STAKEHOLDER PERSEPCTIVES ON IMPROVING TSA FOR THE SECURITY OF THE TRAVELING PUBLIC

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BEFORE THE
UNITED STATES SENATE COMMERCE COMMITTEE
SUBCOMMITTEE ON AVIATION OPERATIONS, SAFETY, AND SECURITY

FEBRUARY 16, 2017

Good morning Chairman Blunt, Ranking Member Cantwell, and members of the Subcommittee. My name is Sharon Pinkerton and I am the Senior Vice President of Legislative and Regulatory Policy at Airlines for America (A4A). Thank you for inviting me here today to discuss aviation security and the Transportation Security Administration (TSA). The safety and security of our passengers and employees is our single highest priority and we take aviation security very seriously.

Overview. We share a common goal with the TSA and work cooperatively and collaboratively with them every day through programs like Known Crewmember and TSA Pre✓™ (amongst many others) in an effort to keep our skies safe and secure with a focus on both passenger and cargo security.

When talking about the day-in and day-out challenges of aviation security it is important to be reminded of and to understand the depth and magnitude of what actually takes place and what is transported by air every single day. On a daily basis, U.S. airlines ---

- Fly more than 2 million passengers;
- Carry close to 50,000 tons of cargo;
- Operate approximately 27,000 flights; and
- Serve more than 800 airports in nearly 80 countries;

Given the vast geography and sheer numbers it is exceedingly important that we approach security in a smart, effective and efficient manner that best utilizes the finite resources available. This becomes even more imperative given the expectation that both passenger and cargo traffic will grow in the coming years.

Risk-Based Security. The administration of risk-based security principles is of paramount importance to aviation security today and in the future. A risk-based approach recognizes that "one size fits all" security is not the optimum response to threats. Risk-based, intelligence-driven analysis has been a widely accepted approach to aviation security for some time. The 9/11 Commission, for example, in 2004 called for thorough, risk-based analysis in evaluating aviation-security issues.[1]

One of our nation's greatest challenges is to strike the right balance between managing risk and over-regulation. Enhanced security and the efficient movement of passengers and cargo are not mutually exclusive goals, thus government and industry must continue to work together to find pragmatic

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[1] In its final report, the Commission stated: "The U.S. government should identify and evaluate the transportation assets that need to be protected, set risk-based priorities for defending them, [and] select the most practical and cost effective ways of doing so…" Final Report of the National Commission on Terrorist Attacks Upon the United States, at 391 (2004).

approaches to security that appropriately balance these issues. If we do not achieve that balance, we will lose passenger and shipper goodwill, clog up our airports, slow world trade and in fact diminish the level of security we have currently achieved. By utilizing and following risk-based principles we provide a security framework that can be more nimble and responsive to current and emerging threats and allows TSA to focus resources on high-risk passengers and cargo.

Implementation of risk-based security in many ways comes from and is reflected in leadership at TSA. Most recently, former TSA Administrator Peter Neffenger was a strong supporter of risk-based security. In his own words --

> "I am a strong proponent of a risk-based approach to security. The vast majority of people, goods and services moving through our transportation systems are legitimate and pose minimal risk. The first necessary effort in pursuing risk-based security is to identify the low-risk majority so that we are not forced to apply our scarce resource capabilities to known or unknown threats. The drawbacks of a single approach are clear - severely limiting effectiveness and efficiency while perhaps introducing vulnerabilities and opportunities for harm. If we can understand the threats and identify the vulnerabilities of our systems, then we can design our security system to reduce the risk and close vulnerabilities." [2]

We are hopeful that any TSA Administrator nominated by the President and considered by this committee and ultimately the Senate as a whole will continue a risk-based philosophy toward aviation security.

Security Revenue Should Pay for Security. U.S. aviation and its customers are subject to 17 federal aviation taxes and 'fees', in addition to standard corporate taxes. In Fiscal Year 2016 alone, special U.S. taxes on airlines and their customers totaled approximately $23.1 billion – more than $63 million per day. Included within those numbers are revenues that are intended to support activities within the Department of Homeland Security. These 'fees' include the –

- September 11th TSA Passenger Security Fee – a $5.60 fee imposed per one-way trip on passengers enplaning at U.S. airports with a limit of $11.20 per round trip; the fee also applies to inbound international passengers making a U.S. connection
- Customs User Fee (CUF) –a $5.50 fee on passengers arriving in the U.S. from foreign locations to fund inspections by U.S. Customs and Border Protection (CBP); passengers arriving from U.S. territories and possessions are exempt
- Immigration User Fee (IUF) – a $7.00 fee imposed on passengers arriving in the U.S. from foreign locations to fund inspections performed by U.S. Immigration and Customs Enforcement (ICE)

As an industry we have seen an all too common trend of either directly or indirectly diverting the revenue collected from these 'fees' toward deficit reduction or other sectors of the government. For instance, starting in 2001 the TSA passenger security fee had been limited to $2.50 per passenger enplanement with a maximum fee of $5.00 per one-way trip. However, starting in July 2014, pursuant to the Bipartisan Budget Act of 2013, the fee was restructured into a single per-trip charge and increased to $5.60 per one-way trip. That increase, over the 10-year period from Fiscal Years 2014-2023, is projected to raise $40 billion in additional discretionary collections and $13 billion for deficit reduction. Specifically, that law has diverted or will divert –

- $390,000,000 for fiscal year 2014;
- $1,190,000,000 for fiscal year 2015;

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[2] https://www.tsa.gov/news/testimony/2015/07/29/testimony-tsa-aviation-security-challenges

- $1,250,000,000 for fiscal year 2016;
- $1,280,000,000 for fiscal year 2017;
- $1,320,000,000 for fiscal year 2018;
- $1,360,000,000 for fiscal year 2019;
- $1,400,000,000 for fiscal year 2020;
- $1,440,000,000 for fiscal year 2021;
- $1,480,000,000 for fiscal year 2022; and
- $1,520,000,000 for fiscal year 2023

Airlines and their customers now pay $1.4 billion more in TSA security fees —$3.7 billion (2016) vs. $2.3 billion (2013)—for the exact same service. A similar story can be told in regards to customs user fees. The concept of a 'fee' specifically charged to pay for a specific service has long been lost in our industry and they have all simply become taxes by another name.

We would respectfully request this Committee do everything in its power to redirect TSA passenger security fee revenue back where it belongs: paying for aviation security.

TSA Staffing Model. Last summer many travelers unfortunately experienced unacceptably long TSA screening lines at airports across the nation. The root causes of those excessively long wait times was clear to many in the industry. Looking back at the previous summer in 2015 there was a record setting travel season but the system did not experience excessive wait times. However, in 2016, as a result of reported TSA screening failures in a Department of Homeland Security (DHS) Inspector General's report, DHS significantly cut back on risk-based security efficiencies without making an adjustment to staffing to accommodate those modifications.

If there is a silver lining to the experience last summer it would be the collaborative discussions that took place under former Administrator Neffenger's leadership. As a result, airlines worked with TSA and airports to institute best practices. The TSA also established a National Incident Command Center that tracks daily screening operations and shifts officers and resources where they are needed most based on passenger volumes. The collaborative framework established during that time has continued momentum but we need to make sure TSA is transparent with their staffing model moving forward and has the resources available to meet demand.

We would also like to thank Congress for your assistance and attention to the staffing crisis. The budgetary reprogramming flexibility provided to TSA was critical in getting the necessary resources where they needed to be. Even as we sit here today, the Continuing Resolution that TSA is operating under contains language indicating funds may be apportioned up to the rate for operations necessary to maintain not less than the number of TSA screeners achieved on September 30, 2016. That funding flexibility through the end of April is critical. However, there is uncertainty and concern on how staffing will be dealt with this summer. We have a situation where the staffing number will stay close to stagnate while passenger volume is expected to grow. This point further underscores the need to redirect the lost TSA security fee revenue back to TSA.

TSA Pre✓™ Enrollment and Expansion. As an industry, we are promoting TSA Pre✓™, and in many cases our members are waiving the cost for some frequent flyers, allowing them to use frequent flyer miles to pay for the cost and giving TSA space in airports to set up Pre-Check walk-up processing stations. Airlines also work collaboratively with TSA on the Known Crew Member (KCM) program, which now processes 50,000+ crewmembers through separate access points. Ever since the events of last summer – where exceedingly long security lines received national attention - we have seen significant

growth in the number TSA Pre✓™ enrollees, but we need to dramatically expand the number as we are still a far cry from the 25 million plus that TSA aims to achieve.. We applaud the focus this Committee had on this issue in the last FAA extension but much more needs to be done. Some specific recommendations --

- Fast-track a robust marketing campaign;
- Consider adjusting or waiving the fee for enrollment in the short term;
- Consider whether fingerprints are really necessary, given the cost and lengthy time that results; and
- Fast track the third party enrollment options.

TSA Pre✓™ expansion not only improves security by growing the pool of known travelers, it also improves the travel experience. According to a recent survey of the American adult population conducted by Ipsos (commissioned by Airlines for America) in January 2017, 36 percent of 2016 flyers who were not enrolled in expedited screening programs reported that they were 'very satisfied' with their overall air travel experience. Importantly, those enrolled in trusted traveler programs exhibited significantly higher levels of satisfaction, specifically – 50 percent of flyers enrolled in TSA Pre✓™ were very satisfied with 2016 air travel and 68 percent of flyers enrolled in Customs and Border Protection (CBP) Global Entry program were 'very satisfied'.

We would like to work with the Committee and TSA to find ways to significantly expand TSA Pre✓™.

Cargo Security. Risk-based security is also of key importance on the cargo side of the commercial aviation industry. Overall, there is a need for a review and thorough revision of a number of programs that are currently not risk-based or outcomes focused, or that have not kept pace with the progress made in air cargo security over the past decade.

In particular, we are interested in the further application of intelligence-based risk targeting similar to the Air Cargo Advanced Screening (ACAS) pilot program to other TSA programs, especially Known Shipper. The Known Shipper program requires an overhaul, as the way in which TSA currently administers it imposes significant operational burdens and market distortion without providing a corresponding security benefit. The standard security programs for both passenger and all-cargo air carriers are also in need of significant revisions to bring them in line with risk-based principles and eliminate gaps and inconsistencies with regard to the governing Code of Federal Regulation provisions. Last but not least, the greatly expanded use of canines for the primary screening of cargo in the U.S. is needed to complement existing cargo screening technology, to improve screening efficiency and efficacy, and to close particular commodity-specific gaps, commensurate with what TSA has already long recognized in the European Union.

Employee Screening. As an industry we strongly support the employee screening improvements recently enacted by Congress, which clearly provide that, consistent with a risk-based security approach, TSA shall expand the use of Transportation Security Officers (TSOs) to conduct random physical inspections of airport workers. Specifically, as part of H.R. 636, the Federal Aviation Administration, Safety and Security Act of 2016 (P.L. 114-190), Congress also –

- Directed TSA to consider expanding the scope of criminal background checks for airport workers who receive access to the secure area of an airport;
- Allowed TSA to conduct real-time, continuous criminal records checks through the FBI Rap Back service and via real-time access to additional terrorism-related databases maintained by the intelligence community;

- Expanded the use of enhanced, random, and unpredictable physical inspections of airport workers in each secure area of an airport and at each secure area access point; and
- Updated rules to consider increased fines and direct enforcement requirements for missing secure area badges.

We are actively working collaboratively with TSA, airports and other stakeholders to implement the requirements in the law and also the 2015 Aviation Security Advisory Committee (ASAC)[3] recommendations to address potential vulnerabilities related to the sterile areas of U.S. airports.

The application of risk-based principles will be an important component of addressing employee screening. Moving forward we need to implement the statute and recommendations in a way that will increase the overall level of system-wide protection and lower risk without unnecessarily clogging up the system.

Canine Teams. The use of canine teams has been a tremendous success in both the passenger and cargo security environment. We would advocate that Congress continue to support and expand the canine program. We also encourage TSA to consider the development of a certification program where canines could be used for primary screening of passengers and cargo.

Importance of Commercial Aviation Sector. Airlines crisscross the country and globe every day carrying passengers and cargo safely and securely to their destinations and is an integral part of the economy. In 2014, according to the Federal Aviation Administration (FAA), economic activity in the U.S. attributed to commercial aviation-related goods and services totaled $1.54 trillion, generating 10.2 million jobs with $427 billion in earnings. As of December 2016 our industry directly employed nearly 700,000 workers and contributes 5% of our nation's GDP.

These facts underscore what is at stake and why we need to approach aviation security in a smart, effective and efficient manner and make sure we get it right. The daily collaboration and communication between TSA and stakeholders will play a vital role toward that goal.

Thank you, on behalf of our member companies, we appreciate the opportunity to testify.

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[3] The ASAC, a congressionally-mandated permanent advisory committee, provides advice to the TSA administrator on aviation security matters, including the development, refinement, and implementation of policies, programs, rulemaking, and security directives pertaining to aviation security. The committee is composed of individual members representing private sector organizations affected by aviation security requirements.