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Committee on Transportation and Infrastructure

OVERSIGHT AND INVESTIGATIONS STAFF REPORT

TSA Ignores More Cost-Effective Screening Model

Prepared for Chairman John L. Mica
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Committee on Transportation and Infrastructure
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Key Findings

1. ***Taxpayers would save $1 billion over five years if the Nation's top 35 airports operated as efficiently as SFO does under the SPP model.*** 35 airports account for 75 percent of commercial passengers in the United States.[1] 34 of these airports operate under the federal model, while SFO operates under the SPP model. If federal screeners at each of these airports were able to process the same number of passengers that private screeners screen at SFO, then 7,601 screeners could be cut from the Federal workforce, resulting in at least $1 billion in savings from salaries alone.

2. ***SPP screeners are 65 percent more efficient than their federal counterparts.*** Private screeners at SFO process 65 percent more passengers per screener than their Federal counterparts at LAX. If federal screeners at LAX operated as efficiently as private screeners at SFO, the LAX screener workforce could be reduced by 867 full time equivalent (FTEs) positions (see Appendix 2).[2]

3. ***Taxpayers would save more than $38.6 million a year if LAX joined the SPP (see Table 1).*** A reduction of 867 FTEs at LAX would result in approximately $33.3 million in savings from salary alone.[3] $635,800 would be saved because the National Deployment Force would not need to be deployed to fill staffing gaps.[4] $4.6 million would be saved in reduced training and recruitment costs due to lower attrition rates. Total savings would exceed $38.6 million a year. This assessment did not take into account higher overtime and injury rates that are unique to the federal model because TSA officials refused to provide that information to Committee staff. Savings will increase once these factors are also considered.

4. ***TSA concealed significant cost factors unique to the federal screening model.*** Committee staff found that TSA dismissed significant cost factors unique to the all-federal model when conducting past cost comparisons of the SPP and federal models.[5] Specifically, TSA did not consider cost savings that would result from increased screener efficiencies or removing the need to deploy the NDF. In addition to these metrics, the Committee recommends that future cost comparisons also include an analysis of the rate of screener overtime charged due to poor scheduling, and costs paid out due to injury rates.[6]

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[1] *FAA Aerospace Forecast: Fiscal Years 2011-2031*, at 26.

[2] This number is calculated by dividing the annual number of passengers screened at LAX by the annual number of passengers-per-screener at SFO, and subtracting that number from the 2010 total number of FTE screeners at LAX.

[3] Committee staff used the average base screener salary for private screeners at SFO, or $38,480, as the base annual salary for screeners at both SFO and LAX.

[4] The National Deployment Force (NDF) is a team of mobile TSA screeners whose mission is to respond to emergencies at the Nation's airports due to heightened security or increased traffic. Increasingly, TSA has deployed the NDF to backfill staffing shortages at airports due to high attrition and poor screener allocation models. The NDF has never been deployed to a SPP airport.

[5] GAO: TSA Cost and Performance Study; GAO: TSA Revised Cost Comparison.

[6] Committee staff requested this information from TSA in order to include it in the report, however TSA officials refused the request.

5. ***TSA has hired 137,100 staff[7] since the agency's creation and spent more than $2 billion on recruiting and training costs (see Appendix 3).[8]*** Due to high attrition, TSA has spent so much time managing itself that it has been unable to focus necessary resources on oversight and regulation of U.S. transportation security, in general. The SPP allows TSA to function as its creators in Congress originally intended—as a government regulator.

6. ***Clear and substantial advantage existed to approve five airport applications denied by TSA.*** Interviews with each of the five denied airport authorities found that significant advantages would have resulted from SPP participation including cost-savings, greater flexibility and responsiveness of screening staff, and improved customer service.

7. ***TSA's SPP application and evaluation process is flawed.*** The SPP application requires only a simple, one-sentence response from the airport operator to provide rationale for applying to the program. TSA officials did not communicate with or seek additional information from any of the airport authorities that were denied participation (see Appendix 5).

8. ***TSA does not have clear criteria to determine if a "clear or substantial advantage" exists to approve SPP applications.*** TSA officials could not have had sufficient information to determine if advantage existed to allow airport participation in the SPP. TSA refused to release the metrics used to evaluate SPP applications and TSA officials claim that applications were denied based on the "discretion of the Administrator."[9]

9. ***There is evidence that TSA officials erroneously claimed no communication with union representatives about the SPP.*** On February 1, 2011, Chairman Mica requested that Administrator Pistole provide all communications between DHS and TSA with labor union organizations and their representatives related to the SPP (see Appendix 6). Administrator Pistole responded on February 28, 2011, that "there are no such communications" (see Appendix 7).[10] However, there is a public history of union meetings and communications with DHS and TSA officials regarding the program, including an in-person meeting between American Federation of Government Employees (AFGE) representatives and DHS Secretary Janet Napolitano, where AFGE urged "the SPP program and policies be reviewed by senior leaders."[11] TSA officials also noted in an internal presentation that impact on the TSO workforce is a "justifiable reason" to end or limit the SPP program, stating that "TSOs at potential SPP airports face uncertainty about their job status."[12]

10. ***TSA officials recommended abolishing the SPP.*** Although the SPP is mandated statutorily through ATSA, documents obtained by the Committee confirm that TSA officials

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[7] E-mail from Tomeika Blackwell, Legislative Affairs, TSA, to Rachel Weaver, T&I Comm. (March 23, 2011).
[8] TSA officials did not comply with requests from Committee staff to provide the cost of recruiting and training screeners. Information obtained by the Committee related to these costs is all publicly available, and does not provide a complete representation, therefore this estimate is conservative.
[9] Briefing with TSA SPP Program Office (March 22, 2010).
[10] Letter from John S. Pistole, Administrator, TSA, to John L. Mica, Chairman, T&I Comm. (Feb. 28, 2011).
[11] AFL-CIO, *AFGE's Efforts Put SPP on Ice: TSA Ends Expansion of Airport Privatization Program*, The TSO Voice, Jan. 29, 2011 [hereinafter AFGE's Efforts Put SPP on Ice].
[12] TSA SPP Power Point.

recommended awarding new contracts at existing SPP airports for one year while the agency "resume(d) federalization efforts." [13]

11. ***Most of the rest of the world utilizes a SPP-like screening model at airports.*** The United States is one of the only countries in the world, along with governments in the Middle East and Africa that operates as security operator, administrator, regulator, and auditor at airports (see Appendix 1). Most international governments contract the role of airport security "operator" to qualified private screening companies, allowing the government to focus on setting standards, performing oversight, and enforcing regulations. International stakeholders report that this private-federal model drives innovation, increases performance, and lowers costs.

[13] *Id*.

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I. Executive Summary

On January 28, 2011, Transportation Security Administration (TSA) Administrator John Pistole announced that he would not expand the Screening Partnership Program (SPP) and denied SPP applications from five airports. The SPP was established as a pilot program in the Aviation and Transportation Security Act of 2001 (P.L. 107-71) to allow TSA-certified contractors, under federal supervision and regulation, to conduct passenger and baggage screening at airports. The law provided that, two years after the creation of TSA, the option to "opt-out" of the federal screening model would become available to all airport authorities. While the federal government is responsible for setting security standards under both models, the SPP would enable TSA to get out of the human resources business and focus instead on setting standards, auditing performance, and enforcing compliance.

Covert testing, anecdotal information and independent evaluation have shown that utilizing private screening professionals under federal regulation and oversight is the better and more cost-effective security option. The Committee found that if each of the Nation's "Core 35" airports operated as efficiently as San Francisco International Airport (SFO) does under the SPP model, ***American taxpayers would save more than $1 billion over five years***.[14]

TSA has continuously thwarted adoption of the better model, and is now denying airport applications to opt-out of the federal screening model. Administrator Pistole's January 28 announcement marked the first time in the program's ten-year history an airport had been refused participation in the statutorily-mandated program.[15]

> ***"I examined the contractor screening program and decided not to expand the program beyond the current 16 airports as I do not see any clear or substantial advantage to do so at this time."***
>
> *TSA Administrator John Pistole*
> *January 28, 2011*

The Secretary of Homeland Security, through the TSA Administrator, currently has sole and unfettered discretion to deny SPP applications. The United States is one of the only governments in the world that employs its transportation security agency as regulator, operator, and auditor at airports (see Appendix 1). [16]

[14] The Federal Aviation Administration (FAA) has identified what they term the "Core 35" airports in the Nation that account for about 75 percent of commercial passengers, *FAA Aerospace Forecast: Fiscal Years 2011-2031*, at 26. Committee staff evaluated the efficiency of screeners at each of these 35 airports, and identified that 7,601 screener FTEs could be cut if the Core 35 operated as efficiently as SFO does under the SPP Model. "Efficiency" is calculated by dividing the number of passengers screened in a year by the number of screeners employed in a year. More than $1b would be saved in salary costs by cutting 7,601 federal screeners from the TSA workforce.

[15] On January 28, 2011, TSA Administrator Pistole denied the SPP applications of Glacier Park International Airport (GPI), Yellowstone Airport (WYS), Missoula International Airport (MSO), Bert Mooney Airport (BTM), and Springfield Branson National Airport (SGF).

[16] Conversations between Committee staff and representatives from Securitas, G4S, ICTS, U.S. Embassies, and the TSA Attaché in Belgium.

The Administration has often used cost as justification for not promoting the SPP[17]; however an analysis by Committee staff found that if federal screeners at Los Angeles International Airport (LAX) were to operate as efficiently as private screeners at San Francisco International Airport (SFO), American taxpayers would save more than $38.6 million a year (see Table 1).[18] Further, private screeners at SFO screened 65 percent more passengers per screener than federal screeners at LAX in 2010.

Committee Staff also found that TSA officials did not examine the merit of pending SPP applications before denying them on January 28, 2011. The SPP application process was found to be flawed; airport authorities are not required to provide a clear explanation of challenges related to the federal screening model at their airport, or how SPP participation would fix those problems. Moreover, agency officials did not request additional information from airport authorities with pending requests, or contact them at any time during the decision-making process. TSA officials refused repeated requests by Committee staff to provide the metrics used by the agency to determine whether advantage existed.[19]

TSA leadership could not have had sufficient information to determine if a "clear or substantial advantage" would result from these airports joining the SPP and therefore did not have basis to deny airport authority applications. Furthermore, and as discussed later in the report, Committee staff discovered that such advantage did in fact exist to admit these airport authorities into the program.[20]

The Committee also uncovered evidence of multiple meetings between union representatives and Administration officials regarding the SPP, a finding that is in direct opposition to claims from TSA leadership denying any communication between union representatives and Department of Homeland Security (DHS) or TSA officials about the program.[21]

Moreover, documentation obtained by Committee staff reveals that in late 2010 and early 2011, senior officials at TSA considered disregarding the statutory requirement for the SPP

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[17] TSA has issued two misleading cost comparisons of the two screening models. These studies claimed that SPP airports were 17.4% and 3% more expensive to operate than non-SPP airports. Government Accountability Office, *Aviation Security: TSA's Cost and Performance Study of Private-Sector Airport Screening* (Jan. 9, 2009) (GAO-09-27R) [hereinafter GAO: TSA Cost and Performance Study]; Government Accountability Office, *Aviation Security: TSA's Revised Cost Comparison Provides a More Reasonable Basis for Comparing the Costs of Private-Sector and TSA Screeners* (March 4, 2011) (GAO-11-375R) [hereinafter GAO: TSA Revised Cost Comparison].

[18] This analysis was based on the productivity rates of private screeners, workforce turnover costs, and the cost of TSA sending the National Deployment Force to LAX. Additional factors, such as the overtime and costs related to injury rates, were not considered because TSA officials refused to provide those statistics upon repeated request by Committee staff. If those factors were included, the savings would increase significantly.

[19] Administrator Pistole's January 28 statement claimed that there must be "clear and substantial" advantage to approve a SPP application, however TSA officials refused to provide the metrics TSA used to determine "advantage" upon repeated Committee request.

[20] Committee staff spoke repeatedly with Airport Directors at each of the five airports that were denied and learned that significant challenges existed at each of the denied airports as a result of federal screening operations.

[21] Letter from John S. Pistole, Administrator, Transportation Security Administration (TSA), to John L. Mica, Chairman, Committee on Transportation and Infrastructure (T&I Comm.) (Feb. 28, 2011).

entirely by abolishing the program and federalizing the existing 16 SPP airports.[22] The agency instead chose to avoid public backlash by continuing the program at existing SPP airports but refusing any future applications.

The findings of this report reveal that Administration officials do not have clear criteria for denying SPP applications, have concealed significant cost factors unique to the federal screening model when conducting cost comparisons, and suggest that union pressure to retain federal jobs played a leading role in TSA officials' decision to deny airport applications and stop expansion of the program.

[22] TSA officials provided a power point presentation to Committee staff from January 5, 2011, providing a recommendation to Administrator Pistole to completely eliminate the SPP. They intended to do this by renewing contracts at the existing 16 SPP airports for one year, refusing any future applications, and setting up a timeline to federalize the SPP airports. TSA, *Screening Partnership Program*, Power Point Presentation (Jan. 5, 2011) [hereinafter TSA SPP Power Point]. The following 16 U.S. airports participate in the SPP: San Francisco International Airport (SFO), Sioux Falls Regional Airport (FSD), Tupelo Regional Airport (TUP), Charles M. Schultz Sonoma County Airport (STS), Sidney-Richland Municipal Airport (SDY), Dawson Community Airport (GDV), Wokal Field/Glasgow International Airport (GGW), Havre City-County Airport (HVR), L. M. Clayton Airport (OLF), Lewiston Municipal Airport (LWT), Miles City Airport (MLS), Key West International Airport (EYW), Kansas City International Airport (MCI), Greater Rochester International Airport (ROC), Roswell International Air Center (ROW), and Jackson Hole Airport (JAC).

II. SPP Saves Taxpayers 42%; SPP Screeners are 65% More Efficient

Through the SPP, TSA can reduce the capital and time the agency spends on managing human resources issues and refocus its mission on security and better coordination of intelligence.

The Committee found that TSA concealed significant cost factors unique to the federal model of screening when conducting cost comparisons with the SPP. In 2007, TSA claimed that SPP airports cost 17.4 percent more to operate than airports under the federal security model.[23] The Government Accountability Office (GAO) challenged TSA's methodology for the cost assessment and identified multiple cost elements that the agency had excluded when performing the analysis.[24] TSA revised its cost assessment in January of 2011 to reflect a three percent higher operating cost at SPP airports than airports using federal screeners.[25]

TSA's 2011 cost analysis has not been independently verified, however Committee staff challenged TSA's 2011 claim that SPP airports are more than three percent more costly to operate. To do so, Committee staff compared the cost of employing private sector screeners under the SPP model at San Francisco International Airport (SFO) with the cost of employing Transportation Security Officers (TSOs) under the all-federal model at Los Angeles International Airport (LAX). LAX and SFO are both large, Category X hub airports in California with similar traffic patterns and challenges.

The Committee's analysis was based solely on three cost metrics that have been dismissed in previous cost comparisons conducted by TSA:

1. Screener Productivity: average number of passengers processed by a screener under each model during one year;
2. Turnover: cost of recruiting and training new employees under each model due to attrition;
3. National Deployment Force (NDF): cost of deploying National Deployment Officers due to high attrition rates and poor screener allocations at airports under the federal model (the NDF has never been deployed to a SPP airport);

Assuming that all other costs related to screening operations at the SPP and non-SPP airport are equal, the Committee found that SPP screeners at SFO are 65 percent more efficient than non-SPP screeners at LAX (see Appendix 2),[26] and additional costs associated with ineffective workforce management at LAX were 42 percent higher than similar costs under the SPP model at SFO (see Appendix 2).[27]

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[23] GAO: TSA Cost and Performance Study, at 7.

[24] For example, GAO observed that TSA failed to consider the impact of overlapping administrative staff, workers compensation, general liability insurance, certain federal retirement costs, and lost corporate income tax revenue generated by private companies through the SPP. GAO: TSA Cost and Performance Study, at 16.

[25] GAO believes that only three of the seven limitations related to cost, identified after they agency's 2007 cost comparison, were addressed in the revised estimate. GAO: TSA Revised Cost Comparison.

[26] This information is based on the annual number of passengers screened per screener FTE employed.

[27] This cost estimate takes into account costs related to the efficiency of screeners, recruiting and training costs due to high attrition, and the use of the National Deployment Force.

Table 1

The Committee conducted a cost analysis of screening costs at LAX under the Federal structure and the SPP structure, using efficiencies at SFO as the model for SPP savings (See Appendix 2). If LAX operated as efficiently as SFO, then 867 screener FTEs could be cut from the LAX Screener Allocation Model.

Cost Per Screener FTE	Federal Model	SPP Model	Savings under SPP
2010 Passengers[28]	21,484,690	21,484,690	
Screener FTEs[29]	2200	1333	867
Passengers per Screener	**9,765**	**16,113**[30]	*65% more efficient*
Screener Productivity (annual salary)[31]	$38,480	$38,480	$0
Turnover (recruiting & training costs)[32]	$2,439	$541	$1,898
National Deployment Force[33]	$289	$0	$289
Total cost per screener	**$41,208**	**$39,021**	**$2,187**
Total Cost of Screener Workforce	$90,657,600	$52,014,993	*42% less costly* **$38,642,607**

Committee staff did not conduct an analysis of the *performance* of screening operations at SPP and non-SPP airports in this study, however the Committee did request that GAO conduct a performance analysis of operations at SPP and non-SPP airports (see Appendix 8).[34] Analyses to-date, however, have found that private screeners perform at a level equal to or greater than TSOs.

> **"…private screeners performed at a level that was equal to or greater than that of federal Transportation Security Officers."**
>
> -Catapult Consultants
> December 2007

In 2007, USA Today uncovered covert TSA test results that showed significantly higher screener detection capabilities at SFO than at LAX: "investigators successfully smuggled 75 percent of fake bombs through checkpoints at Los Angeles International Airport … and 20 percent at San Francisco International Airport."[35] In December of 2007 Catapult Consultants also issued a report to TSA that found "private screeners performed at a level that was equal to or greater than that of federal TSOs [Transportation Security Officers]."[36] Similarly, interviews with private sector screening companies and airport officials indicate that SPP airports have better screener detection capabilities and provide greater customer service, responsiveness, and flexibility at passenger checkpoints (see Appendix 12).

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[28] 2010 passenger numbers received from SFO and LAX airport authority officials, respectively.
[29] TSA, *SAM11 Allocation Summary*.
[30] See Appendix 2, private screeners at SFO are able to process 16,113 passengers per screener.
[31] *Id.*
[32] *Id.*
[33] *Id.*
[34] Letter from John L. Mica, Chairman, T&I Comm., to Gene Dodaro, Comptroller General, Government Accountability Office (May 5, 2011).
[35] Thomas Frank, *Most Fake Bombs Missed by Screeners*, USA Today, Oct. 22, 2007.
[36] GAO: TSA Cost and Performance Study, at 7.

III. Unions Pressured TSA to Save Federal Jobs by Abolishing the SPP

TSA officials cited the uncertainty TSOs face about their job status as a justifiable reason for limiting the scope of the SPP. Unions representing TSOs have placed significant pressure on TSA officials at headquarters and at local airports considering the SPP to abolish the program and preserve federal jobs. On February 1, 2011, Chairman Mica requested that Administrator Pistole provide to Committee staff all communications between DHS or TSA and labor union organizations and their representatives related to the SPP (see Appendix 6). Administrator Pistole responded on February 28, 2011, that "there are no such communications" (see Appendix 7).[37]

To the contrary, Committee staff discovered direct evidence that questions Administrator Pistole's claim of no union involvement in his decision to stop the expansion of the SPP. A public history exists of union meetings and communications with DHS and TSA officials regarding the SPP, including an in-person meeting between AFGE representatives and DHS Secretary Janet Napolitano.

> December 19, 2010
>
> ***"AFGE and TSA have agreed that the SPP program will be abolished. They just signed an agreement."***
>
> -Cynthia Jenson
> President
> Local 1120 AFGE-TSA

Airport authorities that were denied participation in the program also reported that union representatives often met with TSA employees at the airport while their applications were pending.[38] At Glacier Park International Airport (GPI), TSOs represented themselves as AFGE members and attended airport authority board meetings to lobby against the airport's transition to the SPP, targeting board members supportive of the SPP.[39] Airport officials at GPI believe these efforts resulted in the removal of Tim Grattan, a Flathead Municipal Airport Authority board member.[40]

In a January 29, 2011, newsletter following Administrator Pistole's announcement to halt the SPP, AFGE reported that they first began communicating with TSA officials to "conduct a thorough review of SPP in 2009 after seven Montana airports' applications were approved to privatize the screening function and three more airports in Montana publicly stated that they intended to apply to go private."[41] In a May 6, 2010 newsletter, AFGE reported that "***TSA has***

[37] Letter from John S. Pistole, Administrator, TSA, to John L. Mica, Chairman, T&I Comm. (Feb. 28, 2011).
[38] Telephone conversation between Cindi Martin, Airport Director, Glacier Park International Airport (GPI), and Rachel Weaver, Oversight and Investigations, T&I Comm. (Feb. 28, 2011).
[39] *Id*.
[40] E-mail from Cindi Martin, Airport Director, GPI, to Rachel Weaver, T&I Comm. (May 18, 2010, 10:59 PM EST) (Appendix 9).
[41] AFGE's Efforts Put SPP on Ice.

told AFGE that the agency will revisit the SPP and will place any contracting out plans on hold until a decision has been reached."[42]

AFGE also reported its participation in an in-person meeting with DHS Secretary Janet Napolitano, "urging that the SPP program and policies be reviewed by senior leaders."[43] In the same newsletter, Eric Wood, a Lead TSO at GPI Airport, applauded the union's efforts: "AFGE was able to get TSA management to stop moving forward on our airports application for SPP… now thanks to all the help from AFGE we were able to convince TSA that SPP was not a program that is good for the mission of TSA."[44]

On December 19, 2010, Cynthia Jenson, President of the American Federal Government Employees Local 1120 in Montana, sent an e-mail stating, "I have some very good news. AFGE and TSA have agreed that the SPP program will be abolished. They just signed an agreement" (see Appendix 10).[45] Jenson told Committee staff on May 19, 2011, that she "wholeheartedly believed" AFGE had a role in Administrator Pistole's January 28 decision not to expand the SPP.[46]

Finally, on the same day Administrator Pistole denied five airport applications to the SPP and made his announcement that TSA would not expand the program, he sent an email to TSA employees informing them of his decision and guaranteeing that TSOs are safe (see Appendix 4). Pistole told employees:

> **…I want to assure you that at this time, TSA does not have plans to replace federal employees with contractors at any airports that are not currently participating in the Screening Partnership Program… The entire leadership team and I remain committed to continuing our support for you in every possible way we can.[47]**

In general, airport authorities reported multiple obstacles to participation in the SPP, including what airport officials interpret as a general desire from TSA to put an end to the program.[48] As one example of TSA's opposition to the program, Administrator Pistole arranged a meeting with Larry Dale, the President and Chief Executive Officer of Sanford Airport Authority (SAA), and attempted to dissuade the SAA from opting-out after a public meeting of the board unanimously voted to apply to the SPP in October of 2010 (see Appendix 11).[49]

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[42] AFL-CIO, *What Happens in Montana May Not Stay in Montana*, The TSO Voice, May 6, 2010.
[43] AFGE's Efforts Put SPP on Ice.
[44] *Id*.
[45] E-mail from Cynthia Jenson, President, American Federal Government Employees (AFGE) Local 1120, to AFGE Members (Dec. 19, 2010, 8:35 PM).
[46] Telephone conversation between Cynthia Jenson, President, AFGE Local 1120, and Rachel Weaver, T&I Comm. (May 19, 2010).
[47] SPP January 28 E-mail.
[48] Aviation and Transportation Security Act (ATSA), Pub. L. No. 107-71, § 108.
[49] Letter from Larry Dale, President & CEO, Sanford Airport Authority, to Rachel Weaver, T&I Comm. (May 16, 2011).

Between January of 2009 and the summer of 2010, TSA officials informed airport authorities that a TSA Administrator must be named before SPP applications would be evaluated.[50] Some airport management was left in the dark for 18-24 months after their SPP application was submitted before it was denied by the Administration.[51] Private companies also reported that TSA was reluctant to extend contracts in a timely manner, resulting in multiple month-to-month contracts that often were not awarded until the day the previous contract expired, creating uncertainty and driving costs up.[52]

[50] Telephone conversation between Gary Cyr, Director of Aviation, Springfield Branson National Airport, and Rachel Weaver, T&I Comm. (March 7, 2011).
[51] *See* Section V for a discussion of the timeline between application and TSA response.
[52] Conversations between current SPP security companies and the Coalition for Innovative Airport Screening.

IV. Substantial Advantage Existed to Approve SPP Applications of Five Denied Airports

Six airports applied for participation in the SPP between 2007 and the date of this report, five of which were denied on January 28, 2011. Orlando-Sanford International Airport in Florida submitted an application after Administrator Pistole's January 28 decision to halt the program that is still considered to be "pending."[53] Bert Mooney Airport in Montana first submitted an application in 2007 and then again in 2009. Glacier Park International and Yellowstone Airports in Montana submitted applications in 2008 and 2009, respectively, and Springfield Branson National Airport and Missoula International Airport submitted applications in 2010.

TSA Administrator Pistole has maintained that he did not find a "clear or substantial advantage" to approve these applications.[54]

TSA officials have refused to provide the metrics used to determine "clear or substantial advantage" to airport authorities and Committee staff upon repeated request.[55] Based on a thorough review of airport applications by Committee staff, and conversations with the Airport Director at each of the five denied airports, it is clear that officials did not have sufficient information to determine if such an advantage existed for each of these airport authorities to join the SPP (see Appendix 5).

TSA had permanently reduced staff at Glacier Park International Airport based on the traffic it receives during the off-season…
As another example of poor scheduling and staff management, TSA was forced to deploy the NDF between June and September of 2008 to backfill the positions they had just eliminated.

Through interviews with airport officials and a review of the application process, Committee staff determined that:

1. Sufficient merit existed at each of the five airports to determine clear and substantial "advantage" for participation in the SPP;
2. TSA did not require sufficient information in the SPP application or during the decision-making process to make an accurate determination of merit; and

[53] Orlando-Sanford International Airport submitted an application on February 1, 2011, and is therefore still considered pending. Letter from John S. Pistole, Administrator, TSA, to John L. Mica, Chairman, T&I Comm. (Feb. 28, 2011).
[54] SPP January 28 E-mail.
[55] Briefing with LaVita LeGrys, TSA Assistant Secretary for Legislative Affairs (March 9, 2011); briefing with TSA SPP Program Office (March 22, 2010).

3. TSA officials did not communicate with airport officials after applications were submitted or share rationale for denial.[56]

Each of the denied airport authorities identified similar reasons for wanting to participate in the SPP (see Appendix 12)**:**

1. Many of the airports had been encouraged by TSA to participate in the SPP;
2. Airport officials believe that the private sector drives innovation and efficiency at airports;
3. Airport authorities desire greater ownership of the screening experience (including efficiency and effectiveness) at passenger checkpoints;
4. TSA screeners provide poor customer service to passengers, resulting in a negative travel experience and perception of the airport; and
5. Many of the airports are either partially- or fully-staffed by the National Deployment Force, resulting in a high cost to taxpayers, a rotating staff with little experience at the airport, and low screener morale and customer service.[57]

Each of the five denied airports intends to continue pursuing participation in the SPP.

Glacier Park International Airport (GPI), Montana

Glacier Park International Airport is a non-hub airport with a summer seasonal spike. Airport Director Cindi Martin noted that TSA screeners were unable to efficiently and effectively process checked and carry-on baggage.[58] She further cited numerous and consistent complaints by passengers regarding the customer service provided by TSOs.

Airport officials at Glacier Park International Airport determined that TSA was not flexible or responsive enough to perform effectively at their airport.

In September of 2007 TSA officials visited Martin and asked her to consider applying to the SPP so that TSA's "human resources burden" at the airport would be relieved and the agency could focus on oversight and compliance.[59] In October of 2007 TSA officials appealed to the Montana Airport Managers Association and requested that airport authorities in the state consider opting-out of the TSA screening model through participation in the SPP.[60]

[56] *See* Appendix 5; letter from Lee Kair, Assistant Administrator of Security Operations, TSA, to Cindi Martin, Airport Director, GPI (Jan. 28, 2011) (Appendix 13).
[57] *See* Appendix 12.
[58] Telephone conversation between Cindi Martin, Airport Director, GPI, and Rachel Weaver, T&I Comm. (Feb. 28, 2011).
[59] *Id*.
[60] *Id*.

The mission of NDF is to support:

> …all airports during emergencies, to cope with seasonal demands, or under other special circumstances that require labor assets not regularly available to Federal Security Directors. Examples of these circumstances include severe weather conditions, heightened security requirements, natural disasters such as Hurricane Katrina, and increased passenger activity due to special occasions.

In April of 2008, the DHS Office of Inspector General found that TSA is "overly reliant on the deployment force to fill chronic staffing shortages at specific airports in lieu of more cost effective strategies and solutions to handle screening demands."

The OIG found that TSA had not identified the criteria and priority for deployment decisions or ensured that resources were being allocated appropriately. It was further found that TSA did not have a financial system in place to track the expenses related to the program, "adequate documentation to support deployment decision-making, or internal controls and standard operating procedures over key deployment functions."

Source: DHS OIG, *TSA's National Deployment Force* (Aril 2008) (OIG-08-49).

Shortly thereafter, airport officials at GPI were informed that TSA planned to cut the number of screeners at the airport nearly in half (from 30 to 17),[61] a staff model that would be unable to manage the airport's peak travel time of June through September when passenger traffic triples.

GPI airport management repeatedly attempted to contact TSA officials regarding the new screener allocation model and even involved their congressional offices in an attempt to get a response to airport concerns.[62] Four months later, in March of 2008, Martin received a phone call from TSA officials informing her that screener allocation models are based on the passenger traffic trends measured in October. TSA had permanently reduced staff at GPI International Airport based on the traffic it receives during the off-season.

As another example of poor scheduling and staff management, TSA was forced to deploy the NDF between June and September of 2008 to backfill the positions they had just eliminated.[63] As outlined in the sidebar, the NDF has been wrought with mismanagement and inefficiencies.

In the summer of 2008, airport officials determined that TSA was not flexible or responsive enough to perform effectively at their airport. They further believed that customer service would improve with private screeners. In August the GPI airport authority board voted to opt-out of the federal screening structure in favor of SPP. In October of that year, GPI's Airport Director flew to Washington, D.C., and hand delivered the airport's SPP application to TSA officials.

TSA officials informed Martin that the agency did not want to manage multiple RFPs and therefore GPI would need to participate in an existing RFP that contained a small business provision. Martin reported

[61] *Id*.
[62] TSA issues a "Screener Allocation Model" or "SAM" each year to determine how many screeners will be allocated to each airport.
[63] Telephone conversation between Cindi Martin, Airport Director, GPI, and Rachel Weaver, T&I Comm. (Feb. 28, 2011).

that the GPI airport authority did not feel a small business would be able to devote adequate resources and focus to the scale of operations at GPI, and so the airport was forced to wait until a new RFP opened in 2009 to submit its application.

As news of the airport's intent to opt-out of the federal screening model spread, TSOs repeatedly informed passengers that it would not be safe to fly under the SPP model, and lobbied the airport board, the press and local government officials to abolish the program.[64] TSOs also lobbied their federal representatives to save federal jobs and stop the SPP at GPI International Airport.[65]

In December of 2010 a uniformed TSO lobbied passengers at a GPI departure gate by handing out fliers and requesting travelers to sign a petition to have a member of the Airport Board of Directors, who was in favor of the SPP, removed from the board.[66] Although airport officials immediately requested an investigation (see Appendix 14),[67] and Committee investigators requested that TSA look into the incident on March 9, 2011, TSA has yet to initiate an investigation into the actions of the TSO.[68]

Between July of 2008 and December of 2010, airport officials from GPI spoke monthly with the TSA SPP Office. During these conversations, including an in-person meeting with the SPP Program Manger, Ray Williams, on December 10, 2010, airport officials were not informed that there may be a problem with their application. On January 28, 2011, GPI airport officials received a letter from TSA Assistant Administrator of Security Operations, Lee Kair, stating that the airport's application had been denied (see Appendix 13) and directing airport officials to contact the Montana Federal Security Director, Dan Fevold, with any questions.[69] No justification for the denial was provided in the letter and Fevold has yet to respond to multiple communications from the Airport Director.

Missoula International Airport (MSO), Montana

MSO is a non-hub airport that enplanes approximately 300,000 passengers per year.[70] In 2007, TSA approached airport officials and encouraged them to consider participation in the SPP. The Airport Director described the TSA officials as "teasing" the airport authority with the potential of additional funding for screening technology if they joined the program.[71]

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[64] *Id*.
[65] *Id*.
[66] *Id*.
[67] E-mail from Cindi Martin, Airport Director, GPI, to Dan Fevold, Federal Security Director, TSA (May 23, 2010, 3:59 PM EST).
[68] Briefing with LaVita LeGrys, Assistant Secretary for Legislative Affairs, TSA (March 9, 2011); e-mail from LaVita LeGrys, TSA, to Rachel Weaver, T&I Comm. (March 9, 2011, 3:52 EST).
[69] Letter from Lee Kair, Assistant Administrator of Security Operations, TSA, to Cindi Martin, Airport Director, GPI (Jan. 28, 2011).
[70] E-mail from Cris Jensen, Airport Director, Missoula International Airport (MSO), to Rachel Weaver, T&I Comm. (May 19, 2011, 10:55 AM EST).
[71] *Id*.

Shortly thereafter, TSA directed the MSO airport authority to begin monitoring a passenger exit area that had historically been under TSA supervision. MSO airport officials determined that the additional manpower and budgetary obligation of monitoring that checkpoint would be a significant burden for the airport's small budget. Airport officials determined that the additional cost would be off-set if MSO were able to participate in the SPP, which would provide for greater flexibility of staff resources.

Justification for the denial has not been provided to airport officials and the TSA Federal Security Director at MSO informed the airport authority that he is unaware of TSA's rationale for denying the application.

> "It is our (Sanford Airport Authority) belief that participation in the SPP will enable us to maximize our influence over the quality of customer service afforded to our passengers, while implementing federal rules and regulations, and allowing the TSA to exercise appropriate oversight. We strongly believe our participation the SPP will ensure increased performance without compromise of security or passenger safety and welfare. Further, participation in the program will eliminate costly layers of bureaucracy and red tape that SAA and [Orland Sanford International Airport] must navigate with the TSA."
>
> -Larry A. Dale, President/CEO
> Sanford Airport Authority

Bert Mooney Airport (BTM), Montana

As a small airport, Bert Mooney Airport officials must keep cost structures low in order to remain competitive. Consequently, airport operators have become increasingly concerned with TSA's poor management of screening staff. BTM management reports that the airport vacillates between being overstaffed and understaffed by TSA management, resulting in idle staff in one instance and the deployment of the NDF to supplement screening operations in the next.

As with the other Montana airports, TSA encouraged BTM airport officials to apply for the SPP during an annual meeting of the Montana Airport Mangers Association in 2007. Airport officials viewed the program as an opportunity for airport management to get involved in the management of staffing passenger checkpoints, with the intent of lowering operating costs at the airport.

BTM airport leadership first submitted an application for the SPP in 2007 along with the Montana seven. TSA officials informed the BTM Airport Director that the current RFP was for essential air service airports and BTM would have to wait until a new RFP became available.

In January of 2009, BTM airport officials submitted their second application to participate in the program. Due to staffing shortages at the airport, TSA deployed the NDF between 2009 and 2010 to supplement screening operations.

In January of 2011, the airport authority was informed that their application had been denied. No justification was provided.

Springfield Branson National Airport (SGF), Missouri

The SGF airport authority determined that a qualified private screening company would eliminate problems related to poor management, scheduling, and flexibility of screening operations at the airport. Airport management report multiple instances of TSOs closing passenger checkpoints early, resulting in missed flights and key checkpoints remaining closed during peak travel times at the airport, resulting in unnecessarily long lines at security checkpoints (see Appendix 15).[72] Airport management expressed its intent to apply for the program in late 2009 but was informed that TSA must name an Administrator prior to application reviews, a process they were told that would take approximately 18 months.[73]

The Obama Administration appointed a TSA Administrator in July of 2010, and SGF submitted their SPP application in November of that year.

Airport officials report that local TSOs immediately began to contact local news outlets and send anonymous letters to board members advocating that the SPP application process be shut down in order to save federal jobs at the airport.

In January of 2011 the airport authority's application was denied. TSA officials have not provided justification for the denial to airport management.

Yellowstone Airport (WYS), Montana

Yellowstone is a state-owned seasonal airport that operates from June 1st to September 30th of most years. The airport is staffed entirely by the NDF during these months. In order to staff the airport through NDF, TSA screeners are flown from their home base, provided per diem lodging and food costs, and are often afforded a visit home depending on the length of their deployment.[74]

Current economic challenges in the state and the fact that the airport is not funded through tax dollars make airport officials uniquely cost-conscious of airport operations. Through participation in the SPP, airport officials believe a qualified private screening company could permanently staff the airport and eliminate the need to pay for travel, per diem and the various fringe benefits associated with using the NDF, resulting in a better utilization of taxpayer money.

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[72] Letter from Kent Boyd, Public Information Officer, Springfield Branson National Airport, to Rachel Weaver, T&I Comm. (March 8, 2011) (Appendix 15).
[73] TSA was without a permanent Administrator between January of 2009 and June of 2010.
[74] Department of Homeland Security, Office of Inspector General, *The Transportation Security Administration's National Deployment Force* (April 2008) (OIG-08-49).

In addition, airport management report difficulty establishing relationships with NDF screeners that are constantly rotated in and out of the airport. The turnover results in poor communication between airport management and screeners and insufficient screener knowledge of airport operations. Airport officials also believe that NDF screeners are typically reluctant to be away from home, resulting in low morale and poor customer service to the traveling public. This is of particular concern to the operation of the Yellowstone Airport and the Airport Director, who believes that customer service is of the utmost importance.[75]

In hopes of acquiring a permanent and more cost-effective screening staff, airport officials began careful consideration of the SPP in 2007 and officially submitted their application in 2009. In January of 2011, the Director of the Montana Department of Transportation received notice that the airport's application for SPP participation had been denied. No justification has been provided.

Orlando Sanford International Airport (SFB)

The Sanford Airport Authority (SAA) voted unanimously to opt-out of the federal screening model on October 5, 2010. On October 27, 2010, Administrator Pistole arranged a meeting with the SFB Airport Director Larry Dale and unsuccessfully attempted to dissuade him from participating in the program. Dale submitted SFB's application to the SPP on February 1, 2011, the day after Administrator Pistole's decision not to expand the program. The application is considered "still pending."[76]

Airport Director Larry Dale told Committee staff that the Sanford Airport Authority directed him to apply for the SPP because they fundamentally believed that the government should not oversee itself, but should provide oversight to qualified private screening companies.[77] Dale also reports high TSA turnover at the airport, resulting in poor communication with airport management. In a letter to Committee staff, Dale explained that **"privatization creates competition, which in turn begets greater accountability, productivity, innovation, efficiency and customer satisfaction at a lower cost."**[78]

Dale reported that the SAA Board often felt slighted and ignored by TSA officials when they attempted to communicate with TSA regarding the SPP. The SAA Board did not believe that their SPP application would be treated fairly or in a business-friendly manner by TSA officials.[79]

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[75] Conversation between Anthony Bean, Airport Director, Yellowstone Airport, and Rachel Weaver, T&I Comm.
[76] Letter from John S. Pistole, Administrator, TSA, to John L. Mica, Chairman, T&I Comm. (Feb. 28, 2011).
[77] Letter from Larry Dale, President & CEO, Sanford Airport Authority, to Rachel Weaver, T&I Comm. (May 16, 2011).
[78] *Id*.
[79] *Id*.

VI. TSA has Refused to Provide Justification for Halting the SPP

After Administrator Pistole's decision to deny five SPP applications and halt the program, Committee Chairman John L. Mica sent four letters to the Administrator requesting justification for the decision (see Appendix 16). In these letters, Chairman Mica requested (1) all documentation related to the SPP policy decision announced on January 28, 2011 as well as any documentation related to the decision to reject five airport applications; (2) a list of all personnel responsible for or involved in the SPP policy decision; (3) all communications between DHS and TSA with labor union organizations and their representatives relative to the SPP; (4) TSA staffing information for each SPP airport; (5) all communications between airports or private entities and DHS or TSA regarding the SPP; and (6) a list of all meetings held with any airport officials or SPP participant from July 1, 2010 through January 31, 2011.[80]

There is evidence that TSA officials hope to stop future growth of the program simply by denying any future application they receive.

TSA officials failed to respond to these requests. Information was not provided regarding meetings and communications that took place regarding the SPP policy decision, TSA personnel involved in the decision-making process, or as it related to the decision to deny SPP applications specific to the five denied airports. Instead, Administrator Pistole provided two power point presentations, one with redacted information and one classified as Sensitive Security Information, to Chairman Mica during an in-person meeting on March 2, 2011. Administrator Pistole also sent a letter to the Chairman claiming that there had been no communications between DHS and TSA with labor union organizations concerning the SPP.[81]

The power point presentations provided by the Administrator identified three options for the future of the SPP that were considered by senior agency officials in late 2010 and early 2011. One of these options was the complete dissolution of the program and federalization of existing SPP airports, an action that would have been in direct conflict with current statutory requirements.[82]

Although Administrator Pistole has chosen not to federalize existing SPP airports, there is evidence that TSA officials hope to stop future growth of the program simply by denying any future application received from airports.

An internal TSA power point presentation, dated January 5, 2011, outlined the following three options for SPP:

1. Award new contracts to the existing SPP airports and accept the requests of the five airports that had pending applications;

[80] *See* Appendix 16.
[81] Letter from John S. Pistole, Administrator, TSA, to John L. Mica, Chairman, T&I Comm. (Feb. 28, 2011).
[82] *See* Aviation and Transportation Security Act (ATSA), Pub. L. No. 107-71, § 108.

2. Award new contracts to the existing SPP airport and deny pending applications on the basis of keeping the program small for test purposes only; or
3. Award new contracts to SPP airports for one year and resume federalization efforts. [83]

TSA officials recognized that "**any effort to end or limit the SPP program based on cost will face stiff resistance.**"[84]

The TSA Office of Security Operations recommended option number two – that SPP be continued with current member airports but that any pending applications be denied.[85] The presentation again recognized that "this recommendation will invite considerable scrutiny" and determined that public justification would center on "operational reasons and the reasoning that the SPP program is currently large enough for test purposes."[86]

TSA officials identified five potential operational justifications to "limit the scope of the SPP program to the current airports":

- *Administrative burden* – disproportionate amount of resources are spent on SPP airports;
- *Intelligence* – TSA can tailor and provide direct information to Federal employees;
- *Direct control* – another layer is involved when FSDs order direction action
- *Flexibility and use of resources* – TSA can use its own resources for emergency events, but cannot utilize SPP; and
- *Impact on workforce* – TSOs at potential SPP airports face uncertainty about their job status, benefits, leave, and salary. [87]

Committee staff discussed each of these justifications with SPP Program Office officials on March 22, 2011, during an in-person meeting. SPP officials informed staff that TSA is currently amending SPP contracts (not including potential impacts on the TSO workforce), and that these modifications will eliminate any existing challenges related to the above factors.[88]

As it related to the administrative burden of the SPP, program officials discussed that additional resources are needed at TSA headquarters to manage SPP contracts; however upcoming contract modifications would reduce this administrative burden by ensuring that a contract review is not necessary each time there is a change in standard operating procedures for screeners.

SPP Program Office officials also stated that future SPP contracts would eliminate concerns related to the flow of intelligence in the SPP model because they would require that private

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[83] TSA SPP Power Point.
[84] *Id.*
[85] *Id*.
[86] *Id*.
[87] *Id*.
[88] Briefing with TSA SPP Program Office (March 22, 2010).

contractors have sufficient clearances and infrastructure at the airport to receive intelligence from TSA headquarters.[89]

During the same meeting, SPP officials dismissed concerns over the additional "layer … involved when FSDs [Federal Security Directors] order direct action," informing Committee staff that the flow of communication is good and that the additional layer does not hinder operations.[90]

Finally, Committee staff dispute the notion that the SPP hinders the agency's ability to deploy resources in emergency situations. The NDF rotated 311 National Deployment Officers in 2010, and there are currently more than 49,000 TSOs to draw from for this program.[91]

TSA officials also provided information related to TSA staff located at SPP airports, however they admittedly provided inaccurate data on three accounts, and the fourth transmission of data from TSA was disputed by Committee sources at the airport.[92] For example, TSA officials informed Committee staff that there are 64 TSA employees located at SFO,[93] but the office of the TSA FSD at SFO e-mailed a list of TSA employees to a Committee source at the airport with the names of 85 agency employees.[94]

Furthermore, a 2009 GAO study found that TSA has "not consider[ed] the impact of overlapping administrative personnel on the costs of SPP airports."[95] Despite claims by TSA officials that the agency has since addressed duplicative staffing, Committee staff found multiple instances of TSA employees holding similar or identical positions to those held by the private screening company at the airport.[96] For example, the private screening company at SFO employs 60 behavioral detection officers (BDOs) along with one BDO Supervisor that manages the BDO workforce. TSA also employs eight behavioral detection supervisors; sources at the airport claim they are unnecessary and duplicative. TSA officials from the SPP Program Office were unaware of the overlapping staff at SFO and promised to look in to it during a meeting in March of 2011.[97]

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[89] *Id.*
[90] TSA SPP Power Point.
[91] Letter from John S. Pistole, Administrator, TSA, to John L. Mica, Chairman, T&I Comm. (Feb. 28, 2011); letter from John S. Pistole, Administrator, TSA, to Jason Chaffetz, Chairman, Subcommittee on National Security, Homeland Defense and Foreign Operations, Committee on Oversight and Government Reform (March 8, 2011) (Appendix 17).
[92] TSA officials provided four different accounts of the number of TSA staff at SPP airports to Committee staff between February 24 and March 14, 2011. TSA acknowledged that the first transmissions were incorrect when challenged by Committee staff. The fourth transmission of data, which TSA deemed to be accurate, was disputed by Committee sources at the airports.
[93] E-mail from Tomeika Blackwell, Legislative Affairs, TSA, to Rachel Weaver, T&I Comm. (April 15, 2011, 2:30 PM EST).
[94] Committee source at San Francisco International Airport.
[95] GAO: TSA Cost and Performance Study.
[96] TSA, *Screening Partnership Program GAO Update*, Jan. 4, 2011 (Appendix 18).
[97] Briefing with TSA SPP Program Office (March 22, 2010).

VII. The Rest of the World Uses SPP Model

The SPP models the screening operations of almost every other developed nation. There are three models for airport screening internationally: (1) governmental, (2) in-house, and (3) out-sourcing. In the government model, replicated primarily in the Middle East and Africa, as well as under the current structure in the U.S., airport security services are provided by a government agency (see Appendix 1). In the "in-house" model, the airport authority provides screening services under government supervision and oversight. This model is replicated sporadically throughout the rest of the world, as well as under the SPP model at Jackson-Hole Airport in Wyoming. Most international screening operations are outsourced to qualified private security companies as duplicated by 15 U.S. airports under the SPP.[98]

TSA officials would benefit from adopting the international model of outsourced screening operations and focusing instead on setting standards, performing oversight, and enforcing compliance. Due, in part, to its role as service provider as well as regulator, TSA has failed to deploy appropriate assets to properly deter terrorist plots in several recent examples. The shoe bomber was foiled by a damp fuse and alert passengers.[99] The liquid bomb plot was uncovered by British intelligence.[100] The underwear bomber was stopped by a defective device, crew, and passengers.[101] The cargo package plot was discovered by Saudi intelligence.[102] The Times Square bomber ordered his cash-purchased ticket on his way to JFK and was then apprehended by Customs and Border Protection.[103]

Because the international community has historically used private screening, international security companies have pioneered significant innovations in this field. The major competitors of screening operations overseas have approximately one million employees and two centuries of combined security experience.[104] These companies cite their years of experience, learned

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[98] The following 15 U.S. airports outsource screening operations to private companies: San Francisco International Airport (SFO), Sioux Falls Regional Airport (FSD), Tupelo Regional Airport (TUP), Charles M. Schultz Sonoma County Airport (STS), Sidney-Richland Municipal Airport (SDY), Dawson Community Airport (GDV), Wokal Field/Glasgow International Airport (GGW), Havre City-County Airport (HVR), L. M. Clayton Airport (OLF), Lewiston Municipal Airport (LWT), Miles City Airport (MLS), Key West International Airport (EYW), Kansas City International Airport (MCI), Greater Rochester International Airport (ROC), Roswell International Air Center (ROW).

[99] Ian Sample, *Cargo Plane Bomb Plot: What is PETN?*, Guardian, Nov. 1, 2010, available at http://www.guardian.co.uk/world/2010/nov/01/cargo-bomb-plot-petn-explosive.

[100] Richard Norton-Taylor & Haroon Siddique, *Liquid Bomb Plot: British Intelligence Says Premature Arrest Foiled Operation*, Guardian, Sept. 9, 2008, available at http://www.guardian.co.uk/uk/2008/sep/09/6.

[101] Peter Slevin, *Fear and Heroism Aboard Northwest Airlines Flight 253 After Attempted Bombing*, Washington Post, Dec. 27, 2009, available at http://www.washingtonpost.com/wp-dyn/content/article/2009/12/26/AR2009122601150.html.

[102] Mark Mazzetti, Robert F. Worth & Eric Lipton, *Bomb Plot Shows Key Role Played By Intelligence*, New York Times, Oct. 31, 2010, available at http://www.nytimes.com/2010/11/01/world/01terror.html.

[103] Michael Daly, *Customs Border Protection Officers Busted Times Square Car-Bomb Suspect Faisal Shahzad at JFK*, New York Daily News, May 8, 2010, available at http://articles.nydailynews.com/2010-05-08/local/27063824_1_plane-door-jfk-airport-due-recognition.

[104] G4S, Who We Are, http://www.g4s.com/en/Who%20we%20are/; G4S, History, http://www.g4s.com/en/Who%20we%20are/History/; Securitas, Securitas Group, http://www.securitas.com/us/en/About-Securitas1/Securitas-Group/; Securitas, History,

best practices, and the value placed on corporate reputation as the basis for increased flexibility and cost-savings provided to consumers.

International companies report the importance of accommodating ever-changing client needs and believe that the trend towards private screening overseas is the result of the increased flexibility and efficiency that can be provided by the private sector.[105] In order to best measure their service, international security companies use two types of metrics to evaluate performance: metrics relating to their security service and metrics relating to their security performance.[106] Security service measures queue management, passenger wait time, screener interaction with passengers, and passengers' perception of airport security.[107] Security performance metrics measure Threat Image Projection (TIP) scores, training data, and ongoing testing.[108]

Securitas was able to reduce staff at the airport by 25 percent without impacting security or customer service.

These companies strive to provide the best service for the lowest cost. For example, in January of 2011 Austria transferred its airport security operations from the government to individual airport operators. Airport operators chose Securitas to perform screening operations. Securitas was able to reduce staff at the airport by 25 percent without impacting security or customer service.[109] At Gardermoen Airport in Oslo, Normandy, G4S reconfigured the physical layout of the airport's screening operation to enhance screening efficacy and increase customer service, and in Brussels, G4S provides screening services equal to what the government had provided but with less staff. The company estimates that they were able to reduce operating costs to the airport by 35 percent.[110]

In order to maintain a common standard of safety and service across all contracts and locations, international security companies forme the Aviation Security Services Association – International (ASSA-I). As such, ASSA-I members have collaborated to form a Quality Charter that guarantees a high level of performance and service to client needs.[111] The ASSA-I Quality Charter sets common standards for service delivery, ethical behavior, corporate governance, and employee behavior for all member organizations.[112] Participation in the ASSA-I Quality

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http://www.securitas.com/us/en/About-Securitas1/Securitas-Group/; ICTS Memorandum (May 5, 2011), at 1-3 (on file with author) [hereinafter ICTS Memo].

[105] ICTS Memo, at 17.

[106] Securitas, *Aviation Security: A Global Overview* (March 23, 2011), at 8 (on file with author) [hereinafter Securitas Aviation Security].

[107] Securitas Aviation Security, at 8.

[108] *Id*.

[109] Securitas, *Aviation Security: Additional Information* (April 26, 2011), at 4 (on file with author) [hereinafter Securitas Additional Information].

[110] E-mail from Kevin Johnson, Vice President, G4S, to Shant Boyajian, Oversight and Investigations, T&I Comm. (May 13, 2011, 9:55AM EST).

[111] G4S, Securitas, and ICTS are all members of ASSA-I.

[112] Aviation Security Services Association International, *Quality Charter*, at 6 (on file with author) [hereinafter ASSA-I Quality Charter].

Charter demonstrates a commitment to meet standards that exceed even what the government requires.[113]

As seen in Appendix 1, the vast majority of western nations either outsource airport security operations to the private sector or in-source them to the airport authority. Only the Middle East and Africa utilize the current U.S. structure of aviation security of the government as regulator, operator, and auditor as the primary model of screening operations.

Western Europe

In Europe, the vast majority of airports use non-government screening personnel, employed either by the airport operators or by an outsourced security company. Many airports which currently use in-house security services are in the process of outsourcing their operations to a private company.[114] Because of the uniform standards promulgated by the EU, European governments have been overwhelmingly supportive of airports outsourcing their screening operations.[115] Zurich is the only European airport to use government screeners, and even there, some aspects of the baggage screening operation are outsourced to private companies.[116] The vast majority of EU airports (approximately 90 percent) are operated by private security companies.[117]

Participation in the ASSA-I Quality Charter demonstrates a commitment to meet standards that exceed even what the government requires.

Eastern Europe

Eastern Europe is closely following the European move towards privatized security. While Poland, Romania, and Bulgaria use government screeners, pending legislation in Poland would allow airports to outsource their screening operations, according to a Committee contact at Securitas.[118] The same source reports that Hungary and Serbia, which currently have in-house screening, are seeking to outsource screening operations to private companies.[119]

Middle East & Africa

In the Middle East and Africa region, passenger and baggage screening is performed primarily by the government in each country.[120] Yet, in most of these countries, government regulation allows airport operators to outsource certain functions, such as cargo screening or pre-screening prior to check-in, even if the government provides the bulk of the screening operation.[121]

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[113] *Id*.
[114] Securitas Aviation Security, at 3.
[115] *Id*.
[116] Briefing with Joram Bobasch, Executive Vice President, ICTS (May 18, 2011).
[117] Securitas Aviation Security, at 3.
[118] *Id*.
[119] *Id*.
[120] *Id*. at 4.
[121] *Id*.

Latin America

In Latin American countries, airport operators outsource some or all of the screening operations to private companies.[122] In Argentina, the only country with a vestige of government screening operations, there is a move towards privatized passenger and baggage screening.[123]

Asia

While Asian governments maintain some significant involvement in airport screening operations, only Malaysia uses a strict government-only screening model.[124] In the Philippines and in Hong Kong and Makao, the government does the bulk of the screening operations, but private or quasi-private companies complement these services.[125]

[122] Securitas Aviation Security, at 5.
[123] *Id*.
[124] *Id*.
[125] *Id*.

VIII. Recommendations

1. ***TSA should <u>not</u> serve as the regulator, operator, and auditor of screening operations at airports.*** TSA should catch up with the rest of the world and promote the SPP as a way to reduce federal spending, increase efficiency, and make the travel experience more enjoyable to the flying public. The SPP will enable TSA to turn its focus away from managing a bloated bureaucracy and toward becoming a true security agency focused on intelligence and oversight.

2. ***The TSA Administrator should immediately approve any SPP application that was previously denied by the agency, as well as any current pending applications.*** The TSA Administrator subverted the intent of Congress and the law with his January 28 decision to deny five airport applications. Even under the Administrator's own standard of determining a "clear and substantial advantage" prior to approving a SPP application, each of the denied applications should have been approved. TSA officials did not have sufficient information to determine if substantial advantage existed to approve them. Further, interviews with Airport Directors at each of these airports determined that such advantage did in fact exist.

3. ***The TSA Administrator should not have the discretion to deny an airport authority's SPP application***. Every airport authority is entitled to opt-out of the federal model of security screening. The only discretion that the TSA Administrator should have is to choose the private security company that is best able to provide a level of security at the airport that is equal to or better than that which would be provided by the Federal government.

4. ***The TSA should pre-qualify private security companies to compete for SPP contracts.*** TSA should determine the criteria by which to "pre-qualify" a private security company to compete for a SPP contract and regularly update and maintain a list of such companies. It is incumbent upon the private security company to present a security plan to the TSA Administrator that meets TSA criteria for security at the airport.

5. ***The SPP application process should be revamped.*** The current SPP application does not require sufficient information from airport authorities. TSA officials should take greater efforts to communicate with airport officials after an application has been submitted to ensure a full understanding of challenges with current screening processes at the airport, as well as the benefits an airport authority hopes to realize through participation in the SPP.

6. ***The transition from a federal model to a SPP model at airports should take less than one year.*** It currently takes up to 24 months for TSA officials to evaluate a SPP application. This is much too long. The process should be revamped so that a transition can occur within one year of applying to the program. The creation of a list of pre-qualified companies should help to shorten the transition by providing an already-approved list of vendors that can compete for a contract.

7. ***If federal screeners fail to meet certain performance standards, that airport should immediately be transitioned to the SPP model.*** TSA should develop performance criteria for federal and SPP screeners based on Threat Image Projection scores as well as other performance criteria. Any airport under the federal model that fails to meet established standards should automatically be transitioned to the SPP model. Under the SPP, private companies are able to offer better incentives for performance and provide more effective discipline to the screener workforce, including dismissing any screener that fails to meet certain standards from employment at the airport.

About the Committee

The Transportation and Infrastructure Committee currently has jurisdiction over all modes of transportation: aviation, maritime and waterborne transportation, roads, bridges, mass transit, and railroads. The Committee also has jurisdiction over other aspects of our national infrastructure, such as clean water and wastewater management, the transport of resources by pipeline, flood damage reduction, economic development programs for rural and urban areas, disaster preparedness and response, the Civil Works program of the Army Corps of Engineers, and the various missions of the U.S. Coast Guard. The Committee also has oversight jurisdiction of the Transportation Security Administration (TSA), which resided within the Department of Transportation (DOT) directly following 9/11 and was later transferred to the Department of Homeland Security (DHS) upon DHS's creation. Furthermore, Homeland Security Presidential Directive 7 mandates that DOT and DHS collaborate on all matters relating to transportation security and transportation infrastructure protection. As such, matters of transportation security are of long-held and natural importance to this Committee.

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Committee on Transportation and Infrastructure