AIRPORT BAGGAGE SCREENING: MEETING GOALS AND ENSURING SAFETY—ARE WE ON TARGET?

HEARING

BEFORE THE

COMMITTEE ON GOVERNMENT REFORM

HOUSE OF REPRESENTATIVES

ONE HUNDRED SEVENTH CONGRESS

SECOND SESSION

AUGUST 7, 2002

Serial No. 107–134

Printed for the use of the Committee on Government Reform

Available via the World Wide Web: http://www.gpo.gov/congress/house
http://www.house.gov/reform

U.S. GOVERNMENT PRINTING OFFICE

82–668 PDF WASHINGTON : 2002

For sale by the Superintendent of Documents, U.S. Government Printing Office
Internet: bookstore.gpo.gov Phone: toll free (866) 512–1800; DC area (202) 512–1800
Fax: (202) 512–2250 Mail: Stop SSOP, Washington, DC 20402–0001

COMMITTEE ON GOVERNMENT REFORM

DAN BURTON, Indiana, *Chairman*

BENJAMIN A. GILMAN, New York
CONSTANCE A. MORELLA, Maryland
CHRISTOPHER SHAYS, Connecticut
ILEANA ROS-LEHTINEN, Florida
JOHN M. MCHUGH, New York
STEPHEN HORN, California
JOHN L. MICA, Florida
THOMAS M. DAVIS, Virginia
MARK E. SOUDER, Indiana
STEVEN C. LATOURETTE, Ohio
BOB BARR, Georgia
DAN MILLER, Florida
DOUG OSE, California
RON LEWIS, Kentucky
JO ANN DAVIS, Virginia
TODD RUSSELL PLATTS, Pennsylvania
DAVE WELDON, Florida
CHRIS CANNON, Utah
ADAM H. PUTNAM, Florida
C.L. "BUTCH" OTTER, Idaho
EDWARD L. SCHROCK, Virginia
JOHN J. DUNCAN, JR., Tennessee
JOHN SULLIVAN, Oklahoma

HENRY A. WAXMAN, California
TOM LANTOS, California
MAJOR R. OWENS, New York
EDOLPHUS TOWNS, New York
PAUL E. KANJORSKI, Pennsylvania
PATSY T. MINK, Hawaii
CAROLYN B. MALONEY, New York
ELEANOR HOLMES NORTON, Washington, DC
ELIJAH E. CUMMINGS, Maryland
DENNIS J. KUCINICH, Ohio
ROD R. BLAGOJEVICH, Illinois
DANNY K. DAVIS, Illinois
JOHN F. TIERNEY, Massachusetts
JIM TURNER, Texas
THOMAS H. ALLEN, Maine
JANICE D. SCHAKOWSKY, Illinois
WM. LACY CLAY, Missouri
DIANE E. WATSON, California
STEPHEN F. LYNCH, Massachusetts

BERNARD SANDERS, Vermont (Independent)

KEVIN BINGER, *Staff Director*
DANIEL R. MOLL, *Deputy Staff Director*
JAMES C. WILSON, *Chief Counsel*
ROBERT A. BRIGGS, *Chief Clerk*
PHIL SCHILIRO, *Minority Staff Director*

CONTENTS

	Page
Hearing held on August 7, 2002	1
Statement of:	
DeCosta, Ben, general manager, Hartsfield International Airport, Atlanta, GA	8
Stefani, Alexis M., Assistant Inspector General for Auditing, U.S. Department of Transportation; Stephen J. McHale, Deputy UnderSecretary of Transportation for Management and Policy; and Willie Williams, Federal Security Director, Hartsfield International Airport	36
Letters, statements, etc., submitted for the record by:	
Burton, Hon. Dan, a Representative in Congress from the State of Indiana, prepared statement of	4
DeCosta, Ben, general manager, Hartsfield International Airport, Atlanta, GA, prepared statement of	13
McHale, Stephen J., Deputy UnderSecretary of Transportation for Management and Policy, prepared statement of	61
Stefani, Alexis M., Assistant Inspector General for Auditing, U.S. Department of Transportation, prepared statement of	39

AIRPORT BAGGAGE SCREENING: MEETING GOALS AND ENSURING SAFETY—ARE WE ON TARGET?

WEDNESDAY, AUGUST 7, 2002

HOUSE OF REPRESENTATIVES,
COMMITTEE ON GOVERNMENT REFORM,
College Park, GA.

The committee met, pursuant to notice, at 12:04 p.m., in the Council Chambers Room, College Park City Hall, 3667 Main Street, College Park, GA, Hon. Dan Burton (chairman of the committee) presiding.

Present: Representatives Burton and Barr.

Staff present: Kevin Long and Gil Macklin, professional staff members; and Robert A. Briggs, chief clerk.

Mr. BURTON. Good afternoon. A quorum being present, the Committee on Government Reform will come to order.

I ask unanimous that all Members' and witnesses' written and opening statements be included in the record. Without objection, so ordered.

I ask unanimous consent that all articles, exhibits and tabular material referred to be included in the record. Without objection, so ordered.

We have two panels today. Mr. DeCosta will be the first witness on the first panel. We want to try to keep the opening statements between 5 minutes—we will have a little latitude, up to 10 minutes, but if you could stick close to that, we would really appreciate it because we do have a lot of questions we would like to ask.

First of all, I would like to thank my vice chairman, Bob Barr, for suggesting this timely and important meeting. Airport security is one of the most important issues that Congress is facing and that we have had to deal with in the last year. I cannot think of any place in America where airport security is a more pressing issue than here at the Nation's busiest airport, Atlanta Hartsfield International. And I want to tell you, when I got off the plane today, I have no doubt that this is the busiest airport in the country.

I want to welcome our witnesses here today. We look forward to hearing your testimony. Today's hearing comes at a critical juncture in our national effort to improve aviation security and prevent future terrorist attacks. It is important to reassure the flying public that our airports, our planes and our aviation system are safe.

Like my colleague, Mr. Barr, I fly at least twice a week almost every week. We know first hand the impact that September 11th

has had on our airports and on the travelers in particular. We know that some of the critical elements of developing a seamless transportation security system have not yet come together.

This hearing is being held to address the looming deadline that we have before us for screening checked baggage. Before September 11th, we did not have a system for screening checked baggage for bombs. We had a vulnerability that we were not addressing. For more than a decade, I have advocated increasing our use of bomb sniffing dogs at airports and we had a difficult time getting that accomplished. But because we did not have a crisis, it was very hard to get people to pay attention. After September 11th, everything changed.

Last fall, we passed the Aviation and Transportation Security Act. It set a deadline of December 31st this year to have explosive detecting machines up and running at every airport. This is an extremely tough deadline, these machines are very expensive. Construction will have to be done at the airports, people have to be trained, and we are hearing from more and more airports that this deadline simply cannot be met.

The House realized that there would be problems meeting this deadline. I voted for that extension, not because airport security is not a priority, but because the job has to be done correctly. The Senate has not yet passed a similar extension.

What exactly will happen if the Senate does not act as we did? It is my hope that our witnesses might be able to provide some insight into that. One thing is certain, the flying public should be reassured that aviation travel is still safe, even if the deadline is extended.

I have been told that there are a number of screening machines already produced, but there has been little thought given to the challenge of installing the equipment, who is going to pay for it and even which airports or where in those airports we will be placing these SUV-sized machines. Obviously, there is a lot of work yet to be done and not much time left to do it.

During the intense debate we had in Congress last fall, I supported having the Federal Government assume the passenger screening function with Federal standards, Federal supervision and Federal oversight. However, at the end of the day, we went even further than that. We required that all airport screeners become Federal employees. So we have given the administration two herculean tasks to be done at the same time—hire tens of thousands of Federal screeners and place thousands of bomb detection machines in every airport in the country and all in about 12 months. And I want to tell you, that is a big job.

As many of my colleagues predicted, the TSA has been consumed with hiring an army of more than 30,000 Federal workers. Right now, only nine airports are Federalized and only about 4,500 persons have been hired at this date. I am told that the TSA is working feverishly toward meeting Congress' passenger screening mandate of November 19, 2002. But we must ask ourselves honestly what happens if this bureaucracy is not in place by then.

It is now being estimated that as many as 67,000 Federal employees will be required and I understand 45,000 has been approved by the Congress and approved by the Office of Management

and Budget. That includes 33,000 for passenger screening and 21,000 to run the explosive detection machines. I, for one, would like to know why those numbers have gone up so much.

Finally, we must address these pending aviation security issues. Airports want answers. Airlines need answers and we owe the American traveling public answers. We cannot allow the prospect of 3 and 4 hour passenger waits for security risks and checks. We cannot further damage our aviation industry with the number of major air carriers on the brink of bankruptcy. We have a responsibility to deploy the most effective aviation and transportation security system possible, and because of the terrorist activity and the possibility of terrorist activity, we do not have any other choice.

One thing is very important. We have got to have local input. We need to know how our decisions are affecting the people who are going to have to run our airports and that is why hearings like that are very important.

That is why I am glad we have Mr. DeCosta, the manager of the Hartsfield International Airport here today—we appreciate you being here, sir. We need to know what we can do to help you do your job better. Can you meet the December 31, 2002 deadline or even December 31, 2003? That is the deadline that we passed in the House that has not yet been approved by the Senate. What happens if the Senate does not extend the deadline, as we have? And more importantly, what steps are being done right now—taken right now to screen baggage.

In closing, I would like to once again thank my committee vice chairman, Bob Barr, for inviting me down to his State and district to hold this important hearing.

Mr. Barr, I understand you have an opening statement, we will recognize you right now.

[The prepared statement of Hon. Dan Burton follows:]

News From...

The Committee on
Government Reform
Dan Burton (R ~ IN), Chairman

http://www.house.gov/reform

For Immediate Release:
August 7, 2002

Contact: Blain Rethmeier/Beth Crane
(202) 225-5074

OPENING STATEMENT
CHAIRMAN DAN BURTON
HEARING ON BAGGAGE SCREENING AND AVIATION SECURITY
AUGUST 7, 2002, 12:00 PM,
ATLANTA, GEORGIA

I would like to thank my Vice Chairman, Bob Barr, for suggesting this timely and important hearing. Airport security is one of the most important issues Congress has dealt with in the last year. I can't think of anyplace in America where airport security is a more pressing issue than here at the nation's busiest airport -- Atlanta Hartsfield International Airport.

I want to welcome our witnesses here today. We look forward to hearing your testimony. Today's hearing comes at a critical juncture in our national effort to improve aviation security and prevent future terrorist attacks. It is important to reassure the flying public that our airports, our planes, and our aviation system are safe. Like my colleague Mr. Barr, I fly at least twice almost every week. We know firsthand the impact that September 11 has had on our airports and on travelers in particular.

We know that some of the critical elements of developing a seamless Transportation Security System have not been yet come together.

BAGGAGE SCREENING

This hearing is being held to address the looming deadline that we have for screening checked baggage. Before September 11, we did not have a system for screening checked baggage for bombs. We had a vulnerability that we weren't addressing. For more than a decade, I have advocated increasing our use of bomb-sniffing dogs at airports. But because we didn't have a crisis, it was very hard to get people to pay attention. September 11 changed that.

Last fall we passed the Aviation and Transportation Security Act. It set a deadline of December 31, 2002, to have explosive detecting machines up and running at every airport. This is an extremely tough deadline. These machines are very expensive. Construction will have to be done at the airports. People have to be trained. We are hearing from more and more airports that this deadline can't be met.

The House realized there would be problems meeting this deadline. I voted for that extension – not because airport security isn't a priority, but because the job has to be done right. The Senate has not yet passed a similar extension. What exactly will happen if the Senate doesn't act is not quite certain. It

is my hope that our witnesses may be able to provide some insight into this. One thing is certain; the flying public should be reassured that aviation travel is still safe, even if this deadline is extended.

I have been told that there are a number of screening machines already produced, but there has been little thought given to the challenge of installing this equipment, who's going to pay for it, and even which airports or where in those airports we will place these SUV-sized machines. Obviously there is a lot of work yet to be done, and not much time left to do it.

PASSENGER SCREENING

During the intense debate we had in Congress last fall, I supported having the Federal government assume the passenger screening function with Federal standards, Federal supervision, and Federal oversight. However, at the end of the day, we went even further than that. We required that all airport screeners become Federal employees. So we've given the Administration two Hurculean tasks to be done at the same time – hire tens of thousands of Federal screeners and place thousands of bomb-detection machines in every airport in the country – all in about 12 months.

As many of my colleagues predicted, the TSA has been consumed with hiring an army of more than 30,000 Federal workers. Right now, only nine airports are federalized and only about 4,500 persons have been hired at this date.

I am told that TSA is working feverishly towards meeting Congress' passenger screening mandate of November 19, 2002. But we must ask ourselves honestly what happens if this bureaucracy is not in place by then.

It is now being estimated that as many 67,000 Federal employees will be required. That includes 33,000 for passenger screening and 21,000 to run the explosive detection machines. I for one would like to know why those numbers have gone up so much.

CONCLUSION

We must address these pending aviation security crises. Airports want answers, airlines need answers and we owe the American traveling public answers.

We cannot allow the prospect of 3- and 4-hour passenger waits for security checks. We cannot further damage our aviation industry, with a number of major air carriers on the brink of bankruptcy. We have a responsibility to deploy the most effective aviation and transportation security system possible. We have no other choice.

One thing that's very important -- we've got to have local input. We need to know how our decisions are affecting the people who have to run our airports. That's why hearings like this one are so important. That's why I'm glad we have Mr. DeCosta, the manager of the Hartsfield International Airport here today. We need to know what we can do to help you do your job better. Can you meet the December 31, 2002 deadline – or even the December 31, 2003 deadline as passed by the House? What happens if the Senate doesn't extend the deadline? And even more importantly, what steps are being taken right now to screen baggage?

In closing, I would like to once again thank Committee Vice Chairman Bob Barr for inviting me down to his State and District to hold this important hearing.

I now yield to him for his opening statement.

Mr. BARR. Thank you very much, Mr. Chairman. Both personally and as vice chairman of this subcommittee, I appreciate very much your taking time during this district work period, in which your time and expertise is demanded, not only in your home district, but as chairman of this committee, in various locations around the country. We appreciate very much your taking some time from that very busy schedule to be with us here in Atlanta. I would like to welcome you to the Atlanta area, to Georgia, you are always welcome here to enjoy some Southern hospitality, Mr. Chairman.

I would also like to extend a personal welcome to Ben DeCosta, who manages not only the world's busiest airport, but in many of our opinions, the best airport in the world. We know that is a constant challenge to juggle the sometimes competing demands of running the world's busiest airport, but in my experience, as Mr. Burton has said, somebody who frequents Hartsfield with far more frequency than a lot of our families would like, I really do appreciate the manner in which Hartsfield has been run and continues to be run, and the manner in which you are attempting to meet the very, very difficult challenges that have presented themselves by the aftermath of September 11th.

Since the events of last September, the administration and Congress have worked together to mobilize the necessary funds, intelligence and personnel to track terrorists at home and abroad, and to strengthen the Nation's security infrastructure to meet and neutralize the threat that they pose.

Many of the post-September 11th airline security issues were addressed in the Aviation Security legislation adopted several months ago. This important legislation targeted specific security concerns, including access to secure areas of airports; cargo security; use of explosives detection equipment; baggage screening; training to improve the performance of security screeners; and background investigations of airport and airline employees.

The House has approve spending over $1 billion for the physical modification of commercial service airports, for the purpose of installing checked baggage explosive detection systems and other security upgrades.

The luggage screening plan for Hartsfield calls for an in-line system, with built-in enhanced and expanded baggage handling rooms throughout the airport. This design allows the Transportation Security Administration [TSA], to install and operate the explosive detection system without decreasing the public space available to passengers in the airport terminals. The project provides a permanent solution, integrated with airline and airport operations, and avoids any temporary or make-shift design or procedures, outstanding achieve 100 percent checked luggage screening.

This comprehensive security upgrade has proved to be a massive undertaking for our country's airports, including the Nation's busiest, Hartsfield International. Hartsfield, in particular, as a major hub in our Nation's domestic aviation system, will be greatly affected by the requirements of this Federal legislation. The most recent statistics show this airport served over 6.5 million passengers just through May of this year. Hartsfield officials are responsible for redesigning and constructing new security checkpoints, deploying sophisticated new equipment, and hiring and training scores of

new employees—all while attempting to minimize the inconvenience to passengers.

Today, we will hear from Hartsfield General Manager Ben DeCosta, who has estimated the TSA will need to hire 1,500 people to screen baggage at the checkpoint and at the gates. He has well-founded concerns with the balance between deadlines, passenger delays and meeting the substantive requirements of the law.

Mr. DeCosta is not the only aviation official who has communicated such concerns. Given the bill's aggressive timetable and deadlines, many airline officials have communicated similar concerns. In July, officials from 39 airports across the country wrote Transportation Secretary Mineta, asking him to work with them to achieve a more reasonable deadline. The letter warned of "harried installations" of explosive detection machines in airports that have little space for new equipment.

Moreover, the results of a recent survey conducted among airport executives by the American Association of Airport Executives, showed an overwhelming majority, some 78 percent, of the airport executives surveyed, believed the Congress should move back the December 31, 2002 deadline mandating all airports and airlines screen checked luggage for explosives; not to avoid meeting the substantive need for full screening of luggage, but to ensure a more realistic timetable within which to meet the those substantive requirements.

Based on these concerns and the problems the Department of Transportation is expected to encounter in meeting that second deadline, the House approved an extension of the December 31, 2002 deadline. H.R. 5005, the bill to establish the Department of Homeland Security, contains a provision to extend that deadline for screening all checked airline baggage for explosives.

It is critical to note, however, this does not mean there will be gaps or threats to air travel safety. On the contrary, if the deadline extension is ultimately signed into law, airlines and airports will have a number of options to choose from in the interim. These options include using explosive-detection machines, using bomb-sniffing dogs, increasing hand searches by security officers, and so-called bag matching, by which every bag is matched to an actual passenger on the plane. While airports work toward full deployment of explosive detection machines, the TSA has assured the flying public that other screening measures will serve during the interim, and wherever the machines are available, they will be used as close to full time as possible. This makes much more sense than spending hundreds of millions of dollars right now, only to discard such equipment in the near future, as the newer and better equipment is made available, and then have to spend all that money again a second time.

In short, the deadline extension implies no vulnerability. We can and must work together to provide the means and capability for airports such as Hartsfield to meet the new security requirements. Deadline or no deadline, the safety of the flying public is our ultimate goal.

I want to again thank Chairman Burton for calling this important hearing and for coming to Atlanta to chair this hearing personally. I also wish to thank General Manager Ben DeCosta for his

continued leadership in this area. I look forward to hearing from all the witnesses on the progress made here at Hartsfield, on the outstanding demands, and what the Congress can do to assist airports in meeting aviation security needs.

Mr. BURTON. Thank you, Mr. Barr.

Before we go to Mr. DeCosta, I would like to thank the mayor of College Park, GA, Mr. Longino, for being so hospitable by letting us use this chamber today. And I would also like to thank Gary Wade, who is the director of the Air Marshal Service for being so hospitable to us, we really appreciate your help, and your staff, Gary; thank you.

With that, would you rise, Mr. DeCosta, to be sworn?

[Witness sworn.]

Mr. BURTON. Do you have an opening statement, sir?

Mr. DECOSTA. Yes, I do.

Mr. BURTON. OK. Well, I told you before the meeting that we would like to stay close to 5 minutes, but I understand that you may take a little longer, so we will try to be understanding.

Mr. DECOSTA. Thank you very much.

STATEMENT OF BEN DECOSTA, GENERAL MANAGER, HARTSFIELD INTERNATIONAL AIRPORT, ATLANTA, GA

Mr. DECOSTA. I would like to thank Chairman Burton and Congressman Barr for hosting this hearing. This is an important national issue and we really appreciate your leadership on the issue.

As the world's busiest airport, more than 75 million passengers annually pass through our gates. With economic impacts of $16.8 billion annually, we are also the largest single economic engine in the State of Georgia or the southeast. In short, Hartsfield is very important to America. We want to do everything we can to ensure the safety of our passengers and visitors and protect the viability of Hartsfield for the Nation.

Thank you for inviting me to testify before you today to share our experience with enhanced security measures at Hartsfield. We also would like to share our views regarding the best approach for the Transportation Security Administration to meet the 100 percent bag screening requirements mandated by Congress.

In this post-September 11th environment, it is essential that we do all we can to enhance security at our Nation's airports and to restore and maintain the confidence of the traveling public. Our economy depends on it.

We have fully implemented all necessary security measures to further enhance our security program at Hartsfield. On September 11th, we increased our law enforcement support by 300 percent, thanks to the tremendous support received from the city of Atlanta Police Department, Federal law enforcement agencies and other local municipalities. The Clayton County Police Department, for example, actively patrolled the outer perimeter of the airport during the initial stages of the recovery. The mutual aid received from these agencies allowed us to quickly resume operations. We also welcomed the deployment of the Georgia Sky Guards to assist in the monitoring of security screening operations. We were also pleased when Guardsmen were given authority to support our law

enforcement officers in other areas of the airport such as the concourses.

The airport community has responded also very positively to our increased security awareness through its involvement in our airport security consortium. Our consortium, under the leadership and direction of our Aviation Security Manager, Mr. Richard Duncan, who is here with me today, meets regularly to review security directives and assess their impact on airport operations. The consortium developed plans for revalidating security badges, searching incoming vehicles and reducing the number of access portals, while maintaining our ability to provide quality customer service to our passengers and to our employees. We have devoted a tremendous amount of resources to ensure the full implementation of the additional security requirements at Hartsfield.

We believe that the Transportation Security Administration has also made tremendous strides toward improving security at airports across the Nation. In short order, they stood up a brand new agency, they moved out and made partners of airports and established these partnerships at many airports and others in the aviation industry to assess the status of security while planning a course to fully implement the provisions of the Aviation and Transportation Security Act. The organizing of a new Federal agency, the establishment of recommendations, early appointments of Federal security directors, the establishment of TSA go-teams and the passenger screening checkpoint redesign approach are all noteworthy accomplishments done in record time by the TSA. At Hartsfield, beginning in March of this year, we provided TSA consultants with the full support and cooperation of my employees and our consultants, to make sure that they would be successful or as successful as they could be in meeting the November deadline for passenger screening. They worked jointly with the TSA consultant team, Accenture, during the ongoing checkpoint redesign. That redesign is continuing and part of our checkpoint is actually undergoing reconstruction. So we have made some good progress.

We believe that under the able leadership of our Federal Security Director Willie Williams, the Federalization of the passenger screening operation will be both effective and timely.

The design for the passenger screening checkpoint reconfiguration is underway and we understand that the hiring of more than 1,400 TSA staff and supervisors is progressing. While we do not yet have a firm date for the implementation—that is the Federalization of the security checkpoint—the TSA should meet the November 19th date for passenger screening at Hartsfield, we believe. We are still working out a few issues on the physical configuration and who pays for what, but we think we will be successful in working out those details on passenger screening.

With the appointment of Admiral Loy, we hope to strengthen our partnership with the TSA as we forge ahead with the full implementation of the statute requirements.

The implementation of 100 percent baggage screening requirement is, unfortunately, not going as well. We continue to cooperate with the TSA consultants, but with mixed results. The cooperation, the attitude, the partnership is right, but the approach is wrong. Rather than consider, in dialog with airport management and our

consultants, the best approach to accomplish the baggage screening and enhanced security at Hartsfield, TSA consultants have come to town with a predetermined approach—the use of explosive trace detection systems placed in our ticketing lobbies, rather than the more effective x-ray type explosive detection systems [EDS], integrated into our airline baggage systems. We believe that the more effective approach at the world's busiest airport is to make the baggage screening part of the airline baggage system. However, TSA has pushed placing this function in constrained ticket lobbies, where they will undoubtedly lead to long lines and congestion.

What is needed is a more flexible approach by TSA. That we think can only occur if Congress will provide the TSA and the U.S. Department of Transportation with the guidance and appropriate funding resources to accomplish this important goal—let us do it right the first time.

The TSA has accelerated the planned implementation at Congress' direction, of course. For the most part, congressional deadlines have been very, very positive indeed. You have energized the government, the airports, the airlines to do a much better job and I think the results are becoming more and more apparent. Except for the baggage screening, the deadline tends to force us on an allegations path that leads us which, in our view, is the wrong direction.

Section 110(d) of the Aviation and Transportation Security Act, enacted by the Congress and signed into law by the President on November 19th of last year, directed the Under Secretary of Transportation for Security to take all necessary actions to ensure that explosive detection systems are deployed as soon as possible to ensure that all U.S. airports have sufficient EDS to screen all checked baggage no later than December 31, 2002—a very short time indeed. All systems deployed are fully utilized. If EDS at an airport is unavailable, all checked baggage is screened by alternative means.

So the Congress has given us a chance to use more than one approach and there is some flexibility. The alternative means include the bag match program, manual search, K9 units and other means or technology approved by the Under Secretary, which of course would include the trace detection.

The safety and security of the traveling public should be the overriding factor during the implementation of this section of the act. We would propose to the TSA and its baggage screening consultants a solution that would enhance passenger safety and security while meeting the intent of the act. However, the TSA and its consultants will not discuss or consider our recommendations. They do not have time, they say.

At Hartsfield, we have proposed that the TSA develop and implement with us an integrated and automated in-line EDS solution that would be transparent to the public. An integrated and automated EDS approach is the only workable solution to address our large baggage volumes at the busiest airport in the world, in our opinion.

We are developing plans to implement an integrated explosive detection system for screening the bags. This system can be in place, we believe, our planners are telling us—we are working out

schedules as we speak—we think we can do it in between 18 and 21 months at a cost of probably over $100 million, maybe somewhere between $100 and $120. The numbers keep moving as we are refining the approach. While an in-line system has a higher initial capital cost, the long-term benefits are significant. An automated in-line system, for example: Requires one-sixth the number of employees to operate as compared to trace detection solution at Hartsfield. Does not add congestion to already constrained ticketing lobbies. Provides redundancy in the case of mechanical failure. Does not force passengers to wait in additional lines for security screening. And allows flexibility to easily incorporate new security technologies in the baggage handling system as they become available.

We support H.R. 5005 and the provisions recommended by Congresswoman Granger in the Homeland Security Bill that extended the deadline for the EDS deployment to December 31, 2003. Of course, from my testimony, you know that we would have difficulty having 100 percent deployment under our solution by that date, but certainly we could get a good head start on the right path rather than spending and wasting time on an interim solution which we think is not as effective.

This provision in the Homeland Security Bill would allow the TSA to consider our recommended integrated EDS approach and would create a cost savings of about $25 million, or actually somewhat more if you consider the cost of the interim solution to TSA. You would not have to spend money on an interim facility, demolish part of the terminal, which you would have to replace, and you would end up saving the throw away cost on the interim solution which would probably be more than $30 million.

In addition, the interim solution requires heavy staffing. We estimate that you would need between 1,000 and 1,200 people in the interim approach, whereas less than 200 would be needed for the in-line integrated EDS system approach. With a fully loaded cost of between $45,000 and $50,000 per person, you can see that this additional staffing would cost the Federal Government a considerable sum.

The TSA's interim plan calls for a combination of EDS and explosive trace detection equipment in our crowded lobbies to meet the deadline. This concept would result in higher screening personnel requirements. And I mentioned that if it is somewhere between 1,000 and 1,200, maybe you could do it perhaps with somewhat less, but the cost would exceed $40 million a year at Hartsfield. And some analysts have estimated that it would be over $1 billion nationwide.

Significant alterations to current check-in facilities and processes that have a direct impact on passenger responsibilities and their resulting travel experience would occur with this trace detection system.

There also may be an increased requirement for explosive ordnance disposal response because of false positives that may result in the ticketing office. That is an operational issue that needs to be explored further with TSA.

Additional and high density lines of passengers in and outside the terminal building, which could conceivably create a new target for terrorists.

We believe TSA should explore alternative means such as bag match and emerging technology, to screen baggage while actively pursuing—let me repeat—actively pursuing an integrated system at the busiest of America's airports. Currently the required number of EDS machines is not available. The TSA has stated that it can increase production, however, we have not seen an increase in the deployment of these systems. Nationwide, TSA has deployed only about 6 percent of the total devices that are needed for airports and so you can press forward to meet the deadline but there are some challenges and difficulty in actually meeting it in terms of the availability of needed machines.

In order for the TSA to meet its schedule, it must purchase and install EDS and ETD machines every 38 minutes between now and December 31st of this year.

Let me skip over some of this, I know I am coming to the end of my 10 minutes.

The Airport Alliance, consisting of 39 of the Nation's airports has gone on record to request an extension of the 2002 deadline. Our intention is not to relax security, but to enhance security. We firmly believe that the interim measures to deploy the EDS equipment in lobbies and other spaces just to meet the deadline is not the right approach. In fact, this approach will create bottlenecks and safety hazards for our customers. Simply stated, we may be creating a more lucrative target for terrorists and other criminals.

In closing, airports throughout the Nation are committed to protecting the safety and security of our passengers and we fully support the TSA in our goal of strengthening the security of aviation. But in the case of the 100 percent baggage screening approach, the TSA plans to implement a program at Hartsfield that will not give us the best security or acceptable levels of customer service. The TSA must revisit its solution for the world's busiest airport. An integrated and automated checked baggage screening system is the right solution for Hartsfield.

We fear that harried efforts will compromise efforts to enhance security, frustrate our aims to increase capacity and slow the return of the industry to financial health. We should do the bag screening right the first time. We may not be able to afford to do it over again.

Again, thank you very much for this opportunity to share our views with you.

[The prepared statement of Mr. DeCosta follows:]

Congressional Field Hearing
Conducted by
The Honorable Dan Burton, Chair
The Honorable Bob Barr, Vice Chair
U.S. House Committee on Government Reform

"Airport Baggage Screening: Meeting Goals and Ensuring Safety.
Are we on Target?"

Testimony presented by General Manager Ben DeCosta
Hartsfield Atlanta International Airport

Good afternoon, I am Ben DeCosta, the Aviation General Manager for Hartsfield Atlanta International Airport. I thank Chairman Burton, Vice Chairman Barr and the Committee on Government Reform for holding this hearing to examine this critical issue. Few topics are as important to our nation as airport security. As the world's busiest airport, more than 75 million passengers annually pass through our gates. With economic impacts of $16.8 billion annually, we are also the largest single economic engine in the state of Georgia and the Southeast. We want to do everything we can to ensure the safety of our passengers and visitors and protect the viability of Hartsfield for the nation.

Thank you for inviting me to testify before you today to share our experience with enhanced security measures at Hartsfield. We will also share our views regarding the best approach for the TSA to meet the 100% bag screening requirements mandated by Congress.

In this post September 11 environment, it is essential that we do all we can to enhance the security of our nation's airports and to restore and maintain the confidence of the traveling public. Our economy depends on it.

Security has always been a priority at Hartsfield, and we have been very proactive in the implementation and enforcement of aviation security procedures and regulations. In October 1999, we implemented two programs aimed at improving employee security awareness and compliance with regulations and procedures. Our first program focused on security compliance and enforcement, while the other program focused on rewarding individuals for actively participating in our security program. We asked the Atlanta City Council to incorporate into the City's

Aviation Code the Federal Aviation Regulation's individual responsibility provisions. This ordinance allows me to assess monetary and other penalties against companies and individuals for violating security regulations. As a result of this ordinance, we have seen a much higher level of compliance with security regulations by airport employees.

Additionally, we instituted the Hartsfield Harry Program to reward employees for taking an active role in airport security. Hartsfield Harry encourages airport and airline employees to challenge personnel found on the ramp without proper identification. Our security staff conducts tests throughout the airport to monitor compliance with security regulations. If an employee challenges "Harry, "-- a security staffer who has entered a secured area without wearing proper identification - that alert employee receives a $25 check and becomes eligible for a quarterly drawing that awards $500 to the winner. Our compliance and enforcement program and Hartsfield Harry Program are two examples of

our commitment to creating a safe and secure environment for the traveling public and airport employees.

We have fully implemented all necessary security measures to further enhance our security program. On September 11, we increased our law enforcement support by 300%, thanks to the tremendous support received from the City of Atlanta Police Department, federal law enforcement agencies and other local municipalities. The Clayton County Police Department actively patrolled the outer perimeter of the airport during the initial stages of recovery. The mutual aid received from these agencies allowed us to quickly resume operations. We also welcomed the deployment of the Georgia Sky Guards to assist in the monitoring of security screening operations. We were pleased when Guardsmen were given authority to support our law enforcement efforts in other areas of the airport, such as on the concourses.

The airport community has responded positively to our increased security awareness through its involvement in the Airport Security Consortium.

Our consortium, under the leadership and direction of our Aviation Security Manager, Richard Duncan, meets regularly to review security directives and assess their impact on airport operations. The consortium motto is "Security is Everybody's Business;" therefore, it insists on the complete involvement of all partners while implementing security measures. The consortium developed plans for revalidating security badges, searching incoming vehicles and reducing the number of access portals while maintaining our ability to provide quality customer services to our passengers and employees. We have devoted a tremendous amount of resources to ensure the full implementation of the additional security requirements.

We believe the Transportation Security Administration has made tremendous strides towards improving security at airports. In short order, it established partnerships with many airports and others in the aviation industry to assess the status of security while plotting a course to fully implement the provisions of the Aviation and Transportation Security Act (ATSA). The organizing of a new federal agency,

establishment of regulations, early appointment of federal security directors, establishment of TSA "Go Teams" and the passenger screening checkpoint redesign approach are noteworthy accomplishments. At Hartsfield, beginning in March of this year, we provided TSA consultants the full support and cooperation of Department of Aviation employees and our consultants. They worked jointly with the TSA consultant team, Accenture, during the ongoing checkpoint redesign.

We believe that under the able leadership of our federal security director, Willie Williams, the federalization of the passenger screening operation will be effective and timely.

The design for the passenger screening checkpoint reconfiguration is underway, and we understand the hiring of the more than 1,400 TSA staff and supervisors is progressing. While we do not yet have a firm date for the implementation, the TSA should meet the November 19th passenger screening deadline at Hartsfield. We are still working out a few issues on the physical configuration with TSA.

With the appointment of Admiral Loy, we hope to strengthen our partnership with the TSA as we forge ahead with the full implementation of the ATSA.

The implementation of 100% baggage screening requirement is not going as well. We continue to cooperate with TSA consultants, but with mixed results. The cooperation and partnership is right, but the approach is wrong. Rather than consider, in dialogue with airport management and our consultants, the best approach to accomplish the baggage screening and enhanced security, TSA consultants have come to town with a pre-determined approach - the use of explosive trace detection systems in our ticketing lobbies, rather than the more effective X-ray type Explosive Detection Systems (EDS) integrated into our baggage systems. We believe that the more effective approach at the world's busiest airport is to make the baggage screening part of the airline baggage system. However, TSA has pushed placing this function in constrained ticket lobbies where they will undoubtedly lead to long lines and congestion.

What is needed is a more flexible approach by TSA. That can occur if Congress will provide the TSA and US DOT with the guidance and appropriate funding resources to accomplish this important goal.

The FAA and aviation industry were working towards an orderly deployment of EDS equipment in our nation's airports prior to the tragic events of September 11, 2001. Although the projected deployment completion date had shifted from 2004 to 2008, based on the availability of funds and equipment, we believe that the FAA and the aviation industry were concerned about the safety and security of the traveling public, and were implementing an EDS to protect our customers while providing quality customer service to our passengers. But, the events of 9-11 have made the EDS deployment far more urgent, and the TSA has accelerated the planned implementation at Congress' direction.

Section 110(d) of the Aviation and Transportation Security Act (ATSA), enacted by the U. S. Congress and signed into law by the President on November 19, 2001, directed the Under Secretary of Transportation for Security to take all necessary action to ensure that:

- Explosive detection systems (EDS) are deployed as soon as possible to ensure that all US airports have sufficient EDS to screen all checked baggage no later than December 31, 2002.
- All systems deployed are fully utilized and
- If EDS at an airport is unavailable, all checked baggage is screened by alternative means.

The alternative means include the bag-match program, manual search, canine units or other means or technology approved by the Under Secretary.

The safety and security of the traveling public should be the overriding factor during the implementation of Section 110(d) of the Act. We have proposed to the TSA and its baggage screening consultants a solution

that would enhance passenger safety and security while meeting the intent of the Act. However, the TSA and its consultants will not discuss or consider our recommendations. They don't have time, they say.

At Hartsfield Atlanta, we have proposed that the TSA develop and implement with us an integrated and automated in-line EDS solution that would be transparent to the public. An integrated and automated EDS approach is the only workable solution to address our large baggage volume.

We are developing plans to implement an integrated explosive detection system for screening 100 % of checked baggage. This system can be in place in 18 -21 months at a cost we roughly estimate at this point to be up to $120 million. While an in-line system has a higher initial capital cost, the long-term benefits are significant. An automated in-line system:

- Requires 1/6th the number of employees to operate
- Does not add congestion to already constrained ticket lobbies.

- Provides redundancy in case of mechanical failure
- Does not force passengers to wait in additional lines for security screening
- Allows flexibility to easily incorporate new security technologies in the baggage handling system as they become available.

We support the Granger provisions of the Homeland Security bill that extend the deadline for deployment of EDS equipment to December 31, 2003. It would allow the TSA to consider our recommended integrated EDS approach and would create a total cost savings of about $25 million - the cost of the interim measure, excluding personnel - and significant long-term savings with regard to labor costs for TSA employees and capital costs of restoring our ticket lobbies once an in-line system is operating.

As stated, the TSA has not considered an integrated and automated system to handle the high volume of baggage at the world's busiest airport. The TSA's interim plan calls for a combination of EDS and

explosive trace detection (ETD) equipment in our crowded lobbies to meet the deadline. This concept will result in:

- Higher screener personnel requirements for checked baggage, estimated to have an annual price tag of $40-$60 million at Hartsfield and nearly $1 billion nationwide.
- Significant alterations to current check-in facilities and processes that have direct impact on passenger responsibilities and their resulting travel experience.
- Increased requirement for explosive ordinance disposal response and possible terminal evacuations to resolve false-positive alarms.
- Additional and higher density lines of passengers in and outside the terminal building, creating a new target for terrorists.

The Reason Public Policy Institute has suggested that we rethink our approach to checked baggage screening. The recent Reason Institute study concludes that it is not possible for manufacturers to produce the number of required machines by December 31, 2002, nor is it possible

for airports to design and build the necessary facilities to receive the equipment. The study estimates that it would take over 6,000 machines, at a cost of $12 billion to meet peak load conditions. It reasoned that the ETD alternative would be slower and would require 50,000 operators/screeners. The Reason Report recommends that Congress revisit checked baggage provisions of the ATSA. We also believe it's the right thing to do.

We believe the TSA should explore alternative means, such as bag-match and emerging technology to screen baggage while actively pursuing an integrated system at our busiest airports. Currently, the required number of EDS machines is not available. The TSA has stated that it can increase production; however, we have not seen an increase in deployment of that system. Nationwide, TSA has deployed only six percent of the total devices they will need at airports.

In order for TSA to meet its schedule, it must purchase and install an EDS or ETD machine every 38 minutes between now and December 31.

- If the machines were available, we would have a difficult, if not impossible, task to find a suitable place to install the equipment while maintaining the expected level of customer service.
- The TSA cannot hire enough personnel to operate the equipment by December 31, 2002. As of July 13th, the GAO reports that less than eight percent of the federal screeners required have been hired. Rough calculations estimate that the TSA needs to hire and train a new screener every seven minutes between today and December 31, 2002.
- The extremely high error rate (false positives) could overtax our limited explosive ordinance disposal (EOD) units at airports.
- Long lines and delays would become the order of the day for the traveling public. This "hassle factor" may drive more passengers away from our airports and cause the demise of more companies involved in the aviation industry.

The Airport Alliance, consisting of 39 of the nation's top airports in respect to passengers, has gone on record to request an extension of the December 2002 deadline. Our intention is not to relax security, but to enhance security. We firmly believe that the interim measure to deploy the EDS equipment in lobbies and other spaces just to meet the deadline is not the right approach. In fact, this approach will create bottlenecks and safety hazards for our customers. Simply stated, we may be creating a more lucrative target for terrorists or other criminals.

In closing, airports throughout the nation are committed to protecting the safety and security of our passengers. And, we fully support the TSA in its goal of strengthening the security of aviation. But, in the case of the 100% baggage screening approach, the TSA plans to implement a program at Hartsfield that will not give us the best security or an acceptable level of customer service. The TSA must revisit its solution for the world's busiest airport. An integrated and automated checked baggage screening system is the right solution for Hartsfield Atlanta International Airport.

We fear that harried efforts will compromise efforts to enhance security, frustrate our aims to increase capacity and slow the return of the industry to financial health. We should do the bag screening right the first time. We may not be able to afford to do it over again.

Our customers desire the best solution to a very complex problem. Our goal is to be "The World's Best Airport by Exceeding Customer Expectations." We must ensure that our checked baggage system supports our mission, while providing world-class customer service and world-class security. Again, we thank you for this opportunity to share our views on this very important issue.

Mr. BURTON. Thank you, Mr. DeCosta. It's a little disturbing to me that you are having this kind of disagreement with the TSA people. Were they recalcitrant when they talked to you about your suggestions?

Mr. DECOSTA. I would not use the word recalcitrant, because they are highly professional people who are very smart and seem to know their business. But they have been given a clear and definite mission and that is to do 100 percent explosive detection screening by the end of this year and are not permitted, either by budget or by timeframe, to consider various other modes of getting the job done, like the in-line system.

Mr. BURTON. When you were talking about the in-line system, I am not sure I understood you correctly, but you said it would take one-sixth of the employees once it was on line; is that correct?

Mr. DECOSTA. If you have what we think would be roughly 26 or 20 EDS machines installed in line in the baggage systems, not in the lobbies, but below the ticketing lobbies, you would run that entire process with less than 200 people. But if you use the current TSA approach of putting trace detection machines, of which there are over 160, in the ticketing lobbies, you would need a work force to cover the full operating day at Hartsfield of between 900 and 1,200 people.

Mr. BURTON. And——

Mr. DECOSTA. Of course, if you hired all of those people and then you got the preferred approach implemented in 2 years or less, then those people would have to be let go.

Mr. BURTON. So you would have duplicative costs and you would be wasting, what did you say, $30 million or——

Mr. DECOSTA. Yes.

Mr. BURTON. About $30 million?

Mr. DECOSTA. Or more, on the interim solution. Those would be sunk costs that would be of no use to you in 3 years after you got your other systems up and running.

Mr. BURTON. Well, when you discussed this with the TSA experts that came down, what did they say about that? Is it just because of the timeframe within which they have to work that they are very concerned about getting on with it or is it——

Mr. DECOSTA. I think they are very committed to meeting Congress' mandate of the deadline. The word has come down from Congress through Secretary Mineta to each and every person at TSA, that this deadline must be met. And so they are following the directions they are given.

Mr. BURTON. But the deadline could not be met if your approach was adopted by the end of this year.

Mr. DECOSTA. That is correct.

Mr. BURTON. So long-term, your approach is far superior, but in the short run, if we are going to protect the public as quickly as possible, we ought to take a look at what they are suggesting.

Mr. DECOSTA. Well, I think what we should do is have a combination of methods. You know, security of airports is much better than it was last September 11th, and so security across airports around the Nation will increase month by month as we go forward. There is nothing magical about the December 31, 2002 date. What you should do is plan to increase security to its highest level and

rather than take an interim, you know, step that will actually cost you more money and not deliver what is in our view the highest level of security.

Mr. BURTON. But you say there could be an amalgamation of the two approaches that would be effective within a relatively short period of time?

Mr. DECOSTA. I think so.

Mr. BURTON. What timeframe are you talking about?

Mr. DECOSTA. I think if you start immediately on trying to take care of your interim solution as the statute permits—the statute does permit some flexibility. You use your hand searches, your K9s and trace detection, but at the same time you work on the real solution, you do not wait.

Mr. BURTON. What I would like to have is a list of your recommendations and your recommendation on how these two could be integrated to give maximum security as quickly as possible and yet impose these cost savings you are talking about and still protect the flying public. So if you could get those to us, since our committee oversees the entire government, I will be very happy to make sure that Mr. Mineta and the people at TSA get those and we will ask questions as to why they do not see eye to eye with you in the approach and maybe we will get some compromise that might be more helpful to you. We have people from TSA here today of course and we are going to be asking them questions about your statement as well.

With that, I see my time has expired. Mr. Barr.

Mr. BARR. Thank you, Mr. Chairman.

Mr. DeCosta, when you use the term in-line automated and integrated system, what exactly do you mean? And could you basically just sort of walk us through how such a system would work, just very briefly?

Mr. DECOSTA. You would have every bag that comes into the system go into the baggage system and go through a bank of somewhere between 10 and 13 CTX–9000 machines. Those machines, on an automated basis, can detect whether or not there is an explosive in the bag. And if the bag fails, then the bag comes off line and is searched.

Now there are some false positives, and so the system is designed to take the bag and have it reviewed, the image reviewed, by an operator. That operator would either clear the bag based on their intelligence of how these machines work or then it goes into a second series of machines in which the machine would then review it by x-ray technology to determine whether that bag has in truth a bomb in it or whether it is a false positive.

If the bag clears, it then is shipped back into the baggage system and ends up on an aircraft. If the bag fails, either because there is a bomb in it or there is a false positive, the bag is taken off line and searched.

And so in this system, you can get most of the bags through the system in an automated system and some residue of bags would actually end up being searched by TSA officials to determine whether the bag is safe.

Mr. BARR. Compare that walk-through with what TSA is proposing.

Mr. DECOSTA. They are proposing that when the passenger comes into the ticketing lobby carrying their bags, they will go to ticketing and then after ticketing, they will get in a second line and be shepherded to trace detection machines which are about this big [indicating], they could sit on this table. A TSA official would then swipe the bag on the outside or perhaps on the inside and it will pick up a fine residue of an explosive material, if there is one in the bag of the people who have handled the bag have handled this material. This cotton or paper swab would then be placed into this explosive trace detection machine, which would accept the vapor from the materials. It is warm, if it detects certain chemicals that you find in explosives, then it will alarm and you will know that you have a problem.

Once that is done—and this takes a great deal more time, of course, than through an automated system, then the bag will have to be taken from that desk and then placed into the baggage system.

The difference is in the accuracy of the approach and in the time it takes to handle large portions of bags. Our fear is that the trace detection methodology, if used wholesale, would—for 100 percent—would result in very long lines, especially if you were not able to staff all of the machines available at the ticketing counters. And one of our concerns is that of hiring this 1,000 people and keeping them on the job is not a foregone conclusion. If you do not have this part of the system which is labor intensive fully staffed, the lines will back up, fill up our ticketing lobbies and people will be in line out on the street.

Mr. BARR. Is this the same technology that currently is available when you take your hand baggage through and there is a problem or they, for whatever reason—you do not have to go into the details of it here publicly—it is the same technology that is currently being used for suspicious hand bags.

Mr. DECOSTA. Yes. We do a sampling of baggage, hand bags, coming through and do the trace detection for explosives.

Mr. BARR. For a hand baggage, I have kind of a general impression of how long it takes, but how long does it take on average for that process?

Mr. DECOSTA. Well, for carry-on bags, it is pretty quick, but for checked baggage, it would take I think considerably longer.

Mr. BARR. Is that because of the size of the bags?

Mr. DECOSTA. Well, especially if you open the bag and you go through the inside of the bag with it. There are several approaches—a closed bag approach, an open bag approach. One takes more time than the other.

Mr. BARR. And this would be done—orient us to Hartsfield right now, where would this be done, as you enter terminal A or—the north or south terminal?

Mr. DECOSTA. The north or south terminal, you would approach ticketing, handle your ticketing transaction and then move behind the ticketing counters—of course in your travel through Hartsfield, you know there is no space there now, there are offices behind those ticket counters. Those offices would have to be demolished and that space would then be used for——

Mr. BARR. It is my impression even if you do that, you are still not going to have very much space.

Mr. DECOSTA. Probably not, especially if the throughput is slow, which we would expect.

Mr. BURTON. Let me just followup on Mr. Barr's questions. You indicated that they might have to open the bags to do that hand check with the explosive detection device. Do I deduct from that if the bag was closed, there could be a bomb inside that might not be detected if you did not open it up?

Mr. DECOSTA. I would rather not speculate on this technical area.

Mr. BURTON. OK, well, in a public forum, I can—OK, we will talk about that later, but the point is that is very disconcerting because if you have got thousands of bags going through and there is some question about the detection capability of that system without the bags being opened, my gosh, that would be like the Israeli system where they go through everybody's bag one at a time before an airline departure. I mean it would almost come down to that. So that is something that we really need to look into and I would like to talk to you about that problem probably privately in a closed session. But we would like to have you give us in writing some of the concerns you have that will be transmitted through our committee directly to Mr. Mineta and the Transportation people as well as TSA. But that raises a real question as far as I am concerned.

Mr. Barr, if you have more questions, go ahead.

Mr. BARR. Thank you, Mr. Chairman.

What are the benefits in the approach that you have just outlined, the TSA is proposing? Are there any?

Mr. DECOSTA. Yes, there are. One of the benefits is that you can meet the deadline with it. For those people who feel that is a sufficient benefit.

You could do this—you might be able to meet the deadline, let me put it that way, because there is a lot of work to be done between today and the end of the year to even implement that option.

Mr. BARR. You say on page 13 of your testimony that TSA has deployed only 6 percent of the total devices they will need at airports. Why is that figure so low?

Mr. DECOSTA. The manufacturers are trying to build as many machines as they can as fast as they can and it is far from certain that the manufacturing capacity is there, and then once you have the machine, you also have to find a place to put it. As you know, these are very large machines and you have to try to wedge them into existing facilities, if you do not build out those facilities. Building them out will not be done by the end of the year, and so if you use the current EDS machines in combination with trace, you will have to wedge these machines into the present terminal.

Mr. BARR. Is there a demonstrably high false positive rate for the current machines?

Mr. DECOSTA. The current EDS machines, we have heard by some researchers and commentators, have a high false positive rate of between 20 and 30 percent.

Mr. BARR. How much?

Mr. DECOSTA. Between 20 and 30 percent. I think my testimony has the 30 percent number. That is what has been reported in re-

cent studies by the Reason Foundation. But you could ask the TSA what has been their experience on false positives.

But the system that the TSA and the airports are putting together will take into account the false positive characteristic of the machine, to make sure that at the end of the system, that we are sure that we can protect the public against explosives getting on aircraft.

Mr. BURTON. If I might followup with a couple of questions.

Mr. BARR. Sure.

Mr. BURTON. The cost of buying the machines is going to be borne by the Federal Government. The installation, as I understand it, is going to be borne by the local airport authority.

Mr. DECOSTA. We hope not.

Mr. BURTON. Well, I know, but——

Mr. DECOSTA. That is still an open question. We believe that——

Mr. BURTON. Just give me a rough idea what it would cost to install a machine or all the machines that you would require here at Hartsfield.

Mr. DECOSTA. For an in-line system, our estimate is between $100 million and $120 million.

Mr. BURTON. To install them.

Mr. DECOSTA. Well, that's an all in cost that includes both the cost of the machines and the installation.

Mr. BURTON. Well, the machines themselves, as I understand it—we are talking about cost of installation.

Mr. DECOSTA. Just bear with me 1 second. And these numbers are spongy because we are in the planning phase, considering various——

Mr. BURTON. While he is looking that up, let me ask you a couple of other questions. You have a couple of machines here at Hartsfield now?

Mr. DECOSTA. Yes, we have an Envisions machine in the south terminal in the baggage system and a CTX–5000 out on Concourse E which is the international facility.

Mr. BURTON. OK. Now it was brought to our attention that those in the past have not been utilized fully, some up to 10 percent, 20 percent, maybe 30 percent. Can you tell us what percentage of utilization is——

Mr. DECOSTA. The best information I have for you right now is that they are used on all selectee bags.

Mr. BURTON. On all what?

Mr. DECOSTA. There is a certain percentage of passengers who the computers will select for a more in-depth survey.

Mr. BURTON. It is random selection?

Mr. DECOSTA. Well, it is not just random, it is also a computer algorithm that tries to assess the risk of a person being somewhat of a threat.

Mr. BURTON. A profiling of some kind?

Mr. DECOSTA. I hesitate to use the word, but yes, there is a computer approach to determining what people are more likely to be a risk rather than less likely and those people are selected in conjunction with the random selections. So you have both a random selection and those people who meet a certain profile, like how you buy your ticket, for example, which would spit you out and then

your bag is searched in some parts of the airport or goes through one of these computer operated x-ray machines. And so this Envision machine is used for all selectees.

And then out on Concourse E, the CTX–5000, that is also used in a like manner.

Mr. BURTON. But you don't know the percentage of utilization at this time?

Mr. DECOSTA. No, I do not know exactly what the utilization is.

Mr. BURTON. It would seem that you would probably be using them almost 100 percent of the time, because you have so much baggage and so many people coming through this airport.

Mr. DECOSTA. Well, if we have some time later, we can go down and take a look at it.

Mr. BURTON. I think Congressman Barr and I would both like to do that.

Do you have any more questions right now, Bob?

Mr. BARR. Just a couple here.

It is my understanding, Mr. DeCosta, that TSA's contractor, which I believe is Boeing, is supposed to complete site assessments at all major airports by the end of this month to determine exactly how many machines are needed. Has the site assessment for Hartsfield been completed?

Mr. DECOSTA. We are in the final stages of the assessment. The TSA used Ratheon to do the first series of assessments and recommendations. Once the contract with Boeing was finalized, then Boeing fielded a team and we have worked very cooperatively with them so they understand how the airport works, what the operations are like and we understand that they have a recommendation to TSA and we are hopeful soon to know more precisely what their recommendation is and then give us an opportunity to respond to it. I believe that another site survey team is due at Hartsfield this week—tomorrow.

Mr. BARR. And do you anticipate that it will be completed by the end of the month?

Mr. DECOSTA. Yes, certainly.

Mr. BARR. Is one of the benefits to the approach that TSA seems to be taking that if there is a problem with the bag, you are assured of having the person whose bag it is right there with the bag at the time the problem is identified?

Mr. DECOSTA. Yeah, I guess that would be a benefit of that, although you can work out procedures to make sure that if there is a problem, that a person is available even if you are not in the ticketing lobbies.

In answer to your question on the cost, the terminal modifications would cost over $80 million.

Mr. BURTON. $80 million in installation?

Mr. DECOSTA. Yes, we would have to modify the terminal and the north parking deck.

Mr. BURTON. Now you are talking—if the gentleman would yield—you are talking about if they do the in lobby——

Mr. DECOSTA. No, in-line system.

Mr. BURTON. The in-line system itself that you are advocating, would cost $80 million.

Mr. DECOSTA. Would cost over $80 million. And the balance of the 120 that I mentioned is the cost of the equipment, which is clearly a TSA cost and the over $80 million that is uncertain as to who bears that cost.

Mr. BURTON. What is the cost of the equipment itself?

Mr. DECOSTA. $38 million.

Mr. BURTON. So you are saying that two thirds of the cost is going to be borne by the local airport authority unless something is worked out with the Transportation——

Mr. DECOSTA. Well, our position is that this is a national defense issue and it should not be borne by the airports.

Mr. BURTON. I understand. We will talk to TSA about that a little bit.

Let me just ask one more question and I will yield back to Mr. Barr. It sounds like your relationship with the TSA and their contractors has been kind of good and bad.

Mr. DECOSTA. I would say it has been professional with a good attitude for the most part, and I——

Mr. BURTON. But you have disagreements.

Mr. DECOSTA. Yeah, the major disagreement is on the approach taken and the approach is being taken because of their commitment to the deadline.

Mr. BURTON. But you indicated in your statement earlier I think that they—when you told them that you thought there was a better way to skin the cat, they were very adamant that their way was the way it was going to be done.

Mr. DECOSTA. That is correct.

Mr. BURTON. So there was no resiliency there.

Mr. DECOSTA. There was no dialog on this other approach because they are committed to a predetermined approach.

Mr. BURTON. OK. Well, what I would like to have, and I think Mr. Barr would like to have, is your recommendations that we can present to them and find out the reasons why they feel so strongly that their position should not be changed. So if you could get that to us, we will ask questions of Mr. Mineta and the TSA about that.

And also I have some other questions for the record that we probably will not be able to get into today, we would like to get those to you and if you would answer those, we would appreciate it.

Mr. DECOSTA. Certainly.

Mr. BURTON. Mr. Barr.

Mr. BARR. I do also, Mr. Chairman, and we will certainly coordinate those with you and have those submitted to Mr. DeCosta.

I very much appreciate your testimony today and, of course, your continued service at Hartsfield. And hope that we can work this out, because I agree with you that we do not need to rush into something here, we do need to get it right the first time. If it takes a little bit more time in order to do that, so long as, as you have assured us, there are measures that will continue to be in place to protect the traveling public in the meantime, that certainly does seem to make a lot of sense.

Thank you. Thank you, Mr. Chairman.

Mr. BURTON. Thank you, Mr. DeCosta, we really appreciate your hospitality and your candidness, and we appreciate your staff as

well, and we will look forward to taking a little tour of the airport and seeing what you do after we conclude the meeting.

Mr. DECOSTA. OK, thank you very much.

Mr. BURTON. We will now hear from our second panel, Mr. Stephen J. McHale, the Deputy Undersecretary of Transportation for Management and Policy and Alexis Stefani. And we also, I understand, will add to that panel, Mr. Willie Williams, who I guess was a former police chief in Los Angeles—I saw you on television, good looking fellow—and you are now the Federal Security Director, is that correct?

Mr. WILLIAMS. Yes, sir.

Mr. BURTON. Would you please stand to be sworn?

[Witnesses sworn.]

Mr. BURTON. I think we will start with Ms. Stefani.

We will start with you. Do you have an opening comment you would like to make, or statement?

STATEMENTS OF ALEXIS M. STEFANI, ASSISTANT INSPECTOR GENERAL FOR AUDITING, U.S. DEPARTMENT OF TRANSPORTATION; STEPHEN J. MCHALE, DEPUTY UNDERSECRETARY OF TRANSPORTATION FOR MANAGEMENT AND POLICY; AND WILLIE WILLIAMS, FEDERAL SECURITY DIRECTOR, HARTSFIELD INTERNATIONAL AIRPORT

Ms. STEFANI. Yes, I do.

Mr. Chairman, Congressman Barr, I appreciate the opportunity to testify before you today concerning the progress the Transportation Security Administration is making in implementing the Aviation and Transportation Security Act.

We all recognize that ensuring our transportation systems are secure is a tremendous task, one that has never been undertaken before on a scale of this magnitude. TSA is making progress—for example, it has awarded three major contracts for hiring and training all the passenger screeners and for deploying and installing the explosives detection equipment at over 400 airports nationwide.

However, the heavy lifting lies ahead. Today, the deadline to have a Federalized screener work force in place is just over 3 months away, while the deadline to begin screening 100 percent of all checked bags is less than 5 months away. While there has been much debate as to whether these dates are achievable, we can attest that TSA and the Department are working diligently to meet these deadlines and could not be working any harder. As we get closer to the deadlines with only a fraction of the airports completed, the task ahead becomes more formidable.

It will become clear, in our opinion, in the next 30 days as to what exactly must be done, airport-by-airport, to meet the deadlines. And this is based on two key factors. Site assessments are really the driving force behind determining what equipment mix of the explosives detection equipment must be put in each airport, and as a result will also then determine the number of staff you need for both the EDS and the trace equipment. Once these assessments are done in August at approximately 260 airports nationwide, we will have much better data.

TSA is also moving ahead and hiring up for the passenger screeners. Consequently, in our opinion, we will be in a much bet-

ter position by the end of August to judge what is or is not feasible by the deadlines.

I would like to provide you with some specific information on where TSA stands on meeting the two main deadlines. First, on hiring and training the passenger screeners. As of July 31st, nine airports are currently operating with a full, complete Federal screener work force. During July, the TSA contractor was at over 200 airports with 100 teams to determine if the passenger screener checkpoints needed to be reconfigured and to determine the amount of staff that would be needed at each of the checkpoints. Over the last month, we can say the pace of hiring has increased and is accelerating. TSA has almost tripled the number of screeners on the payroll, to about 4,400 with another 6,800 individuals who have accepted employment with TSA. At the end of July, TSA was accepting applications for 415 airports and had opened assessment centers for 119 airports. This compares to only three airports under the assessment process in mid-June.

However, TSA estimates that it will need, in total, up to 33,000 passenger screeners. With just over 3 months left before the deadline, this means that TSA needs to hire and train approximately 8,000 passenger screeners per month. While TSA has made adjustments in its hiring process to respond to past events, we are concerned about its difficulties in hiring screeners in major metropolitan areas, your large cities. For example, TSA estimates it will need about 2,300 passenger screeners for the airports near New York City. Since June, 774 individuals have accepted offers for employment, or about 33 percent of the targeted amount.

These delays in hiring in the large cities have been largely due to no shows. That is, individuals who have applied for a position but do not show up at the assessment centers. That accounts for about 25 to 35 percent. Of those that do show, approximately 50 to 60 percent fail the aptitude test at the centers.

I would like to move now to the screening of the checked bags. This challenging deadline for TSA, to screen 100 percent of the checked bags, is unprecedented. An effort of this magnitude has never been done in any single country or group of countries. In fact, the amount of explosives detection equipment necessary to screen all checked bags, or approximately 7,000 units, is estimated to be at least three times the amount deployed at airports worldwide.

To be successful in this effort, TSA must effectively manage three concurrent activities. First, it needs to place the orders for the remaining equipment of 75 EDS and 4,500 trace units. Because of manufacturer long lead times, all orders must be placed by the end of September if the equipment is to be delivered and installed by the year's end. Then the manufacturers must meet their delivery schedules.

Second, TSA must ensure it meets all the milestones on the deployment. As Mr. DeCosta spoke, they are currently in the first phase of a six phase process looking at what equipment mix will have to be done at each airport. Site assessments have been started at 202 airports. Of these, 45 were completed by July 26.

The next 30 days, as I said before, will tell what can or cannot be accomplished by the deadline.

After site assessments, stages of design, construction and actual installation of the equipment must occur. For TSA, this will stretch out over the remainder of the year with 43 of the largest airports, including Atlanta, DFW and San Francisco, scheduled to be completed by the last week in December. Schedule creep in any one of these phases will, of course, ultimately affect the December deadline and TSA's ability to meet it.

Third, a checked baggage screener work force of 21,600 must be hired and trained by December 31st. This is in addition to the 33,000 passenger screeners. As of July 16th, TSA had only 200 of these baggage screeners hired and deployed.

Finally, I would like to discuss the usage of the EDS equipment already in place. For many years, we have talked about this and have requested that the use of these machines be increased. Today, as of May of this year, the latest data we have available, over 82 percent of the machines that are in use, are, on average, screening 750 bags per day or less. In our estimate, these machines can easily do 1,250 bags per day. In our opinion, TSA needs to direct that the current rate of machine usage pick up substantially or we are going to miss out on a great opportunity to get more practice, to learn more about how these machines operate in the airport environment, and to provide increased security.

Mr. Chairman, my statement also had information on cost controls. To save time, I will be glad to answer any questions, but I will not talk about that right now.

That concludes my statement. Thank you.

Mr. BURTON. You have created a lot of questions, Ms. Stefani.

Secretary McHale.

[The prepared statement of Ms. Stefani follows:]

Before the Committee on Government Reform
United States House of Representatives

For Release on Delivery
Expected at
12:00 p.m. EDT
Wednesday
August 7, 2002
CC-2002-203

Progress in Implementing Provisions of the Aviation and Transportation Security Act

Statement of
Alexis M. Stefani
Assistant Inspector General for Auditing
U.S. Department of Transportation

Mr. Chairman, I appreciate the opportunity to testify today before the House Committee on Government Reform concerning the Transportation Security Administration's (TSA) progress in implementing provisions of the Aviation and Transportation Security Act (Act).

We all recognize that the mission of ensuring that our transportation systems are secure is a tremendous task. Although TSA is charged with securing all modes of transportation, the Agency's efforts so far have mostly focused on addressing aviation security and meeting deadlines established in the Act. The task is one that has never been undertaken before on a scale of this magnitude, and TSA has very little empirical experience to draw on. It should be noted that TSA could not be working any faster or harder than it already is.

TSA has made progress in implementing the requirements of the Act, but the heavy lifting still lies ahead. To date, TSA has had several notable accomplishments including:

- Completed the deployment of Federal passenger screeners at nine airports including Baltimore/Washington International (BWI) Airport–the first location to have a federalized passenger screener workforce.
- Let three major contracts–two to Lockheed Martin for training all passenger screeners and modifying airport checkpoints, and one to Boeing Services Company to do site assessments, modify airports, install equipment, and train personnel for screening checked baggage. The three contracts have a combined total dollar value of about $1 billion, not including contract options.
- Addressed several cost concerns that we identified, among them TSA has agreed to use part-time positions which will help match staffing to traffic patterns at many airports.
- Entered into an agreement with the Office of Special Counsel to handle whistleblower complaints from TSA screeners.

Since the Act was passed, it has also become apparent that the price of good security is substantial. For fiscal year (FY) 2002, TSA has been appropriated over $6.2 billion and has requested $4.8 billion for FY 2003. TSA anticipates that in FY 2003 the agency's workforce will have grown to about 67,000. However, revenues from the new passenger security fee will pay for only a fraction of these costs. Current estimates are that the fee will generate about $900 million this year, and $1.7 billion next year. It is evident TSA will require a large infusion of cash from the General Fund at a time when the General Fund is already strained to pay for vastly increased fiscal needs throughout the Federal Government.

Today, the deadline to have a federalized screener workforce in place is just over 3 months away, and the deadline to begin screening all checked baggage is less than 5 months away. While there has been much debate as to whether these dates are achievable, we can attest that TSA is working diligently to meet these deadlines.

Today, I would like to discuss two areas—meeting the deadlines in the Act, and building cost controls into the Agency's infrastructure.

- ***Meeting the Deadlines in the Act.*** As we get closer to the deadlines with only a fraction of the airports completed, the task ahead becomes more formidable. In the next 30 days it should become clearer as to what exactly must be done–airport by airport–to meet the deadlines of the Act. As TSA and the contractors begin rolling out plans for deploying Federal screeners and installing explosives detection equipment, it will be extremely important to communicate information to all parties (Congress, the Administration, airports, and airlines) if corrections are needed. Because airport assessments for the deployment of explosives detection equipment are scheduled to be completed at the largest airports by the end of August, and because of the current ramp-up in hiring passenger screeners, we will be in a much better position at the end of this month to judge what is or is not feasible to accomplish by the deadlines.

- ***Building in Cost Controls.*** The overriding goal for TSA must be to provide tight and effective security in a manner that avoids waste and ensures cost-effective use of taxpayer dollars. TSA faces significant challenges in overseeing the large number and dollar volume of new contracts it is letting. Contracts associated with deploying a new Federal screener workforce and screening all checked baggage total over $2 billion, including all contract options; while contracts with the current screening companies are expected to cost about $1.6 billion. Because the agency is new, it does not have an established infrastructure that provides an effective span of control to monitor contractor costs and performance.

  The President's proposal to create a Department of Homeland Security (which should offer economies of scale) could have significant implications for TSA. The implications extend to activities TSA anticipates performing and staffing up, such as intelligence gathering and analysis, performing criminal investigations, establishing an administrative support structure, and office space requirements at airports. With the tremendous tasks facing TSA, it is important that the Agency avoid extending itself beyond the basic tenets of the Act.

Meeting the Deadlines in the Act

The two most critical deadlines in the Act are federalizing the screening workforce and the screening of all checked baggage. First, TSA is required to have enough Federal screeners in place to conduct the screening of passengers and their carry-on property at all commercial airports by November 19th. Second, TSA must have a sufficient number of explosives detection systems in place to screen all checked bags by December 31st.

Hiring and Training TSA's Passenger Screener Workforce

The deadline for hiring and training all passenger screeners is now just over 3 month away. TSA is estimating it will need up to 33,000 screeners and screener supervisors to meet this requirement. As of July 31, 2002, TSA had about 4,400 passenger screeners onboard with another approximately 6,800 having accepted offers for employment. TSA has also hired over 600 other staff, including Federal Security Directors, attorneys, criminal investigators, program analysts, computer and information technology specialists, and administrative staff. These figures do not include 1,034 former employees of the Federal Aviation Administration (FAA), which brings TSA's total to over 6,100 employees, exclusive of Federal Air Marshals.[1]

Hiring Passenger Screeners. The next 30 days will be crucial in determining if TSA will meet the deadline for a federalized workforce. With just over 3 months left, TSA needs to hire and train more than 8,000 passenger screeners a month to meet the November 19th deadline. This is to hire the estimated 33,000 passenger screeners needed and does not include an estimated 21,600 checked baggage screeners that will be needed.

TSA contracted with Lockheed Martin to convert airport checkpoints to a new Federal model and coordinate the conversion of passenger screeners to a Federal workforce. This conversion includes both a physical reconfiguration of screening checkpoints and deployment of Federal screeners. Lockheed Martin had over 100 teams conducting assessments at over 200 airports during the month of July to determine how each checkpoint needs to be reconfigured. In addition, Lockheed Martin subcontracted with a consulting firm to develop a computerized model to determine the number of passenger screeners needed at each airport. A breakdown of passenger screeners per airport from the new computerized model should be available within the next couple of weeks. By the end of this month,

[1] The actual number of Federal Air Marshals is classified information.

TSA should have a better idea of the number of passenger screeners needed at each airport.

TSA contracted with NCS Pearson for recruiting and hiring. As of July 31, 2002, NCS Pearson was accepting applications for about 415 airports, and had opened 53 centers to assess applicants and hire screeners for 119 airports.

As of July 31, 2002, TSA had completed the hiring, training and deployment of passenger screeners for nine airports. (Baltimore, MD, Louisville, KY, Mobile, AL, Kalamazoo, MI, Bedford, MA, Hartford CT, Chicopee, MA, Columbus, OH, and Athens, GA) In addition to these nine airports, a Federal workforce has taken over passenger screening at three terminals at John F. Kennedy International Airport (JFK) in New York and two terminals at Orlando International Airport in Florida.

There is no doubt that over the last month the pace of hiring has increased. TSA has more than tripled the number of screeners hired (from 1,248 to about 4,400) and increased the number of airports currently in the assessment process from 3, during the week of June 17, 2002, to 119 as of July 31. In addition to the screeners hired, as of July 31, about 6,800 individuals have accepted offers for employment as screeners. *These employees will be added to TSA's payroll and considered hired, upon reporting for training.*

However, TSA is still having difficulties in hiring enough screeners in major metropolitan areas such as New York, Boston and Chicago. For example, TSA estimated it will need about 2,300 passenger screeners in total for the three largest airports in the New York area: JFK, La Guardia, and Newark. The assessment center for these three airports has been opened since June 24, 2002. As of August 1, 2002, TSA had 774 job offers accepted, 33 percent of the targeted amount.

The delays in hiring are largely due to the high percent of "no shows" and the number of applicants failing the aptitude test portion of the assessment process.

- Based on experience, TSA now expects one third of the scheduled candidates not to show up at the assessment centers. At BWI airport, 26 percent of qualified, scheduled candidates did not show up for assessments.

- A significant number of applicants are failing the first phase of the assessment process. The first phase of the assessment process consists of a computer-based test for English proficiency and overall aptitude skills. For the three New York airports, 61 percent of applicants who completed the first phase of the assessment process failed. This is similar to TSA's experience at

BWI, where 53 percent of applicants failed the first phase of the assessment process.

TSA is experiencing difficulty hiring a sufficient number of women. Initially, TSA's target was to hire 50 percent men and 50 percent women. However, of the over 9,100 individuals who have been hired or who have accepted job offers for employment at a specific airport (excluding the mobile screeners[2]) as of August 1, 2002, only 26 percent are women. TSA has recently addressed this issue, by modifying its hiring targets to one third women, one third men, and one third either. If TSA is successful in getting the new mix, there should still be a sufficient number of female screeners to ensure that female passengers are wanded by female screeners, since screeners rotate positions at screening checkpoints.

Training Passenger Screeners. The May conversion at BWI to a Federal workforce provided TSA with a valuable test of its planned process to train passenger screeners. BWI was TSA's first attempt to locate its training operation near an airport, and for Lockheed Martin instructors to conduct the courses. As of July 8th, there were 539 Lockheed Martin instructors who had passed the 44-hour basic screener course and are available to conduct training classes.

Through the week of July 22, 2002, Lockheed Martin instructors conducted basic screener training for the 11 airports where TSA has at least partially taken over passenger screening. Basic screener training was planned for 12 airport sites and at the FAA Academy in Oklahoma City the week of July 29, 2002. Training is planned for 30 airport sites and in Oklahoma City during the week of August 5, 2002.

As of July 27th, TSA had over 3,100 passenger screeners who had completed the basic training course, about 1,500 in the mobile screener workforce and about 1,600 permanent workforce screeners now working at 11 airports.

While the quality of the in-class instruction has been satisfactory, TSA experienced other difficulties with the training.

- The training contractor is not being required to provide x-ray machines and trace machines for hands-on training during the classroom instruction. For the training to be effective, students need to have hands-on practice with screening equipment. TSA has addressed this by conducting hands-on training using equipment at airport checkpoints that are closed for the night. So far, the contractor has been able to use equipment at the airports because TSA had

[2] The Mobile Screener Force consists of about 2,100 supervisory screeners who were hired or accepted job offers to deploy to airports around the country as the Federal workforce takes over screening.

taken over checkpoint operations before starting any on-site training. However, TSA has changed its deployment procedures, due to the number of airports it needs to convert to Federal screeners each week, so that it will not take over checkpoint operations at an airport before it starts the on-site training. As a result, TSA will need to work closely with airport managers and screening contractors to get access to screening equipment and ensure screeners receive this critical hands-on training.

- The hiring contractor needs to do a better job of providing accurate and timely information to the on-site training coordinator on the number and identity of the personnel who are to report for training. Significant differences have occurred between the roster of personnel scheduled for training and the actual students who report. For example, at the training that started on July 15th in New York, a roster listing 127 students was provided, but only 63 students reported to training. However, 21 of the 63 students reporting were not on the roster. The training contractor had to verify that the 21 additional students were supposed to be in training and then run the class for half as many students as planned. This problem is occurring in the major cities where the rate of hiring has not met initial expectations and the hiring contractor is scheduling applicants for training within days of passing the assessment and accepting a job offer.

Hiring Screeners in Large Metropolitan Areas Is Presenting a Challenge. While TSA has recently made progress in both hiring new screeners and conducting training at the airports, it only has just over 3 months left to meet the November 19th deadline. TSA is having the most difficulty in hiring screeners in large metropolitan areas. TSA estimates that overall, it takes an average of 5 weeks to build a Federal workforce for each airport, which includes 2 weeks to conduct assessments, 2 weeks for new screeners to notify current employers that they are leaving their jobs, and 1 week for classroom training. For two of three airports federalized to date, TSA has been able to beat this estimate. It was able to deploy a classroom trained screener workforce in Louisville and Mobile in just over 3 weeks after starting the on-site assessment and hiring process. However, the total passenger screener workforce for these two airports is about 200.

In the metropolitan areas of New York, Boston and Chicago, assessment centers were open for at least 3 weeks before local screeners started reported for training. The on-site training in these cities now is scheduled to last several weeks. Given the hiring difficulty TSA is experiencing in metropolitan areas, TSA should consider immediately opening assessment centers in all major metropolitan areas to ensure that sufficient screeners are hired to meet the November deadline.

Meeting the Deadline for Screening All Checked Baggage

The challenge facing TSA in meeting the statutory December 31st deadline[3] to screen 100 percent of checked baggage is both unprecedented and monumental. An effort of this magnitude—an estimated 1,100 explosives detection systems (EDS) and 6,000 explosives trace detection (trace) machines to be deployed—has never been executed in any single country or group of countries. In fact, the amount of explosives detection equipment necessary to screen all checked baggage at more than 400 U.S. airports is estimated to be at least three times the amount of equipment currently deployed at airports worldwide. It is in this context that TSA and the Department are working fervently to meet the deadline, and they could not be working any faster or harder than they already are.

Today TSA faces the task of deploying all the necessary explosives detection equipment in less than 5 months to more than 400 airports around the country, and at the same time hiring and training a checked baggage screener workforce of 21,600, not including the 33,000 passenger screening workforce that will need to be hired and trained. To help fulfill its December 31st mandate, TSA awarded a contract to Boeing Services Company to deploy EDS and trace machines to the Nation's airports and to train the checked baggage screener workforce needed to operate the equipment. *In our opinion, it should become clear by the end of this month as to what must be done–airport by airport–to meet the December deadline, as TSA and the contractors begin rolling out airport by airport plans for installing explosives detection equipment and for hiring and training screeners.*

The success of the deployment effort requires that TSA effectively manage three major program activities running on three parallel tracks. Therefore, TSA must:

- Obtain the necessary funding to place the remaining equipment orders and ensure that equipment manufacturers meet the delivery schedules laid out in their contracts.

- Ensure that Boeing executes its master plan for deploying the necessary equipment needed to screen all checked baggage, staying within the

[3] Section 110(d) of the Aviation and Transportation Security Act (Public Law 107-71) mandates that the Under Secretary of Transportation for Security shall take all necessary action to ensure that explosive detection systems are deployed as soon as possible to ensure that all United States airports have sufficient explosives detection systems to screen all checked baggage no later than December 31, 2002, and that as soon as such systems are in place at an airport, all checked baggage at the airport is screened by those systems; and that all systems deployed are fully utilized; and if explosive detection equipment at an airport is unavailable, all checked baggage is screened by an alternative means.

established timeframes for each of the major milestones in the deployment process.

- Ensure that a checked baggage screening workforce of 21,600 is recruited, hired and properly trained.

These activities must be done in tandem given the fact that, among other things, the deadline is less than 5 months away, and that each activity has specific milestones allowing for little, if any, schedule slippage. Since the activities are interrelated, schedule slippage in any one activity affects the ability of the other activities to stay on track.

Current Deployment Status on Equipment Needed to Meet the Deadline. As of August 1, 2002, 217 EDS and 275 trace machines were in use at 59 airports for screening checked baggage. Nearly 60 percent of this equipment was installed prior to the events of September 11th, over a 5-year period beginning in February 1997. That leaves more than 1,000 EDS and over 5,600 trace machines that will have to be installed and made operational by December 31, 2002.

TSA has an ongoing 5-airport pilot project for screening all checked baggage using EDS, trace or some combination. Of the 5 airports selected, only 1 is considered a large airport (but is not 1 of the 20 largest airports) with the other 4 being medium and small airports. The five airports participating in the project are currently screening all checked baggage using explosives detection equipment. Of the five airports, passengers' checked baggage is being screened using trace machines at three airports; all EDS at one airport; and a combination of EDS and trace machines at the other airport. According to TSA, results from the pilot project will be used to determine the "most effective equipment layouts and best procedures to expedite the movement of passengers through check-in screening without compromising security."

Utilizing Existing Equipment. During the 5-year period when air carriers were responsible for screening checked baggage, we testified repeatedly that the EDS machines were woefully underutilized. *During this time the majority of machines were screening, on average, fewer bags per day than the machines were capable of screening in 2 hours. Although we have seen a steady increase in utilization since TSA took over the screening company contracts in February 2002, machines continue to be underutilized.*

For May 2002, the latest available data, over 82 percent of the machines in use were screening, on average, 750 bags or less per day. These machines can screen 125 bags per hour and should be screening, at a minimum, 1,250 bags per day. Of the 160 machines for which data were available, only 10 were screening more than

1,000 bags per day. The following table shows usage rates for the latest available data on 160 EDS machines for May 2002.

Number of EDS Machines	*Bags Screened Per Day*
39	1 – 250
55	251 – 500
38	501 – 750
18	751 – 1,000
9	1,001 – 1,250
1	1,251 – 1,500

One of the overriding reasons the machines are underutilized is that air carriers are only required to have the equipment screen the baggage of passengers requiring additional security measures based on the Computer Assisted Passenger Prescreening Systems (CAPPS). The air carriers are currently allowed to use alternative methods, such as positive passenger bag match, to screen all other passengers' checked baggage.

It makes good sense to get real world experience by maximizing the use of machines currently in operation, especially at large airports. Fully utilizing the installed machines will (1) assist TSA in determining how many machines are needed to screen 100 percent of checked baggage; (2) give TSA and the air carriers real world experience with screening all checked baggage using lobby-installed EDS; and (3) provide insight into how machine downtime and maintenance requirements will impact security and passenger operations.

TSA needs to direct that the current rate of machine usage pick-up substantially; otherwise we will miss out on the opportunity to practice screening a higher percentage of checked baggage in order to better understand the logistical and physical constraints of lobby-installed machines, and the human factors involved.

Equipment Orders and Deliveries. With the equipment orders that are currently placed, TSA must ensure that equipment manufacturers meet the delivery schedules laid out in their contracts. Delivery dates under the current orders have not always been met because of problems found with the machines during factory acceptance testing.

As of August 1, 2002, TSA has placed orders for 1,025 EDS, including orders for almost 400 long-lead items in the amount of $682 million; and 1,410 trace machines, including long-lead orders in the amount of $7 million. TSA needs $427 million to turn the long-lead items into complete units, and place orders for an additional 75 EDS and 4,590 trace machines to meet the projected equipment deployment quantities.

EDS manufacturers have certain machine components that need long-lead times, in some cases up to 60 days. Manufacturers of trace also have certain machine components with long-lead times of 60 to 90 days. Orders will have to be placed by the end of September 2002 if the equipment is to be delivered, installed and made operational by year-end.

Under TSA letter contracts awarded to the two EDS manufacturers in February and April 2002, 114 machines were to be delivered by the end of June 2002. However, as of July 27th, 100 machines have been delivered and 29 of those have been installed and made operational. By the end of September 2002, TSA expects to take delivery of a total of 558 EDS.

Before the February and April 2002 TSA contracts, prior FAA contracts with one EDS manufacturer were limited to about 100 machines per order with delivery dates spread out over a 2-year period. An average monthly production rate was about 4 to 5 machines per month. Under the current TSA letter contract, this EDS manufacturer has an order for 418 machines to be delivered by the end of September 2002. To meet the September delivery deadline, a monthly average of 138 machines will have to be produced and factory acceptance tested before TSA can take delivery. That equates to an average production rate of about 28 times what this particular manufacturer had earlier experienced.

Any time a manufacturer dramatically ramps up production of complex systems such as EDS that heretofore have been produced in limited quantities, a great deal of attention must be focused on quality control efforts (for both software and hardware) to ensure that new systems will work as intended. TSA is working closely with the manufacturers to resolve the quality control issues and anticipates that the manufacturers will be able to meet revised delivery dates. Obviously, meeting the revised delivery dates will be key to meeting the December deadline.

Deploying the Necessary Equipment Needed to Screen All Checked Baggage. On May 18, 2002, TSA reported to selected committees of Congress on its deployment strategy for meeting the December 31st deadline to screen all checked baggage. TSA has planned a two-phase approach. The initial phase is an interim solution to meeting the deadline where some airports will use EDS, with trace machines used only for resolving alarms; others will use trace machines exclusively; and some will use a mix of EDS and trace machines to screen checked baggage to meet the December 31st deadline. An interim solution was selected because it was not possible for manufacturers to produce enough EDS to screen all checked baggage, and even if they could, there would not be enough space in airport lobbies to install the EDS. Nor was it possible to complete the

necessary modifications to baggage handling facilities to integrate EDS into the baggage handling systems.

There are cost and staffing tradeoffs associated with using trace instead of EDS. Trace requires much more staff than EDS to operate, while integrating EDS machines into airport baggage handling systems takes substantially more up-front capital. The following table shows the cost and staffing trade-offs estimated by officials at Dallas/Fort Worth International Airport (DFW).

Item	**Lobby-Installed Trace and EDS Machines**	**In-Line EDS**
Equipment Mix	157 Trace machines 12 EDS	60 EDS 19 Trace machines
Workforce	1,444 screeners	628 screeners
Labor Costs (Annual)	$72.3 million	$31.4 million
Facility Modifications and Explosives Detection Equipment (Up Front) Costs	$67 million	$281 million

The trade-offs estimated by DFW show that lobby-installed trace machines compared to in-line EDS will require over twice the number of screeners and annual labor costs but only one-quarter of the costs for facility modifications and explosives detection equipment.

In phase two, at a future date not yet established, TSA will move the EDS machines into baggage systems at the largest airports. It is unclear how much this will cost and who will have to pay. A review of its FY 2003 budget shows that TSA is not planning to fund any equipment relocations from the lobby to the baggage handling facility. For now, it is also unclear whether some airports will rely exclusively on trace machines to screen checked baggage even in phase two.

The task will not be to simply move the machines from lobbies to baggage handling facilities but will require major facility modifications. For example, TSA recently approved Boston's Logan International Airport proposal for in-line EDS at an estimated cost of $100 million to the airport, while DFW estimates nearly $196 million in facilities costs in its own EDS in-line proposal.

Hiring a General Contractor. To execute its deployment strategy for meeting the December 31st deadline, TSA hired Boeing Services Company. On June 7th, TSA issued Boeing a cost-plus award fee contract for an estimated cost of $508 million from now until December 31st, with $862.4 million in options through calendar year 2007. Boeing has been tasked to (1) complete airport site assessments at over 400 airports scheduled between early July through November 2002, with 266 airports being completed by the end of August; (2) submit to TSA a proposal on the right mix of equipment for each airport and where the equipment will be

installed; (3) modify facilities to accommodate the equipment; (4) install and make the equipment operational; (5) maintain the equipment; and (6) train a workforce estimated at 21,600 to operate the equipment.

Boeing's contract does not include the purchase of explosives detection equipment, which will be funded separately by TSA. Boeing has been authorized to expend up to $340 million for installations and facility modifications at airports nationwide. However, it is unclear who will pay for any additional airport modifications in excess of the $340 million.

Beginning last month, Boeing started the first phase of a six-phase deployment process. The six phases include site assessment, site survey, design, construction, installation, and site acceptance testing of the equipment. As part of the site assessments, Boeing will determine the equipment mix and quantities needed at each airport. Henceforth, site assessments become the driving force behind the actual number of machines needed to be procured and manufactured, and the actual number of employees that need to hired and trained for each airport. Site assessments have been started at 202 airports. Of these, 45 have been completed as of July 26th. The next 30 days of site assessments will tell what can and cannot be accomplished by the deadline.

The remaining 5 phases (site survey, design, construction, installation, and site acceptance testing of the equipment) are stretched out over the remainder of the year with 43 of the largest airports (e.g., DFW, San Francisco, Atlanta) scheduled to be completed the last week in December. Of the remaining 386 airports, 88 are scheduled to be completed between mid-November and mid-December, and completion of the other 298 airports will be staggered throughout the remainder of the year with the earliest scheduled for completion this month. Boeing needs to stick to its milestones for each phase. Schedule creep in any one phase can affect the ability to meet the milestones of the other phases and ultimately the December deadline for all airports.

Also, this is an enormous effort that requires large amounts of money expended in a short period of time. The span of control over this effort is far-reaching because there are numerous subcontractors. With respect to this contract, TSA needs to ensure that three basic oversight steps are taken:

- monitoring contractor billings, especially when such a large amount of money is being spent over a short period of time;

- monitoring contractor performance with respect to cost, schedule and quality with regards to the $31 million available in award fees; and

- drawing on work that has already been done by Raytheon and airport operators with respect to the recently completed airport site assessments. For example, DFW alone spent 12 weeks and over $2 million to complete its assessment.

Hiring and Training a Baggage Screener Workforce. TSA must ensure that a screening workforce is recruited, hired and properly trained, and it estimates that 21,600 screeners are needed for checked baggage screening operations. This is in addition to the 33,000 passenger screening workforce. The workforce of 21,600 screeners will be responsible for operating EDS and trace machines used in the screening of passengers' checked baggage at the Nation's 400-plus airports.

As of July 16, 2002, TSA has hired, trained and deployed 166 Federal baggage screeners. That leaves more than 21,400 screeners to be recruited, hired and trained before the December 31st deadline, which means nearly 4,300 screeners need to be recruited, hired and trained each month. It is too early at this time to tell whether TSA will experience the same problems hiring this workforce as it has experienced with hiring the workforce for passenger screening, such as the high percentage of applicants failing the aptitude test portion of the assessment process. Nevertheless, we believe the earlier experiences with hiring passenger screeners can be instructive and provide valuable lessons for TSA and its contractors in this effort.

It is also important to keep in mind that the driving force behind the staffing levels for checked baggage screeners is the mix and quantity of equipment used in screening checked baggage, whether the equipment is all EDS, all trace or some combination. Boeing is currently conducting site assessments at airports nationwide to determine what equipment is needed and where. Once the assessments are completed, TSA will know how many screeners will be needed at each airport.

Building in Cost Controls

Since passage of the Act, it has become increasingly clear that TSA will require a large infusion of cash from the General Fund. This comes at a time when the General Fund is already strained to pay for vastly increased fiscal needs throughout the Federal Government. Within this context, the need for TSA to build cost control mechanisms into its infrastructure is critical. Controls are particularly important in terms of defining the scope of its missions, establishing employee compensation and controlling salaries, overseeing contracts, and utilizing space at airports.

Defining the Scope of the Agency's Missions. With the tremendous tasks facing TSA, it is important that the agency avoid extending itself beyond the basic tenets of the Act's requirements. For example, while the law is only explicit about a Federal law enforcement presence at checkpoints, we have seen TSA proposals for staffing activities such as criminal investigations at airports and intelligence gathering. In these instances, it is unclear what TSA's role would be or how it would relate within the jurisdiction of other agencies such as the Federal Bureau of Investigation or the proposed Department of Homeland Security.

The President's proposal to create a Department of Homeland Security (which should offer economies of scale) could have significant implications for TSA—particularly in overlapping functions, such as intelligence gathering and analysis, criminal investigations, administrative support, and space requirements at airports. For example, under the President's proposal, TSA would be merged with Customs Service and the Immigration and Naturalization Service, which already have a combined criminal investigative workforce of approximately 5,000.

Similarly, the proposed Department of Homeland Security will include an Under Secretary for Information Analysis and Infrastructure Protection whose responsibilities will include receiving and analyzing law enforcement information and intelligence. It may be premature for TSA to expend resources now to expand an intelligence function beyond the existing staff of the Department and Coast Guard when that function could be merged into the new Department of Homeland Security.

Establishing Employee Compensation and Controlling Salaries. TSA has much flexibility in establishing salaries for newly hired employees, and employees can be hired anywhere within the pay band for their position. Use of this flexibility bears watching to ensure that salaries for TSA employees are commensurate with the position duties and not arbitrarily higher than salaries for comparable positions in other agencies. For example, we have seen numerous reports that recruitment of Federal Air Marshals is draining other agencies' law enforcement resources.

We found that most Federal Air Marshals were being hired at the lower half of their assigned pay band, which starts at $36,400, excluding locality pay. However, Air Marshals also receive a 25 percent Law Enforcement Availability Pay (LEAP) differential, which would put their total starting salary at $45,500. This salary level is higher than law enforcement salaries at other agencies that do not receive LEAP.

While law enforcement positions without LEAP may receive intermittent overtime, it is important to bear in mind that LEAP is constant. TSA had originally planned to provide LEAP to all its law enforcement positions including

checkpoint guards. However, after concerns were raised, TSA reconsidered that approach. TSA is currently planning to provide LEAP to Air Marshals and criminal investigators but not to checkpoint guards.

We also have concerns regarding the salary levels being established for some general and administrative positions. As of July 27, 2002, TSA had hired 614 employees for non-screener positions. Of these employees, 360 (59 percent) had salaries over $90,000, and 269 (44 percent) had salaries over $100,000. In fact, within most of the job categories for general and administrative positions, the preponderance of employee salaries were over $90,000. For example:

- Of 58 attorneys hired, 48 (83 percent) have salaries ranging from $90,000 to $144,000.

- Of the 71 employees hired in the General Inspection, Investigation, and Compliance series, 50 (70 percent) are receiving annual salaries between $91,149 and $141,500.

- Of 50 criminal investigators hired, 36 (72 percent) have salaries ranging from $90,395 to $138,200, which does not include a 25 percent LEAP differential.

It is important that TSA exercise caution in how it structures employee compensation and benefits, since these costs represent the largest portion of the agency's operating expenses. For a workforce of about 67,000, these costs will be significant in 2003 and will have a tremendous impact on future financial needs. FAA, which has similar flexibilities in setting pay, has experienced huge cost growth in its operating costs largely due to employee salaries. As a result, containing operating costs has now become a critical issue for FAA.

Ensuring Adequate Contract Oversight. TSA faces significant challenges in overseeing the large number and dollar volume of contracts being let by the agency. For example, the contracts with Boeing, Lockheed Martin, and NCS Pearson alone total over $2 billion, including all contract options. In addition, TSA estimates that the current screening contracts will cost about $1.6 billion. Because the agency is new, it does not have an established infrastructure that provides an effective span of control to monitor contractor costs and performance. Cost and performance oversight are key tenets in any internal control system, and we are prepared to assist TSA, however possible, in establishing adequate internal controls.

One recommendation we have made is that TSA set aside or "fence off" a specific amount to be used for overseeing contractor performance with respect to cost, schedule, and quality. In recent hearings before the House Appropriations Subcommittee on Transportation and Related Agencies, we recommended that TSA reserve at least one half of one percent of the available contract award dollars for oversight activities. For example, TSA can contract with the Defense Contract Audit Agency for a wide variety of services, including audits of incurred costs claimed by contractors on cost reimbursable contracts. In TSA's FY 2002 Supplemental Appropriation, Congress has subsequently required the agency to adopt this process.

As far as the $1.6 billion screening contracts, in April, we testified before the House Subcommittee on Transportation Appropriations that controls over the existing security screener contracts were lacking and that improvements were drastically needed. Since that time, we met with TSA officials who agreed that internal controls over the screener contracts were inadequate. They stated that additional staff would be assigned and TSA would provide more guidance to security field representatives for reviewing contractors' on-site documentation. TSA also set out to obtain a contractor to provide oversight of screening contracts and contractors, and sent out staff to review contractors at three airports.

Notwithstanding these initiatives, we continue to find that further action is needed immediately. During our visits to two airports and six screening contractors, we saw virtually no on-site monitoring of screener contractors by TSA employees. While we were able to locate all contractor employees who signed in for duty at the time of our visits, we observed contractor employees arriving late and leaving early, but they signed in as though they were on duty the entire time. For example, a contractor employee arrived at 1:53, but signed in as though he arrived about an hour earlier at 1:00. In this case, TSA would be paying for about 1 hour of work that was not performed.

We also found that hourly and overhead rates charged by the contractors vastly exceeded the rates they charged before TSA assumed the contracts. The following table shows the loaded labor rates (which include amounts paid to contractor employees and for the contractors' overhead costs) charged by contractors before and after TSA became responsible for screener contracts (February 17, 2002).

Overhead Rates

Screeners	Employee Pay Rates	Loaded Rates Billed to Customers*	Overhead Rate
Company 1			
Before Feb. 17	$8.25	$11.11	35%
After Feb. 17	$11.00	$19.81	80%
Company 2			
Before Feb. 17	$10.00	$14.91	49%
After Feb. 17	$14.00	$28.00	100%
Company 3			
Before Feb. 17	$6.90	$9.83	42%
After Feb. 17	$10.13	$19.39	91%

**Rates before February 17 were billed to airlines, while rates after February 17 were billed to TSA.*

While contractors should recover their costs and overhead, they are required to provide TSA with specific cost and pricing data including components of and support for the loaded hourly rates. At the locations we visited, we asked the contractors for support for their loaded labor rates. However, they did not provide evidence to support their rates nor did they explain why the overhead rates billed to TSA more than doubled under contracts to TSA, as compared to contracts with airlines.

Because of the urgent need for continuing coverage, when TSA took over these contracts in February, letter contracts were originally awarded to screening contractors who were already under contract with the airlines. Immediately after signing the letter contracts, the screening contractors were to begin negotiating the price and any price-related terms with the agency's contracting officer. The intent was that these negotiations would result in definitized firm-fixed price contracts with each company.

It is now nearly 6 months since the letter contracts were issued and cost and pricing data have not been submitted, negotiations have not been conducted, and the contracts have not been definitized. In accordance with the terms of the Aviation and Transportation Security Act, TSA employees must be in place performing the screening services at the Nation's airports by November 19, 2002. After the screener contracts end, it could be very difficult to recover any improper or unsupported payments. Accordingly, TSA needs to take immediate action to: (1) require contractors to submit proposals and cost and pricing data; and (2) definitize the contracts.

In addition to our work, TSA's Office of Inspection performed similar reviews at two screening contractors and three airports. These reviews also found that internal controls were not followed, contractors billed TSA for employees who were on vacation, and TSA was overcharged for services not performed. TSA notified us of its intent to refer the results to our Office of Investigations.

TSA is in the process of developing a statement of work to hire a contractor to perform oversight of screening contractors' billings. Based on our initial findings, the oversight contract needs to be in place quickly and clarified to ensure that the oversight contractor verifies cost and pricing data at the screener contractors' offices, focusing specifically on cost data used to support the loaded labor rates.

Additionally, TSA is planning to enter into an agreement with the Defense Contract Management Agency to provide contract administration services. If implemented, this would be a good step in the right direction.

That concludes my statement, I would be happy to address any questions you might have.

Mr. MCHALE. Thank you, Mr. Chairman. Good afternoon, Chairman Burton and Vice Chairman Barr. I am pleased to represent Admiral James Loy, the Acting Under Secretary of Transportation for Security.

With me this afternoon is, as you have acknowledged, Willie Williams, the Federal Security Director of the Hartsfield Atlanta International Airport. He is our leading representative at the airport and is in charge of all the Federal security responsibilities at Hartsfield.

Mr. Williams has 30 plus years of service in law enforcement, he was Police Commissioner of Philadelphia and Police Chief of Los Angeles and he brings a wealth of excellence, talent and commitment to this important position.

Also, as you have acknowledged, with me today is Mr. Gary Wade of the Federal Air Marshal Service, who also has many, many years of law enforcement experience and brings that talent to our greatly expanded air marshal service.

I would also like to mention that TSA has selected Mr. Quinton Johnson to be the FSD responsible for the Valdosta Municipal Airport and the Southwest Georgia Regional Airport. The TSA is currently in the process of selecting an FSD for Savannah.

Since September 11th, the Department of Transportation and TSA have worked intensely to tighten security throughout the aviation system. These efforts include enhanced screening measures, hardening of cockpit doors, greatly increased deployment of Federal air marshals and more intelligent use of technology. They have dramatically increased aviation security for all passengers.

In addition to recognizing the hard work and perseverance of hundreds of employees of the FAA and TSA, we owe a debt of gratitude to the thousands of airport security workers, law enforcement officers, National Guard personnel and hundreds of thousands of aviation industry employees who have contributed so much to our efforts to increase security. Perhaps most importantly, we are especially grateful to the millions of travelers who continue to exercise great patience with the enhanced security measures.

The Aviation and Transportation Security Act requires that all passengers be screened by Federal employees by November 19, 2002 and that checked baggage be screened by explosive detection equipment by December 31, 2002. This is an immense challenge for TSA and for the Nation's airports and airlines. From the beginning, TSA has been committed to meeting these deadlines and all of the other mandates of the act. We developed plans for doing so and continue to move forward aggressively.

I am going to give you a few of our accomplishments and you will hear the numbers that will be slightly different, slightly higher perhaps, than Ms. Stefani just mentioned, partly because I think my numbers are a few days sooner, and given the implementation at TSA, every day adds a bit more accomplishments, we bring on a few more people, we do a few more things.

We have met every deadline imposed by Congress in the ATSA to date. The biggest one for us initially was taking over the responsibility for civil aviation security from the airlines on February 17. At that time, TSA as an agency was really only about 40 days old, and yet we were able to enter into contracts with all of the contract

screening companies to replace the airlines in that responsibility that they had been exercising for many years.

In the southeast region and particularly here, that task was accomplished by the FAA personnel and civil aviation security, who have come over now to TSA, headed by Jackson Smith, who is the regional director for aviation security here and has been up until this point. Now, we are migrating over to the full TSA structure.

We have appointed 118 Federal security directors who are responsible for security at over 300 airports around the country and should complete the appointment of all the remaining Federal security directors by the end of this month.

We have implemented a rigorous training program for Federal security directors—screeners that has more than tripled the length of the one used before September 11th.

We have begun recruiting at all the Nation's airports and we have held 37 job fairs and our staffing contractor, MCS Pearson, is operating 55 regional assessment centers.

Over 600,000 people have applied for jobs as screeners and we have hired a little over 10,000 of them, about one-third of the number we need to reach the November 19th deadline.

Federal passenger screeners are now working at 19 airports and they began working at Athens, GA just last week.

One hundred percent of all checked bags are being screened with explosive detection equipment at four airports. We have orders pending for over 1,000 EDS machines—that is the large explosive detection system machines—and 119 of those have been delivered so far.

We have also received about 200 trace detection machines and have orders in place for in excess of 4,000.

Interim and final plans for the deployment of baggage screening systems are being developed. Boeing, our explosive detection contractor, is working at more than 220 airports, including all of the major airports. We have received a number of designs and should have the remainder in about 4 weeks.

And this is only a partial list of our accomplishments for an agency that did not even exist at the beginning of this year.

Here in Atlanta, we have recruited about half of the approximately 1,200 passenger screeners that we believe we will need. We expect to begin deployment of those passenger screeners toward the end of this month, possibly into September. Obviously we need to work around the Labor Day weekend, we do not want to be doing a major turnover that weekend, but we will work around that.

The assistance we have received from the airport, especially from Mr. DeCosta, has been superb and we agree that Atlanta poses unique problems for explosive detection deployment. But we will continue to work with the airport over the next weeks and months and years to get this system right.

No one expected it to be easy to implement the Aviation and Transportation Security Act and it has not been easy. But Secretary Mineta, Admiral Loy and all of us at TSA remain strongly committed to the mission.

Unfortunately, the recently enacted emergency supplemental appropriation is below the amount the President requested. Accordingly, we are now undertaking a fundamental re-evaluation of all

our business plans to fit within the budget that Congress has given us. Our preliminary evaluation suggests that we will be able to meet the November deadline for passenger screening. However, we are looking at whether we will have enough money to meet the baggage screening mandate in the timeframe set by Congress. As we complete that evaluation, as we look at exactly how we will proceed, we will keep you, Mr. Chairman, and the Committee informed, as well as the Appropriations Committee and the T&I Committee.

In the 261 days since President Bush signed the Aviation and Transportation Security Act into law, we have accomplished a great deal. In the 146 days between now and December 31st, we have a lot more to accomplish and TSA employees around the country are dedicated to the task. With your support, we can deliver on the promise made last year in the ATSA.

Mr. Williams and I look forward to answering any questions that you or other Members may have.

[The prepared statement of Mr. McHale follows:]

U.S. DEPARTMENT OF TRANSPORTATION

STATEMENT OF STEPHEN J. MCHALE
DEPUTY UNDERSECRETARY OF TRANSPORTATION
FOR MANAGEMENT AND POLICY

TRANSPORTATION SECURITY ADMINISTRATION

Before the

COMMITTEE ON GOVERNMENT REFORM
U.S HOUSE OF REPRESENTATIVES

ATLANTA, GEORGIA

August 7, 2002

Good afternoon, Mr. Chairman, and Members of the Committee. I look forward to discussing our progress and plans for meeting deadlines in the Aviation and Transportation Security Act (ATSA) and to addressing concerns raised by this Committee. I am pleased to represent ADM James Loy, the Acting Under Secretary of Transportation for Security.

With me this afternoon is Willie Williams, the Federal Security Director (FSD) of the Hartsfield Atlanta International Airport. Mr. Williams has had a long and illustrious career in law enforcement. During his thirty plus years of service, he was the Police Commissioner of Philadelphia and the Police Chief of Los Angeles. He brings a wealth of experience, talent and commitment to this important position.

I would also like to mention that TSA has selected Mr. Quinten Johnson to be the FSD for the Valdosta Municipal Airport and the Southwest Georgia Regional Airport. The Transportation Security Administration (TSA) is currently in the process of selecting the FSD for the Savannah International Airport.

Since September 11th, the TSA has worked intensely to tighten security throughout the aviation system. These efforts, which include enhanced screening measures, hardening of cockpit doors, greatly increased deployment of Federal Air Marshals, and more intelligent use of technology have dramatically increased aviation security for all passengers. In addition to recognizing the hard work and perseverance of hundreds of employees from the FAA and TSA, we owe a debt of gratitude to the thousands of airport security workers, law enforcement officers, National Guard personnel, and hundreds of thousands of aviation industry employees who have contributed so much to our efforts to increase security. Perhaps most importantly, we are especially grateful to the millions of travelers who continue to exercise great patience with the enhanced aviation security measures.

As we move farther away from the tragic events of September 11th, there is a natural desire to want to return to the way things were before the attacks. But, as you know, we still face grave dangers and the aviation industry remains an attractive target for international terrorism. We cannot let down our guard. Congress and President Bush have given Secretary Mineta and Admiral Loy a formidable challenge to secure aviation along with all other modes of transportation and they have willingly accepted that challenge. Secretary Mineta has charged Admiral Loy to meeting the statutory goals and build a model agency he can deliver proudly to the proposed Department of Homeland Security.

The Aviation and Transportation Security Act requires that all passengers be screened by Federal employees by November 19, 2002, and that checked baggage be screened by explosives detection equipment by December 31, 2002. From the beginning, TSA has been committed to meeting these deadlines and all of the other mandates of the Act. We developed plans for doing so and continue to move forward aggressively. We are:

- Assessing airport facilities to determine equipment mix and location;
- Performing surveys to include cost estimates for installation and development of a preliminary schedule;
- Redesigning screening checkpoints and developing screening standards for checked baggage;
- Ensuring that new construction provides adequate space and support for all equipment;
- Installing equipment;
- Ensuring that aviation security systems at the airports are fully operational and trained screeners can be deployed;
- Building an experienced, top-quality senior management team;
- Developing groundbreaking hiring and training procedures for use on a scale never before attempted by the Federal government;
- Hiring thousands of screeners at numerous airports around the country (10,300, to date);
- Ensuring that the new screeners master their new skills, perform to the highest levels possible, and are deployed in a timely manner; and
- Significantly enhancing the Federal Air Marshal Program.

As you can imagine, this is an extraordinary challenge to meet at 429 airports throughout the country. TSA is working closely with the aviation industry and major contractors -- including Boeing, Lockheed Martin and NCS Pearson -- to meet this challenge.
The recently enacted emergency supplemental appropriation, however, is well below the amount the President requested. Accordingly, we are now undertaking a fundamental reevaluation of our business plan. Our preliminary evaluation suggests that we will still be able to meet the November deadline for passenger screening. However, we are looking at whether TSA will have sufficient resources to meet the baggage screening mandate set by Congress. We will keep the Committee informed of the results of this reassessment.

♦ ♦ ♦

In the 261 days since President Bush signed the Aviation and Transportation Security Act into law, we have accomplished a great deal. In the 146 days between now and December 31st, we have a lot more to accomplish and TSA employees around the country are dedicated to the task. With your support we can deliver on the promise made last year in the ATSA.

Mr. Williams and I look forward to answering any questions that you and other Members may have.

Mr. BURTON. Thank you, Mr. Secretary. Mr. Williams, do you have any comments you would like to make?

Mr. WILLIAMS. Not at this time, Mr. Chairman.

Mr. BURTON. Very good.

It was a little disturbing to me, Mr. Secretary, that even though he couched his concerns in diplomatic terms, that the administrator of the airport here said that there was a recalcitrance on the part of the TSA officials that came down as far as working with him to solve the problem in not only the most expeditious way, but also in the most cost effective way.

Can you explain that to me?

Mr. MCHALE. Well, I will let Mr. Williams in a moment just talk about the relationship that we have had with Mr. DeCosta and his staff, which I think has been excellent, as well as our contractors.

Mr. BURTON. Excuse me just 1 second. I know it has been excellent and I know that you are gentlemen and you do not hit each other and that sort of thing. But it sounds like to me there is a real difference of opinion in how to protect Hartsfield from the people who came down to Washington and made recommendations. And I would like to know why and is there room for compromise or is it, as he said, pretty much set in stone?

Mr. MCHALE. Talking and listening to Mr. DeCosta and also, from what I know of our approach nationwide as well, I think the issue here is not one of disagreement or unwillingness to talk about a variety of solutions. What we are driving toward and what our mandate is at this point is to come up with a plan, a system, for 100 percent explosive detection using explosive detection equipment by the end of this year. Mr. DeCosta's proposal, as he outlined it here, is one that would take well beyond that deadline to complete.

We are committed—this is a long-term commitment for us obviously, this is a long-term program to ensure permanent improved security at airports. December 31st is a deadline that was in the act that we are trying to meet, we are committed to try to meet it. We have proposals to meet it.

But the equipment that is out there today, the systems that are in place today, are—will improve over the years to come as we apply good American ingenuity. I think what we are going to be looking to is how do we continually upgrade these systems and move toward more automatic or integrated systems.

One of the places where we do disagree with a number of people from the aviation industry is whether the technology that is available today is at a state where it is really going to be as effective and automatic within an in-line solution as we would like it to be. The EDS equipment, these large machines today, require us, when they alarm—and they alarm quite frequently—to actually remove the bag from that machine and then take it over and do a trace detection on the bag, take it to the second type of technology and do that trace detection. It is not really an automatic process, and given the type of false alarm rate we are hitting today, we do not have a high degree of confidence that the systems will work fully in line.

Mr. BURTON. What percentage of false alarms do you have?

Mr. MCHALE. It is coming up in the range that Mr. DeCosta said, it is over the 20 percent range, which we have to resolve.

Mr. BURTON. So 20 percent of the bags that would go through the system, on the on-line system, would have to be taken off and rechecked.

Mr. MCHALE. Right. So one of the things we look at then inputting in an in-line system is how can we do that. If we are going to take—there are some airports where we are looking at in-line solutions today, but they are ones where the costs are not as high as they might be at an airport like Hartsfield. We are trying to work with airports that are already doing construction work, such as Jacksonville, which is building a whole new terminal and baggage handling system, to try to work with them as they build that new terminal out to work to do the in-line EDS systems and pave the way for maybe improvements in the system that may be a year, 2 years, 3 years away. We do not see a great improvement coming down the line any time soon, but we need to be thinking ahead 2, 3, 4 years out, as the technology improves.

Mr. BURTON. Let me ask one more question. Ms. Stefani said that—and this is my math, so I might be off just a little bit—that about 60 percent of the machine time is being utilized, which means that about 40 percent is not being utilized. Why is that? You were talking about on-line machines, were you not?

Ms. STEFANI. I was talking about the ones currently in all the lobbies.

Mr. BURTON. OK.

Mr. MCHALE. The machines are used today, they are operated primarily by the contractor personnel. We are taking over these machines, we have—as we are going to take them over, as we are going to deploy the Federal screeners, we expect to be able to use them close to 100 percent of the time. Ms. Stefani and I have discussed the fact that we need to continue to try to drive toward a greater utilization.

Mr. BURTON. So it is because of the personnel changes that are going to be required?

Mr. MCHALE. And the layouts of where the machines are. They were not originally put in to really do the 100 percent baggage checks, so they have to—we have to reconfigure things and things like that. But we can use them more than we are using them today and we will continue to work toward that.

Mr. BURTON. One last comment that I will make and then I will yield to Mr. Barr and then I might have some more questions. It seems to me that in airports, especially like Hartsfield here, where the manager, Mr. DeCosta, is conversant with all the problems and he is talking about you are going to have to tear out walls, you are going to have to spend $30, $40, $50 million to reconfigure the airport, all that sort of thing, it just seems to me that there ought to be—I understand that you have a plan and you want to stick to your plan and you have to not deviate, but it seems to me that there ought to be at least some open-mindedness to the needs of the local airport authority in dealing with the problem. And I do not like to use the word recalcitrant because it sounds like you do have a fairly good working relationship with the airport authority,

but it seems to me that there ought to be a little more openness and a little more understanding of the problems they face.

With that, Mr. Barr.

Mr. BARR. Thank you, Mr. Chairman.

About a week and a half ago, the House passed the President's Department of Homeland Security Bill and while many Members may have had some specific concerns about one thing or another and certainly we exercised our prerogative and made some fine-tuning to it, the general feeling in the Congress was that the President, as essentially the CEO and the person tasked with the responsibility of implementing the mandate of the Congress reflecting the will of the people, ought to have the type of framework that he, as the CEO, believes would best accomplish the task before him. Do you think that's a good approach to take, a good perspective?

Mr. MCHALE. Yes.

Mr. BARR. Why would that not apply then to Mr. DeCosta and the heads of major airports, as the CEOs, if they come to you and say we believe as the CEOs and the persons actually responsible for carrying out and implementing in an appropriate way the mandates of the Congress, why would you not grant them the same deference that we believe is appropriate to grant the President, at a higher level?

Mr. MCHALE. Congressman, we actually believe we granted a lot of deference and try to work very closely in partnership with the airports as we develop these plans. Again, the disagreement between Hartsfield and TSA is over really the timing of when we are going to be able to deploy explosive detection equipment to check 100 percent of the bags. I think Mr. DeCosta agreed that his plan does not come close to meeting the deadline that we are currently operating under. And really the only disagreement here is that we have a plan that we are talking to him about, how to implement it, but our plan is designed to meet the statutory deadline. There is not really a disagreement, in my view, over the actual implementation of a plan to meet the statutory deadline in that sense.

Mr. BARR. What is the goal? Is the goal to meet a deadline or is the goal to implement the very best plan over the long-term to protect the traveling public in a way that is the most cost effective at the same time?

Mr. MCHALE. I think the goal is a bit of a combination of both. On the one hand, we believe, as I think the Congress does, that we should have explosive detection equipment out there as soon as we can, because of the level of threat against the United States, the kinds of threats that we face. We have designed a plan that will meet that deadline, try to provide that equipment by the end of the year, as the Congress suggested, an appropriate deadline in light of the threat. But that is only a marker on the way. I think we have to continually——

Mr. BARR. So you are not saying that the very best system will be the one that might get in place by December 31st.

Mr. MCHALE. That is correct. We should continue to study it, continue to improve it, continue to replace it.

Mr. BARR. But if in fact substantial costs are incurred in meeting that deadline, that then would have to be incurred all over again,

and as a matter of fact might over the long term even be more expensive because then you would have to sort of undo what you have already done in order to meet that deadline in order to get in place the very best long-term integrated automated system, would it not make at least some sense, would you concede, to maybe take another look at that deadline and make sure that we are doing the there thing, and that is a realistic deadline for the long term?

Mr. MCHALE. I think we always have to look at how we proceed on the security role, but we have to balance what is the technology out there, what is available, how we can get it installed, what may be over the horizon that might be better. The technology out there today obviously can be improved, but the time line for doing that is quite prolonged, unfortunately, from our look at it. So we need to look at what we have today and see how we can get it in place as soon as we can and then continue to improve it.

Mr. BARR. When we talk about it, you are not talking about a one size fits all system though, are you?

Mr. MCHALE. Absolutely not. People always tell me that when you have seen one airport, you have seen one airport.

Mr. BARR. Has that been communicated to Mr. DeCosta, that the whole process of determining what is the very best system would include consideration of an automated integrated system, such as he has proposed and I think other major airports have proposed also?

Mr. MCHALE. We have had a lot of conversations with the airport directors as a community. Let me just turn to Mr. Williams for a moment and let him talk about the conversations——

Mr. BARR. But as the policy director, I really would prefer for you to answer that question first and then let Mr. Williams expand on it.

Mr. MCHALE. I have not had that conversation with Mr. DeCosta, I have had it with—I have had a number of conversations with——

Mr. BARR. Are you communicating that to him today though at this hearing?

Mr. MCHALE. Absolutely, sir.

Mr. BARR. Is that good news, Mr. DeCosta?

Mr. DECOSTA. Yes.

Mr. BARR. Thank you.

Mr. Williams.

Mr. WILLIAMS. I think you just about got your answer, but the discussions have, to a great degree, as Mr. McHale just said, centered on the issue of getting the best system that we can in place with the technology that is available today and meeting the congressionally mandated deadline, but also recognizing at the same time that there have been discussions, perhaps not at Mr. DeCosta and my level on a regular basis, but certainly with staff, that this is really just the beginning, that as technology improves, that as time and resources are available, there are probably better and more economical, from the standpoint of dollars and cents and personnel to increase it in the future.

Mr. BURTON. Let me followup. I guess you are like our Defense Department where we have new weapons systems coming on board

that are going to make us less vulnerable to a military attack from Saddam Hussein or somebody and because of that, we appropriate money for new technologies and new weapons systems almost every year, because there are new things coming on line.

Are you saying that in effect, we are going to have to be looking at new technologies to detect terrorist threats at airports and elsewhere ad infinitum, each year have to take another look at it and if there is new technology coming on that is superior, that Congress is going to have to look at that like a national defense budget increase?

Mr. MCHALE. I think there is some truth in that. I think we certainly all hope that we will win this war on terrorism and decrease the threat, but I think we do need to look at—there are obviously new threats that come about that we need to respond to, but also I think what is important to realize is that the security technology that is available today was never really designed for the kind of threat that we face today. It was designed for a very different kind of era when we did not have to check every single bag.

But this is what we have, this is the technology we have. We can look down the road, we have actually sought funding and Congress has provided some funding for research and development to continue to see how we can improve this. But we do have to deal with what we have available to us today. And given the nature of the threat, we have to deal with trying to get that equipment installed and also meeting the congressional mandate.

Mr. BURTON. Ms. Stefani, you raised a couple of questions—more than a couple—that was kind of disturbing. You said that 50 to 60 percent of the people that apply as screeners fail the aptitude test and you said that 20 to 25 percent after they make application do not show up?

Ms. STEFANI. Correct, that from the time the people do the initial application, which will do basic screening say for English, your proficiency, basic skills, basic information about the person, that they will apply on line usually and then when they get notified to come to an assessment center, they do not show up for the further tests. Then once at the assessment center, TSA is also again having people drop out that they fail various parts of that assessment center process.

Mr. BURTON. The percentage was what concerned me.

Ms. STEFANI. Yes, 50 to 60 percent.

Mr. BURTON. That fail the aptitude test.

Ms. STEFANI. It's not just the—including the aptitude test, it would be other things, such as the medical, drug testing, all different kinds of things, but in total what happens is—let me give you an example. If 10 people applied at TSA on line and TSA will call six people in for their assessment, and only four will show. And then during the process, basically you whittle it down and you end up with one person actually accepting the offer. And TSA has adapted its processes to try to adjust for what was happening. This is predominantly at your large cities that we are seeing this kind of dropout rate as the process progresses.

Mr. BURTON. So it is a combination of educational ability and physical problems and possible drug use.

Ms. STEFANI. Or criminal record, those kinds of things that would just, you know, automatically drop the person out.

Mr. BURTON. Is a large part of it the educational——

Ms. STEFANI. I would prefer—we can analyze the data and I can give you a lot more information.

Mr. BURTON. I would like to have that, because you know, that could be a real indictment of our education system if we are trying to hire all these screeners and that people do not have the educational skills to do that job. That kind of bothers me a little bit and we would also like to know about how the people who have criminal backgrounds who are applying break down and those that—do they give them a drug test? Is that right?

Ms. STEFANI. Correct, yes.

Mr. BURTON. So you give them a drug test, those that are failing the drug test.

Ms. STEFANI. Let me get a record up of what the history has been to date for TSA and provide it to you.

Mr. BURTON. OK, and then the question you raised about the equipment that we have on line right now only being utilized to the tune of about 60 percent. I think the Secretary indicated that was probably because the personnel they have doing it right now is not as well equipped to do the job as the ones that are being hired. Is that your assessment as well?

Ms. STEFANI. It is in part. What we have is a requirement that the airlines use it if their individual is a selectee and there is other factors—there are other factors that go into that, but that is going to be compared to 100 percent. We have said and testified numerous times—previously it was FAA and now it is TSA—they need to increase this random factor, they need to get more bags into the system and use those machines that we have out there.

Mr. BURTON. And Mr. McHale, is TSA planning to do that?

Mr. MCHALE. We are, Mr. Chairman, particularly as we get in there to reconfigure these airports so that the machines are in the right places and we get our trained people in there, but I think there are certainly machines out there we can be using a lot more.

Mr. BURTON. When you talk about reconfiguring airports, you are talking about putting these machines in the lobbies in close proximity to the ticket counter?

Mr. MCHALE. That is correct.

Mr. BURTON. How do you deal with the problem that Mr. DeCosta brought up awhile ago about long lines outside? This airport, I came in here today and I could not hardly get on the subway. I mean the amount of people is just phenomenal and I can imagine if you get to a holiday season, that you are going to have people standing in the parking lot trying to get in.

Mr. MCHALE. It is a challenge, but we have been working a number of different pilot programs around the country where we have been doing 100 percent of the explosive detection system, running the bags through EDS systems, 100 percent of the bags through trace systems. And actually what we have found is that, particularly if those machines are located after the passenger checks in at the ticket counter, that typically the wait is metered, measured by the ticket counter wait. In other words, people tend to be waiting at the ticket counter to actually check in and then they proceed to

the machine to check their bag. There usually is not—there is virtually no wait time at the actual machines once they have been through the checkpoint.

For example, at Norfolk airport, we had an average of about between 16 and 18 minutes that the passenger was waiting to check in their bag. The wait time at the ETD machines, the trace machines, that the passengers then went to, was about 30 seconds and the average processing time for a suitcase was a little over—about a minute and a quarter. It was very short, again we did the outside of the bag.

Mr. BURTON. Well, I hope you are correct, but I hope you will work with Mr. DeCosta because I am not sure he would agree with your time sequence there.

Mr. MCHALE. Right.

Mr. BURTON. And the last thing I would like to ask, and I do not want you to answer this in public, and I probably should not have asked the question in public, but I asked Mr. DeCosta about the detection equipment now where they put that—when I go into Dulles or I go into Reagan National or here and you put your bags in the machine and they run that cloth over it to put it in the machine, when I asked him—from his testimony it sounded like there might be something in that that would not be detected. I would like for you to give us some information on that because that would be a problem if all those bags had to be opened in order to use that equipment for that purpose.

Mr. MCHALE. We will be happy to arrange an appropriate briefing.

Mr. BURTON. OK, we would like that.

Mr. Barr, do you have any other questions?

Mr. BARR. Just a couple, Mr. Chairman.

With regard to the deadlines, I am not quite sure how you come up with any degree of optimism that these could be met. You know, I look at the figures here from Ms. Stefani's testimony, with just over 3 months left, TSA needs to hire and train more than 8,000 passenger screeners a month, that would be just to meet the November 19th deadline. That is basically about 400 a day over the course of a 20-day work month and the number of machines to meet the—you know, to be tested and installed and up and workable to meet the December deadline is several dozen per day.

I mean other than just sort of a rote commitment to saying we have to meet a deadline, we will meet a deadline, by golly we will meet a deadline, we have to meet a deadline, I mean how—I just do not see any realistic way that those deadlines can be met unless something gives in that process. And I am not quite sure what can give if you insist on saying you can meet the numeric deadlines other than quality.

Mr. MCHALE. We have built a system—as Ms. Stefani said, we have actually tripled the rate at which we are hiring in the last month. We are ramping up to do this.

Lockheed Martin is providing the training for the screeners, they are committed to being able to train up to 7,500 per week if we have to reach that point. We expect actually to be at about between 300 and 4,000 per week within the next couple of weeks. We slowed this process down a little bit as we waited for the supple-

mental appropriation to come through. And Congress enacted it last week, the President signed it and that is now available to us. We are ramping up full speed now and we have tremendous confidence actually that we will meet the November 19th deadline.

The end of the year deadline is—we actually have worked with the various manufacturers, we spent a lot of time going over their production lines. One of Boeing's jobs is to actually work on the processes that those manufacturers have in place and to ensure their capability of meeting the deadline and to look at additional production capabilities. And through orders that we have placed, we have caused the supply pipeline, all the various parts for these machines, to be fully flowing, it actually has been fully flowing now for several months, so the parts are actually—the long term lead parts have actually been on order and are coming in now to the manufacturing facilities.

So we have been working on this program with a lot of detail at the plants, trying to address all these issues. We have known this was going to be tough from day one and through the work of the Deputy Secretary and a number of other people, we have worked very, very hard to put ourselves in a position to do it.

The concern that we have, as I mentioned in my testimony, is that we did get a lower amount of funding than we requested. And we are now examining exactly how that is going to play out toward the end of the year deadline. We will meet the November 19th deadline. We have to see whether the—exactly how the money plays out toward the end of the year deadline, how that will work out also with the 2003 appropriation, which of course will be coming before the Congress.

Mr. BARR. The November 19th deadline is 104 days away. How many passenger screeners still need to be hired?

Mr. MCHALE. We have about—the November 19th deadline? We have about 20,000 to hire, 22,000. We have hired about 10,000.

Mr. BARR. So the figures, Ms. Stefani, of 33,000, that's 13,000 less?

Ms. STEFANI. As Mr. McHale had spoken earlier, we are using slightly different days, so we were looking at the end of July that they had about 11,000 either on board or that they had accepted our offer. So I will agree with his 22,000 figure.

Mr. BARR. So as of the end of July, there were 33,000 and as of now, 6 days later, there are 20,000?

Ms. STEFANI. No, excuse me, I must have confused that.

The 33,000 is their goal that they must have on board by November 19th, and given that they have hired about 11,000 at this point, either hired on board or they have accepted offers, we are looking at approximately 22,000 more that must be hired in the remaining 3 months.

Mr. BARR. I do not think my confusion is misplaced. I am not being critical but I am just trying to figure this out. Your testimony is that it is pretty clear that with just over 3 months left, TSA needs to hire and train more than 8,000 passenger screeners a month.

Ms. STEFANI. Right.

Mr. BARR. This is to hire the estimated 33,000 passenger screeners needed. I read that to mean that that testimony indicates we need to hire 33,000 people before the November 19th deadline.

Mr. MCHALE. But we have already recruited 10,000. That is I think where the difference is. We have to bring on—we have recruited 10,000, we have to recruit 8,000 more a month over the next 3 months and that will bring us to—actually if we did that, it would bring us to 34,000.

Mr. BARR. So are you saying there have already been how many thousand already hired?

Mr. MCHALE. About 10,000. We have recruited 10,300. Not all of those are in training yet. We have about close to 6,000 of them are actually either trained or in training, the others are scheduled to start training. And we have to recruit another 23,000 to meet the 33,000 goal, so it is about 8,000 a month, about 2,000 a week and that is what we are—we are actually spooling to do more than that because we want to achieve this goal a little ahead of the statutory deadline of November 19th.

Mr. BARR. Now these are those that have actually passed through and passed the first phase of the assessment.

Mr. MCHALE. The assessment, that is correct, they have either—they are either on our rolls being trained, or trained and deployed at airports, they have received job offers that they have accepted and they are being scheduled for training. So they are at a variety of different stages.

Mr. BARR. And you have every confidence that without making any sacrifices in the quality of the standards that you will be able to meet that November 19th deadline?

Mr. MCHALE. We are confident. The biggest problem, as Ms. Stefani has said, is in some of the bigger cities. We had originally hoped to be able to complete the recruitment process in about 3 weeks. We learned in our experience in Baltimore that we had to stretch that out and we stretched it out quite a bit. We started recruiting in all of the cities actually sooner than we had intended to, so that we are now trying to recruit everywhere in the country, even though some of the big city airports and some of the airports will not in fact roll out until the October-November timeframe, so we really want to give ourselves the maximum amount to accommodate that.

Mr. BARR. With regard to hiring also, is there a concerted effort being made to recruit former military personnel?

Mr. MCHALE. Yes, we—there is a veterans preference that is applied. Actually, as a practical matter, within the application process, we are actually trying to fill so many vacancies that we are able to offer positions to veterans who pass the assessment with no——

Mr. BARR. I am sorry, to what?

Mr. MCHALE. To offer positions to veterans who pass the assessment process. Even though they are veterans, they still have to go through the testing and the assessment process and pass through that process. If they pass that process, we are recruiting so many screeners that is not a problem in the sense of getting positions for them, there are more than enough positions.

Mr. BARR. But is there an active effort being made, a conscious active effort made to recruit military, former military personnel? It would seem to me a tremendous pool of folks that already have some familiarity and training in the sorts of skills that you would be interested in.

Mr. MCHALE. I believe there is a program that we have in place that works with the Armed Forces dealing with members who are leaving the services. I am just not certain what our outreach is to the veterans groups. I will look into that and get back to you.

Mr. BARR. Could we get some additional information on that? I would be very curious to that.

Are there European airports that have already instituted the type of in-line integrated and automated system that Mr. DeCosta believes is the appropriate one for an airport such as Hartsfield?

Mr. MCHALE. No, not using the whole CTX—the EDS kind of equipment we are using. There are European airports that do integrated systems using what is called vivid x-ray technology and then following up with CAT scan technology. The vivid technology is not certified in the United States as meeting the standards for explosive detection.

Mr. BARR. But is—I am sorry, what is not certified, the system that some of the European airports are using?

Mr. MCHALE. That is correct. It does not meet our explosive detections standards. And again, there are issues about that I would be happy to brief you in a closed session.

Mr. BARR. I would appreciate that.

Mr. Chairman, did you have any additional questions?

Mr. BURTON. I think we have covered it pretty well. Let me suggest that we have some other questions that we—I do not want to be redundant, but we would like to submit them to you in writing.

Mr. MCHALE. Absolutely.

Mr. BURTON. And if you could respond to us, we would really appreciate it.

Do any of you have any final comments you would like to make before we conclude the hearing?

Ms. STEFANI. No, sir.

Mr. MCHALE. No, sir.

Mr. BURTON. Mr. Barr, any further questions?

Mr. BARR. Just one. If in fact the Senate adopts the same provisions that the House did and that is what emerges out of the conference committee with regard to the action the House took on the Homeland Security legislation, with regard to the deadlines, you will certainly make every effort to meet those deadlines and comply fully with the law as passed by the Congress and if that is signed by the President.

Mr. MCHALE. Absolutely.

Mr. BARR. Thank you.

Mr. BURTON. If there are no further questions, I want to thank you very, very much for being here. It has been very illuminating. There are still questions that need to be answered, but hopefully you will give us in writing some of the problems and solutions and I know that Mr. DeCosta is going to give us some suggestions which we will pass on to you and ask some questions about it in written form.

If you would not mind sticking around just for a minute after we conclude, because I would like to talk to you and Mr. DeCosta before we go on our tour.

Mr. MCHALE. Certainly.

Mr. BURTON. Thank you very much. We stand adjourned.

[Whereupon, at 1:54 p.m., the committee was adjourned.]

○