



U.S. TRAVEL
ASSOCIATION

TESTIMONY FOR THE RECORD

OF

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ON

**“ELEVEN YEARS AFTER 9/11 CAN TSA EVOLVE TO MEET THE NEXT
TERRORIST THREAT?”**

**BEFORE THE
HOUSE SUBCOMMITTEE ON TRANSPORTATION SECURITY
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Chairman Rogers, Ranking Member Jackson-Lee and Members of the Subcommittee: I am pleased to offer testimony on behalf of the U.S. Travel Association (U.S. Travel), the national, non-profit organization representing all sectors of America's travel industry. U.S. Travel's mission is to increase travel to and within the United States.

The travel industry provides good, domestic jobs that cannot be outsourced. In 2011, travel spending in the United States totaled \$813 billion, which generated a total of \$1.9 trillion in total economic output. The travel industry also supported 14.4 million jobs and was among the top 10 employers in 48 U.S. states and the District of Columbia. For example, travel directly employs more than 10,000 Alabamans in the 3rd Congressional District and contributes over \$1 billion annually to the local economy. Similarly, travel directly employs more than 16,000 Texans in the 18th Congressional District and contributes more than \$1.4 billion to the local economy.

Travel is not only a vital economic engine – it is a hallmark of our free, open and democratic society, and its various components are essential to our daily lives. Unfortunately, these same attributes make travel an attractive target for acts of terrorism. From the tragic attacks of September 11th, to the hotel bombings in Jakarta, to train bombings in London and Madrid, the global travel industry has suffered heavily from these senseless acts of violence.

After each tragedy, our industry has emerged stronger and more secure. Hotels around the globe have increased onsite security and strengthened cooperation with emergency responders and law enforcement. Canine and explosive detection teams are now common sights on metro cars and trains. And after September 11, Congress created the Department of Homeland Security (DHS) and the Transportation Security Administration (TSA) to protect America's aviation system and all other modes of transportation.

Thanks to the hardworking and dedicated men and women of TSA, and so many others from our defense and homeland security agencies, there is no doubt that the United States – and travel itself – is safer today than it was before 9/11. Although there has not been a successful terrorist attack on American soil since 9/11, terrorism remains a serious and ever-changing threat.

I applaud the Subcommittee for holding this important hearing on how the TSA can evolve to meet the next terrorist threat. My testimony today will focus in three areas. First, I will provide an overview of what I believe to be the long-term challenges facing TSA and their implications for the travel industry. Second, I will discuss TSA's successes and shortcomings in addressing these challenges. Lastly, I will provide U.S. Travel's recommendations for how TSA, Congress, and the private sector can expand and improve upon TSA's current efforts.

Long-term Challenges in Aviation Security

Commercial aviation is the gateway to travel and tourism. And since 9/11, TSA has stood as the gateway to commercial aviation. The safety of travelers, the strength of our homeland security, and the economic success of the travel industry are all dependent on TSA's ability to complete its mission. But if TSA is to be successful, it must resolve three major challenges.

The first challenge – and a top priority for the travel industry – is achieving the highest level of security in the face of numerous and shifting threats. I am confident that Administrator Pistole, members of this committee and almost all Americans are in agreement on this point. However, the

paramount importance of security must be coupled with a realization that TSA will never achieve 100 percent security. Therefore, the real challenge for TSA lies in achieving the highest level of security by devoting scarce resource to the most pressing and dangerous threats.

The second major challenge facing TSA is the growing inefficiency of the passenger screening process. Repeated studies show that TSA's security checkpoints are time-consuming, frustrating, and deterring millions of people from traveling each year. A 2010 survey conducted by Consensus Research found that travelers would take two to three more flights per year if the hassles in security screening were reduced. These additional flights would add nearly \$85 billion in consumer spending back into local hotels, restaurants, convention centers and other travel business, and help support 900,000 jobs. A similar survey conducted in 2011 found that four of the top five passenger frustrations relate directly to the TSA checkpoint.

The third challenge facing TSA is the rapid cost increase of screening per passenger. In its FY2012 budget request, DHS acknowledged that the cost of screening per passenger rose by over 400 percent between 2001 and 2011. And from 2004 to 2011, the TSA's budget increased by 68 percent, while the number of passengers screened remained almost flat.¹ After just eleven years, TSA's budget is now roughly equal to the Federal Bureau of Investigation (FBI).

Unfortunately, without major and forward-thinking changes, all three of the major challenges facing TSA are likely to get worse over time.

The Federal Aviation Administration (FAA) forecasts that, over the next 20 years, passenger levels will almost double to 1.2 billion passengers per year. At the same time, Congress and federal agencies are entering a new period of flat budgets and fiscal austerity, and the amount of airport space that can be devoted to passenger screening is already nearing capacity. Such rapid passenger growth will likely lead to longer lines and wait-times at security checkpoints, sharper increases in the cost of security screening per passenger, and dampened demand for travel in the United States.

These problems, therefore, are not TSA's alone. In fact, the real threat of terrorism, the economic consequences of inefficient screening, and increase in screening costs, add up to create one of the biggest problems facing the travel industry today. Therefore, U.S. Travel and the entire travel industry is fully committed to assisting TSA in finding workable and lasting solutions to the problems in aviation security.

That is why, in 2010, U.S. Travel commissioned a bipartisan panel of aviation security experts to propose innovative solutions could increase both security and efficiency. The panel, title the Blue Ribbon Panel for Aviation Security (BRP), was chaired by former Secretary of Homeland Security Tom Ridge, former Ranking Member of the House Homeland Security Committee Jim Turner, and President and CEO of Sabre Holdings Sam Gilliland.

I am pleased that Sam Gilliland is here today to discuss the recommendations of the BRP and provide an update on TSA's progress in implementing some of their proposals.

However, I want to briefly highlight what I believe are the two most important findings of the BRP. First and foremost, the BRP challenged TSA, Congress and all aviation security stakeholders to set

¹ U.S. Travel Association, *"A Better Ways: Building a World-Class System for Aviation Security."*
http://www.ustravel.org/sites/default/files/page/2011/03/A_Better_Way_032011.pdf

aside the notion that security and efficiency are mutually exclusive goals. Specifically, the final BRP report states:

“Some in Congress appear to have calculated that there are no political consequences to an inefficient and costly system, but great political consequences to a successful terrorist attack. This is a classic Hobson's Choice that the American traveling public repudiates. The debate Congress must engage in is not strong security versus weak security, but rather how to create a world-class aviation security system that effectively manages risk, increases efficiency and embraces the freedom to travel.”

This same notion is also strongly held by the American traveling public. A 2010 Consensus Research survey found that nearly 9 in 10 travelers believe it is possible to achieve an air travel screening system that is both secure and efficient. The same number of travelers believe that if we can put a man on the moon, we can create a passenger security system that doesn't frighten or inconvenience travelers.²

The second major finding of the BRP was that TSA could build a more efficient and secure screening process, and address its three long-term challenges, by implementing a true, risk-based trusted traveler program. The BRP recommended that a true trusted traveler program should include four major elements:

1. A voluntary and accessible enrollment process;
2. Background checks and security threat assessments to determine risk;
3. Biometric credentialing to increase identity verification; and
4. A separate and expedited screening process for passengers enrolled in the program.

Successes and Shortcoming in Addressing TSA's Long-term Challenges

To TSA's credit, it is taking several steps to reform the agency into a more risk-based and intelligence driven organization.

Last year, TSA restarted the Aviation Security Advisory Committee and increased its interaction with the private sector. I am honored that TSA and the ASAC selected me to co-chair the Passenger Advocacy Subcommittee – and I look forward to working with TSA on that important group.

In 2011, TSA launched Pre✓, a trusted traveler a pilot program that provides expedited screening for passengers willing to volunteer more personal information. Pre✓ is an essential first step in creating a more efficient and secure screening process, and I applaud Administrator Pistole for his leadership in creating this program.

Today, over 500,000 Americans are enrolled in Pre✓ and the program has screened over 2.5 million passengers. Pre✓ lanes are currently available at 23 airports and, by the end of 2012, TSA expects Pre✓ to be operational at an additional 12 airports across the country.

² <http://www.ustravel.org/news/press-releases/american-traveling-public-says-there-has-be-better-way-conduct-air-travel-secu>

Although Pre✓ is a positive first step, the current program has several shortcomings that will prevent TSA from ultimately addressing its long-term challenges. The shortcomings include limited and cumbersome enrollment opportunities, low utilization rates, and high levels of unpredictability for Pre✓ passengers hoping to receive expedited screening.

There are several barriers preventing a large number of ordinary travelers from joining and using Pre✓. One way to join the program is to be a member of U.S. Customs and Border Protection's (CBP's) Global Entry program. Unfortunately, Global Entry's online enrollment process is cumbersome and confusing, and is a prime example of the difficulty a government agency can have in creating streamlined and customer friendly services.

Moreover, to be a part of Global Entry, CBP requires an in-person interview but only offers these interviews at 25 permanent locations. If a person living in Montgomery, Alabama, wishes to join Global Entry, the closest CBP interview location is in Atlanta, Georgia, and requires a five-hour, 300-mile round trip drive.

There are also many difficulties associated with the airline Pre✓ enrollment process. Perhaps the most significant shortfall is the cost of joining Pre✓ through an airline frequent flier program. If the same person wishes to qualify for Pre✓ through a sponsoring carrier, U.S. Travel estimates that it would cost roughly \$10,000 in airfare paid to a single airline in order to accrue enough frequent flier miles to qualify for Pre✓.³

The exclusive and inaccessible Pre✓ enrollment options contribute to the second shortcoming – low utilization rates. After almost one year of operation, TSA has screened 2.5 million passengers through Pre✓. But this number is miniscule when compared with the roughly 2 million people who fly each day in the United States and the roughly 700 million passengers who fly each year.

Additionally, low Pre✓ utilization rates also stem from the structure of the airline enrollment process. Once a traveler is enrolled in Pre✓ through a frequent flier program, they can only use the expedited screening lanes when flying with that particular airline. For example, an American Airlines Pre✓ customer who buys an American Airlines ticket for travel from JFK airport to Miami International would have access to the Pre✓ lane. If that same customer decides to fly Delta Airlines on the return flight home, he or she would not have access to the Pre✓ lane, simply because they are not flying with American Airlines. In our opinion, risk should not be determined by your loyalty to any one airline.

³ TSA considers enrollment criteria for Pre✓™ to be Security Sensitive Information. The U.S. Travel Association calculated an estimate of the cost to join Pre✓™ by multiplying the average 2010 passenger yield (the average fare paid by domestic passengers per mile flown) of €13.49 by 75,000 (the number of miles needed to become Platinum customer on Delta airlines).

The true value of Pre✓ lies in the potential for TSA to devote less resources and time to screening passengers they already know more about. The more passengers TSA can screen through Pre✓, the shorter lines and wait times for regular passengers undergoing the normal TSA screening process. This will help TSA become more efficient and lower the cost of screening per passenger.

The final shortcoming of Pre✓ is that the overall level of randomized screening could be lowered if passengers could offer more personal information for a security threat assessment and used biometric credentialing to verify their identity. TSA acknowledges that there is a direct relationship between the amount of background data shared by a Pre✓ passenger and the level of randomized screening that passenger is subjected to. In other words, the more background information available, the more predictable the expedited screening process will be.

But the airline Pre✓ enrollment process uses flying history as the only element of additional background data. This leads to higher randomization rates for the airline Pre✓ passengers and contributes to the overall inefficiency of the current Pre✓ system.

Recommendations to Improve Aviation Security and Efficiency

Fortunately, there are many innovative ways to bolster the Pre✓ program and address its initial shortcomings.

First, TSA and DHS can increase participation in Pre✓ by expanding CBP's trusted traveler programs and allowing travelers to qualify by aggregating their frequent flier miles across multiple airlines. Additionally, once a passenger is enrolled in the program – through either CBP, an airline, or any future enrollment platform – those passengers should be immediately granted access to any Pre✓ lane.

But TSA must also offer enrollment opportunities beyond CBP trusted travelers and elite frequent fliers if the program is going to succeed. One way TSA can expand Pre✓ is by leveraging the technological capabilities and innovation of the private sector. For example, the company CLEAR heightens security through its verified identity platform, while also expediting travel document checker throughput using advanced automated biometric scanners. It's the equivalent of replacing the bank teller with an ATM. Each of the 200,000-plus CLEAR members has a secure biometric identification card and has opted in to sharing personal information for a security threat assessment. Through an innovative public/private partnership with TSA, companies such as CLEAR could quickly help the agency boost enrollment and utilization rates for Pre✓, increase security through the use of biometric identity verification and robust background checks, and reduce TSA's budget by shifting operational costs from TSA to the private sector. These types of partnerships also provide new, important revenue streams to local airport authorities, an added benefit in tight budgetary times.

In short, CLEAR is just one example of how TSA can alleviate all three long-term challenges – security, efficiency, and cost effectiveness – by partnering with the private sector and addressing the shortcoming of the current Pre✓ program.

As TSA expands Pre✓ enrollment opportunities, it must also make interoperability a central pillar of the program. Pre✓ passenger should be able to use the program no matter which airline they're flying or how they enrolled. The system should be based on risk and efficiency – not customer loyalty.

Lastly, TSA can increase predictability through better line management, the use of biometric credentialing, and more in-depth background checks. In-depth background checks and secure forms of identification enable TSA to know more about a passenger and lower rates of random screening. TSA can also increase efficiency by allowing Pre✓ passengers selected for randomize screening to move immediately to the standard screening lane, rather than the back of the waiting line before the travel document checker.

Other Areas for Improvement

Pre✓ is not the only and final solution to the challenges facing TSA. *The New York Times* recently reported that TSA screened an estimated 59 million more carryon bags in 2010 than in 2009.⁴ TSA also estimates that carry-on bags processed at the checkpoints will have increased by about 87 million from FY 2010 through FY 2011 and continue to increase by about 29 million more in FY 2012. This is an issue that should be examined and addressed.

TSA must also improve its communication and interaction with the passenger. This includes tracking and distributing wait-time information and using customer feedback to inform its standard operating procedures.

The Important Role of Congress

Finally, Congress must take the lead in helping TSA solve its long-term problems. I strongly urge this committee to relentlessly engage in three areas.

First, Congress must continue to conduct aggressive hearings and oversight. TSA often changes its behavior or makes better decisions based on the questions and guidance they receive through committee hearings.

Second, Congress must improve TSA through legislation. A TSA reauthorization bill has not been enacted in over a decade – while similar agencies, like the FAA, are reauthorized on a multi-year and reoccurring basis.

Third – and perhaps most importantly – Congress must keep in mind that security and efficiency are equal and obtainable goals. TSA is vital to security but the agency also impacts travel businesses, jobs and our quality-of-life.

⁴ <http://www.nytimes.com/2011/03/29/business/29bags.html>

The country that put a man on the moon, and has led the world for centuries in innovation and technology, can have a world-class, efficient and secure aviation system.

Again, thank you Chairman Rogers, Ranking Member Jackson-Lee, and all members of the subcommittee for inviting me to testify today. I look forward to answering your questions.