Statement for the Record of Mr. Brandon Fried, Executive Director, <u>The Airforwarders Association</u>

United States Senate Committee on Commerce, Science and Transportation Subcommittee on Security

Field Hearing Boston, Massachusetts February 24, 2020

"Promoting Safe Skies through Scanning and Screening: Oversight of Air Cargo Security"

Chairman Wicker, Ranking Member Cantwell and members of the subcommittee, thank you for this opportunity to present the views of the Airforwarders Association (AfA) on air cargo security.

The Airforwarders Association (AfA) represents 250 airfreight forwarders and supporting companies employing tens of thousands of employees and dedicated contractors. Our members range from small businesses employing fewer than 20 people to large firms employing well over 1,000, and business models vary from domestic only operations to worldwide operations. Additionally, a few of our members operate their own aircraft. In short – [we are the travel agents for cargo]. We move freight throughout the United States and the world in the most time and cost-efficient manner, be it on aircraft, truck, rail, or ship.

Security is at the forefront of our business. We believe that effective air cargo security depends upon a risk-based, multilayered approach. This strategy includes modern and intelligence-based shipper vetting, risk-based targeting, employee training, constant TSA audit oversight, and of course, 100% screening of each piece of air cargo before transport on a passenger flight.

We have worked closely with TSA since its inception and committed millions of dollars over the past 19 years to ensure that our role in the security chain is secure. For example, our members have invested millions of dollars in security screening equipment, secure facilities, and employee background checks. We also maintain compliance with the Known Shipper Management System and the Indirect Air Carrier Management System along with annual security training to secure our portion of the global supply chain. In short, we play an integral role to ensure the safety and security of shipments traveling on both domestic and international airlines. We take this role very seriously. We know that terrorists remain interested in airplanes and therefore are looking for any possible vulnerabilities in the system. Throughout the past 19 years, we have rolled up our sleeves to meet the requirements of the Aviation Transportation Security Act, and the 100% screening requirement for all shipments on passenger planes. We know what is at stake and we will do our part.

As the e-commerce impact on global trade increases, recent studies indicate that almost 2 billion people globally purchased goods online last year. The internet allows consumers to research and buy products online, connecting with sellers who often depend upon air cargo for fast and

efficient delivery. But this demand has created significant truck congestion at the primary gateway airports. These bottlenecks occur as freight forwarders wait to tender and recover shipments from airlines that are screening cargo for those not enrolled in the Certified Cargo Screening Program (CCSP).

The Certified Cargo Screening Program

Facility complexity and insufficient land at our airports prevent a "one size fits all" solution to the complex cargo screening dilemma. We are motivated to work cooperatively to ensure that many solutions are available to address the commercial concerns in the supply chain to ensure effective screening outcomes and to meet air cargo screening mandates. Screening a high percentage of air cargo upstream is a critical part of the solution, especially where U.S. manufacturing and supply chain logistics involve secure bulk packaging that must be maintained for the integrity of the product.

In order to meet the 2010 mandated 100% air cargo screening requirement on passenger flights arriving and departing U.S. airports, the TSA implemented a supply chain solution to achieve the directive. This initiative, known as the Certified Cargo Screening Program (CCSP), certifies manufacturers, warehouses, distribution centers, third-party logistics providers, and similar facilities that voluntarily and successfully apply and follow the TSA-mandated security standards. CCSP is a crucial part of the risk-based multi-layered approach to air cargo security. The program strengthens security throughout the global supply chain, while simultaneously meeting the needs of the shipping public. We believe the strength of CCSP is that it provides for multiple options throughout the supply chain. These include the use of centralized third-party screening centers, third-party logistics providers, shipper or exporters, and freight-forwarder screening facilities.

Additionally, all members of the supply chain have a vested business interest in a secure chain of custody to maintain the integrity of cargo. CCSP relies upon the shippers, forwarders, and airlines that have a strong record of safety and security.

The CCSP decreases delays and expedites the supply chain flow of goods by conducting the piece-level screening prior to consolidation and full pallet screening away from the congested airport environment. Without the CCSP, forwarders with significant freight volumes, now screening in their facilities would rely on the airlines to perform physical screening of each piece of cargo. The result would cause even more truck congestion, missed flights, and a significant adverse impact on U.S. trade as airlines struggle to keep up with the demand to screen the cargo. In addition, delays can create security risks to safe flight. Cargo is most vulnerable to tampering and theft when at rest. By keeping our supply chains fluid, we reduce these risks.

The Airforwarders Association and our members have continued to assist with the development and implementation of the Certified Cargo Screener Program (CCSP). We have worked closely with TSA to provide insight into the complexities of the air cargo supply chain, including the impact of time, temperature, and screening methodologies on the product. The AfA has consistently provided information, and enthusiastically encouraged our members' enrollment in CCSP. In fact, of the 147 Indirect Air Carriers in the CCSP, 27 or 18% are AfA members. However, those 27 AfA members operate 124 of the 331 approved CCSF locations, or 37%.

Establishing a Certified Cargo Screening Facility is not something that Indirect Air Carriers take lightly. It is costly, time-consuming, and fraught with challenges. However, our industry remains committed to the belief that the CCSP not only streamlines customer supply chains but reduces bottlenecks at already congested airline cargo facilities. The freight forwarding industry, including AfA members, has invested tens of millions of dollars to ensure that CCSP works as intended.

Canines

In December 2018, the U.S. Transportation Security Administration (TSA) approved the longawaited Third-Party Canine program (3PK9). The initiative is a variation of the previously established Certified Cargo Screening Program (CCSP) for forwarders and airlines. Under the 3PK9 program, the Department of Homeland Security (DHS) and TSA allow private companies to train canines and their human handlers to screen air cargo before loading onto passenger planes. The screening covers flights within or coming to the United States.

Technological solutions are unable to match the speed and efficiency of a well-trained explosive detection canine team. The United States Defense Advanced Research Project proved this after spending \$19 billion over six years in an attempt to create a technology that matches the efficiency of a dog. Well-trained dogs were extremely effective, screening at more than twenty times the speed of any technological solution because of their mobility. With X-ray, every single piece of cargo must go through a machine, and a screener must interpret each picture. Likewise, with trace detection, every single piece of freight must be swabbed. Both of these processes are incredibly time-consuming and labor-intensive. The cargo screening process without canines requires significant human resources, financial cost, and robs air cargo of its most precious commodity, which is time.

Because a well-trained dog can detect explosive odors down to parts-per-trillion, dog teams can effectively sort at the pallet or unit load device (ULD) level. They can move around the cargo to search without interfering with the sorting process, packaging, or freight handling environment. Where it might take hours to screen a cargo shipment by X-ray or trace detection technology, an explosive detection trained dog can search that same shipment in a matter of minutes.

TSA and the Future

Screening Technology

Despite the recent success using canines in cargo screening, technology still has a definitive role in the process. These machines mitigate false alarms or perform testing where the use of a dog is inappropriate. But TSA's vetting and certification of new technology, capable of screening whole pallets containing multiple commodities, have stalled. This delay leaves few machine options available to perform the task at a reasonable cost. We, therefore, encourage TSA to continue searching for new solutions to fill this necessary void. We also hope any newly vetted cargo screening technology has the same automated tools to assist screeners in the detection of suspicious items that TSA has provided in their own equipment to passenger baggage screeners.

More Robust TSA Support for Screeners

In a sense, TSA "deputized" the private sector to carry out cargo screening for shipments moving on passenger aircraft. Since that time, TSA has established an oversight and compliance structure for private-sector cargo screening. However, the agency has not established a corresponding "support structure" for non-governmental cargo screening, which is critically important from the security perspective. The structure must be outcome-equivalent to what TSA provides for passengers, cabin baggage, and checked baggage screening. TSA must provide the minimum level of support to ensure that cargo screeners are empowered with the necessary skills, knowledge, guidance, and tools to effectively carry out their screening responsibilities before passenger flight loading and departure.

The Airforwarders Association therefore endorses recommendations submitted by the Aviation Security Advisory Committee Air Cargo Subcommittee at its quarterly meeting in Washington last week. These include:

- TSA provision of regulatorily-mandated assistance to regulated parties in their selection of the most competent screeners
- TSA provision of regulatorily-mandated, comprehensive and consistent cargo screener training programs to regulated parties
- TSA provision of regulatorily-mandated cargo screener tests to regulated parties
- TSA provision of needed threat-relevant updates and training to regulated parties at the headquarters and local level
- TSA engagement to facilitate the availability of high-quality test objects, in both physical and virtual forms, that are relevant to the current cargo security threat environment

Consistent Interpretation of Regulations is Essential

The Airforwarders Association and its members work very closely with TSA, as mentioned, and holds a seat on the TSA Aviation Security Advisory Committee. This statutorily authorized committee provides TSA with a formalized mechanism for consultation with key industry partners on aviation security matters. These areas include the development, refinement, and implementation of aviation security policies, programs, rulemaking, and security directives. However, despite efforts to the contrary, work remains to be done to remove bureaucratic decision stovepipes within the agency.

Our members operate offices throughout the United States, and therefore many TSA inspectors audit these facilities. Like any business investigated by the United States government, we rely on the consistent interpretation of regulations from facility to facility. We understand that people are people, and 100% consistency is not attainable. However, inconsistent interpretation of policy decisions and poor communication of those resolutions to the inspectors result in high costs to

the industry and delays in our nation's commerce. That is why we urge Administrator Pekoske to:

- Ensure a solid mechanism is in place that allows regulated parties to obtain official policy guidance from TSA headquarters policy staff when the interpretation of requirements varies among individual inspectors.
- Improve communication of policy decisions between the Policy, Plans & Engagement division, and its cargo security inspector workforce.
- Staff and fund the new TSA Air Cargo Division with appropriate resources immediately.

Interpretation of policy and implementation of the policy should be in agreement. Security deteriorates when operators do not have a clear understanding of regulations due to inconsistent policy interpretations.

Finally, Indirect Air Carriers continue to struggle with vague policy language in their security program concerning the definition of when cargo acceptance occurs by the regulated entity. The lack of a concise policy regarding this issue continues to impose legal costs on our members who must navigate the Letter of Investigation process defending themselves against a confusing policy that generates differing interpretations even within the agency. The Airforwarders Association once again requests that TSA immediately begin work to alleviate this confusion by establishing a joint mechanism with industry stakeholders to thoroughly examine multiple acceptance issues and determine the best policy solutions that make sense across all stakeholders in the real-world operational environment.

Thank you for your time this morning, and I look forward to your questions and comments.