



Committee on
HOMELAND SECURITY
Chairman Michael McCaul

Opening Statement

May 8, 2013

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**Statement of Subcommittee Chairman Richard Hudson (R-NC)
Subcommittee on Transportation Security
Committee on Homeland Security**

“TSA Procurement Reform: Saving Taxpayer Dollars Through Smarter Spending Practices”

**May 8, 2013
Remarks as Prepared**

First, I would like to thank our witnesses for participating in this hearing. We sincerely appreciate your time, and look forward to your testimony.

Our purpose today is to examine TSA procurement practices and identify ways this \$7 billion agency can save taxpayer money and provide better security. Ultimately, these two goals are not mutually exclusive, but rather are dependent upon one another. Every dollar that can be saved from wasteful and duplicative programs, reforming broken processes, and increasing transparency can eventually be used to better protect passengers and confront emerging threats.

TSA’s Office of Acquisition has the lead on planning, awarding, and managing the acquisition program at TSA. Like other components of the Department of Homeland Security, TSA categorizes its programs based on life cycle cost. Any program with a life cycle cost over \$300 million, such as the passenger-screening program, requires final approval by DHS.

We are pleased to have the head of TSA Acquisitions with us to discuss, in detail, how her office performs its critical function. Specifically, the Office’s:

- Coordination with DHS procurement officials;
- Partnership with the Science and Technology Directorate,
- Engagement with the private sector, and
- Due diligence in ensuring TSA makes wise investments.

While some progress has been made in the last few years, shortfalls in major technology purchases, like Advanced Imaging Technology, AIT, make it clear that TSA still has a long way to go. We recognize that TSA is constantly trying to respond to new threats, but in some cases the pressures to perform and deploy new technologies can lead to a reactive approach without sufficient planning. Having a long-term plan that leverages experts within government and industry can help to prevent capability gaps.

In 2009, the Government Accountability Office reported that TSA had not completed a cost-benefit analysis to prioritize and fund airport screening technology investments, such as AIT. That was nearly four years ago, and to my knowledge no such comprehensive cost-benefit analysis has been completed.

In 2012, GAO reported that TSA did not fully follow DHS acquisition policies when acquiring AIT. That resulted in DHS approving AIT deployment without full knowledge of TSA's revised specifications for the technology. DHS also approved AIT deployment on the basis of laboratory-based testing results and initial field-testing results, but testing wasn't actually completed until later that year. TSA procured AIT without DHS' full knowledge of how TSA would test and evaluate AIT.

While some improvements have been made, we simply cannot afford to repeat these types of mistakes. I look forward to receiving an update from GAO today on the status of its findings and recommendations on AIT and other investments.

Taking a step back from procurement, it's also important to recognize the role of the DHS Science and Technology Directorate in the testing and evaluation process for new technologies. Despite S&T's best efforts to assist TSA, it's unclear whether S&T actually has enough authority to make a significant difference in whether TSA technology expenditures succeed or fail. I am eager to hear directly from S&T today, on how the Directorate's role in the technology acquisitions process can be strengthened and improved.

To the greatest extent possible, I believe more transparency and accountability should be included in the TSA procurement process. The work of the GAO and DHS Office of Inspector General are critical in that regard, and we look forward to their insights here today. With our witnesses, I hope we can identify steps to strengthen oversight and accountability of the key transportation security programs.

The bottom line is TSA's procurement decisions impact millions of American taxpayers, whether they fly or not. It is incumbent upon us to make sure taxpayer dollars are being used effectively and efficiently. I look forward to discussing ways we can work together to do a better job of ensuring the safety of both Americans' ability to travel and their hard earned tax dollars.

With that, I now recognize the Ranking Member of the Subcommittee, the Gentleman from Louisiana, Mr. Richmond, for his opening statement.

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