

# Opening Statement Ranking Member Cedric L. Richmond (D-LA)

## Subcommittee on Transportation Security

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

May 8, 2013

---

I want to first thank the witnesses here today. I appreciate their work to advance TSA’s procurement system and their willingness to have an open dialogue on the contracting challenges facing TSA.

After 9/11, TSA was established to implement risk-based security policies that address vulnerabilities and threats to our transportation system.

To carry out its mandate, TSA must not only procure the right goods and services from reliable vendors, but it must have personnel on hand who have the knowledge and training to adequately review purchases.

Unfortunately, TSA has not always purchased the right goods or had the technical expertise to evaluate potential purchases.

A prime example of the failure to link technical expertise with successful contracting outcomes was the purchase by TSA of “puffer machines.” The Department spent about \$36 million dollars developing, procuring and maintaining machines that were supposed to detect explosives.

While they worked in the lab, they failed in the “real world.” After the machines failed, TSA had to spend nearly \$1 million to remove them from airports. The puffer machines have become a legendary example of a broken process. Since the “puffer machines” incident, Congress required TSA to change its procurement system.

When first established, TSA used a Department of Transportation procurement process. However, this process prohibited greater opportunities for small businesses, diluted transparency, and allowed for a lack of accountability across the acquisition process.

Congress required TSA to operate under the FAR—a system commonly used in most Federal government agencies. Under the FAR, TSA was required to contract with small and disadvantaged businesses. In FY12, TSA spent \$2.39 billion dollars contracting for goods and services.

I look forward to hearing from TSA about why it was only able to spend about 16% of its contracting dollars with small and disadvantaged businesses – well short of its goal of 23%.

This is especially concerning when TSA has one of the lowest small business contracting goals in all of DHS.

Today, we also need to evaluate the progress TSA has made in training its acquisition workforce to make procurement more efficient.

On a final point, I look forward to hearing from the Inspector General about the work he has done on the improvements made and challenges that remain in the TSA acquisitions process.