been able to absorb it. The public has been well served.

There are still a lot of issues that we have with the TSA. But what I am trying to get at is specific to sequestration. I think that is interesting.

I know Mr. Mica has done a lot of work on this, particularly as the chair of the Transportation Committee, he may hit on this as well. I want to ask you about the TWIC program, this is the Transportation Worker Identification Cards. There was a GAO report back in May of 2011 that said that it "could cost the Federal Government and the private sector combined total of between \$694.3 million and \$3.2 billion over a 10-year period." And yet still to this day, we don't even have the scanners needed to read these cards.

This and the FAA card, which I am not going to hold you responsible for, that is another whole issue, but the TWIC card, where are we with that? What kinds of problems and challenges is that causing at security, particularly at airports?

Mr. HALINSKI. Sir, first let me say that the TWIC program is a fee-based program, number one. Two, that the TSA portion of the TWIC program, and we work very closely with the Coast Guard and the Department on this particular program, TSA's portion of this basically can be defined in two areas. The first I would say is customer support at the enrollment centers. I would tell you that we have done an assessment of those particular enrollment centers based on complaints that we received. We have adjusted that, we have changed contractors and we are having a more direct approach on that customer service approach and oversight.

The second piece is more of a technical piece for TSA, sir, and that is the identification of readers, quite frankly. We would provide a best qualified or a recommended qualified list of readers. One of the issues that we have encountered, sir, is the fact that trying to look at contractors that have readers and push them forward to try to develop readers that we think will meet the requirements. We believe we are working on that, we just had an industry day last week with a variety of vendors to provide those readers. We would like to get that out in a very short period of time, a recommended list for the TWIC card moving forward.

As I said, we worked very closely with the Coast Guard on this, sir, and the Department, on the TWIC program.

Mr. CHAFFETZ. Thank you. I look forward to continued updates. This is a very costly endeavor and should have really been implemented much sooner. But I appreciate the update and look forward to more.

I will now recognize the ranking member here today, Ms. Speier, for five minutes.

Ms. SPEIER. Thank you, Mr. Chairman.

Mr. Halinski, you actually had money restored to your budget after sequestration in the CR. How much was restored to your budget?

Mr. HALINSKI. Ma'am, I don't have that right here. The other piece that I think is important about TSA is that we also have two-year money. Unlike many other components in DHS, and many other agencies, we had two-year money with carryover. So that

helped us quite a bit, where it may not have helped other components or the Department.

Ms. SPEIER. So the chairman's comments that well, you didn't furlough anyone, you were able to live within sequestration, does not take into effect that one, you have a two-year budget, and two, in the CR you had money restored to your budget that other departments did not have, is that correct?

Mr. HALINSKI. I would tell you, ma'am, I would like to go back to what I said about planning. We have planned meticulously for sequestration. We want to focus on two things. One is making sure that we accomplish our mission based on the threat. Two is that we take care of our workforce. We have tried to avoid furloughs, we have used two-year money. We have used money that was re-submitted to us. And that is the process we have used. We continue to plan to make sure that we can accomplish those first two objectives.

Ms. SPEIER. All right. We tend to focus on the airports as being your sole responsibility. The truth is, TSA also has the responsibility to oversee rail security and pipeline security, is that correct?

Mr. HALINSKI. Yes, ma'am, it is.

Ms. SPEIER. I just wanted to make a point of that.

I have had an interesting experience with TSA and their uniforms. A number of years ago, a contract was issued to a company here in the United States to make the uniforms for TSA. It was competitively bid. And once it had the contract, it realized there wasn't a requirement that the actual uniforms be made in the United States. So they closed the plant here in the United States and they made the uniforms in Mexico.

Is this the same company that you have just issued a new contract to?

Mr. HALINSKI. I am not sure if it is the same company, ma'am. The company that we use is a company called VF Image. A portion of the uniforms are made in Mexico. We have to comply by NAFTA as well as the U.S.-Chilean trade agreement. We are in compliance with the law in that area.

About a third of the uniforms that our officers have are made in the United States. The material itself is made in the United States. The company assembles the uniforms and it is shipped back and we are trying to comply with the NAFTA and the U.S.-Chilean trade agreement, ma'am.

Ms. SPEIER. Mr. Halinski, we somehow get around the NAFTA rule when it comes to military uniforms being made in the United States for security purposes. I can't imagine why NAFTA applies to TSA. And, if in fact, NAFTA does apply to TSA, then I think this committee should take some steps to make sure that we are making these uniforms in the United States, and not in a foreign country whether NAFTA is involved or not. We actually closed a plant here in the United States. Jobs were lost in the United States because this company, upon getting the contract, recognized it could make them in Mexico.

Now, let's move on to talk about this. This is a \$50 million contract. Is this a ceiling, or is this the actual amount of money that will be spent on these uniforms?

Mr. HALINSKI. Ma'am, it is a ceiling. It is a bridge contract. We are moving to align with the Department so that the acquisition process for the uniforms in the future. It is a two-year bridge contract. It is the ceiling. Typically over the last couple of years, the allowance that we have spent on uniforms is between \$16 million and about \$19 million.

I would say, ma'am, it is essential, we are a uniformed service, we require uniforms to conduct our activities.

Ms. SPEIER. I understand that. Is there a provision within this contract for you to cancel the contract?

Mr. HALINSKI. Ma'am, I don't know that. I could get back with you on that.

Ms. SPEIER. All right, would you please inform the committee about that?

I still continue to be very disturbed that these uniforms are being made, the majority of these uniforms, based on your testimony, two-thirds of them are being made outside the United States. It is a slap in the American people's face, I think. And for all the people that are unemployed in this Country, even today, the fact that we are making them in Mexico is very disturbing to me.

I yield back.

Mr. CHAFFETZ. I now recognize the gentleman from Florida, Mr. Mica, for five minutes.

Mr. MICA. Thank you.

Let me continue on the uniforms. What did you just say, that we are a uniformed agency? What was your term?

Mr. HALINSKI. Yes, sir, we are a uniformed service.

Mr. MICA. Who told you you were? Where is it written?

Mr. HALINSKI. Sir, I will have to go back.

Mr. MICA. Where is it written? You just said that before the committee.

Mr. HALINSKI. Sir, I believe it is in ATSA that we are a uniformed agency.

Mr. MICA. Are your personnel, your screeners, are they sworn personnel? Are they sworn law enforcement personnel? The answer is no. You are the deputy, you don't know. First of all, you came up with the term that they are uniformed. Secondly, you do not know whether they are sworn. Are they sworn personnel? Are they law enforcement personnel? They are not. Come on, admit it to the committee. Yes or no? Is there some acoustical problem we have here? Maybe staff should check it. Can he hear me? Can the witness hear me?

Mr. HALINSKI. Yes, sir, I can hear you.

Mr. MICA. Are they sworn personnel? They are not. Is that correct? They are not sworn personnel. Why do we even have law enforcement personnel to supplement TSA personnel at almost every exit? Because TSA are not law enforcement officers. They are screeners. And now you are telling me they are uniformed personnel. You just heard the ranking member, what an insult.

You hijack an agency like TSA, you turn it into one of the biggest bureaucracies we have ever created. I want to know the cost of changing out, you had white uniforms, didn't you, when we started for many years? Didn't we have white uniforms, without a badge?

They had a TSA patch without a badge? How much did the badges cost?

They are not sworn, or they are not law enforcement. You went out and bought millions of dollars worth of badges, didn't you? The insult too is we're wearing Mexican uniforms, you changed them out to blue to look like law enforcement folks another mirage. Have you ever looked at England and U.K., for example, two areas that have experienced probably the highest levels of terrorism and bombing and terrorist incidents? Most of their employees don't even wear uniforms, did you know that? Have you been there, to both of those?

Mr. HALINSKI. Yes, sir, I have.

Mr. MICA. Did you notice that? I was just in Israel earlier this year. I was in the U.K. just a while ago, inspected the people who are there. They don't even wear them. Here, you spent \$50 million, now I am told you have committed this every year, this is a \$1,000 a year, 51,000 employees, is that true? Just before sequestration, you signed the contract, right?

Were you aware that our uniformed personnel, like our Marines, get a one-time \$400 lifetime allowance when you cooked that deal with the unions? Were you aware of that? Did you look at that?

Mr. HALINSKI. Could I have an opportunity to respond, sir?

Mr. MICA. Did you look at who else, like men and women who put their lives at risk in our military, what they get as an allowance? Is that going to continue? Is that going to continue every year?

Mr. HALINSKI. Sir, I spent 25 years in the Marine Corps. I know the Marine Corps very well.

Mr. MICA. Okay, then you should know the allowance. I am more offended by someone who has been in the Marines or aware of the Marines and to give that kind of a deal. Is this every year?

Mr. HALINSKI. Sir, may I have a chance to respond?

Mr. MICA. Is it a thousand dollars a year? Simple question.

Mr. HALINSKI. Sir, what we spend on our uniforms is not a thousand dollars a year. We have an initial allowance of about \$371, which allows our screeners to buy three sets of uniforms.

Mr. MICA. To wear the Mexican uniforms.

Mr. HALINSKI. Sir, those are uniforms that are in compliance with the regulation. They are the uniforms that were procured through a procurement process which was the most effective process, sir.

Mr. MICA. Let me say, Mr. Deputy Secretary, I have no problem with collective bargaining. I think you are screwing the screeners, when you spend \$1.2 million in administration and they are getting about \$1.8 or \$1.9 billion, when you have 28 percent of the personnel in Washington as supervisors, the average salary in Washington, D.C. for personnel is \$104,000 a year. And those guys are dogging it at \$38,357, on average. I have no problem with that.

I see the other great things you negotiated with, some conduct of security in business or anything, improving that. It was the size of the tie tack, wasn't that part of the agreement, whether they could wear a TSA emblem on their ball caps, is that correct? Whether they could wear a vest with the TSA emblem, those are some of the other terms of the agreement?

Mr. HALINSKI. Sir, I can answer your questions on the uniform if I have an opportunity to speak.

Mr. MICA. Mr. Chairman, I have a whole host of questions, I don't know if we will get to another round. But they ignored us in the Transportation Committee for a total of six years. We have questions that they have not answered. I will submit to the committee all of the remaining questions. And I know you signed off and Mr. Issa signed off, they still have not responded.

And I am telling you, if I have to come down there and sit in Mr. Pistole's office, we are going to get answers to those questions that are pending. They will be submitted through the committee and the chairman. And if we have another round, I have additional questions.

Ms. SPEIER. Mr. Chairman?

Mr. CHAFFETZ. Yes.

Ms. SPEIER. I would request that Mr. Halinski be given the opportunity to answer those questions.

Mr. CHAFFETZ. We will certainly submit the questions. And Mr. Halinski, if you would like to take time to respond, we will be happy to have you do that. Then we will recognize the ranking member of the full committee, Mr. Cummings.

Mr. HALINSKI. Yes, sir. On the subject of the uniforms, sir, every personnel that comes into TSA takes an oath to defend the Constitution of the United States. We serve the public, sir. Our job is to protect the traveling public. We take that very serious. If we fail at our job, people die.

We wear uniforms. We are a uniformed service. It doesn't mean we are a law enforcement service. We are a uniformed service. We looked at this contract because it was expiring. We went through many different planning processes. We were not going to have a contract to buy new uniforms or replace worn and torn uniforms if we didn't sign that contract.

Bad timing, sir, 17 February, 2013. It wasn't Machiavellian, we weren't doing that against anybody. We want and we have to have uniforms, bottom line. We follow an acquisition and procurement process which means that we go for the lowest cost uniforms, sir. And quite frankly, it is a bridge contract, it is a two-year contract. We have no intentions of, hopefully not, getting anywhere near that ceiling. But it is a requirement that we have those uniforms, sir.

Mr. CHAFFETZ. Thank you.

We will now recognize the gentleman from Maryland, the ranking member, Mr. Cummings, for five minutes.

Mr. CUMMINGS. Mr. Halinski, I am sure you can understand the frustration. We are trying to make sure that Americans have jobs. And certainly your challenges, because like NAFTA and the things you have to do in the bidding process, got that. But I want to make sure that you know that we up here are trying to make sure, just like those TSA folks have their jobs, we want to make sure that other Americans have jobs, too.

But I do understand the dilemma. All I am saying is that wherever American jobs can be provided, we need to do that. You got that? Are you listening, sir?

Mr. HALINSKI. I understand, sir. Absolutely.

Mr. CUMMINGS. All right.

I can imagine your frustration, I sit on the Transportation Committee also. Whenever there is a problem with regard to something getting through an airport, with somebody getting through an airport, you are damned. And at the same time, I guess TSA is trying to keep a balance, personnel trying to figure out how many people you need at certain airports, so that you can protect the public. Got that.

The question is, you are in a situation right now where, and I am going to something Ms. Speier asked you about, she was asking you that you had some funds restored under the CR, you said you did, did you not?

Mr. HALINSKI. We did, yes, sir.

Mr. CUMMINGS. And she asked you at least three times how much was restored. You don't know that answer?

Mr. HALINSKI. I don't have that right in front of me, sir. I can get back with that answer, sir. We were given enough funds which has helped us maintain our screening work.

Mr. CUMMINGS. I understand that. I would suggest to you that whenever you are testifying before Congress and they are going to ask you about the things that we are talking about, a logical bit of information to have is that, you have to anticipate some questions, and that is one you should have anticipated, how much money you have and what impact has that had on what you have been able to do, that is, maintaining services as they are.

And so you don't know that. And I would think that the two people sitting behind you, are they with you?

Mr. HALINSKI. Yes, sir.

Mr. CUMMINGS. They should have been able to get a cell phone call in the meantime to let us know that. Hopefully we can find that out very shortly.

But you are freezing employment, right? In other words, if somebody retires, you are not hiring anybody? Or somebody quits, you are not hiring anybody? Or are you?

Mr. HALINSKI. We are hiring, sir.

Mr. CUMMINGS. You are?

Mr. HALINSKI. Yes, sir. The way we have been able to manage this sequestration is to do it through managed hiring, managing our overtime. And what do I mean by managed hiring, sir, what I am talking about, we understand, we have a normal attrition rate per year. We look at the attrition rate, it is also very dependent on specific airports and regions in the Country. What we are doing is we are hiring to a level that we believe, and it is a very high level, and in some cases it is 100 percent, so that we can continue to conduct the mission. It is planning, sir, and we are planning to that level and we are hiring to that level.

We are also managing overtime. We are trying to restrict overtime to only mission-critical, absolutely mission-critical periods of time. That is the way we are dealing with sequestration, sir, through proper planning and through looking at it every single day.

Mr. CUMMINGS. Let's go to managed hiring. I just have two more questions. Under managed hiring, there is a bottom line, is there not? In other words, there is a goal. Say for example, you spent a

billion dollars last year, maybe you want to come down to three-fourths of a billion this year. Do you have a goal? Do you follow what I am saying?

Mr. HALINSKI. Sir, we are looking at it from a fiscal process, but more importantly, we are looking at it from a threat perspective and also a manpower issue. So when we are looking at this, we are factoring all those areas in there. Specifically to accomplish our mission, which is to secure those airports. We are looking at threats in those specific airports, down to specific airports.

Mr. CUMMINGS. I got that.

Mr. HALINSKI. How many people we need to accomplish that mission. And that is how we are hiring. And what the attrition rate is in those areas. Some airports have higher attrition rates. That is why in some airports we will hire absolutely to 100 percent.

Mr. CUMMINGS. What I am asking you, though, the thing that you also have to calculate in there, I am assuming, is cost, right? In other words, you are trying to get out of it. You are not answering my question. Are you trying to get to a certain goal, cost-wise?

Mr. HALINSKI. Sir, what we are looking at it the modeling that we need to accomplish that mission. Yes, we are factoring in costs.

Mr. CUMMINGS. So you want to reduce costs?

Mr. HALINSKI. Yes, sir.

Mr. CUMMINGS. That is all I am asking you.

Mr. HALINSKI. Yes, sir, we are looking at costs. We are trying to save wherever we can, sir. And that is why we are looking at some reduced manpower models in specific airports, based on what we need to accomplish that mission. So yes, we are looking at costs. I have a financial team of analysts that look at those costs. I don't have those costs right in front of me, sir. Next time I will be better prepared.

Mr. CUMMINGS. Thank you. Just the last thing, and I think we all should be interested in this, and you should be interested in this question, too. The question becomes, if you are managing overtime, does that mean that you are overspending for overtime at some point? Do you follow what I am saying?

I am assuming that you are keeping safety at the same level. I am assuming you are spending less money. But I mean, for credibility's sake, for your credibility's sake, I am just curious, were we overspending on overtime? Do you follow me?

Mr. HALINSKI. Yes, sir. No, I do not believe we were. When we are talking about looking at overtime, let me give you an example, sir. In an airport, to preclude periods of extended lines, things like that, we may bring on more people for a period of time. So what we are trying to do is look at where we think the threat is, where we see the highest volume of traffic, and managing that based on the expectation that we move people through the checkpoint quickly. The idea is to use a risk-based philosophy, move them through quickly, and focus on where we consider the highest threat, sir.

Mr. CUMMINGS. Thank you very much.

Thank you, Mr. Chairman. You have been most courteous, thank you.

Mr. CHAFFETZ. I thank you.

We will now recognize the gentleman from South Carolina, Mr. Gowdy, for five minutes.

Mr. GOWDY. Thank you, Mr. Chairman.

Mr. Chairman, I had initially intended to yield my time to you. Because of all the folks that I have worked with in Congress, at least in the two years I have been here, you have been as interested in the workings of TSA as any of my colleagues. So that was my original intent, and I think I will still do that at some point.

But Mr. Halinski, some earlier questioning led me to want to ask you a couple of questions. Let me start by saying thank you for your service to our Country. I think you told Mr. Mica that you served in the Marine Corps, and I want to thank you for your service.

You also, in response to Chairman Chaffetz, he asked you some questions about some prior comments made by Secretary Napolitano. My concern is that once credibility is impeached, it is awfully hard to get back. Credibility can be impeached either because of a prior inconsistent statement, or credibility can be impeached because of the use of hyperbole. So when you say there are going to be furloughs and there is no furlough, that to me impacts someone's credibility.

So do you know the genesis or the origin of her mistaken belief that there were going to be furloughs because of sequestration?

Mr. HALINSKI. Sir, first, I can't speak for the Secretary. But I would tell you that the entire Department was working together, looking at what was needed, what money would be available, what the impact of sequestration would be. As I said earlier, it was a moving target, sir.

Mr. GOWDY. I understand that, and I understand you can't speak for her. I am not asking you to speak for her. What I am asking is, did she speak to you?

Mr. HALINSKI. Sir, we worked very closely with the Department.

Mr. GOWDY. Did she talk to you before she made the public statement that there would be furloughs? Who gave her the false information which she then relied upon and made public proclamations?

Mr. HALINSKI. Sir, there was a number of planning factors that continued to move throughout the year before sequestration, right after sequestration.

Mr. GOWDY. Why would the better course of discretion not be to not make any comments until you actually knew what the heck was going to happen? Why would that not be the better course? Or am I just naive?

Mr. HALINSKI. Sir, I would tell you that we continue to plan for a number of different factors.

Mr. GOWDY. Did she talk to you before she made those public comments? That is actually not a complex question.

Mr. HALINSKI. Sir, the Secretary did not talk to me, but we are working with her staff.

Mr. GOWDY. So the answer would be no, she did not. Do you know who she talked to before she publicly created this Mayan apocalypse scenario with long lines and furloughs?

Mr. HALINSKI. Sir, I believe the Secretary clarified that the long lines and furloughs she was talking about were immigration checkpoints.

Mr. GOWDY. But you know what? The beautiful thing about clarification is if you get it right the first time, you actually don't need

to clarify anything. I guess that is what I am asking, is why not use a little bit of discretion, gather the facts before you go make hyperbolic, apocalyptic comments? Why is that not the better course? You agree it is, right? That way you don't have to clarify.

Mr. HALINSKI. Sir, I am going to go back to what I said that there was an enormous amount of planning being done. The terrain was shifting continually.

Mr. GOWDY. And I want to go back to my original question, which is, isn't it a better course of discretion to not make false comments to begin with? Accordingly, you would never have to make a clarification, if you actually gathered your facts before you made public pronouncements which were demonstrably false.

Mr. HALINSKI. Sir, I am going to once again go back to, the terrain continued to shift. There was planning every day, there was worst case to best case scenario and everything in between, how are we going to deal with this.

Mr. GOWDY. Well, let me ask you a broader question. Do you agree, if the public is cynical or skeptical about pronouncements made by government, and I include myself in it, I am a member of Congress, there is a skepticism and a cynicism. Would you not agree that we should make every effort to be credible and accurate in what we say, what the effects of something are going to be? On both sides of the aisle, everyone, regardless of political affiliation, we really ought to make an effort to be accurate with what we say. That is not a controversial comment, is it?

Mr. HALINSKI. No, sir, and I think every day there was a different definition of what was going on. And people tried to be as accurate as they could.

Mr. GOWDY. Which is why you don't send out press releases every day. Right? If things are changing every day, you wait until something actually has settled and you don't send out press releases every day. That would obviate the need for clarification, in my judgment.

With that, I would yield the remainder of my time to Chairman Chaffetz.

Mr. CHAFFETZ. Mr. Halinski, the difficult part, and I know you are not the Secretary, you didn't make this comment, but she was quoted, and I will read the quote from her, "We will begin today sending out furlough notices." Now, I don't know what time of day she said that, but by the time we got to the end of the day, there were no furlough notices sent out. In fact, we are here April 19th and there were no furlough notices sent out.

So we are trying to figure out what changed in those few hours and who provided her that information.

Mr. HALINSKI. Sir, I believe she was not talking about TSA. I believe she was talking about other components within the Department and not TSA.

Mr. CHAFFETZ. Well, the beginning of the quote is, now that we are having to reduce and eliminate basic overtime for both TSA and Customs, and then she goes on. And then the story says, lines at some Transportation Security Administration checkpoints, Napolitano added that the events sponsored by Politico, are already, "already," she said, "150 to 200 percent as long as we would normally expect." But you testified that that never happened.

So the question is, is somebody feeding her bad information? How is there such a discrepancy, to say that lines are going to be up to 200 percent more and you can't name a single one that is even a little bit more?

Mr. HALINSKI. Sir, the Secretary did clarify that those were Immigration lines that she was talking about at certain airports.

Mr. CHAFFETZ. Thank you. The gentleman yields back. I will now recognize the gentlewoman from California, Ms. Speier.

Ms. SPEIER. I have no further questions.

Mr. CHAFFETZ. I believe Mr. Mica from Florida has some additional questions. This will be the last set of questions, and then we will adjourn due to pending votes.

Mr. MICA. Thank you, Mr. Chairman.

The latest figures I had for TSA online, are 64,578 employees. Is that about right, Mr. Halinski?

Mr. HALINSKI. Sir, I believe our approximate number right now is about 61,000 personnel, sir.

Mr. MICA. You testified today that we would not need any furloughs, is that correct?

Mr. HALINSKI. Sir, we are working to avoid furloughs, yes, sir.

Mr. MICA. How many screeners do you have, I think you had up to 51,000 approximately?

Mr. HALINSKI. Approximately, yes, sir.

Mr. MICA. Is that still the case?

Mr. HALINSKI. I believe it is, sir.

Mr. MICA. How many vacancies do we have?

Mr. HALINSKI. Our screening workforce, sir, we are hiring to a certain percentage, roughly we are talking about 47,000 as of today, sir.

Mr. MICA. So you are actually down about 4,000?

Mr. HALINSKI. Yes, sir.

Mr. MICA. At one time we had, Congress had set a maximum of 40,000. Actually that was when there was a higher number of passengers, I believe. So what would be the number of screeners that you could operate with without any delays, do you know? There are 47,000 could you absorb another 5,000 cut, 10 percent, 4,000?

Mr. HALINSKI. Yes, sir. First let me say that we have a layered security program. That layer involves many different aspects of security. We believe in the layered program. All our screeners are involved in a number of different security activities, because we believe a layered effect is the way for successful security.

Mr. MICA. One of the layers that you have that I disagree with is the huge bureaucracy, about 9,000 to 10,000 people out in the field, and then another, well, it used to be 4,000 in Washington. I see you have done some new accounting and taken some folks off of that. So it is approximately 3,000. Administrator Pistole promised me a downsizing in the administrative overhead. Can you tell us, we are down in screeners, you just testified, from 51,000 to 47,000.

Now, again, not doing the phony baloney math, what are we at in administrative personnel in Washington and then in the field?

Mr. HALINSKI. Sir, our headquarters has approximately 2,500 personnel. That is about 4 percent.

Mr. MICA. Again, you took out some of the air marshal and other activities that were previously counted, is that correct, in your new accounting?

Mr. HALINSKI. Sir, we have our operations center, we have our vetting center in Annapolis. Part of the headquarters personnel that you are talking about also was our international staff. All of those numbers fell under an accounting line as being part of headquarters. Actually they are not located at headquarters.

Mr. MICA. Again, there is a new math, new accounting. But what I am trying to get at is the net number of positions that have been reduced, both in Washington, D.C., if you could get that to the committee and then out in the field. God bless the screeners, they are working, there are fewer of them.

Now, another thing that I haven't been able to get information on is you have a national security deployment force.

Mr. HALINSKI. Yes, sir, we do.

Mr. MICA. Is that still operating?

Mr. HALINSKI. Yes, sir, it is.

Mr. MICA. They are strange names, and I never get straight answers on how much it costs. Because they go out, they are sent out at places where you can't hire people or you have vacancies for some personnel management reason, is that correct?

Mr. HALINSKI. Sir, our national deployment force is made up of screeners who normally work in the airports. When there is a threat, then they are deployed.

Mr. MICA. I am talking about the people that are sent out there, they are put on per diem and they are screening because of a lack of ability to either recruit, train or have personnel to cover those vacancies. That force is still in place. Will you get me and the committee the last five years of costs? You changed names a couple of times. When I started inquiring, because I had information that they were being put up at substantial expense, I don't know for certain, and sent out to different places, because again of the failure to be able to recruit and train. Are you still recruiting people in the Washington area from the tops of pizza boxes?

Mr. HALINSKI. I don't believe we are, sir.

Mr. MICA. How about discount bump advertisements to get a job at Reagan? Do you know?

Mr. HALINSKI. Sir, we hire personnel through a variety of methods. And we vett those personnel.

Mr. MICA. We have disclosed some of those in the past. The other thing, too, since you have been under some siege by Congress, this wasn't just a Mica attack or a partisan attack from this side of the aisle. I came actually not as well prepared as the ranking member, who got you pretty good on the uniforms.

But in fact, I know that you have ramped up your PR team. I want to know every penny you have been spending on communications, advertisement, et cetera. Can you get that information? We will give you a specific, by the end of the month.

Mr. HALINSKI. Yes, sir. If that is a requirement, we will send you that information.

Mr. MICA. Okay, thank you. I would like to see that.

I thank you, Mr. Chairman, and yield back.

Mr. CHAFFETZ. Thank you.

Mr. Halinski, thank you for your service. We appreciate your willingness to come testify today. The committee now stands adjourned.

[Whereupon, at 11:14 a.m., the committee was adjourned.]

