



The International Air Cargo Association

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100% AIR CARGO SCREENING:

CAN WE SECURE AMERICA'S SKIES?

TESTIMONY OF JACK BOISEN

CHAIRMAN

THE INTERNATIONAL AIR CARGO ASSOCIATION (TIACA)

BEFORE THE

HOUSE COMMITTEE ON HOMELAND SECURITY'S SUBCOMMITTEE ON TRANSPORTATION SECURITY AND INFRASTRUCTURE PROTECTION

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Chairwoman Jackson-Lee, Ranking Member Dent, and Distinguished Members of the Subcommittee, it is my pleasure to testify today on behalf of The International Air Cargo Association, or TIACA, which I serve as chairman. I am also a veteran of more than 40 years in the air cargo industry, having served most recently as Vice President of Continental Airlines' Cargo Division for 14 years.

Thank you for the opportunity to present our views on one of the most important issues facing the air cargo sector, the screening mandates established by the *Implementing Recommendations of the 9/11 Commission Act of 2007*. The law requires that 50% of all air cargo on passenger aircraft be screened as of February 2009 and that all such cargo be screened as of August 2010. Obviously, we are currently operating in an environment where the 50% standard is applicable and are less than 17 months away from the comprehensive requirement.

First, allow me to introduce TIACA. We represent all major segments of the air cargo supply chain, including airlines, forwarders, airports, ground handlers, all-cargo carriers, road carriers, customs brokers, third party logistics companies, integrators, shippers, aircraft manufacturers and educational institutions. Because of the diversity of our membership, TIACA members are affected by all of TSA's security protocols. As a result, we actively engage with TSA on a wide range of air cargo security issues, and implementation of the 9/11 Act's air cargo screening mandates is one of our top priorities. Our members are committed to ensuring the safety and security of air cargo while maintaining the viability of the air cargo supply chain.

In assessing current and future air cargo screening, and the question of whether we can secure America's skies, it is important to understand that, because of the many different entities in the air cargo supply chain, it is impossible to design a one-size-fits-all approach to air cargo security. Operating realities are different for passenger airlines, all-cargo airlines, express operators, air freight forwarders (or indirect air carriers), ground transportation providers, and shippers. Different airports have distinct footprints, and tend to handle different types of cargo. Security policies need to take these distinctions into account if they are to offer workable approaches. TIACA commends TSA for its sensitivity to the diverse range of operators in the air cargo supply chain, and for its recognition of the need to maintain flexible policies because of that diversity.

TSA has determined that, because of the realities of the air cargo supply chain, the best way to implement the 9/11 Act's 50% and 100% air cargo screening mandates is to spread screening responsibilities throughout the supply chain via the Certified Cargo Screening Program, or CCSP. Fundamentally, TIACA agrees with this approach. We do not believe that screening can be the sole responsibility of the airlines, nor do we support the efforts of some entities to federalize all air cargo screening, making it a TSA function and locating it solely on airport grounds. We believe federalization or airline-only screening would unduly crowd this function onto airport grounds, potentially creating significant bottlenecks, and would impose a one-size-fits-all approach to air cargo screening. While this approach might work in certain locales, it would likely produce commercial gridlock at many U.S. airports. The flexibility allowed under CCSP is a better fit with the diverse needs of the air cargo supply chain.

While TIACA supports the general concept of CCSP, we have several concerns about implementation of the air cargo screening mandates. I'd like to highlight a few of the issues that are particularly important for TIACA members in my testimony today.

First, TIACA is concerned about the costs likely to be incurred by its members due to the new screening obligations. Those companies that become certified screeners will need to acquire costly equipment for each of their certified facilities. Passenger airlines may face additional equipment acquisition costs as well. This is significant, particularly given the current economic downturn which has reduced air cargo volumes by roughly 25%, threatening the viability of many companies. We hope the U.S. Congress can consider providing some relief to companies that incur the substantial cost of screening equipment acquisition. For example, establishing tax incentives or credits for such companies could provide significant financial relief.

Second, we are quite concerned that much of the equipment currently certified for use is most appropriate for the passenger screening environment and is ill-suited to the air cargo environment where palletized or other consolidated shipments are the norm. We believe TSA should expedite its review of technologies geared towards the air cargo environment. Given the looming August 2010 deadline, it is essential that new technological options be made available very soon. Without new equipment capable of screening consolidated shipments, we may face considerable disruption to air cargo commercial flows in a 100% screening environment. In this regard, TIACA strongly supports increased funding for and use of canine screening teams for air cargo and believes expanded use of canines could help ensure smoother implementation of the comprehensive screening mandate.

Third, we are unclear about how TSA will be verifying compliance with the February 2009 and August 2010 screening standards. TIACA members have advised that they are in compliance with the reporting requirements TSA has placed on them with respect to the February 2009 screening standard, and report they are meeting the 50% standard. However, we are unclear about how TSA is processing and validating that information, individually and across the entire supply chain. We are also unsure whether there might be future disruptions to trade based on TSA determinations of cases where the 50% standard may not be met, and how that information will be communicated to others in the supply chain. Furthermore, once the 100% standard is in place, the potential for unforeseen stoppages in trade may increase. We do not know what sort of notification there will be in such instances, nor how difficult it may be for shippers, forwarders or airlines to adjust their schedules to ensure service.

Fourth, there is confusion within the air cargo sector about how the air cargo screening standards will be applied to flights originating from foreign airports. Up until recently, TSA had maintained that the 9/11 Act's screening mandates applied only to flights originating from U.S. airports. Under this interpretation, non-U.S. airlines would be required to meet the 9/11 Act's screening standards for flights they operated out of U.S. airports, just as would U.S. airlines. However, neither U.S. nor foreign airlines would be required to meet the screening thresholds for flights originating from foreign airports. Instead, those flights would be subject to the security protocols in the country of departure.

Roughly six months ago, TSA modified its interpretation and concluded the 9/11 Act mandates also apply to foreign-origin flights. At this point, we do not know the extent to which foreign security protocols may have to change to meet the August 2010 100% screening standard, how TSA will factor inbound cargo into its calculations of whether the threshold is met, or what the impact might be on screening methods, technologies, certified cargo programs, etc. – let alone what all this will mean for airlines, forwarders, shippers and others.

In this uncertain environment, it is critical that TSA and its counterpart agencies in other countries work closely with industry groups to ensure timely communication to those in the air cargo supply chain so that widespread commercial disruption is avoided. We simply cannot afford commercial bottlenecks due to confusion over security regimes, on top of the damage already caused by the global economic crisis. TIACA stands ready to do its part by addressing member concerns and questions to TSA, liaising with security authorities, and conveying key information to its members. We urge all parties to cooperate in an effort to ensure that security standards are met and commercial chaos is avoided.

Fifth, TIACA is also concerned that there is occasionally a breakdown between TSA headquarters' interpretation of policy and the actions that are taken by inspectors in the field. We will continue to raise issues of inconsistency with TSA and urge the agency to ensure coordination between headquarters and the field through better education and communication.

Sixth, TIACA believes the Aviation Security Advisory Committee (ASAC) should be reinvigorated as quickly as possible. In the past, this body served as a vital conduit for industry-government collaboration on issues critical to air cargo, but it has been shut down for well over a year due to issues related to its re-chartering. The former ASAC created an Air Cargo Working Group, which fostered a highly productive dialogue between TSA and all elements of the air cargo industry. Without the ASAC umbrella, there is no formal mechanism for reactivating that dialogue and resuming the valuable work of that group. Unfortunately, that means that now, during the critical months leading up to the August 2010 deadline, this vital means of communication is silenced.

We understand that new ASAC members have been selected, but the re-chartered ASAC has yet to meet. We believe it is particularly important to reactivate the dialogue of the Air Cargo Working Group so it can address implementation issues related to the 100% screening mandate, and we encourage this Subcommittee to do what it can to ensure that the ASAC and this critical working group are resuscitated.

Seventh, TIACA believes it is essential that the Department of Homeland Security better leverage the security programs of TSA and U.S. Customs and Border Protection, or CBP. Both agencies operate extensive national security programs, and both are part of the same department – yet industry partners are generally unable to leverage participation in one agency's programs with those of the other agency. DHS should more aggressively explore synergies between TSA and CBP cargo screening programs, including use of automation, risk-based assessment, personnel, and government-industry partnerships such as the Customs-Trade

Partnership Against Terrorism (or C-TPAT) and the CCSP, with a view towards increasing efficiency and eliminating redundancies.

Finally, on a related matter, TIACA is closely monitoring CBP's implementation of the so-called 10+2, or Importer Security Filing, regulation. While this initiative currently applies solely to maritime shipments, CBP has indicated at various times that it might consider rolling it out to other modes. TIACA believes that, if such a rollout were to occur, CBP must take into account the unique aspects of each mode of transportation and differentiate the requirements based on the realities of each mode. In particular, if CBP were to consider an importer security filing for air, it would need to articulate why such an approach is warranted in light of the fact that 100% screening, by TSA, would already be applicable as of August 2010. This is in stark contrast to the maritime environment, where CBP has specifically advocated 10+2 as a preferable alternative to 100% scanning of maritime shipments.

In summary, many challenges remain as we move towards August 2010 and the 100% air cargo screening mandate. TIACA commends this Subcommittee for its strong leadership on this issue, and hopes to continue working with you and with TSA to address these challenges and ensure viable implementation of the new air cargo screening standards and the security of America's skies.

I thank you again for the opportunity to testify before you today.