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Chairman Blunt, Ranking Member Cantwell, and members of the Senate Aviation Subcommittee, thank you for your leadership on aviation security and for inviting me here today for the first Subcommittee hearing of this Congress. It is an honor for me to be here. My name is Kim Day, and I am the Chief Executive Officer of the Denver International Airport (DEN). Security is a critical focus and priority for airport operators, and I look forward to sharing an airport perspective on enhancing aviation security.

I would also like to thank Senator Gardner who is a great champion for Colorado and the Denver airport. It is a pleasure to be here today to thank you in person for the efforts you led last year as part of the FAA Extension, Safety, and Security Act of 2016 (P.L. 114-90) to help foster innovation and drive forward-looking security solutions at our nation's airports.

I would like to focus my remarks this morning on a few areas: improving and modernizing our aviation security, addressing insider threats, enhancing employee screening and addressing funding challenges. I'd also like to touch on how we think Congress can help. I know these issues are important to the Subcommittee, and I would like to convey how important they are to airports as well. Security and public safety are critical components of an airport's mission, and we are very serious about addressing vulnerabilities. We have made great strides, but we are aware of the evolving threats. As one of the nation's greatest international hubs, continued collaboration with Congress, TSA, and our industry partners is imperative.

It is an exciting time at the Denver International Airport:

- DEN served a record-setting 54 million passengers in 2015, and will soon announce that we reached a new record high of 58.3 million passengers in 2016 nearly an 8% increase.
- DEN is currently the 2nd fastest growing metro area in the country; the airport has seen a 65 percent increase in international arrivals since 2012.
- DEN is the 6th busiest airport in the U.S.
- DEN is the 19th busiest in the world.
- DEN is the #1 economic engine of the State of Colorado and the Rocky Mountain region, according to a study by the Colorado Department of Transportation.
 - o More than \$26 billion annually in economic benefit
 - o Directly employs 35,000 workers and another 155,000 indirect jobs
- And last year we became truly multi-modal, as we began commuter rail service connecting our airport to downtown Denver in just 37 minutes.

Innovation and Modernization

As the threats to airports and the traveling public continue to evolve, we at the Denver Airport have engaged in an innovative project to improve security for the traveling public. The goal at DEN is to improve security, efficiency, and the overall passenger experience.

Denver is the newest large hub airport in the United States and with that we have a lot to be proud of, but we also have challenges. One in particular is relevant to this conversation. Like most airports, we were not built to house the current TSA security checkpoints. With the modern, pre-security threat, our configuration makes the location of our TSA security checkpoints a glaring vulnerability, as hundreds of passengers queue and TSA agents work in a pre-security area that is open and exposed from above.

We have been discussing relocation of this important function and the associated passenger and employee queues for years, but the recent, deadly pre-security attacks at Brussels and Istanbul airports, as well as the attack at Fort Lauderdale, have been a call to action —a sobering reminder that we can wait no longer in addressing this critical safety issue. We feel a sense of urgency.

Just hours after the recent shooting at Fort Lauderdale airport last month, my office received calls from both our Senators, expressing their concern over the safety of our passengers and employees. Please know that this is constantly on our minds and a part of everything we do each and every day at DEN.

Senator Nelson: I want to offer my condolences to you on the attack at your airport. Mark Gale and the staff at Fort Lauderdale-Hollywood International handled that terrifying situation with much professionalism, and we have reached out to them to learn in order to inform our preparedness at DEN.

To address security at our airport, we are using every tool at our disposal. We are in the final stages of negotiating a public-private partnership to leverage private-sector capital, experience and efficiency. We are reconfiguring our main terminal, streamlining the passenger experience, improving wayfinding and creating a "greenfield" site for new TSA security screening. We have sought expertise from stakeholders and innovators. And we have reached out to TSA to work collaboratively on a new vision for our checkpoints. But we need the federal government's help as well.

We don't simply want to move the same, frankly antiquated, systems as we overhaul our main terminal. We are doing everything we can and are committed to this effort but we also need federal funding. Security is a federal responsibility and we need to be able to lean on TSA as a real partner. We know we can improve this experience, and we see this project as an opportunity to create a national model for modern American aviation security.

About 18 months ago, we met with TSA leadership and offered ourselves up as a laboratory for security technology and innovation. I am happy to report that leadership at TSA embraced our offer. We signed a Memorandum of Understanding with TSA to work together on innovation. Since that time, we have traveled with agency experts to visit a number of international airports that are already deploying innovations that make screening more efficient and secure.

Last August, we hosted a Security Innovation Summit at DEN inviting more than 10 companies like Microsoft, CISCO, IBM, Panasonic, Cruise Line International, and Boeing to teach us and TSA about already-available technology that we could deploy quickly. We appreciate that Senator Gardner was able to spend the day with us and actually listen in to our discussions. We learned much from the private sector and look forward to continuing the conversation as we know that working together, we can make airports safer, more secure and more efficient.

We hope as we learn from our partners around the world, that we can bring home lessons learned to make the best decisions for DEN to accommodate our growing traffic and ever evolving threats.

I want to talk about what we have learned in the last 18 months of planning and highlight what this Committee – and Congress in general – could do to hasten these improvements at DEN and at airports across the country and within TSA. TSA is working collaboratively with airports and our friends at the airlines. The agency has already begun to improve efficiency with systems innovations at several airports. "Automated lanes" are now installed at airports in Atlanta, Newark, Chicago and Dallas.

As the entire aviation industry worked to address long lines at several airports last year; airlines, airport and TSA all deployed additional resources in short order, and working in harmony.

TSA has worked hard to increase enrollment in the PreCheck program. We love PreCheck. In fact, DEN has the highest number of applicants for PreCheck of any U.S. airport. But if you have traveled to major international airports, you will understand that there is so much more we can be doing.

First, there's really no need to have an agent greet you, check your ticket and identification. That's a huge bottleneck in the system, it uses up critical labor resources, and it's more efficient and secure to automate that system without compromising security.

Simply reconfiguring and adding several spaces at the checkpoint where people can simultaneously empty their pockets and remove computers and shoes— or in industry speak, "multiple divestiture points" and designing screening systems that divert bags and people needing secondary screening out of the line would create dramatic improvements in efficiency AND improve the passenger experience.

Think about it. Right now, the whole line is waiting on you when you go through security. If you are elderly, traveling with children or disabled, this can be especially stressful. With simple steps like these – already in practice at Amsterdam Schiphol and London Heathrow airports, we can take that pressure off travelers and allow TSA to focus on screening rather than line-management.

And that's really just the beginning. We would be grateful if this Committee would encourage TSA to continue the work it began with the agency's Innovation Task Force. We see a future where we integrate existing technology, passenger segmentation and systems integration so that the screening process begins the moment you book your ticket. Perhaps there are opportunities to integrate portions of the screening process into the check-in process itself.

We ought to be able to have a continuum of security as travelers interact with airlines, move through the airport, and process through security. And we think PreCheck is just the beginning of adding filters to the security experience.

We can layer on detection of large masses of metal and explosive detention in passive ways, precheckpoint. We're not far from a day when, because you've checked in online when you enter the airport, we could text you a message saying, "Welcome to DEN, Senator Blunt. You have appointment reservation at TSA screening lane #6 at 10:43. And if you're a vetted individual enrolled in PreCheck and a member of an airline frequent flyer program, TSA can filter you through a highly expedited process.

That means a far less stressful experience for you. It allows TSA to focus on risk, and we think the future is multi-factory risk based screening. I can't say enough how strongly I encourage TSA and this Committee to continue the work of the Innovation Task Force.

There are costs associated with these innovations. I think the aviation industry has demonstrated that we are willing to partner with you. I know DEN is ready to invest in the future with you. But as we address the modern security threat, we will need additional resources to make these improvements.

Today, we are not keeping up with the rest of the world, but have the opportunity to eclipse them in the next few years!

<u>Challenges – Acquisitions and Funding</u>

I would like to address some of our challenges in getting our project across the finish line. We think TSA could improve the process for approving and deploying new technologies. Our current personnel-heavy model of aviation security will be difficult to sustain over time given space and budget restraints. It is clear that newer technologies are available, and that such systems would improve both security as well as the passenger experience. At DEN, we are eager to help facilitate the deployment of new technologies. For its part, the federal government must employ more nimble and timely approval and acquisition processes to ensure that more efficient and secure systems are deployed as soon as possible. This Committee has been very helpful in driving TSA to make necessary improvements in this area.

Funding is obviously a major challenge as well. As I mentioned, we have engaged both TSA and the private sector to partner with us on major changes to our terminal or what we call our Great Hall project. As an airport, we have limited resources and are leveraging everything we can in order to move this project forward. Both growth and security require capital investment. Airport financing has been a hot topic for years. I will touch on two specific ways Congress can help in this regard.

For one, we would urge you to discontinue the practice of diverting TSA security fee revenues for non-security purposes, including deficit reduction. This year, we understand that \$1.28 billion in TSA security fee revenue will be diverted away from security for other purposes. The estimates are that almost \$13 billion over 10 years will go to fund other federal government activities. Clearly these resources could be put to good use to address numerous security challenges at airports.

The Passenger Facility Charge (PFC) – a local airport user fee that is devoted specifically to local projects -- is another important tool in our toolbox that we would like to use to meet security imperatives and upgrade airport infrastructure. Yet we are operating in a new world with an outdated funding mechanism. Airports operate under very strict FAA regulations that come with federal grants for capital projects. The PFC is slightly more flexible and is often a critical part of an airport's security obligations. Yet the \$4.50 cap of the PFC has not been raised in over 16 years and it has not been indexed to inflation.

While airports have been advocating for a PFC increase for years; all efforts have been unsuccessful. I urge this Committee to think about how airports can make all the needed infrastructure and security improvements needed without adequate funding. DEN is a willing and able partner, but we are only one part of the equation. Security is a federal responsibility and we need Congress to help us and TSA obtain adequate funding to meet our ever growing security challenges.

<u>Insider Threat and Employee Screening.</u> As a member of the airport community, no one takes the prospect of an insider threat more seriously than we do. We are proud of our ongoing efforts in this area – to help educate our workforce, secure airport worker access, track airport employee credentials/badges – all in an effort to protect the public.

DEN has worked hard to improve security. To this end, we have moved forward with several initiatives based on the Aviation Security Advisory Committee Working Group recommendations on Employee Screening and Airport Access Control. We have worked with TSA to reduce the number of access doors, increased employee inspections, and enhanced background screening for workers with secure area access.

Airports remained concern with the idea of 100 percent physical screening of employees. The Working Group's concluded that 100 percent physical screening would not completely eliminate potential risks and could divert limited resources from other critical security functions. Recent studies have indicated that implementing a 100 percent physical screening approach would cost an estimated \$15 billion annually and could cause significant operational disruptions. We support the approach recommended by ASAC that airport operators and TSA adopt local risk mitigation plans with an intelligence-driven, risk-based and layered approach to mitigate any threats. Resources are limited, so we must find a way to mitigate this threat without shutting down the national system.

I am grateful to have an audience with you today. We have a real issue to confront at Denver International Airport and I am confident that with your leadership we can capitalize on this opportunity and make improvements to the benefit of all U.S. passengers.

Thank you.