

U.S. DEPARTMENT OF TRANSPORTATION

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Before the

**SUBCOMMITTEE ON AVIATION
COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION
U.S. SENATE**

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Good afternoon, Mr. Chairman, Senator Rockefeller, and Members of the Subcommittee. I am pleased to testify before the Subcommittee today on behalf of the Transportation Security Administration (TSA), the Nation's transportation security manager, concerning our progress in meeting the ambitious goals Congress set out for us only 14 months ago.

I can report to you that TSA has met all deadlines established by the Aviation and Transportation Security Act (ATSA). On February 17, 2002, TSA assumed responsibility for civil aviation security and by summer had stationed Federal Security Directors in major airports across the country. We deployed federal passenger screeners at all 429 commercial airports by November 19, 2002. By December 31, 2002, TSA screened 100 percent of checked baggage for explosives through the use of Congressionally approved methods. We dramatically expanded the Federal Air Marshal program so that many more flights are covered each day than ever before. With the help of state and local agencies, law enforcement officers were positioned at all screening checkpoints. The initial phase of reinforcing commercial aircraft cockpit doors was completed through the Federal Aviation Administration (FAA). Background checks were ordered for an estimated 750,000 airport and air carrier employees who could enter secured areas of airports.

The uniformed TSA screeners are becoming a comforting presence to the traveling public as we establish world-class security and world-class customer service.

Air carriers and airports are major partners in the effort to improve security, and they worked shoulder-to-shoulder with TSA to reach these goals. We appreciate the significant resources they have contributed, as well as the flexibility and cooperation they have shown. The dramatic improvement in security that we have achieved is an essential building block in improving the financial viability of the aviation industry. A sound, strong aviation security system is fundamental to ensuring the confidence of the public in the safety of air travel. You have my assurance that TSA will work closely and cooperatively with all our transportation partners in our quest for continuous progress in the months ahead.

In just four weeks, TSA will become part of the Department of Homeland Security, and this may be the last time I appear before this Subcommittee while TSA is part of the Department of Transportation. I would like to personally thank Secretary Norman Y. Mineta and Deputy Secretary Michael Jackson for their unwavering support for our mission and their tireless efforts to make sure TSA had the support it needed to meet its deadlines. I would also like to acknowledge Inspector General Ken Mead, my co-panelist today. He has helped us focus on our weaknesses so that they become our strengths.

TSA would never have met its goals without the extraordinary efforts of its contractors. For example, Lockheed Martin helped TSA in its unprecedented challenge of training the federal security screeners needed to staff passenger checkpoints across the nation, as well as to assess and modernize the layout and equipment at all security checkpoints. Boeing Service Corporation along with Siemens installed thousands of explosives detection systems (EDS) and explosives trace detection (ETD) systems in the nations airports. InVision Technologies and L3 Communications worked extremely hard to make sure TSA had the screening equipment needed to meet its deadline. NCS Pearson was hired to recruit and assess applicants for over 50,000 screener jobs. The company reviewed almost 2 million initial applications to find candidates able to meet the rigorous requirements of these important positions. Virtually overnight, VF Solutions developed and supplied over 50,000 uniforms for passenger and baggage screeners, deploying field teams to measure and outfit new recruits as they came on board. These, and other subcontractor companies were an extension of TSA, its arms and legs laboring to get the job done, airport-by-airport.

Though the deadlines of ATSA have been met, TSA is far from the finish line. In fact, for TSA, there will be no finish line. Our security mission demands boldness, constant reassessment, and continual change to meet new challenges. The security measures we have put in place are only a filter; they are by no means a guarantee. Our enemies are alert and resourceful, perpetually looking for any weakness. To confront this challenge, we are putting in place a “system of systems,” a multi-layered security strategy stretching from curb to cockpit. What TSA has achieved in the course of the last 14 months is only the springboard for the next phase of our work. We have to “get it right” every day, at every airport.

We are working closely with airports to complete the installation of explosives detection systems in a small number of airports. Congress supplemented DOT’s original request of \$507 million in funding, appropriating \$738 million to TSA for the physical modification of commercial airports for installation of checked baggage explosives detection systems, including explosives trace detection systems. This funding has been used to meet the ATSA requirement for electronic screening of checked baggage for explosives. Specifically, the funding covered site assessments, detailed site surveys, development of architectural and engineering plans, electrical work, reinforcement of existing structures, temporary structures, and new conveyor belts. These funds were not used for the purchase of explosives detection equipment. As a result of the hard work of the entire TSA team and extended family we are now screening all checked baggage for explosives

at all airports, using electronic screening and Congressionally approved alternatives. However, we are continuing at several airports to install electronic screening systems.

In our steady push to meet the deadlines established by ATSA, TSA swept rapidly across airports throughout the country, first to deploy federal passenger security screeners, and again to ensure that all checked baggage was screened. Having crossed the country twice, I must acknowledge that our efforts have left a wake that should be addressed. We worked quickly, and in some cases airport aesthetics have suffered for it. Indeed, we do have more work to do, even with the equipment now in place. There are opportunities to improve the efficiency of the screening systems.

We must also recognize the human dimension to our work. We have a family of over 50,000 security screeners in every state in the nation, Puerto Rico, and other U.S. territories and possessions that work incredibly hard, under great pressure, and in difficult circumstances. Many have worked long hours of overtime in order to serve their country. Although I exercised my statutory authority to prohibit mandatory collective bargaining, I am absolutely committed to establishing a Model Workplace environment. I have just appointed a director for this project. She has my full support in making this a top priority for TSA, engaging management and our labor force to make our working environment one that we can all be even more proud of.

There is no debate that addressing our human resource issues and the installation and maintenance of our equipment is an effort of great magnitude and importance. It is also resource intensive. Talking with airport directors on a regular basis, we know the airports are concerned about the costs and the impact on their airports. Airport tenants are concerned as well. Meeting the statutory deadlines we faced was only part one of our work together. We hope our partners will stay with us as we press on.

TSA has assumed responsibility for substantial security costs once borne by the air carriers, including the costs of the screener workforce, screening equipment, and property claims. However, air carriers are still responsible for security costs in several areas, including flight deck modifications and catering security. Congress gave FAA \$100 million to distribute to air carriers for security modifications to their aircraft. Of this amount, \$73 million has been disbursed to carriers and we expect remaining funding to be disbursed before the end of this fiscal year, including \$3 million for ten air carriers participating in a pilot program for video surveillance.

The ATSA required TSA to “establish procedures to ensure the safety and integrity of catering and passenger amenities, placed aboard such aircraft . . . and all persons providing such supplies.” TSA has established guidelines and believes security for catering services and other amenities that are not property items transported for hire, but rather are part of the service voluntarily provided by the air carriers, should properly be paid for by carriers, rather than TSA. Air carriers have sought Federal reimbursement for catering security.

ATSA authorized TSA to implement two distinct fees to assist the agency in recovering some of its costs from civil aviation passengers and carriers. The September 11th September Fee is charged to airline passengers and is capped by ATSA at \$2.50 per enplanement or \$5 per one-way trip. TSA has issued a regulation and has been collecting this fee on tickets sold since February 1, 2002. TSA believes that there has been a high level of air carrier compliance with collecting and remitting this fee from passengers. TSA has collected \$977 million in FY 2002 from passengers through this fee.

Under ATSA, Congress also authorized the Aviation Security Infrastructure Fee. This fee was established to reimburse TSA for the passenger and baggage screening costs that were previously incurred by the airlines themselves prior to the establishment of TSA. Air carriers no longer incur the cost of screening passengers and property. Instead, each air carrier annually remits the Aviation Security Infrastructure Fee to TSA equal to its calendar year 2000 costs for security screening.

To assist TSA in determining fee levels, each air carrier was required by regulation to submit security screening cost information for the calendar year 2000. The air carriers are paying a monthly fee based on that cost information. Based on industry information and testimony to Congress in 2001, TSA had projected collections of approximately \$750 million annually for the Aviation Security Infrastructure Fee, with approximately \$400 million prorated for the period of FY 2002 during which the fee was in effect. Carriers are now certifying that their screening costs in 2000 were only about \$300 million, about \$450 million less than previously estimated by the industry and TSA. Airlines paid \$160.7 million for the prorated portion of FY 2002, about \$240 million less than projected.

TSA still believes that the costs reported by the carriers are not complete as is evidenced by the air carriers' own external auditors being unable to certify the costs that the carriers have provided to TSA. To avoid a lengthy and resource intensive effort to determine actual airline calendar year 2000 screening costs, TSA has asked Congress to set the annual fee at \$750 million and requested legislative changes to allow these fees to be assessed and collected in a more equitable fashion amongst the carriers.

TSA is sensitive to the economic challenges facing the aviation industry, and we will continue to seek ways to provide appropriate support and assistance for air carriers. TSA is also aware of the concerns of airlines that stronger security measures might create delays in flights and increase frustration for passengers. To reduce the "hassle factor" for passengers, we have eliminated unnecessary questions at the check-in counter, dropped unnecessary rules, and put in place measures to substantially improve our system of gate screening. Today over 90 percent of passengers pass through security screening in 10 minutes or less.

TSA is moving forward on implementation of the Arming Pilots Against Terrorism Act (APATA). Immediately after enactment of APATA in November of last year, as part of the landmark Homeland Security Act of 2002, I chartered a cross-organization task force of experts in law enforcement, security training, aviation, and other disciplines to design the Federal Flight Deck Officer (FFDO) program. The task force is looking at all viable

options for the program, such as the best firearms and ammunition to use and the safest methods of transport and storage. The input of a wide range of stakeholders, including pilots, flight attendants, air carriers, and law enforcement agencies, has been invaluable to us in developing the program. The APATA authorizes TSA to fund the necessary training, supervision, and equipment for the FFDO program. I have recently announced the creation of a pilot program that will allow us to quickly screen, train, and deputize approximately 50 pilots. Concurrent with our efforts to stand up the program on a larger scale, the President has requested \$25 million in the 2004 budget.

There will only be minimal costs to air carriers for the arming pilot program, but there could be substantial costs for training flight crews on security and self-defense. The APATA requires airlines to provide training by November 24, 2004. TSA has begun the groundwork for a rulemaking with opportunity for public comment on the training requirement. There are erroneous reports that TSA has decided on a regimen of flight crew training that would be burdensome to the carriers and contrary to the intent expressed by Congress in the final enacted legislation. Similarly, there are erroneous reports that TSA is ignoring a clear mandate in the Act that allows a flight crew member to opt out of hands-on-training if the individual believes that such training would have an adverse impact on his or her health or safety. I want to state clearly that I have not made any such decisions, nor has our staff made any recommendations to me on this score. We are only at the initial stages of this process.

TSA is now confronting the next major dimensions in aviation security. With the critical deadlines for passenger security behind us, TSA will turn more of its energy to addressing cargo security. In accordance with ATSA, TSA began securing the nation's airports through passenger and baggage screening. TSA recognized the threat of air cargo and expanded baggage screening to include cargo placed on a passenger plane. There are an estimated 12.5 million tons of air cargo transported per year, 2.8 million tons on passenger planes. The remaining 9.7 million tons of freight is being shipped in cargo planes. This air freight remains a unique threat to the homeland.

The recently released GAO report on the status of aviation cargo highlights many of the concerns and challenges that face both the industry and the TSA. GAO recommended that TSA create a strategic plan that identifies priority actions on the basis of risk, costs, and performance targets, and establishes deadlines for completing those actions. We have begun this process through the establishment of a working group to look at requirements of a mandatory cargo security program—using a threat-based and risk-managed approach. An important part of this effort is our outreach to the cargo industry. To the extent possible, we will build on many of the security measures they have already been adopted. We intend to move forward as expeditiously as possible in the development and implementation of a comprehensive security program.

In light of this threat, the President is requesting a total of \$30 million for an air cargo security pilot program in FY 2004. Of this, \$20 million is requested for the design and development of a random, risk-weighted freight screening process and the development

of a pre-screened “known” shipper program. An additional \$10 million is requested for further research and development to explore new air cargo technologies.

TSA will employ technology and information management solutions to further strengthen cargo security. Our challenge is to find a “workable” nexus between technology and information management that provides a higher degree of security while protecting the economic viability of the air cargo industry.

TSA is working with stakeholders to address the issue of carrying certain classes of currently prohibited mail, an issue we know has economic consequences on passenger air carriers. TSA has implemented a canine detection pilot program at four major airport hubs to test this type of screening as a possible alternative to prohibiting the transport of certain weight mail on passenger carriers.

We are also focusing our efforts on the security of charter aircraft. Aircraft operators are required to ensure that passengers and their accessible baggage are screened prior to passenger boarding. Aircraft operators using schedule and charter, passenger and cargo operations in aircraft with a maximum certificated takeoff weight of 12,500 pounds or more, are required to implement security measures including criminal history record checks on all flight crew members and restricted access to the flight deck. TSA also requires training for ground security coordinators and contingency plan measures for threats against aircraft and ground facilities. TSA’s security requirements vary with the size and intended use of aircraft. Larger aircraft chartered for public use, such as those used by tour operators, are generally subject to the same security requirements in sterile areas that we enforce for commercial aircraft.

Security improvements in General Aviation are another high priority for TSA. General Aviation accounts for more than 75 percent of all flights in the U.S. and it encompasses more than 200,000 aircraft, 650,000 pilots, and over 19,000 public and private airports and landing strips. All of the GA associations have taken a proactive approach to educating their members.

On December 2, 2002, TSA implemented a centralized system for General Aviation pilots to report information about suspicious activities. The National Response Center collects information from the General Aviation community through use of a toll-free number, 1-866-GASECURE, and provides notifications to appropriate state and Federal agencies. TSA met with major General Aviation associations, such as the General Aviation Manufacturers Association, the Aircraft Owners and Pilots Association (AOPA), and the National Business Aviation Association (NBAA) to formulate an aggressive, integrated program to market the centralized reporting system to all segments of the General Aviation community.

The AOPA has established an Airport Watch program extending the Neighborhood Watch concept to airports. TSA is working with the Civil Air Patrol, the U.S. Air Force, and the AOPA to develop and implement a pilot project that will complement AOPA’s Airport Watch Program.

Our overall general aviation strategy for 2003 focuses on three areas--communication and relationship building, activities related to the National Capital Region, and partnership projects that will lead to national policies. Our goal is a framework of appropriate Federal security standards for general aviation consistent with the threat. General Aviation is a very diverse community, and "one-size" security certainly does not fit all. We are trying to leverage the resources and knowledge of general aviation stakeholder organizations to develop procedures that are tailored to each segment of general aviation. As you are aware, Reagan National Airport remains closed to General Aviation. I have previously provided the full Committee with a closed briefing on this situation. I will of course keep the Committee informed of any changes to this policy.

In all these areas, TSA is taking interim measures to immediately boost security. Our future steps in these areas will be based on assessments of threat and risk. We will be constantly reviewing and reevaluating our strategies to eliminate potential vulnerabilities and keep pace with changes in technology, transportation, and security threats.

Though your subcommittee's principal focus is aviation, I know that you are concerned about security in all aspects of our transportation system. As the security manager for the National Transportation System, TSA looks at the range of transportation needs beyond aviation. The Department of Homeland Security will be assessing vulnerabilities across all sectors, and TSA is working with other DHS agencies and Department of Transportation operating administrations to develop security standards that incorporate industry best practices, new technologies, and innovations to create a more uniform level of security across modes, while ensuring minimal disruption to our transportation system. As TSA prepares to leave our home in the Department of Transportation, we remain committed to working closely with DOT and its Operating Administrations on all matters that affect transportation security.

Thank you for the opportunity to appear before your Subcommittee. I will be pleased to answer any questions that you may have.