

## ***Advocacy Requests Better Analysis of Small Business Impact of TSA's Secure Flight Program***

On November 2, 2007, the U.S. Small Business Administration's Office of Advocacy (Advocacy) filed comments with the Department of Homeland Security, Transportation Security Administration (TSA) on proposed regulations on the Secure Flight Program. A copy of Advocacy's comments can be found at: [www.sba.gov/advo/laws/comments](http://www.sba.gov/advo/laws/comments).

- Currently, aircraft operators perform passenger watch list matching using the Federal No Fly and Selectee Lists, as required under security directives issued by TSA following the terrorist attacks of September 11, 2001. Under the Secure Flight program, aircraft operators will be required to request certain information from passengers and transmit the information to TSA so that TSA can conduct watch list matching and transmit boarding pass printing instructions back to aircraft operators.
- Advocacy commented that TSA may not have fully considered the economic impact on aircraft operators and travel agents as required by the RFA. TSA calculated the initial reprogramming costs. However, there may be other costs as well. For example, the Regional Airline Association (RAA) is concerned about the potential impact the rule may have on their schedules (on-time departures).
- The economic impact on the travel industry was also underestimated. The American Society of Travel Agents (ASTA) has informed Advocacy that the time to collect the additional information will require a 50 percent increase in reservation time, which will result in an 11.4 percent increase in costs or \$19 million in the first year. ASTA has also asserted that travel agencies will need to reprogram their computers and provide training on the new requirements. ASTA estimates that the average firm will incur \$3,000 in costs for training or \$30,543,000 industry-wide. In addition, firms that exceed \$2 million in sales will also incur approximately \$9,000 in costs to reprogram their computers. Since the small business size standard for travel agents is \$3.5 million, some small firms will incur that additional \$9,000 in costs. These are the costs that were not considered by TSA in preparing its IRFA.
- Advocacy encouraged TSA to prepare and publish for public comment a revised IRFA to determine the full economic impact on small entities and consider significant alternatives to meet its objective while minimizing the impact on small entities before going forward with the final rule.

For more information, visit Advocacy's webpage at [www.sba.gov/advo](http://www.sba.gov/advo) or contact Jennifer Smith at 202-205-6943.