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AVIATION SECURITY

TSA Is Enhancing Its Oversight of Air Carrier Efforts to Screen Passengers against Terrorist Watch-List Records, but Expects Ultimate Solution to Be Implementation of Secure Flight

Statement of Cathleen A. Berrick
Director, Homeland Security and Justice Issues

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Highlights

AVIATION SECURITY

TSA Is Enhancing Its Oversight of Air Carrier Efforts to Screen Passengers against Terrorist Watch-List Records, but Expects Ultimate Solution to Be Implementation of Secure Flight

Why GAO Did This Study

Domestic air carriers are responsible for checking passenger names against terrorist watch-list records to identify persons who should be denied boarding (the No Fly List) or who should undergo additional security scrutiny (the Selectee List). The Transportation Security Administration (TSA) is to assume this function through its Secure Flight program. However, due to program delays, air carriers retain this role. This testimony discusses (1) TSA's requirements for domestic air carriers to conduct watch-list matching, (2) the extent to which TSA has assessed compliance with watch-list matching requirements, and (3) TSA's progress in developing Secure Flight. This statement is based on GAO's report on air carrier watch-list matching (GAO-08-992) being released today and GAO's previous and ongoing reviews of Secure Flight. In conducting this work, GAO reviewed TSA security directives and TSA inspections guidance and results, and interviewed officials from 14 of 95 domestic air carriers.

What GAO Recommends

GAO is not making any recommendations related to air carriers' watch-list matching programs because TSA initiated actions in April 2008 to strengthen related requirements and its oversight of air carriers' implementation of these requirements. Regarding Secure Flight, GAO previously made recommendations to strengthen the program's development. TSA generally agreed.

What GAO Found

TSA's requirements for domestic air carriers to conduct watch-list matching include a requirement to identify passengers whose names are either identical or similar to those on the No Fly and Selectee lists. Similar-name matching is important because individuals on the watch list may try to avoid detection by making travel reservations using name variations. According to TSA, there have been incidents of air carriers failing to identify potential matches by not successfully conducting similar-name matching. However, until revisions were initiated in April 2008, TSA's security directives did not specify what types of similar-name variations were to be considered. Thus, in interviews with 14 air carriers, GAO found inconsistent approaches to conducting similar-name matching, and not every air carrier reported conducting similar-name comparisons. In January 2008, TSA conducted an evaluation of air carriers and found deficiencies in their capability to conduct similar-name matching. Thus, in April 2008, TSA revised the No Fly List security directive to specify a baseline capability for conducting watch-list matching and reported that it planned to similarly revise the Selectee List security directive. While recognizing that the new baseline capability will not address all vulnerabilities, TSA emphasized that establishing the baseline capability should improve air carriers' performance of watch-list matching and is a good interim solution pending the implementation of Secure Flight.

TSA has undertaken various efforts to assess domestic air carriers' compliance with watch-list matching requirements; however, until 2008, TSA had conducted limited testing of air carriers' similar-name-matching capability. In 2005, for instance, TSA evaluated the capability of air carriers to identify names that were identical—but not similar—to those in terrorist watch-list records. Also, TSA's internal guidance did not specifically direct inspectors to test air carriers' similar-name-matching capability, nor did the guidance specify the number or types of name variations to be assessed. Records in TSA's database for regular inspections conducted during 2007 made reference to name-match testing in only 61 of the 1,145 watch-list-related inspections that GAO reviewed. During the course of GAO's review, and prompted by findings of the evaluation conducted in January 2008, TSA reported that its guidance for inspectors would be revised to help ensure air carriers' compliance with security directives. Although TSA has plans to strengthen its oversight efforts, it is too early to determine the extent to which TSA will provide oversight of air carriers' compliance with the revised security directives.

In February 2008, GAO reported that TSA has made progress in developing Secure Flight but that challenges remained, including the need to more effectively manage risk and develop more robust cost and schedule estimates (GAO-08-456T). If these challenges are not addressed effectively, the risk of the program not being completed on schedule and within estimated costs is increased, and the chances of it performing as intended are diminished. TSA plans to begin assuming watch-list matching from air carriers in January 2009.

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Madam Chairwoman and Members of the Subcommittee:

I am pleased to be here today to discuss GAO's work assessing the Transportation Security Administration (TSA) and domestic air carrier efforts in conducting watch-list matching—or the matching of airline passenger information against terrorist watch-list records—a front-line defense against acts of terrorism that target the nation's civil aviation system.[1] Domestic air carriers operating to, from, and within the United States are to conduct watch-list matching in accordance with requirements set forth by TSA. That is, air carriers are to conduct preboarding checks by comparing passenger data—most prominently name and date of birth—against the No Fly List to identify individuals who should be prevented from boarding an aircraft, and against the Selectee List to identify individuals who must undergo enhanced screening at the checkpoint prior to boarding.[2] TSA has responsibility for overseeing how air carriers implement the watch-list-matching process, consistent with TSA requirements. Critical to this oversight effort are the agency's inspectors—both the principal security inspectors who oversee implementation efforts at air carriers' corporate security offices and the transportation security inspectors who oversee implementation efforts at airport locations. Beginning in 2009, under a program known as Secure Flight, TSA is to take over from air carriers the function of watch-list matching for domestic and ultimately international flights. Pending Secure Flight's implementation, air carriers continue to have primary responsibility for conducting watch-list matching. In turn, TSA continues to have an important oversight responsibility to ensure that air carriers comply with watch-list-matching requirements.

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[1]For the purposes of this statement, domestic air carriers are those with operations based in the United States that maintain full security programs in accordance with 49 C.F.R. part 1544. The number of domestic air carriers has varied over time, for example, from 95 in 2005 to about 70 in 2007.

[2]These lists contain applicable records from the Terrorist Screening Center's consolidated database of known or appropriately suspected terrorists. Pursuant to Homeland Security Presidential Directive 6, dated September 16, 2003, the Terrorist Screening Center—an entity that has been operational since December 2003 under the administration of the Federal Bureau of Investigation—was established to develop and maintain the U.S. government's consolidated terrorist screening database (the watch list) and to provide for the use of watch-list records during security-related screening processes. See GAO, *Terrorist Watch List Screening: Recommendations to Promote a Comprehensive and Coordinated Approach to Terrorist-Related Screening*, GAO-08-253T (Washington, D.C.: Nov. 8, 2007).

My testimony today addresses (1) TSA's requirements for domestic air carriers to conduct watch-list matching for domestic flights, (2) the extent to which TSA has assessed domestic air carriers' compliance with watch-list-matching requirements, and (3) TSA's progress in developing and implementing the Secure Flight program. This statement is based on a report we released today[3] on air carrier watch-list-matching processes and TSA's oversight of these efforts, as well as work we conducted on the Secure Flight program from August 2007 to January 2008,[4] with selected updates in September 2008.

Regarding air carrier watch-list matching, we reviewed TSA's security directives and related guidance applicable to watch-list matching; interviewed responsible officials at TSA headquarters; conducted interviews (both in-person and via telephone) with officials from domestic air carriers to discuss their implementation of watch-list-matching requirements;[5] analyzed watch-list-related inspections that TSA conducted during fiscal year 2007 to ensure that air carriers were in compliance with applicable requirements; and reviewed the results from a special emphasis assessment that TSA conducted in 2005 and a special emphasis inspection it conducted in January 2008, both of which addressed air carriers' capability to conduct watch-list matching.[6] Regarding the Secure Flight program, we reviewed systems development, privacy, and other

[3]GAO, *Aviation Security: TSA Is Enhancing Its Oversight of Air Carrier Efforts to Identify Passengers on the No Fly and Selectee Lists, but Expects Ultimate Solution to Be Implementation of Secure Flight,* GAO-08-992 (Washington, D.C.: Sept. 9, 2008).

[4]GAO, *Aviation* Security: *Transportation Security Administration Has Strengthened Planning to Guide Investments in Key Aviation Security Programs, but More Work Remains,* GAO-08-456T (Washington, D.C.: Feb. 28, 2008).

[5]Our selection of the 14 air carriers was based, in part, on operational size with the goal of obtaining a range of sizes. Although the 14 air carriers (selected from a total of 95 air carriers required to perform watch-list matching during calendar year 2005) represent a range in the types of air carriers that conduct watch-list matching, and, according to our calculations, accounted for approximately 70 percent of all passengers that boarded domestic flights in 2005, the results of our interviews are not generalizable to the domestic operations of all domestic air carriers. However, our selection allowed us to understand how watch-list matching was performed for the majority of passengers flying domestically in 2005, although we did not independently verify each air carrier's reported method of implementation.

[6]Special emphasis assessments and special emphasis inspections are nonroutine activities undertaken at the direction of TSA headquarters. According to TSA, a special emphasis assessment addresses a vulnerability that generally is not tied to a regulation, while a special emphasis inspection is tied to a regulatory requirement.

documentation, and interviewed Department of Homeland Security (DHS), TSA, and contractor officials. We conducted these performance audits from July 2006 to September 2008 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on the audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on the audit objectives.

Summary

Through its security directives, TSA has issued requirements for watch-list matching, which include identifying passengers with names similar to those on the No Fly and Selectee lists. Before undertaking revisions of the relevant security directives in 2008, TSA expected air carriers to conduct similar-name matching but TSA's security directives did not specify how many and what types of such name variations air carriers should compare. Consequently, in interviews with 14 air carriers, we found inconsistent approaches to conducting similar-name matching. Some carriers compared more name variations than others; in addition, not every air carrier reported conducting similar-name comparisons. Air carriers that conduct only exact-name comparisons and carriers that conduct relatively limited similar-name comparisons are less effective in identifying watch-listed individuals who travel under name variations. Also, due to inconsistent air carrier processes, a passenger could be identified as a match to the watch list by one carrier and not by another. In April 2008, during the course of our review, TSA revised and issued the No Fly List security directive to specify a baseline capability for similar-name matching to which all air carriers must conform. Also, in August 2008, TSA officials reported that the agency was in the process of similarly revising the Selectee List security directive to require the same baseline capability.[7] TSA officials acknowledged that the new baseline capability will not address all vulnerabilities identified by TSA. However, the officials stated that the new baseline capability was a good interim approach for improving air carriers' matching efforts because, among other reasons, it will strengthen watch-list matching without requiring investment in a solution that will be replaced when Secure Flight is implemented.

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[7]TSA officials did not provide us a targeted issuance date for the revised Selectee List security directive.

Although TSA assessed air carriers' compliance with watch-list-matching requirements through a special emphasis assessment conducted in 2005 and through planned inspections conducted in conjunction with annual inspection cycles, the agency had tested similar-name matching to only a limited extent until 2008. For instance, the 2005 special emphasis assessment focused on air carriers' capability to identify passenger names that were exact matches with names on the No Fly List, but did not address the capability to conduct similar-name matching. Also, during the most recent annual inspection cycle (fiscal year 2007), although some TSA inspectors tested air carriers' effectiveness in conducting similar-name matching, the inspectors did so at their own discretion and without specific evaluation criteria. However, during a special emphasis inspection conducted in January 2008, TSA found deficiencies in the capability of air carriers to conduct similar-name matching.[8] Thereafter, following TSA's revision of the No Fly List security directive in April 2008, officials planned to issue new guidance for inspectors to better ensure compliance by air carriers with requirements in the new security directive. Further, in September 2008, TSA updated us on the status of its efforts with watch-list matching. Specifically, TSA provided us with the results of a May 2008 special emphasis assessment of seven air carriers' compliance with the revised No Fly List security directive. TSA generally characterized the results of the May 2008 special emphasis assessment as positive. Further, TSA officials noted that the agency's internal handbook, which provides guidance to transportation security inspectors on how to inspect air carriers' compliance with requirements, including watch-list-matching requirements, was being revised, and was expected to be released later this year. Officials indicated that the new inspection guidance would be used in conjunction with TSA's nationwide regulatory activities plan for fiscal year 2009. While these actions and plans are positive developments, it is too early to determine the extent to which air carriers' compliance with watch-list-matching requirements will be assessed based on the new security directives since these efforts are still underway and have not been completed.

Moreover, in February 2008, we reported that TSA has made significant progress in developing Secure Flight, but that challenges remained in a number of areas, including the need to more effectively manage risk and develop more robust cost and schedule estimates. We made a number of

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[8]TSA reported that the January 2008 special emphasis inspection covered 52 domestic air carriers and 31 foreign air carriers.

recommendations to strengthen TSA's efforts in these areas, to which TSA agreed and has begun to take corrective actions. We will continue to evaluate TSA's efforts to develop and implement Secure Flight and its progress in addressing these recommendations as part of our ongoing review.[9]

Background

TSA is responsible for ensuring air carriers' compliance with regulatory requirements, including requirements reflected in TSA security directives. Related to watch-list matching, TSA outlines air carrier requirements in the *No Fly List Procedures* security directive, requiring domestic air carriers to conduct checks of passenger information against the No Fly List to identify individuals who should be precluded from boarding flights, and the *Selectee List Procedures* security directive, directing domestic air carriers to conduct checks of passenger information against the Selectee List to identify individuals who should receive enhanced screening (e.g., additional physical screening or a hand-search of carry-on baggage) before proceeding through the security checkpoint. Since 2002, TSA has issued numerous revisions to the No Fly and Selectee list security directives to strengthen and clarify requirements, and has issued guidance to assist air carriers in implementing their watch-list-matching processes.

TSA conducts inspections of air carriers throughout the year as part of regular inspection cycles based on annual inspection plans to determine the extent to which air carriers are complying with TSA security requirements. These inspections are based on inspection guidelines known as PARIS prompts,[10] which address a broad range of regulatory

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[9]Our review of TSA's progress with Secure Flight is being conducted in response to requests from the U.S. Senate (Committee on Commerce, Science, and Transportation, and its Subcommittee on Aviation Operations, Safety, and Security; Committee on Appropriations, Subcommittee on Homeland Security; Committee on Homeland Security and Governmental Affairs; and Committee on the Judiciary) and the U.S. House of Representatives (Committee on Transportation and Infrastructure, Committee on Homeland Security, and Committee on Oversight and Government Reform). In addition, the Consolidated Appropriations Act, 2008, requires that we report to the Committees on Appropriations of the Senate and House of Representatives on DHS's certification of 10 conditions outlined in section 522(a) of the Department of Homeland Security Appropriations Act, 2005, related to the development and implementation of the Secure Flight program. See Pub. L. No. 110-161, Div. E, § 513, 121 Stat. 1844, 2072-73 (2007).

[10]PARIS is the acronym for the Performance and Results Information System, which is TSA's inspections database. This database assists TSA management by providing factual and analytical information on the compliance of TSA-regulated entities. There are approximately 1,700 PARIS prompts, which serve as guidelines for TSA inspectors.

requirements (including airport perimeter security and cargo security, as well as screening of employees, baggage, and passengers). With respect to watch-list matching, inspection guidelines instruct inspectors regarding the aspects of air carrier watch-list matching that should be tested, such as whether air carriers are comparing the names of all passengers against names on the most current No Fly and Selectee lists in accordance with the procedures outlined in TSA's security directives.

TSA conducts watch-list-related inspections at air carriers' corporate security offices (where policies and procedures are established on how watch-list matching is to be performed) and at airports (where policies and procedures for responding to a potential match are implemented). TSA's principal security inspectors are responsible for conducting inspections at domestic air carriers' corporate headquarters. These inspectors assess air carriers' compliance with security requirements and provide direct oversight of air carriers' implementation of and compliance with TSA-approved security programs. Field inspectors—known as transportation security inspectors—conduct watch-list-related inspections at airports. They are responsible for a multitude of TSA-related activities, including conducting inspections and investigations of airports and air carriers, monitoring compliance with applicable civil aviation security policies and regulations, resolving routine situations that may be encountered during the assessment of airport security, participating in testing of security systems in connection with compliance inspections, identifying when enforcement actions should be initiated, and providing input on the type of action and level of penalty commensurate with the nature and severity of a violation that is ultimately recommended to TSA's Office of Chief Counsel.

To further enhance commercial aviation security and as required by the Intelligence Reform and Terrorism Prevention Act of 2004, TSA is developing an advanced passenger prescreening program known as Secure Flight to assume from air carriers the function of matching passenger information against government-supplied terrorist watch lists for domestic, and ultimately international, flights.[11] Through assumption of the watch-list-matching function from the air carriers, Secure Flight is intended to ensure a higher level of consistency than current air carrier watch-list matching and also help remedy possible misidentifications if a

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[11]See Pub. L. No. 108-458, § 4012(a), 118 Stat. 3638, 3714-18 (2004) (codified at 49 U.S.C. § 44903(j)(2)(C)).

passenger's name is similar to one found on a watch list. According to TSA plans, Secure Flight's benefits, once the program becomes operational, will include

- eliminating inconsistencies in current air carrier watch-list matching procedures,
- decreasing the risk of unauthorized disclosure of sensitive watch-list information,
- reducing the number of individuals who are misidentified as being on the No Fly or Selectee lists, and
- integrating the redress process so that individuals are less likely to be improperly or unfairly delayed or prohibited from boarding an aircraft.

TSA expects to begin assuming from air carriers the watch-list matching function for domestic flights in January 2009, and to assume this function from U.S. Customs and Border Protection for flights departing from and to the Unites States by fiscal year 2010.

Prior to April 2008, TSA Watch-List-Matching Requirements Were Broad and Allowed Air Carriers Discretion in Comparing Name Variations, Which Resulted in Less Effective Processes

Since the terrorist attacks of September 11, 2001, TSA has imposed, through security directives, requirements for watch-list matching, which include identifying passengers with names similar to those on the No Fly and Selectee lists—a process TSA refers to as similar-name matching. Identifying passengers with names similar to those on the No Fly and Selectee lists is a critical component of watch-list matching because individuals may travel using abbreviated name forms or other variations of their names. Therefore, searching for only an exact match of the passenger's name may not result in identifying all watch-listed individuals.

Before undertaking revisions of the relevant security directives in 2008, TSA expected air carriers to conduct similar-name matching, but TSA's security directives did not specify how many and what types of such name variations air carriers should compare. Consequently, the 14 air carriers we interviewed reported implementing varied approaches to similar-name matching. Some carriers reported comparing more name variations than others, and not every air carrier reported conducting similar-name comparisons. Air carriers that conduct only exact-name comparisons and carriers that conduct relatively limited similar-name comparisons are less effective in identifying watch-listed individuals who travel under name variations. Also, due to inconsistent air carrier processes, a passenger could be identified as a match to a watch-list record by one carrier and not by another, which results in uneven effectiveness of watch-list matching. Moreover, there have been incidents, based on information provided by

TSA's Office of Intelligence, of air carriers failing to identify potential matches by not successfully conducting similar-name matching.

Generally, TSA had been aware that air carriers were not using equivalent processes to compare passenger names with names on the No Fly and Selectee lists. However, in early 2008 the significance of such differences was crystallized during the course of our review and following TSA's special emphasis inspection of air carriers' watch-list-matching capability. On the basis of these inspection results, in April 2008, TSA issued a revised security directive governing the use of the No Fly List to establish a baseline capability for similar-name matching to which all air carriers must conform. Also, TSA announced that it planned to similarly revise the Selectee List security directive to require the new baseline capability.[12]

According to TSA officials, the new baseline capability is intended to improve the effectiveness of watch-list matching, particularly for those air carriers that had been using less-thorough approaches for identifying similar-name matches and those air carriers that did not conduct any similar-name comparisons. However, because the baseline capability requires that air carriers compare only the types of name variations specified in the security directive, TSA officials noted that the new baseline established in the No Fly List security directive is not intended to address all possible types of name variations and related security vulnerabilities. Agency officials explained that based on their analysis of the No Fly and Selectee lists and interviews with intelligence community officials, the newly established baseline covers the types of name variations air carriers are most likely to encounter. TSA officials further stated that these revised requirements were a good interim solution because, among other reasons, they will strengthen security while not requiring air carriers to invest in significant modifications to their watch-list matching processes, given TSA's expected implementation of Secure Flight beginning in 2009. If implemented as intended, Secure Flight is expected to better enable the use of passenger names and other identifying information to more accurately match passengers to the subjects of watch-list records.

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[12]In September 2008, TSA informed us that the revised Selectee List security directive was still in the agency's internal clearance process, and did not provide us a targeted issuance date.

Until a 2008 Special Emphasis Inspection, TSA Had Conducted Limited Testing of Air Carriers' Capability to Perform Similar-Name Matching

Until 2008, TSA had conducted limited testing of air carriers' similar-name-matching capability, although the agency had undertaken various efforts to assess domestic air carriers' compliance with watch-list matching requirements in the No Fly and Selectee list security directives. These efforts included a special emphasis assessment conducted in 2005 and regular inspections conducted in conjunction with annual inspection cycles. However, the 2005 special emphasis assessment focused on air carriers' capability to prescreen passengers for exact-name matches with the No Fly List, but did not address the air carriers' capability to conduct similar-name comparisons. Regarding inspections conducted as part of regular inspection cycles, TSA's guidance establishes that regulatory requirements encompassing critical layers of security need intensive oversight, and that testing is the preferred method for validating compliance. However, before being revised in 2008, TSA's inspection guidelines for watch-list-related inspections were broadly stated and did not specifically direct inspectors to test air carriers' similar-name-matching capability. Moreover, TSA's guidance provided no baseline criteria or standards regarding the number or types of such variations that must be assessed. Thus, although some TSA inspectors tested air carriers' effectiveness in conducting similar-name matching, the inspectors did so at their own discretion and without specific evaluation criteria.

In response to our inquiry, six of TSA's nine principal security inspectors told us that their assessments during annual inspection cycles have not included examining air carriers' capability to conduct certain basic types of similar-name comparisons. Also, in reviewing documentation of the results of the most recent inspection cycle (fiscal year 2007), we found that available records in TSA's database made references to name-matching tests in only 6 of the 36 watch-list-related inspections that principal security inspectors conducted, and in only 55 of the 1,109 inspections that transportation security inspectors conducted.[13] Without baseline criteria or standards for air carriers to follow in conducting similar-name comparisons, TSA has not had a uniform basis for assessing compliance. Further, without routinely and uniformly testing how effectively air carriers are conducting similar-name matching, TSA may not have had an accurate understanding of the quality of air carriers' watch-list-matching processes.

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[13]According to TSA data, these 1,145 watch-list-related inspections (36 plus 1,109) covered 60 domestic air carriers, and most of the air carriers were inspected multiple times.

However, TSA began taking corrective actions during the course of our review and after it found deficiencies in the capability of air carriers to conduct similar-name matching during the January 2008 special emphasis inspection.[14] More specifically, following the January 2008 inspection, TSA officials reported that TSA began working with individual air carriers to address identified deficiencies. Also, officials reported that, following the issuance of TSA's revised No Fly List security directive in April 2008, the agency had plans to assess air carriers' progress in meeting the baseline capability specified in the new security directive after 30 days, and that the agency's internal guidance for inspectors would be revised to help ensure compliance by air carriers with requirements in the new security directive. Further, in September 2008, TSA updated us on the status of its efforts with watch-list matching. Specifically, TSA provided us with the results of a May 2008 special emphasis assessment of seven air carriers' compliance with the revised No Fly List security directive. Although the details of this special emphasis assessment are classified, TSA generally characterized the results as positive. Also, the TSA noted that it plans to work with individual air carriers, as applicable, to analyze specific failures, improve system performance, and conduct follow-up testing as needed. Further, officials noted that the agency's internal handbook, which provides guidance to transportation security inspectors on how to inspect air carriers' compliance with requirements, including watch-list-matching requirements, was being revised and was expected to be released later this year. Officials stated that the new inspection guidance would be used in conjunction with TSA's nationwide regulatory activities plan for fiscal year 2009. However, while these actions and plans are positive developments, it is too early to determine the extent to which TSA will assess air carriers' compliance with watch-list-matching requirements based on the new security directives since these efforts are still underway and have not been completed.

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[14]According to TSA officials, the January 2008 special emphasis inspection covered 52 domestic air carriers and 31 foreign air carriers.

DHS Has Made Progress in Developing and Implementing the Secure Flight Program, but Challenges Remain That May Hinder the Program Moving Forward

Over the last 4 years, we have reported that the Secure Flight program (and its predecessor known as the Computer Assisted Passenger Prescreening System II or CAPPS II) had not met key milestones or finalized its goals, objectives, and requirements, and faced significant development and implementation challenges.[15] Acknowledging the challenges it faced with the program, in February 2006, TSA suspended the development of Secure Flight and initiated a reassessment, or rebaselining, of the program, which was completed in January 2007. In February 2008, we reported that TSA had made substantial progress in instilling more discipline and rigor into Secure Flight's development and implementation, including preparing key systems development documentation and strengthening privacy protections.[16] However, we reported that challenges remain that may hinder the program's progress moving forward. Specifically, TSA had not (1) developed program cost and schedule estimates consistent with best practices, (2) fully implemented its risk management plan, (3) planned for system end-to-end testing in test plans, and (4) ensured that information-security requirements are fully implemented. If these challenges are not addressed effectively, the risk of the program not being completed on schedule and within estimated costs is increased, and the chances of it performing as intended are diminished.

To address these challenges, we made several recommendations to DHS and TSA to incorporate best practices in Secure Flight's cost and schedule estimates and to fully implement the program's risk-management, testing, and information-security requirements. DHS and TSA officials generally agreed to implement the recommendations and reported that they are making progress doing so. According to TSA officials, the "initial cutover" or assumption of the watch-list matching function from one or more air carriers for domestic flights is scheduled to begin in January 2009. However, as of July 2008, TSA had not developed detailed plans or time frames for assuming watch-list matching from all air carriers for domestic flights. We will continue to evaluate TSA's efforts to develop and implement Secure Flight and its progress in addressing our prior recommendations as part of our ongoing review.

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[15]See GAO, *Aviation Security: Progress Made in Systematic Planning to Guide Key Investment Decisions, but More Work Remains*, GAO-07-448T (Washington, D.C.: Feb. 13, 2007).

[16]See GAO, *Aviation Security: Transportation Security Administration Has Strengthened Planning to Guide Investments in Key Aviation Security Programs, but More Work Remains*, GAO-08-456T (Washington, D.C.: Feb. 28, 2008).

Concluding Observations

Until the Secure Flight program is implemented, TSA's oversight of air carriers' compliance with watch-list-matching requirements remains an important responsibility. In this regard, TSA's April 2008 revision of the No Fly List security directive—and a similar revision planned for the Selectee List security directive—are significant developments. The April 2008 revision establishes a baseline name-matching capability applicable to all domestic air carriers. Effective implementation of the baseline capability should strengthen watch-list-matching processes, especially for those air carriers that had been using less-thorough approaches for identifying similar-name matches. Concurrently, revised internal guidance for TSA's inspectors can help ensure that compliance inspections of air carriers are conducted using the standards specified within the security directives as evaluation criteria. At the time of our review, TSA was in the initial stage of revising the internal guidance for inspectors. As a result, it is too early to determine the extent to which updated guidance for principal security inspectors and transportation security inspectors will strengthen oversight of air carriers' compliance with the security directive requirements. Going forward, TSA officials acknowledge that the baseline capability specified in the revised No Fly List security directive and the similar revision planned for the Selectee List security directive—while an improvement—does not address all vulnerabilities identified by TSA and does not provide the level of risk mitigation that is expected to be achieved from Secure Flight. Thus, TSA officials recognize the importance of—and the challenges to—ensuring continued progress in developing and deploying the Secure Flight program as soon as possible.

Madam Chairwoman, this concludes my statement. I would be pleased to answer any questions that you or other members have at this time.

GAO Contact and Staff Acknowledgments

For questions regarding this testimony, please contact Cathleen A. Berrick, Director, Homeland Security and Justice Issues, at (202) 512-3404 or berrickc@gao.gov.

Other key contributors to this statement were Mona Blake, Danny R. Burton, Ryan Consaul, R. Eric Erdman, Michele C. Fejfar, Richard B. Hung, Thomas F. Lombardi, Sara Margraf, Victoria E. Miller, Maria Soriano, and Margaret Vo.