

Testimony of
Rick Stephens
Vice President and General Manager, Boeing Homeland Security and Services

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Chairman Hollings, Ranking Member McCain, and members of the committee, I am Rick Stephens, Vice President and General Manager of The Boeing Company's Homeland Security and Services business. I am appearing before you today in my capacity as the executive responsible for the airport checked baggage Explosives Detection System (EDS) and Explosives Trace Detection (ETD) equipment deployment contractor team led by Boeing.

I am pleased to have this opportunity to present a status of our team's surveys and preparations to deploy checked baggage screening equipment to American airports. The Boeing Company, its' partner Siemens and supplier team understand very clearly that this is a national priority. Success in completing this program will help strengthen security in air transportation, and support growth in both air travel and our national economy. Boeing was awarded the contract by the Department of Transportation on June 7, 2002 to install explosives detection systems for screening checked baggage at all U.S. airports with scheduled commercial service by December 31, 2002.

The contract, managed by the Transportation Security Administration (TSA), also calls for the training of baggage screening employees. This task requires airport studies of passenger movement, architectural designs, structural changes, and the coordinated supply of 1,100 explosives detection system (EDS) machines and approximately 4600

explosives trace detection (ETD) devices. Following completion of the deployment task the contract includes five, one year options for support and continuous improvement.

The Boeing team includes the Siemens Corporation, a world leader in baggage handling systems and computed tomography technology; The Preston Group, a Boeing subsidiary, and TransSolutions, both providing aviation infrastructure simulation and modeling; CAGE Inc., which develops cost-effective designs and operational policies for airports; Flight Safety Boeing, AIS, and TMG for training delivery systems; Turner Construction, supported by Hanscomb, will manage airport site preparation; and aviation industry architectural and engineering firms Leo A. Daly, Corgan Associates and DMJM Aviation.

Our contractor team was in motion within hours following contract award responding to TSA planning and organizational requests. One of the first actions was the planning for and deployment of survey teams to 66 airports on July 1st. This process of planning and deployment has continued throughout July. As of today 153 airports have been or are being surveyed for data such as passengers and baggage characteristics, existing physical and operational conditions, and airport information such as terminal area development plans, local building codes, airlines' plans for operations areas, and preferences for future operations. All designated U.S. airports will have received site assessment survey teams by August 21.

Let me describe our approach and the process:

First, our approach is to work collaboratively with airports, airlines, Federal Security Directors, and other TSA officials to develop effective checked baggage screening solutions for individual airports for implementation by the end of the year. We understand that the challenge is not simply meeting a deadline -- it is providing for the most secure and efficient checked baggage

screening solutions within the time constraints established by Congress.

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A “one-size-fits-all” EDS/ETD configuration for all airports is clearly inappropriate -- each airport terminal has different characteristics that will “drive” the most appropriate solution. A single approach for all airport terminals would result in higher implementation costs and decreased levels of customer service. The best way to avoid this outcome is for the Boeing Team to work closely with the airports and airlines throughout the process so that their in-depth understanding of their terminal facilities and passenger characteristics is incorporated in the planning process. In addition, we know that a number of airports and airlines have already developed 100% checked baggage screening plans. We have and look forward to continued review of any plans available.

The first step in our process has been to send out a site assessment team to meet with airport and airline officials and other key stakeholders. During this initial visit, the site assessment team (1) gathered general information required to estimate EDS/ETD equipment requirements and to develop preliminary concept plans, and (2) refined the concept plans based on a thorough analysis of the operational data and passenger characteristics collected. The primary goal of the site assessment team has been to establish an EDS/ETD concept plan that can be implemented by December 31, 2002 and is acceptable to the airport, airlines, and the TSA.

Following the site assessment, design survey teams then deploy to the airport to evaluate the design and construction requirements (e.g., mechanical, HVAC, electrical, structural) for the EDS/ETD concept plan established by the assessment team. While on-site, the design survey team reviews architectural, structural, electrical, mechanical, and other considerations involved in the equipment installation. In addition, the design survey team meets with airport and airline officials and other key stakeholders to review the design and construction drawings. Final construction drawings will be submitted for their review prior to beginning the installation.

Given the technical complexity of this challenge the Boeing Team is using state-of-the-art simulation models to help develop and refine EDS/ETD concept plans and designs.

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Simulation models for EDS/ETD concepts previously prepared by the airports, if available, are used if possible as baselines for our efforts.

Our data collection is continuing, analysis and assessments are underway and will continue for some weeks yet. Conditions, characteristics and expectations at airports have varied widely.

But I will try and generalize some findings so far as follows:

- 162 days are left to complete the task;
- 150 assessment teams have been mobilized;
- 153 airport assessments are underway or completed, and 10 assessment packs are under review by TSA prior to transmission to those 10 airports;
- In addition, 33 airport assessment site visits have been initiated this week, and 49 assessment packs are being delivered to TSA for future airport survey visits;
- Of the site assessment tasks scheduled to have occurred to this date we have been delayed by one week or more in 18 tasks due to weather, flights in Alaska, and holiday/vacation schedules of airport staff preventing their support of the visit;
- In order to maintain schedule, 20 tasks have been accelerated and we expect to be back on schedule for the delayed tasks in the first week of August.
- The airlines have been eager to engage in program process, and Boeing and TSA are engaging them and their representatives through existing relationships and airline associations.
- The Boeing team is fully engaged with the TSA in performance of our contract.
- Boeing and our contractor team are completely committed to the successful execution of our contract in response to the needs of TSA, the congress and the American people.

I will conclude this prepared testimony by relating a personal note. We at The Boeing Company were deeply affected by having our products used as weapons of terror on September 11. Boeing feels obligated to take this mission on because of its importance to the United States, the airline industry, to this country's airports, and to the flying public. We realize the importance of air travel security to our national security, and to our

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country's economic health. We are all aware that the events of 9/11 have had a devastating effect on air travel and the airline industry in particular. Every day we are made to understand that a rise in costs and the hassle-factor associated with increased air security will further hurt the industry. Boeing appreciates the significant challenges ahead in equipment delivery, airport facilities modification, and the implementation of full baggage screening procedures. However, the health of the air travel industry and the safety of the American public demand that we press forward with this task, and no company is as well-suited to the job as Boeing. Our knowledge of the air transport system, our understanding of and strong relations within the airline industry, our expertise in complex systems integration, and the specialized strengths of our team members give us the capacity to accomplish this mission. We look forward to working together with all stakeholders as we go to work for the American public.

Thank you Mr. Chairman.