UNITED STATES DEPARTMENT OF HOMELAND SECURITY
TRANSPORTATION SECURITY ADMINISTRATION

Statement of

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Before the

COMMITTEE ON COMMERCE, SCIENCE AND TRANSPORTATION
UNITED STATES SENATE

MAY 13, 2008

Good morning Chairman Inouye, Vice Chairman Stevens, and distinguished members of the Committee. Thank you for the opportunity to appear today to provide an update on the Transportation Security Administration's (TSA) efforts to improve aviation and surface transportation security and to present the President's budget request for TSA for fiscal year (FY) 2009 (Request).

I would like to begin by thanking the members of the Committee for your support of TSA's initiatives to improve existing security measures and to implement additional layers of security. I especially want to thank the Members of this Committee for your support of the supplemental funding provided in the U.S. Troop Readiness, Veterans' Care, Katrina Recovery, and Iraq Accountability Appropriations Act, 2007, P.L. 110-28, (FY07 Supplemental Act), and the level of funding in the Consolidated Appropriations Act, 2008, P.L. 110-161 (FY08 Consolidated Act), which funded critical needs that the Administration identified in its Budget Amendment. These two Acts enhanced TSA's ability to implement vital security measures to face ongoing and emerging threats.

Ongoing Threat

The effort to protect the security of transportation systems remains as important now as it ever has been in the past six and a half years. Since August 10, 2006, the nation's threat level for all commercial aviation operating in or destined for the United States has been High, or Orange. The Annual Threat Assessment of the Director of National Intelligence released on February 5, 2008, confirmed that terrorists continue to pose significant threats to the United States. Terrorists are likely to continue to focus on prominent infrastructure targets with the goal of producing mass casualties and significant economic aftershocks. Our enemies are adaptive and innovative in overcoming security obstacles. This threat is real, persistent, and evolving. We know they are working to defeat us, and we must remain vigilant.

FY09 Budget Overview

The President's overall Request of $7.1 billion for TSA reflects a total increase of $286 million over the FY 2008 enacted level. Of the total request, a significant amount supports annualization of initiatives expanded in FY 2008 as well as a program increase of $32M for Secure Flight and $30M for Other Vetting activities. The Request is comprised of $5.3 billion for Aviation Security, which now includes the Federal Air Marshal Service (FAMS); $37 million for Surface Transportation Security; $170 million in funding for Transportation Threat Assessment and Credentialing; and $926 million for Transportation Security Support.

Improving Efficiency in Transportation Security

Although we face a seemingly unlimited number of possible scenarios to attack our transportation systems, we must execute our risk–based approach to security as efficient stewards of taxpayer dollars. We also know that prudent financial and program management improve security by increasing the effectiveness of existing security measures and allow us to expand the layers of security while improving TSA's interaction with the traveling public.

TSA has aggressively pursued a number of initiatives to improve our overall efficiency. First, by investing in our most important asset, our workforce, we can deploy higher performing Transportation Security Officers (TSO). The Career Progression Program has been in effect for a full year in FY 2007. This program provides widespread career growth and professional development opportunities for high-performing TSOs. We continued workplace safety initiatives by requiring local safety teams at field operation locations and expanded the Nurse Case Management Program to help our injured employees receive proper and timely medical care and rehabilitation. As a result, we reduced the Lost Time Case Rate from 4,367 injuries or illnesses in FY 2006 to 3,228 in FY 2007--a 26.1 percent reduction to 7.19 injuries per 200,000 work hours. We provide part-time employees with full-time health benefits. And, we require our field operations to maintain a robust Model Workplace Program to facilitate creative ways to improve our employees' work environment. These efforts contributed to reducing our TSO attrition rate: full-time attrition decreased from 13.6 percent in 2004 to 11.6 percent in 2007, and part-time attrition dropped from 57.8 percent in 2004 to 37.2 in 2007. Our attrition rates include those employees who have chosen to continue their federal service at other DHS and non-DHS agencies. The reduction in attrition saves TSA many incremental costs, such as hiring and training expenses, and increases security by resulting in a more experienced and efficient TSO workforce. Our change from a centralized hiring process to one coordinated at the local airport level has reduced our hiring cost per TSO by over 36% from FY2004 to FY2007.

TSA continues to seek efficiencies in our field operations. Through the use of the Staffing Allocation Model (SAM), we are able to identify operational and efficiency gains by better utilization of our TSOs. We improved our TSO scheduling to more accurately follow passenger loads and air carrier schedules. We increased the use of part-

time employees and expanded the use of "split-shift" employees to increase staffing during high volume periods, which lowered our overtime pay significantly. We continue to install computers at or near screening checkpoints to allow a more efficient use of TSO time for training and reduce their time away from checkpoints.

The deployment of new technology in FY 2007 increased threat detection and improved efficiencies in checkpoint throughput, and will continue to increase as the deployment of these technologies expand in FY 2008. We added 23 in-line Explosives Detection Systems (EDS) for checked baggage screening at airports. We plan to deploy over 600 Advance Technology (AT) x-ray machines by the end of 2008 to improve detection of improvised explosive devices and increase passenger throughput by providing enhanced, multiview visual detection capabilities for TSOs. Bottled Liquid Scanners enhance our ability to discriminate between explosive or flammable liquids and benign liquids. TSA introduced millimeter wave in Phoenix, and rolled out this technology at LAX, JFK, and BWI this spring. This technology can detect items concealed on the body, including plastics, through a robotic image that will be viewed from a remote location. TSA will be working to socialize this technology with the American public. It is already in use in international transportation venues, and will improve security while maintaining passenger privacy by ensuring that images will not be saved or stored. We anticipate deploying 30 millimeter wave machines by the end of 2008.

We improved our financial management in many areas, to include increased collection of late payment interest penalties, enhanced internal controls over financial reporting, reduced funding carryover, and payroll estimates adjusted for vacancy rates.

Improving Workforce, Effectiveness

TSA's risk-based approach to security uses unpredictable, flexible, and layered security measures. Our investments in people, processes, and technology have allowed us to continue a proactive philosophy of deploying flexible security procedures.

In FY 2007, we significantly improved security at airports by deploying our workforce in new locations and for new functions. We expanded the Travel Document Checker (TDC) program to over 340 Federalized airports. The TDC program enhances security by disrupting and detecting individuals who attempt to board an aircraft with fraudulent documents.

We deployed hundreds of Behavior Detection Officers (BDO) at the 40 busiest airports as part of the Screening Passengers by Observation Technique (SPOT) program. BDOs are trained to identify potentially high-risk individuals who exhibit behaviors that indicate hostile intent. An incident last month in Orlando, Florida, displayed the effectiveness and importance of this program. On April 1, 2008, a Jamaica-bound passenger, Kevin Brown, aroused suspicion of BDOs, who, working in conjunction with the Orlando Police Department, the Orange County Bomb Squad, and the Federal Bureau of Investigation, uncovered everything needed to make a bomb in the passenger's checked bag. Their swift action demonstrated that BDOs, trained to detect deceptive and

suspicious behavior, are contributing to airline security by detecting and discovering dangerous people and dangerous items.

We launched nationwide deployment of Visible Intermodal Prevention and Response (VIPR) teams in aviation and surface transportation sectors, comprised of TSOs, BDOs, Transportation Security Inspectors (TSI), and FAMs, in cooperation with Federal, state and local law enforcement as well as various transportation entities. VIPR teams enhance the security of persons and critical infrastructure; and prevent, prepare for, protect against, and respond to acts of terrorism in all modes of transportation at any location. We very much appreciate the strong support the Congress gave to the VIPR program in the FY 2008 appropriation and the Implementing Recommendations of the 9/11 Commission Act of 2007, P.L. 110-53 (9/11 Act), which allowed us to expand the program to over 900 VIPR operations to date. We allocated approximately 700 FTE for the Aviation Direct Access Screening Program (ADASP), which conducts random and unpredictable screening of individuals employed at airports and their accessible property that are entering secured areas of airports. TSA implemented all these actions through innovative uses of our resources.

FY 2009 Budget Request

The Request is presented in a structure that proposes realignment and consolidation of certain Program, Project or Activity (PPA) elements. The proposed changes will enhance the transparency of program accountability and simplify financial management by aligning operational program and personnel funding under the same PPA. Many full-time equivalents (FTE) associated with certain operational programs are currently shown in the Headquarters Administration PPA. For example, FTE associated with the training of TSOs will be realigned to the Screener Training and Other PPA. Additionally, National Explosives Detection Canine Team (K-9) funding from several current PPAs would be consolidated under a single National Explosives Detection Canine Team Program. The proposed PPA changes will more closely mirror TSA's organizational structure and increase the accountability of senior leadership for their respective programs.

The Request proposes the realignment of FAMS funding by eliminating the separate appropriation and incorporating it as a single PPA within the Aviation Security account. The proposed realignment will complete the integration of the FAMS back into TSA and enhance our ability to respond more rapidly to emerging threats to transportation.

Aviation Security

The Request builds upon the success of many of our current programs while enhancing our ability to deploy a surge of resources and flexible security measures to meet the challenge of an evolving terrorist threat. The Request includes full year funding for the behavior detection program ($43 million/660 FTE) and the airport employee screening program ($36 million/750 FTE), both of which were initially funded in the FY 2008 Budget Amendment. The Aviation Security appropriation also reflects full year funding

for 10 multi-modal VIPR teams ($30 million/225 FTE). SPOT and VIPR are two of TSA's efforts to enhance security by putting in place initiatives in advance of the checkpoint to detect, disrupt and deter terrorist activities.

Technology. The Request reflects TSA's plan to strategically deploy technology to improve security for passengers, generate additional staffing efficiencies, and improve the passenger's travel experience. The Request includes $91.7 million to procure and deploy AT x-ray machines at checkpoints in the busiest airports. TSA will devote $1.2 billion to recapitalize checked baggage screening devices and accelerate deployment of inline EDS systems to increase baggage throughput up to 300 percent. The Request anticipates an additional $426 million annually in mandatory funds generated by a four-year $0.50 surcharge on the passenger security fee (Surcharge) with a maximum increase of $1.00 per one-way trip. This proposal does not lower TSA's appropriation through offsetting collections, but rather total funding for these systems would increase to $1.2 billion. The increase in spending would be entirely offset by fees. The temporary Surcharge would be deposited into the Aviation Security Capital Fund (ASCF) for the specific purpose of purchasing, installing and recapitalizing inline EDS. The Surcharge authority is being requested together with a proposal to allow for the use of other transaction agreements for the funding of inline EDS, the discretionary use of letters of intent, and innovative use of cost-sharing with our airport partners. We look forward to your support and quick enactment of this important initiative that will accelerate the funding to support deployment of optimal checked baggage screening solutions by 2012.

Air Cargo. TSA is requesting $104.1 million for the Air Cargo program in FY 2009, which will be the first full year the workforce will be operating at the expanded staffing level of 460 inspectors and 170 deployed explosives detection canine teams to screen air cargo at high volume airports. TSA anticipates deployment of the Certified Cargo Screening Program (CCSP) in FY 2009, which will establish full supply chain security of air cargo and continue the progress toward meeting the deadline of screening 100 percent of air cargo by August 2010, as required by the 9/11 Act. We are beginning pilot projects in San Francisco, Chicago, and Philadelphia to test the phased rollout of the certified cargo shipper program. Our first class of TSA canine teams dedicated to air cargo has "graduated" and the teams will begin operations this month. TSA will continue our incremental progress of increasing the percentage of screened cargo per fiscal quarter during FY 2008.

Law Enforcement/FAMS. The PPA realignment proposes a new PPA for Law Enforcement and a new PPA for the FAMS in the Aviation Security appropriation. The FAMS PPA includes a request of $786 million for FY 2009, an increase of $16.5 million over the FY 2008 FAMS appropriation. TSA is requesting $242.2 million for Law Enforcement, which includes $79.1M for Airport Law Enforcement & Assessments and the funding for approximately 343 airports through Cooperative Agreements to provide local law enforcement support for TSA activities. This program was significantly expanded from 271 participating airports in FY 2007 to 343 airports in FY 2008. TSA has instituted more effective program management and oversight as a more efficient means of distributing the funds for appropriate law enforcement activities. The Request

includes $54.5 million for the National Explosives Detection Canine Team Program, which reflects the expansion of the total TSA K-9 program to over 750 teams as a result of the FY07 Supplemental Act and the FY08 Consolidated Act. The Law Enforcement PPA incorporates other appropriate functions such as the Federal Flight Deck Officer Program, TSA's Freedom Center (the Transportation Security Operations Center), Physical and Personnel Security, and the Joint Coordination Center.

The Checkpoint Is Evolving

An effective security system must constantly be evolving. TSA is in the process of evaluating a fundamental shift in strategy for the security checkpoint which encompasses people, process, and technology. This is the most significant change occurring in passenger screening since 9/11 and even since the checkpoint was first established in the 1970s. Through an initial pilot program, TSA is taking a fresh look at our checkpoint operations to see how we can improve security. We took what we know from the intelligence and security communities, we listened to our employees, we learned from passengers, we evaluated readily deployable technology, and have come up with changes that we are piloting.

People. People are our most important asset and the human element is critical to achieving a high standard of security. TSA is relying more on personal interaction to detect irregular behavior. TSA's introduction of behavior detection and assuming the position of travel document checker have proven to be valuable methods of identifying people who are exhibiting unusual signs of stress, fear, and/or deception at the checkpoint. Behavior detection draws a contrast between average levels of travel stress and those intending to do harm. Training all security officers to increase passenger interaction on a one-on-one basis will achieve a calmer, quieter environment that will result in heightened security.

Process. The current checkpoint during a peak travel period is often noisy and congested. A chaotic, noisy congested checkpoint is a security nightmare because it has the potential to conceal someone with hostile intent. The Checkpoint Evolution prototype at Thurgood Marshall Baltimore-Washington International Airport (BWI) gives security officers wireless whisper radio headsets which will enable them to perform their duties in a low-key demeanor and communicate more effectively with others on their team. Further, the prototype strives to provide a more convenient layout for passengers with more information explaining the screening process together with light and sound elements designed to have a calming effect.

Another simple yet effective program that improves the checkpoint process is the Diamond Self-Select program currently running in Salt Lake City, Orlando, Denver, Spokane, Boston, Cincinnati, Raleigh-Durham, Milwaukee, Pittsburgh, and Dallas Love Field with more planned in the near future. Self-Select lanes are comprised of a series of lanes designated by signage that directs passengers based on their travel needs and knowledge – Expert, for the business traveler who travels often and is familiar with the rules and is prepared when they reach the checkpoint; Casual, for passengers that travel

less frequently, but are familiar with the security process; and Family/Special Assistance, for passengers traveling with small children or strollers, elderly passengers, and passengers who may need special assistance. These lanes give passengers some control over the checkpoint process and have reduced the number of alarms and prohibited items and increased through-put times at the Expert lane.

Technology. New technology does not currently exist to adequately address the threat alone so TSA, working closely with the Science and Technology Directorate, is investing in the development and deployment of proven technology, including multi-view x-ray and whole body imaging. These are the first significant additions to checkpoint technology since walk through metal detectors and standard x-ray machines were introduced in the 1970s.

Surface Transportation Security

TSA continues to make progress in addressing major system wide security risks in surface transportation. We continue to work closely with the Department of Transportation, its various modal administrations, and the many surface transportation stakeholders to enhance security through partnerships, proposed regulations, and the Federal Emergency Management Agency with grant planning, evaluation and awards.

The surface transportation systems present much different security challenges than commercial aviation due to the inherent openness and mobility of each system network. Our personnel are engaged in a proactive manner with the stakeholders in the Pipeline, Maritime, Mass Transit, Rail, Highway and Motor Carrier modes of transportation. Our Surface TSIs assess security vulnerabilities, assist with the development of security plans, and help establish best practices and national standards. The proposed PPA realignment shifts certain funding and FTE to other PPAs in other appropriations; thus, the net result of the request for $37 million for Surface Transportation Security is an overall enhancement of surface transportation security initiatives. Our efforts in this area are complemented by funds in Aviation Security, such as 75 FTE to support VIPR team operations and the deployment of over 92 explosives detection canine teams to the largest Mass Transit systems. These programs work in tandem with existing surface transportation security initiatives enacted in the FY 2008 budget.

Transportation Threat Assessment and Credentialing

TSA's Office of Transportation Threat Assessment and Credentialing (TTAC) consolidates the management of all vetting and credentialing programs. The mission for these programs is to identify known or suspected terrorist threats working or seeking access to transportation systems through terrorist-related threat assessment procedures.

Secure Flight. The Request includes a program increase of $32 million to accelerate the implementation of the Secure Flight program, an automated prescreening process to compare specific passenger reservation information against records contained in the Terrorist Screening Center Database. The Request provides for a total funding amount of

$82 million. With this Committee's strong past and continued support, TSA anticipates the beginning of the transition of passenger vetting to Secure Flight in early 2009 and full assumption of the function by late 2009 or early 2010.

Other Vetting. The second program increase in the Request is for $30 million to stabilize and enhance the infrastructure of TSA's existing vetting systems, for a total amount of $50.8 million for FY 2009. The increase will enhance TSA's efforts to consolidate the various systems and to provide a more reliable platform for the increasing populations being vetted through the multiple programs required under the 9/11 Act, including front-line employees in mass transit, passenger rail and freight rail systems.

Transportation Worker Identification Credential (TWIC). The TWIC program provides a tamper-resistant biometric credential to maritime workers requiring unescorted access to secure areas of port facilities and vessels regulated under the Maritime Transportation Security Act of 2002, (P.L. 107-295). In October 2007, TSA began the enrollment process for TWIC cards in Wilmington, Delaware and has enrolled more than 250,000 port workers to date at more than 100 fixed enrollment centers. TSA expects to complete roll-out of 147 fixed enrollment centers and enroll nearly one million workers in FY 2008. TSA is expecting to spend approximately $9 million for the fee-based program in FY 2009.

In cooperation with the United States Coast Guard (USCG) we have initiated pilot programs with six partners across the country to test card readers. The pilots will test access control technologies in real world marine environments. Our current list of participants includes the Port Authorities of Los Angeles, Long Beach, Brownsville, and New York/New Jersey, in addition to Watermark Cruises in Annapolis, Maryland and Magnolia Marine in Vicksburg, Mississippi. We are in the process of finalizing the test approach for the pilots. We are working with DHS's Science and Technology Directorate and the National Institute of Standards and Technology (NIST) to establish a test plan that will evaluate the card-reader interface under a variety of conditions and assess its impact on operations. As the program proceeds, the pilots will inform the USCG's TWIC reader rulemaking process and ultimately result in final regulations that require the deployment of transportation security card readers consistent with the findings of the pilot program.

Earlier this month, DHS announced that the final compliance date for the TWIC program will be April 15, 2009, which reflects a realignment of the Sept. 25, 2008 compliance date set in the final rule. The seven month extension is a direct result of collaboration with port officials and industry, and realigns the enrollment period with the original intent of the TWIC final rule. The program is on track to complete enrollment for a substantial number of jurisdictions by the end of 2008, and several ports will be required to comply with TWIC regulations this year.

Alien Flight Student Program. When the function of screening alien flight students who are applying for flight training was transferred from the Attorney General to the Secretary of the Department of Homeland Security, and subsequently delegated to TSA, the

authority to require fees to offset such costs excluded recurrent training. Through the implementation of this program, TSA has determined that over 52% of all applicants are for recurrent training. TSA has been absorbing approximately $1.5 million to perform background checks on recurrent training applicants without the ability to charge a fee to the applicant. TSA is requesting a revision to amend section 44939 of title 49, United States Code, to provide authority to assess a fee to cover the costs associated with foreign students seeking recurrent flight training. The Request anticipates that TSA will be provided the authority to impose fees for recurrent training applications. We look forward to your support for this modest but important proposal to allow this program to continue operating as a fee-based program.

Transportation Security Support

TSA is an organization with over 50,000 personnel and hundreds of field operations locations across the Nation and around the world. Our primary activities in the Transportation Security Support category involve Intelligence, Human Capital Services, Headquarters Administration, and Information Technology. The proposed PPA realignment transferred many functions from the Headquarters Administration PPA to the appropriate program they support to provide greater clarity to the resources dedicated to each program and increase accountability of TSA's senior leadership. We created a new PPA, Human Capital Services, which combines funding that previously supported Human Resources (HR) Services from the Aviation Security appropriation and HR activities and FTE from within the Headquarters Administration PPA. Similarly, Information Technology (IT) activities previously funded under separate PPAs involving Airport Management, IT, and Support are now combined in this appropriation. TSA is requesting $926 million in FY 2009.

Implementation of the 9/11 Act

On August 3, 2007, the President signed into law the 9/11 Act, which implemented important recommendations from the 9/11 Commission and provided TSA much needed tools to improve transportation security. In particular, we are pleased to now have the authority to establish an administrative process for civil enforcement of surface transportation regulations and orders and the flexibility to develop a robust air cargo screening program that maintains the flow of commerce. Among the many key provisions of the Act, TSA was given clear authority for VIPR teams to operate in all modes of transportation. Overall, the Act authorized 33 programs and 20 rulemaking actions for TSA, many of which were already initiated by TSA. FY 2009 will be the first full year of TSA's expanded inspector workforce and K-9 team deployment, both strongly supported in the 9/11 Act.

I want to thank the Members of this Committee for your support in providing $30 million to TSA in FY 2008 to implement new regulations and activities authorized by the 9/11 Act. TSA has developed and provided to the Appropriations Committees a spend plan required by the FY08 Consolidated Act that effectively uses these funds to advance implementation of many key provisions in the 9/11 Act. TSA is now proceeding with

implementing the plan, which focuses on: developing regulations to enhance surface transportation security; expand the infrastructure to support background checks; support a national exercise program for surface transportation security; support security audits of foreign repair stations; and inspection of critical pipeline facilities. We will fund the 9/11 Act initiatives across TSA's separate appropriations and through the applicable PPAs, such as combining the air cargo program into the Aviation Regulation PPA, a separate PPA for VIPR, and consolidation of K-9 funding into the National Explosives Detection Canine Team Program PPA component. Through our ongoing efforts, including efficient use of our resources within our base funding, and your support, we are confident we will continue to enhance security across all modes of transportation.

Conclusion

Mr. Chairman, thank you again for this opportunity to discuss the President's Request for TSA. I look forward to our continued work together and would be pleased to respond to your questions.