Full Committee Hearing

Senate Committee on Commerce, Science, and Transportation

Written Questions for the Record from Chairman John Thune to Peter V. Neffenger

1. In March of this year, Senator Nelson and I sent a letter to the Transportation Security Administration (TSA) regarding the revelation that the agency had allowed a convicted domestic terrorist to qualify for expedited screening. Clearly, an incident like this reflects the necessity for the TSA to continually revise its screening processes and risk assessment rules in order to reduce vulnerabilities.

   Should you be confirmed as TSA Administrator, what would you do to improve risk-based, expedited screening initiatives to reduce security vulnerabilities?

   A risk-based approach to security requires continuous assessment, adaptation to threats, and adjustments to the security regime to ensure the system remains responsive, unpredictable, and layered. Recognizing that the vast majority of the people, goods, and services moving through our transportation system are legitimate and appropriate, the key elements are to segregate risks, identify less risky populations, and then apply a range of capabilities tailored to each operating location and to each population. This approach requires continuous assessment of the threat, a focused and on-going effort to continue to partition risk, an aggressive process to understanding and mitigating the system's vulnerabilities, a nimble operational concept, a rapid development process for new capabilities, and vigorous testing and training of the workforce. If confirmed, my intent would be to ensure such a system is in place. I would work to strengthen our self-assessment capabilities, evaluate our vulnerability mitigation plans, closely review operations and training, include the efficacy of expedited screening operations, and I would ensure we have a process to continually measure the appropriateness and effectiveness of the various layers and tools of security currently in use.

2. In March 2015, an investigative report documented misconduct among some Federal Air Marshals who were inappropriately reassigned from their allotted flights as part of a scheme to facilitate improper relationships with other employees or to get better routes and travel to cities they preferred. I wrote a letter last month, along with Sen. Nelson, to the Department of Homeland Security's Inspector General (IG) asking him to investigate any criminal activity that occurred and any high risk flights that should have been covered by the Federal Air Marshals that were not staffed appropriately as a result of the misconduct. The IG responded that his office has joined the criminal investigation into misconduct currently being led by TSA's Office of Inspections and the Department of Justice. With this and other serious instances of employee misconduct reported in the media in recent months, how do you intend to ensure that TSA maintains a culture of integrity?

   Based on my experiences in leadership and public service I believe that an organization must continually set and reinforce the standards of dignity, respect, integrity, and professionalism in order to embed them into an agency's culture. An agency must set clear standards of behavior, train and operate to those standards, and hold its members appropriately accountable when they violate those standards. If confirmed, I will follow these proven lessons of leadership and apply a similar effort in conveying the values of the organization, to further instill them into the daily behavior of every employee throughout the TSA workforce, and to hold individuals accountable when behavior falls short of these expectations.

3. Serious allegations about employee misconduct at TSA have a negative effect on employee morale. How do you intend to work on improving employee morale at TSA with its large workforce of over 50,000 personnel?

My experience reflects that strong and positive morale results directly from a positive leadership approach. In this approach, leaders care about what matters to those we lead. Successful leaders have an awareness of what compels employees to commit their talents, energy, and effort to any endeavor. In my view, regardless of the generation, what drives motivations of the employees in a workforce is knowing that what they do matters, that the work is meaningful, and that each employee can provide value and make a difference. Thus, if confirmed, it will be my intent to ensure that each member of TSA has a clear, well-defined purpose, that they know the importance of their mission, that they are trained and empowered to perform their duties, that they are valued and supported in doing that mission, and that leadership provides equitable and consistent accountability at all levels, as well as appropriate recognition for performance. Another significant component of morale and performance is the recognition in the workforce that the leaders appreciate the challenges of their employees' work and that the leaders are responding to those challenges. Leaders must create opportunities to listen to the workforce, to understand workforce challenges, and to act upon concerns both to advance the mission and to support employees in executing their duties. This can take the form of new training, better tools, and improved procedures or it can mean that we have their back when we ask them to do difficult things as part of their no-fail mission. This is the approach I have taken in my current career, and, if confirmed, it is the approach I will bring to TSA.

4. While the focus at TSA is largely on commercial aviation, international terrorist attacks have proven that "soft" targets like passenger rail, transit systems, and pipelines are also attractive for terrorist groups and lone wolves. How will you allocate resources to these potentially more vulnerable targets in a risk based manner?

Surface transportation comes in many forms – buses, ferries, passenger rail, heavy rail, light rail, subways, and other similar conveyances. These modes are widely distributed and, by their nature and design, are more open and accessible than the aviation sector. Still, delivering security to these systems requires a similar approach to the one employed in securing aviation. These modes require a continuous evaluation of the strategic security environment, as well as an understanding of the threats and how they are evolving. They also require that we field appropriate capabilities to address these threats. These capabilities are responsive to the distributed nature of these transportation modes. Ultimately, in the surface sector, security is best delivered through a network of interconnected capabilities and, by necessity, includes partnerships with state and local transportation security providers. TSA plays an important role in developing standards and best practices in leveraging this distributed capability, as well as sharing information among these entities. If confirmed, I will examine the nature and extent of these partnerships, seek to understand their challenges and effectiveness, and provide the oversight and standards needed to ensure there are appropriate and effective protections in place.

5. On May 6, 2015, TSA resubmitted to Congress two controversial fee proposals. The first would increase the Aviation Passenger Security Fee from $5.60 per one-way trip to $6.00 in the second quarter of FY2016, and would continue to increase the fee up to $7.50 in FY2019. The second proposal would, in FY 2017, reinstate the Aviation Security Infrastructure Fee, which was repealed under the Bipartisan Budget Act that the President signed last year. What are your thoughts on the current proposals put

forward by the TSA to increase the Aviation Security Passenger Fee and reinstate the Aviation Security Infrastructure Fee? Will you commit to working with this Committee and others in Congress when such issues arise, should you be confirmed?

I am aware that passenger fees are used to help fund the TSA mission in addition to annual appropriated funds. If confirmed, I look forward to examining both the current execution of the FY15 appropriated budget and the FY16 budget request to ensure the agency is suitably resourced for its important mission. Also, if confirmed, I look forward to working with this Committee and the Congress to strike an appropriate balance among fee-based and appropriated funding approaches.

6. TSA serves as the face of the federal government to millions of Americans every day. You mentioned in your reply to the Committee's questionnaire that customer experience is among the top challenges you see facing the TSA. What will you do to improve customer experience should you be confirmed as TSA Administrator? How will you engage with stakeholders like airports and technology companies to improve the relationship with TSA in order to effectively and reliably secure transportation systems?

   Through my current career, I have routinely interacted with the public in enforcing maritime safety and in conducting the Coast Guard's law enforcement missions. I have learned that an organization designed to enforce rules and the law must do so with respect for the public that it serves, and a commitment to doing so professionally and dispassionately. We live in a nation that cherishes its rights and liberties, and our workforce must respect these rights and liberties while performing its security mission. While security is inherently intrusive, TSA must exercise its authorities with the highest degree of dignity and respect. In my experience in the Coast Guard, continually reinforcing this message and ensuring that leaders at all levels reinforce those expectations can be successful in embedding them into an agency's culture. If confirmed, reinforcing and instilling this mindset into the TSA workforce will help to ensure a positive experience without compromising the effectiveness or success of the security mission.

   The security of our transportation system also depends upon strong partnerships at all levels of government, with the private sector and with the traveling public. If confirmed, I envision communication, genuine collaboration, information sharing and involving stakeholders in developing solutions to the challenges we face as key elements of the approach I would take in leading TSA and in protecting our national transportation system. I have had extensive experience in working across government, with the private sector and with the public in setting and achieving security goals, and if confirmed, will continue to employ this collaborative approach.

7. TSA has faced significant challenges in the past in developing and responsibly acquiring new security technologies. Given how important cutting edge technology is to securing our Nation's critical transportation systems, how should TSA's limited resources be focused to develop and acquire better technology and how can the current process be responsibly streamlined to ensure that taxpayer dollars are not being wasted?

   Science, technology, research, and product development will continue to provide invaluable tools to support the TSA security mission. In my current role as Vice Commandant of the Coast Guard, I serve as the Component Acquisition Executive. I have been directly involved in managing this system as well as participating in a variety of system and process improvements over the past decade. I understand how critical a sound, defensible, and responsive acquisition program is to mission results. It requires a deep understanding of the capabilities of potential technology, partnerships with industry and the private sector

to ensure appropriate investment, flexible and adaptive systems that are responsive to the threat without sacrificing strong controls and program oversight, sound project management, and strict adherence to federal law and DHS policies. In my preparation, I have been provided an overview of the TSA Acquisition Program and the program management process. If confirmed, I will apply my extensive experience in acquisition oversight to the TSA acquisition enterprise to ensure that our investments are appropriate, deliver results, and that they provide sound stewardship and a return on taxpayer investment.

8. TSA's best-known risk-based security initiative is the PreCheck Application Program, which has been popular with travelers and has provided TSA with important cost savings. Although the PreCheck Application Program benefits both TSA and trusted travelers, there has apparently never been a marketing or technology plan developed and deployed to help drive greater numbers of enrollments. While any potential expansion of the program must involve appropriate vetting of enrollees, what are your views on PreCheck Application Program expansion, and do you see a role for airports and the private sector to facilitate such an expansion? If you are confirmed as Administrator, would you commit to pursuing more enrollment options and marketing the program to increase participation in a responsible manner? Acting Administrator Carraway told the Committee at a March 2015 oversight hearing that the TSA's Request for Proposals related to PreCheck Application Program expansion would be reissued within a week, which did not occur. Will you commit to examining promptly and reissuing the RFP, if appropriate?

   I support the expansion of risk-based initiatives. It is my understanding that the PreCheck Program has helped TSA learn more about the traveling public and that it is a key element in the risk-based approach that allows TSA to focus its highest efforts on travelers whom we know less and who may pose a potentially higher security risk. If confirmed, I will review the RFP referenced above. If confirmed, I also intend to pursue methods to increase participation in a responsible manner, particularly in ensuring we have high confidence in the risk assessments this process delivers, as well as determining the feasibility of pursuing additional enrollment locations.

9. TSA is currently involved in longstanding patent infringement litigation with a small business known as SecurityPoint regarding airport security checkpoint advertising systems intended to save money for taxpayers and airports by offsetting costs. The federal government could potentially be liable for significant sums if the case is not settled and SecurityPoint's patent is found to be valid. Moreover, as a result of the pending litigation, TSA has allegedly blocked SecurityPoint from contracting with additional airport authorities, thereby preventing the agency, taxpayers, and airport authorities from benefiting from the associated cost savings. If true, TSA's actions are troubling and raise broader concerns about the way TSA handles such matters and engages with the private sector. Have you been briefed on this litigation and/or TSA's actions with respect to airport authorities seeking to enter into new contracts with the company? Will you commit to reviewing this matter and taking appropriate action to ensure that TSA resolves this issue in a way that minimizes the exposure of taxpayers and allows TSA to achieve cost savings and screening efficiencies from private sector technologies?

   I have not been briefed on this issue, and if confirmed, I commit to reviewing this further.

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Written Questions for the Record from Senator Roy Blunt to Peter V. Neffenger

Admiral Neffenger, TSA calculates and uses a Federal Cost Estimate (FCE) to set minimum acceptable bids in all Screening Partnership Program (SPP) solicitations. Yet, by its own admission, TSA does NOT include total cost to the Federal Government as-a-whole in its FCE, but instead includes only costs associated with TSA specifically. Such a FCE significantly underestimates total costs to provide airport security screening, and its use by TSA to set minimum acceptable bids for SPP solicitations creates an equally significant disincentive for potential SPP contractors to even submit bids for such contracts. Furthermore, by using this method to set artificially low minimum acceptable bids in solicitations, the potential is increased that important security corners will have to be cut in order to meet the artificially low cost requirement. If TSA continues to use a Federal Cost Estimate in this way, will you insist that the total costs to the Federal Government are included in its calculation? If not, why not?

During my nomination proceedings, I have received briefings on the Screening Partnership Program. I understand that SPP has gone through a recent set of reforms providing for a more efficient application and procurement process. If confirmed, I look forward to reviewing the methodologies and cost estimates that are used to calculate the feasibility of a privatized screening workforce and to better understand how those decisions are made.