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STATUS OF AVIATION SECURITY ONE YEAR AFTER SEPTEMBER 11th

HEARING

BEFORE THE

COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION UNITED STATES SENATE

ONE HUNDRED SEVENTH CONGRESS

SECOND SESSION

SEPTEMBER 10, 2002

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ONE HUNDRED SEVENTH CONGRESS

SECOND SESSION

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STATUS OF AVIATION SECURITY ONE YEAR AFTER SEPTEMBER 11th

TUESDAY, SEPTEMBER 10, 2002

U.S. SENATE,
COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION,
Washington, DC.

The Committee met, pursuant to notice, at 9:30 a.m. in room SR–253, Russell Senate Office Building, Hon. Ernest F. Hollings, Chairman of the Committee, presiding.

OPENING STATEMENT OF HON. ERNEST F. HOLLINGS, U.S. SENATOR FROM SOUTH CAROLINA

The CHAIRMAN. The Committee will please come to order. Welcome, Admiral Loy. Shalom. Peace. I am enthused about your appointment, because it gets us to where we had hoped we were last fall and before Christmas, when we passed the airline security measure. We provided the money and without even a hearing we went forward with the administration's choice.

We had an administrator that has not worked out, and in that interim we have had a veritable fist fight in the newspapers, headlines, stories, deadlines, and the purpose as far as this Senator is concerned for the hearing here today is to settle down, stop all the releases, and testify to one thing, what you want out of this Committee. I want to make a copy of a letter I wrote on August 1 to give you a month. You had just come on board back in July, and in that letter we outlined 10 or 12 questions that the Members of the Committee were all concerned about, give you a month to review it and provide your answers, and we have that letter of August 1 and your answer here today, and we will make both of those a part of the record.

Other than that, we will go down those items in detail, but most of all, do not please a week from now or a month from now say we want this from the Congress, because you have got your opportunity here to put us on the spot. We have got to start working together and get it done.

It can be done. We have got a Coast Guard fellow up at Logan Airport who has done it, and that was one of the toughest ones of all, and he is going to meet all the deadlines, got all the security, got all the equipment and everything else. He has not got all the releases and news stories about how impossible it is, we are not talking, and all that nonsense, and as the Coast Guard Admiral, having worked with this Committee, and Commandant, we know your track record and that is why I am enthused.

I would yield to my Ranking Member.

STATEMENT OF HON. JOHN McCAIN,
U.S. SENATOR FROM ARIZONA

Senator McCAIN. Thank you very much, Mr. Chairman. Thank you for holding this hearing. It is an important one, and tomorrow, as we all know, marks 1 year since terrorists used our air transportation system to viciously attack our Nation. It is highly appropriate we take this opportunity to review the current state of aviation security and determine what progress is being made in meeting the critical deadlines that Congress set down nearly 10 months ago to promote the security of the public. While I believe that aviation security is better than it was a year ago, there are still many reasons for us to be concerned.

Obviously, we still face a ruthless and determined enemy. Terrorists have repeatedly targeted aviation in the past, and there is little reason to assume it will not be used again in the future. Congress reacted swiftly to the events of last year by passing a landmark aviation security bill. Although the new law addressed many of the security concerns directly associated with the events of September 11, it also took steps to deal with a wide variety of other matters, including issues that were long overdue for attention.

For example, despite the fact that Congress required the deployment of explosive detection systems at airports many years ago, little progress has been made prior to the attack. Far too many important initiatives in the past have languished in bureaucratic limbo. Therefore, we imposed hard deadlines to make sure that our directive would be implemented by the TSA.

At our last hearing in July, Secretary Mineta and Admiral Loy testified that the TSA would have to reassess its ability to meet certain statutory mandates in light of budget constraints, and logistical difficulties associated with some projects. In Monday's USA Today, Admiral Loy indicated that TSA expects to, quote, "come close," unquote, to meeting the deadlines. That may be good enough for USA Today, Mr. Loy. It is not good enough for this Committee.

I think we need to know now. Here we are, 2½ or 3½ months away from a deadline. I think we and the American people, but also the people who are running the airports in America need to know what deadlines we are going to meet, what deadlines we are not going to meet. I would also remind you—not you specifically—that Senator Hollings and I worked very closely with the Secretary of Transportation and other administration officials when we developed the legislation.

As I remember, Mr. Chairman, nothing was written into law that did not have the total and complete agreement of the administration, and so it is not as if we took off on our own and decided we would impose these deadlines. These were agreements we made with Secretary Mineta, Assistant Secretary Jackson, and other administration officials. That is why we are a little disappointed when we see the kind of lack of response on this issue, and so I hope that we can get some predictable goals and predictable time lines for particularly a lot of the major airports in America, McCarran Airport, Phoenix Sky Harbor, Kennedy O'Hare.

Some of the major airports in America, without some firm guidelines, and probably without some delays, would experience very sig-

nificant difficulties in operating. At the same time, we do not want to just put everything off indefinitely.

I guess, finally, Admiral, I would like to thank you for your willingness to serve, as I mentioned to you before, but I think we have got to have better communications between TSA, Secretary of Transportation, the administration, and Members of Congress. Quite often, when someone experiences some unconscionable delay or difficulty or problem they do not come to you, they come to us, because we are their elected representatives, and we would like to be better informed and better prepared to respond to many of the questions and comments they have.

Finally, Admiral Loy, I hope that you are doing everything in your power to examine the enormous technological capabilities that are out there that can be adopted and implemented, sensors, detection devices, video cameras. I mean, there are tremendous things. I am approached frequently by people who have proposals with implementing the use of existing technology that could cut down perhaps on 50,000 new employees we are going to have to hire. I hope you can assure the Committee today that you are examining every type of technology.

I have been briefed by people who say that one can have technology—from the moment that the car pulls up and the passenger gets out, that individual can be tracked all the way into the airplane until it takes off. It seems to me that we are not going to do it with people as much as we are going to be able to do it with technology. So I hope you are devoting a fair amount of your time on that very important aspect, because I do not see how we can truly secure our airports without the extensive use, and I understand sometimes expensive use of technology.

I thank you, Mr. Chairman. I thank you for holding this hearing, and I hope that from this hearing we can get a lot more information as to exactly what your plans are in the future, recognizing that you are still relatively new in the job, and again, I thank you for your willingness to serve in this very important and challenging position.

I thank you, Mr. Chairman.

The CHAIRMAN. Thank you. Senator Carnahan.

STATEMENT OF HON. JEAN CARNAHAN, U.S. SENATOR FROM MISSOURI

Senator CARNAHAN. Thank you, Mr. Chairman. Thank you for conducting today's hearing on the anniversary of September 11 attacks. It is appropriate that we focus our attention on aviation security. Today's hearings give us the opportunity to examine the improvements that have been made in the year since September 11, and also to consider the challenges that remain.

I was interested to see a recent report detailing some undercover airport security tests conducted by CBS News. While the test raised some concerns about the reliability of passenger screenings, it also highlighted something very noteworthy. One of the airports that passed the CBS test with flying colors was in Baltimore, which was the first airport in the Nation to federalize all of its passenger checkpoint screeners.

The success of the Federal screeners in Baltimore is encouraging, particularly because screeners at that same airport failed the same test 6 months ago before the screeners were federalized. The success of the Federal screeners may be attributable to better training, to the hiring of more qualified personnel, or to some other factors, but it remains a good sign. For whatever reason, I hope that the deployment of trained Federal screeners in airports throughout the country will further enhance our Nation's aviation security. That was certainly our intention when we passed the Aviation and Transportation Security Act last year.

I hope that the TSA is on schedule to meet the November 19 deadline for hiring Federal screeners, and I am pleased, Admiral Loy, that you are appearing here today before this Committee, and I look forward to your testimony.

The CHAIRMAN. Thank you. Senator Wyden.

STATEMENT OF HON. RON WYDEN,
U.S. SENATOR FROM OREGON

Senator WYDEN. Thank you, Mr. Chairman. I appreciate all your leadership on this issue, Mr. Chairman, in holding this important hearing, and Admiral Loy, let me be clear. It seems to me that on the eve of September 11, to send a message that key airline security deadlines are going to be set aside I think would be tremendously unfortunate.

I think the public particularly have been looking at these reports in the last few weeks that indicate that TSA has been drowning in paper and organizational charts, and I gather a debate even about the TSA logo, and what I hope today is that you will articulate a strategy for addressing the key priorities, making sure that the deadlines are met, dealing with the fact that screeners have let weapons through the checkpoints at disturbingly high rates. I intend to ask you about these reports with respect to air marshals resigning. I am very concerned about that, because again, it is part of the message that is being sent to the public.

I mean, the public, particularly this week, is going to be zeroing in on whether these key priorities are being met, and they want to see that we're doing that, rather than wallowing around in some sort of discussion about organizational charts that seem much less important.

The last point I wanted to mention deals with the technology issue that Senator McCain was talking about. I chair the Subcommittee, with the support of Chairman Hollings here, on Science, and Technology, and I am just amazed at the number of entrepreneurs and leaders in this country who have innovative ideas. They have been traipsing all over Washington trying to get people to respond to these proposals.

In the homeland security legislation I was able, with the support of Senator Lieberman, to get included a one-stop process, a test bed for these innovative ideas with respect to technology. I hope that you will follow up on that. I hope that we will move forward with the Homeland Security Agency, but when we do, we have got to have you be proactive with respect to tapping this technological treasure trove that exists in this country, and it has not been used to date.

Thank you, Mr. Chairman.

The CHAIRMAN. Senator Ensign.

STATEMENT OF HON. JOHN ENSIGN, U.S. SENATOR FROM NEVADA

Senator ENSIGN. Thank you, Mr. Chairman. I think this is a very timely hearing indeed, and thank you, Admiral Loy, for coming to testify today. We had a great meeting in our office last week, and to let the rest of the Committee know, I was very encouraged by some of the things that Admiral Loy talked to us about.

One was that not only is the TSA very, very concerned about if the deadlines physically cannot be met, like at McCarran Airport, a power substation will not be ready to be online probably for 3 to 4 months after December 31. So the machines are on the ground. They cannot even plug them in.

Admiral Loy wants to make sure that McCarran, like the other airports that physically may not be able to make the deadline, do not become then a target because they maybe did not meet the deadline, and other measures will be brought in. I am looking forward to hearing on the record the types of things that the TSA is going to do to make sure that the bags are screened, maybe not by the EDS system immediately, but at least 100 percent of the bags will be screened.

But the other thing that I was encouraged by was the commitment by the TSA, and once again I want to hear more about that today—is the commitment by yourself and the TSA, recognizing that we cannot at the same time hurt customer service. Business travel now is down 15 percent over a year ago with the airlines, and we know how important the airlines are to our economy, and we know that to eke out that last little bit of security, which, we can never make things 100 percent safe. We know that.

Just like our roads, we have a certain amount of risk when we get into our cars. We cannot afford as a country to let the terrorists win by destroying our airline industry at the same time, so I was encouraged that TSA wants to put enough resources and the proper technologies, taking advantage of some of the things that we have today, to put enough personnel and the right types of measures into place so that the customer has a safe airplane to ride on, but they also get through the airport in a minimal amount of time so that it does not become a discouragement to fly on vacation, to go on business trips, or do whatever else is necessary.

So I was encouraged, but I also want to not just hear the words. We want to see put into action the types of things that we talked about in the office the other day, so I am looking forward to your testimony today, and thank you, Mr. Chairman, for holding this hearing.

The CHAIRMAN. Thank you. Senator Hutchison.

STATEMENT OF HON. KAY BAILEY HUTCHISON, U.S. SENATOR FROM TEXAS

Senator HUTCHISON. Thank you, Mr. Chairman. I am very pleased that we are having this hearing to try to deal with all of these issues. We need to streamline and improve the legislation that passed to try to address the aviation security in our country.

If anyone says we are not safer today than we were on September 12 of last year, they are not traveling. They are not being fair, and they are not being honest. We are safer. Measures have been taken and have made a difference. I have gone through airports now that have the complete Federal system and screeners. I can tell you the professionalism is better, and so I am very pleased about that. However, I think it is important for us to address all of these issues together. Mr. Chairman, that is why I am pleased that you are holding this hearing and that we will have a bill that will try to address each issue that is, as yet, unmet.

On the issue of airports and the deadline, it would be ludicrous to change the deadline for a year or 2 years for every airport when the vast majority can make the deadline. We need to make every airport as safe as we can. If there need to be waivers for certain airports—and I know that DFW airport will need some help, and McCarran, in Las Vegas, certainly will. There are others—we can grant waivers, and I think that has been your idea. It is your originality and creativity in saying let us winnow down the problems. Let us make sure that we keep the heat on for the most security that we can have where it can be done. I think that is the right approach.

I also think it is very important for us to address cargo. If we spend billions of dollars and we inconvenience passengers, who have been very patient, the idea that we would not have some increase in cargo security in the belly of that airplane is outrageous. If we pass a bill that does not have cargo in it, Mr. Chairman, I cannot accept that. I will not accept that we do not deal with the whole thing at once, because we can.

I am not saying that we want to curb the ability to ship cargo. We want cargo on our passenger flights. That could keep the airlines afloat. But we could have a trusted shipper program. We can have security clearances for the people who are handling cargo, just as we do for people who are handling baggage. Just as Senator McCain mentioned, we have a lot of technology available to us that can certainly be improved.

So the bottom line is, I think we need to address this in a comprehensive way. We need to deal with cargo. We need to deal with airports separately who have a problem, and not grant automatic deadline increases to every airport just because a few cannot, achieve timely compliance. I think we are the responsible party for assuring that the TSA is doing everything it can.

Having said that, you have been on board a very short time. I appreciate the enthusiasm with which you are meeting your challenge. It is necessary, and we appreciate that, and we are going to work with you. However, there is no way that all of us who are representing the traveling public and traveling ourselves would in any way try to suddenly let up on the very focus that we have on aviation security.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you. Senator Allen.

STATEMENT OF HON. GEORGE ALLEN,
U.S. SENATOR FROM VIRGINIA

Senator ALLEN. Thank you, Mr. Chairman, for having this very timely hearing, and I thank Admiral Loy for coming before us. As you know, Admiral, this has been a tumultuous year. Congress has passed sweeping comprehensive legislation dealing with transportation security, and created a new agency. While I recognize you are new on the job, it is not as if there is only one person. Mr. McGaw was not the only one who was in charge and doing things, and so some progress has been made, and in fact we passed additional legislation on an amendment just a few days ago having to do with arming pilots on airplanes.

I agree with Senator Hutchison with some of the concerns, and they are legitimate concerns. The bottom line is, what we need to understand is that our air travel is more safe now. Is it as safe as it ought to be? No, but it is safer, and we are making progress. As we are on the eve of the anniversary of these vile attacks, let us not turn on one another. Let us work constructively together. If certain deadlines cannot be met, let us see what can be done to get it as quickly as possible. I think it has taken strong leadership from the legislative branch, from the Bush administration, and we are also safer thanks to the patience and the vigilance of travelers.

The TSA obviously faces a very daunting task of further enhancing security while not compromising the convenience of air travel. Even prior to September 11, business travel was down, and that was a function of the economy, not terrorism. Since then, business travel has dropped even more because of the economy, but I will tell you another reason why travel for all people has diminished, and it is inconvenience. People do not care to just doddle, in their view, in mindless reasons for that wait time, and that is why all of this convenience needs to be refined.

As alluded to by Senator McCain, I think many of the answers here can be solved through the deployment of cutting edge technology, and that will help a great deal, and in fact I think technological devices are the key to the economic viability of the aviation industry, so Admiral Loy, I look forward to hearing your innovative ideas. How we are going to get things done, how we can deploy and acquire and utilize new and better technology to improve not only the security but also the convenience which I think is essential for transportation and that very strong part of our economy.

Thank you, Mr. Chairman.

The CHAIRMAN. Senator Boxer.

STATEMENT OF HON. BARBARA BOXER,
U.S. SENATOR FROM CALIFORNIA

Senator BOXER. Mr. Chairman, I would like to put my statement in the record and just take 2 or 3 minutes of the Committee's time to summarize.

Admiral, thank you very much for your hard work. I have to compliment you that you have been very responsive to our concerns, and taking calls, and I really appreciate it, and I also want to say that the TSA people that I met out in the field in August at four major airports, I thought they were top notch, and I want to report to the Committee that with the approval of the chairman

and the Ranking Member I held a field hearing in Los Angeles Airport in August, and very quickly I want to talk about four things:

The slippage of the date where we are supposed to be detecting bombs in baggage that goes in the cargo hold. Out of my four airports that were there, Los Angeles, Sacramento, San Diego, and San Francisco, only one of the airports is going to make it, it is going to be great, and the others all complained and whined and everything else. The TSA people agreed with me and with lots of others on this Committee, do not slip the date.

I think it is absolutely crucial to keep to this date and deal with it as Senator Hutchison said, on an airport-by-airport basis, and we should know why they cannot meet it, but it seems to me, and I said it then and I will repeat it, if we can send our troops halfway around the world, take the smart bombs, put them in these little caves and get after the bad guys and be so victorious, we can screen a bag that is standing at our feet for a bomb, and I really believe that, and I really think it just would be absurd to slip the date, in my opinion.

Secondly, the screening points. We were very upset because TSA's own test showed in some of my airports 40 percent of the contraband was getting through. Now we have the Daily News. They went out there, 11 airports, they slipped through razor blades and box cutters and the rest, so clearly we are still not doing what we have to do. It is perhaps better at some airports, but it is not good yet.

We touched on the trusted traveler program. I think your people, Admiral, very much showed that they were very interested in that. I think that is going to solve a lot of our problems, and we will not get into too many details here, but I hope we will.

Lastly, we had a little high tech demonstration. We had companies there showing the Kevlar material that should be used on the doors in some of these new planes—those doors, Mr. Chairman, would do what you want. You could not get through those doors, and that material also, and this is crucial, could be used to hold the baggage, Admiral Loy, for a very inexpensive price compared to the damage you would have, hold the bags, and then if there was, God forbid, an explosion, would contain the explosion and it would not bring down the plane.

And also, how to get better ID's. We need to check people's ID's, and there are these machines that do it in a minute.

So that is the substance of what I learned, and thank you very much, Mr. Chairman.

[The prepared statement of Senator Boxer follows:]

PREPARED STATEMENT OF HON. BARBARA BOXER, U.S. SENATOR FROM CALIFORNIA

Good morning. As everyone knows, tomorrow is the one-year anniversary of the terrorist attacks. The terrorists hijacked four commercial jets—all of which were heading to California. I think it is very appropriate and important to hold an aviation security hearing today to determine where we are one year later.

I can say that air travel today is more secure than it was last year. But, it is not as secure as it could be. And, now is not the time to slow down or delay our efforts to increase and improve aviation security. The job is not done and it must be done.

Mr. Chairman, I want to report back to the Committee about the Commerce Committee hearing that I held at Los Angeles International Airport in August. The hearing had two parts. First, to provide an update about the status of meeting the

deadlines at the California airports. We heard from the airports directors of LAX, San Francisco, San Diego, and Sacramento. In addition, the TSA representatives from each of those airports except Sacramento were in attendance. Second, there was a technology demonstration that included kevlar products, ID verification technology, and smart cards.

In August, I discussed with the airports my concerns that the installation of bomb detection machines may not be completed by the Congressionally mandated deadline of the end of this year. Although the deadline is on TSA, airports need to undertake a lot of construction to fit the machines. LAX said that if TSA can provide the machines and staff, Los Angeles is on track to meet the deadline. The other airports want the deadline extended. I *completely* disagree.

We were attacked on 9/11. We sent our troops halfway around the world and utilized such sophisticated weapons that we are able to go into caves and bunkers. No one can convince me that by the end of this year we can't detect a bomb in a suitcase right in front of us. We need these machines, and TSA needs to ensure that these baggage detection machines are in place by the deadline. Period.

Another issue that was discussed at the hearing in Los Angeles was inadequate checkpoint screening. On July 1, the press reported the results of an investigation showing that checkpoint screeners at 32 of the nation's largest airports failed to detect weapons 24 percent of the time. Even more shocking, Los Angeles and Sacramento airports had failure rates of 41 and 40 percent, respectively.

At the time, both LAX and Sacramento did not have federal security directors. I called the then-federal representatives and had some concerns with the response from Sacramento. But, at the time of the Committee hearing, the federal security director was in place at LAX and one had just started at Sacramento. I felt that progress was being made. I felt that the federal security directors were concerned about ensuring that the screeners did their jobs effectively.

However, last week, we learned that the *New York Daily News* conducted an investigation over Labor Day Weekend of the checkpoint screeners at 11 airports, including the airports that the terrorists departed and others, including Los Angeles. The investigation showed that none of the dangerous items—box cutters, razor knives, pepper spray—were spotted by any airport security checkpoint screeners. This is unacceptable a year after the terrorist attacks. With the deadline less than three months away, we need to move improve the screeners. We cannot expect the quality of the screeners to change overnight at the deadline in November.

The final issue that we discussed at the hearing was vulnerable spots at our airports. The breach of security at a Los Angeles airport ticket counter on July 4th is the key example. If El Al Airlines did not have two security guards at the site of the shooting, the death toll would have been far more devastating. I learned at the hearing that all of the airports were increasing the numbers and visibility of the police in the ticket counters areas.

As I previously said, the second part of the hearing was a technology demonstration. We were shown that Kevlar could be developed to reinforce cockpit doors. It is already used for hardened baggage containers that can contain a bomb if one gets through security.

ID verification technology was also demonstrated. I was troubled by a CBS news investigation that showed people getting through security with fake IDs. Therefore, I have introduced legislation to provide for training of airline personnel in the detection of fake IDs and to provide for the deployment of technology at airport security checkpoints, which would determine if a passenger had a fake ID or not.

Finally, I briefly want to discuss air marshals. Since I wrote the provision of the law that air marshals shall be on board all high risk flights, with priority given to non-stop, long-distance flights, this is extremely important for me. Since the number of air marshals is classified for security reasons, I can't discuss exact numbers. I can say that we are making good progress for air marshals. But, we have a long way to go in my opinion.

I know that we have a lot to get done. We owe this to the American people to ensure their security when they fly. We must work swiftly to ensure the deadlines are met.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you very much. Senator Cleland.

STATEMENT OF HON. MAX CLELAND,
U.S. SENATOR FROM GEORGIA

Senator CLELAND. Admiral Loy, thank you very much for taking on this tremendous responsibility. May I just say that I come from a State that has the busiest airport in the world. Some 200,000 passengers a day go through Hartsfield, and we thank you very much for your coming down to Hartsfield and visiting Ben DeCosta, the airport manager there, so whatever happens in the world of the airline industry, whatever happens in the world of airports in America happens in great spades to Hartsfield, so we look forward to your testimony, and how we work this problem of increased security but also increased customer convenience.

When I supported the airline security legislation and coauthored it I thought that professionalizing the screeners was an answer to enhance security and also customer convenience, and also I did support the idea of checking bags that went into the hold of an aircraft, and so in many ways, from throwing a hat over the wall we just have to now go get it, and we look forward to your testimony as to how we do that.

Thank you very much, Mr. Chairman.

The CHAIRMAN. Thank you. Senator Brownback.

STATEMENT OF HON. SAM BROWNBACK,
U.S. SENATOR FROM KANSAS

Senator BROWNBACK. Thank you, Mr. Chairman. Thank you for holding the hearing. Thank you, Admiral Loy, for being here to testify. I want my full statement entered into the record.

Admiral, I just want to add my 2 cents worth onto several comments that have been made so far about the importance of this job, and being able to provide security without hassling people. I hope we are looking at ways that the things that we are doing are adding to security, not just adding to people's hassle factor. It seems like sometimes when I am going through airports, I have been inspected, and this was before TSA was in position at this particular airport, my own bag four times, and I wonder if that really added to the security or not.

Now, maybe I just look like a character that you ought to inspect four times, I do not know, and that can be a problem, but it seems like right after September 11 we just launched into a lot of security items that really probably did not make a whole lot of sense, if you really were to thoroughly think about it and try to be very efficient. And I hope that you continue to look at efficiencies and effectiveness with this as well so we can make sure that people who are traveling, travel in safety but are not hassled as much.

A second and narrower item that I would hope you would look at are some of the airports in my State. One that is the major supporter for my State but actually located in Missouri is KCI. They have had some questions about working with your organization, that you provided them input for what they needed to do on an interim basis but not permanent solutions. They are looking at investing hundreds of thousands, possibly millions of dollars to do something, and they do not want just an interim solution.

They want to make sure that what they are putting forward is a permanent solution when they put forward this amount of fund-

ing. They have contacted us, and I am sure they have contacted Senator Carnahan as well to get a response. I know your organization is just getting up and going, but they have not been able to get, okay, here is the permanent solution, so if you do invest those dollars, this is what we will agree that you are required to do.

You are just up and going new. I can understand some difficulties with that, but I think you can also understand what these airports are going through as they are trying to meet a very rapid, aggressive deadline, and I would hope you could work specifically with those airports as well.

Thank you, Mr. Chairman.

[The prepared statement of Senator Brownback follows:]

PREPARED STATEMENT OF HON. SAM BROWNBACK, U.S. SENATOR FROM KANSAS

Tomorrow will mark one year since that fateful day when America was attacked using our own aircraft as weapons. Since then, a lot has changed in America and specifically a lot has changed in the way Americans travel. Since September 11th, the traveling public has been subjected to increased security throughout all of our nation's airports. We are all well aware that some of the changes have truly improved security and the potential for another terrorist attack. And unfortunately, we are also aware, that some security implementations have not resulted in the increased security they were intended to provide. Today, I am looking forward to hearing Admiral Loy's assessment of the status of Aviation Security in America.

In the days immediately following September 11th a lot of security decisions were made very quickly. With one year of reflection on these security issues, we now have the responsibility to reassess what is working and what, frankly is not. While it is our duty to help secure America's skies, we must do so keeping in mind the fact that airlines are going bankrupt, Americans are traveling less, and will continue to do so if they see flying as more of a hassle than a convenience. Finding that intricate balance between our security obligations and providing a convenient service is key to the issue of aviation security.

The purpose of this hearing is to assess the current status of aviation security. Highlighted today is Senator's Ensign's legislation to provide flexibility in the screening of checked baggage. While I understand there have been complications in implementing the standards set forth in the Aviation and Transportation Security Act, I think it is important to note that aviation security is not something that can be considered lightly. Even more so, the delay or postponement of aviation security must be considered with great responsibility. It is my hope that today we will learn exactly what the status is of screening all checked baggage in America's airports. Threats remain that this deadline will not be met by all of our nation's airports. However, I hope we can leave here today with a clear understanding of the reality of meeting this deadline and the start of solutions to any problems that may be encountered with that.

Additionally, I am glad to have Admiral Loy with us today to testify. It is my understanding that many agencies, congressional staff, airports, and airlines have experienced frustration in dealing with the Transportation Security Administration. Hopefully today Admiral Loy can clarify why it takes so long to get answers from his agency and explain to us some of the difficulties we may not be aware of. While I understand that he is new to this position, it is now his responsibility to bring TSA up to the standards expected of an agency who's mission is to provide for the security and safety of America's traveling public. I look forward to addressing some of these issues later in the hearing.

I'd like to thank Admiral Loy for being here today and hope we will come away from this hearing with renewed confidence in our nation's aviation transportation security.

The CHAIRMAN. Senator Rockefeller.

STATEMENT OF HON. JOHN D. ROCKEFELLER IV, U.S. SENATOR FROM WEST VIRGINIA

Senator ROCKEFELLER. Thank you, Mr. Chairman.

Admiral Loy, I welcome you, and I am very happy about the work that you are doing. I do not know how many others there are on the Committee or not, and it is not really of great concern to me. I am not one of those who think that dates overrule doing the job well. I perfectly well understand that if you sort of eliminate all dates it sends a bad signal. I think it sends an even worse signal if we try to meet dates and do the job poorly.

Now, we have got both the screeners and the EDS, the trace devices. I am extremely interested that the trace system takes probably about four times as much time to do per bag as the EDS. On the other hand, I also understand the problem of cost and the problem of getting into smaller airports, the weight, the cost of the machine, much less of the installation thereof, much less the fact that it might go right through the floor into the basement.

So I am interested in the how, when, where, how much aspect of this, but above all, I am interested in making sure that our airports are really secure when we do them and that we do not fool either each other or the American public when talking about if it is not done by a certain mandatory date, that therefore all Americans must lose confidence because it has not been done.

Well, we set the dates—we are not experts. I was on the conference Committee. We set the dates for discipline and impetus. We did not set them for all-time excellence of knowledge of what it would take. You have that. Your people have that, and so I am interested in where you see that mix is, and how you think you can best handle it.

Mr. Chairman, I thank you.

The CHAIRMAN. Thank you. Senator Breaux.

STATEMENT OF HON. JOHN B. BREAUX,
U.S. SENATOR FROM LOUISIANA

Senator BREAUX. Very briefly, Mr. Chairman, thank you for having the hearing. I do not think we could have a better person at the helm of this ship than Admiral Loy, and I think most of our Members also feel the same way.

Admiral, I do not think I possess a single piece of clothing that has not been seen by an airport screener, I mean, like every time I go through. It must be the way we make our reservations or something. A lot of it is one-way tickets made the same day of the travel, and I would be interested in having your thoughts about this concept of trying to have a program, I guess, for regular travelers who sort of are prescreened or something like that.

I think an awful lot of Americans, not just Members of Congress but the traveling public who have some type of a prior screening would be able to not have to delay the line so that you could do the work in the most efficient fashion. I would be interested in your comments on that.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you. Senator Nelson.

STATEMENT OF HON. BILL NELSON,
U.S. SENATOR FROM FLORIDA

Senator NELSON. Mr. Chairman, I am sure it has been said here before, there has to be a more efficient way to approach this whole

problem as most of us, we fly at the last minute and we have a one-way ticket, and most of us get searched, and that is just time that they are not spending trying to find the bad guys.

Thank you for calling the hearing.

The CHAIRMAN. Thank you. Admiral Loy, we have your full statement. It will be included in the record and I, for one, have welcomed these opening statements, because Admiral, you do have the concern of the Committee Members first-hand, and you are the only witness now here today. Let us hear from you what you need from us.

STATEMENT OF ADMIRAL JAMES M. LOY, ACTING UNDER SECRETARY OF THE TRANSPORTATION SECURITY ADMINISTRATION, DEPARTMENT OF TRANSPORTATION

Admiral LOY. Thank you very much, Mr. Chairman, and I would almost like to just go back through the notes that I took as I listened to each of you make your opening comments. I think I would like to defer that and interchange with questions, but clearly the things that are on your mind are the things that are on my mind.

Mr. Chairman, I will make a comment about your personal opening statement, because I think one of the most important things that I, too, would like to get out of this hearing is a commitment with each other to step forward together and pull in the same harness together, rather than what has appeared to have been an unfortunate set of exchanges that just do not get us anywhere and do not make any progress.

It is always a great personal privilege, Mr. Chairman, to be called before the United States Senate, and it is my particular honor to speak with you this day on the brink of our Nation's historic anniversary of September 11. This has been a year of heroes and healing of actions and reactions of perseverance and of patriotism. Last night, I attended the second concert for America. It was a rush of patriotism and celebration and mourning.

Renee Fleming, the noted opera star, sang a very familiar refrain for all of us. Walk on with hope in your heart, and you'll never walk alone, she said. Not being alone is about overcoming fear, and fear is lonely, and we all experienced it in this past year. The evil ones inserted it into our routine lives, and our challenge together as legislator and executive is to translate fear back into confidence for the American people, and at TSA we are now keenly aware that the evil ones tried to take away mobility from Americans, and I would offer that that has always been one of our inalienable rights.

Our goal at TSA is to restore mobility to Americans, to restore confidence in our transportation system, and I have been there a short 7 weeks, and find a workforce dedicated to that goal. Good people, Mr. Chairman, working as hard as I have ever watched anyone work, and doing so in a fish bowl, where their every move is examined very closely and very quickly.

I was proud to serve this country in uniform for 42 years, and I am equally proud to help this team tackle the assignments defined by Congress and the President and to build programs and systems that will make us all proud, and just as this was the case in uniform, we need help from many quarters to accomplish this work. Stakeholders must make their contributions, and I have

heard many of you say that this morning. Employees must give more than they ever thought they had to give. Trade associations must cooperate, and the Congress must help us stand tall, and I want my last years of public service to be as rewarding as those first 42, and the only way that is going to happen is to build the bridges of understanding among those aforementioned players that will optimize our mutual efforts to serve our country.

Good timing is critical, and I cannot think of a better time to tell you about the progress of TSA. Secretary Mineta told me that my job was to lead TSA to provide world-class security and world-class customer service. To begin, I want to offer a leadership approach to this Committee. TSA will heretofore conduct all business under this particular modus operandi.

First, our communications, mentioned by many of you, whether by phone, by letter, or by face-to-face meeting, will be forthcoming. It will be laden with accuracy and timeliness. All policy processes now include gathering input from impacted stakeholders. I intend to continue to establish and maintain critical stakeholder relationships, and have incorporated the concept of stakeholder relationships and have incorporated the concept of stakeholder outreach and collaboration into the working culture of this new organization, especially at headquarters and, of course, in the field.

Next, TSA will work under a technically savvy performance management information system. We want very much to take advantage of every one of those technological advances that you have mentioned. All our employees are accountable for their actions, and the results are compared against expectations that I have offered them. Performance assessment will assist us in best use of the taxpayer's dollars and managing our human resources, working within our budget, researching and developing our technology, and setting policy and process.

Thirdly, we will never assume we have got the job done. Continuous improvement will be ingrained in all that we do. We will always be better tomorrow than we are today, while these principles will require excellence in listening and sensitivity to concerns from the public, from our partners in aviation and in other transportation modes, and from those Members of our congressional conscience.

As of this week, 25 of our 50 States now have Federal screeners and a total of nearly 100 airports. TSA has announced 145 Federal security directors responsible for over 380 of our Nation's 429 airports. We have about 700 people in our headquarters staff, a mere 3 percent of our organization, and I would like to show you two quick screens reflecting both screeners' and airports' progress.

Much has been said in the press and elsewhere as to whether or not we will even remotely approach these deadlines that have been set by the Congress. I want you all to know that we take those deadlines very seriously, and these are just two depictions of workforce first and airport second, associated with that progress.

By the end of this week, we will have hired nearly 32,000 screeners, and I am confident that we will meet the November 19 deadline for federalizing passenger screening, and I am particularly thankful for the comments made by several of the Members with

respect to their experience with those federalized screened checkpoints.

We are working to reduce the so-called hassle factor that Senator Ensign mentions. The longstanding two questions have gone away. Passengers can now carry certain beverage cups through security checkpoints. No one will be asked to drink or eat from a container to prove that it is okay. We are working with airports and airlines on streaming checkpoint configurations and processes. We are reaching out to better communicate to travelers on how best to prepare for airport security. I am absolutely convinced if people's expectations are met they will then be less hassled by what it is they encounter actually at an airport.

With feedback from our stakeholders, I am committed to lowering those hassles and raising the security and customer service. This common sense approach is alive and well, and I will make it thrive in TSA.

You might be surprised to see the inventory of items intercepted. This slide offers just a couple of notions of things that we have taken from checkpoint screening processes over the course of the last several months. You might focus in one number there, 25,000 box cutters picked up through airport screening at our airports since the tragedies of last September. This offers to me a challenge of both education to the traveling American public as to what it is they can and cannot bring through the airport, but it also continues to offer us a challenge of enforcement.

I have a few important requests for your consideration. We were disappointed with the reduced funding of the recent supplemental appropriations. However, we have moved quickly to review our budget and to scrub our business plan. Some real one-time savings were identified, and some items were rolled forward into fiscal year 2003. Staffing models were scrubbed for efficiency and real need. Checkpoint model adjustments are reflected in a handout that we have provided to you, and on this slide. It is very difficult to see. Perhaps it would be easier if we—I think we brought a poster board model of it, but if you could just refer to what is in your handout, that would really be fine.

There is a large checkpoint model and a small checkpoint model, and you can see there that we have identified in both of those cases positions that had been designed into the checkpoints early that we really do not think we need in terms of efficiency and effectiveness. Those are multiple thousand position savings that we are about the business of designing into our business plan.

Decisions were taken on the basis of much better information in the results of this business plan review than was available 6 months ago when they were estimated. As a result of all of this, and looking very carefully at the budgets for both 2002 and 2003, the President has approved and sent forward to the Congress a $546 million budget amendment. I request your support as the Committees finalize TSA's fiscal year 2003 appropriation.

Our success simply depends on fully funding this current plan. That support should also include reconsidering the limit of 45,000 full-time employees imposed by the supplemental. Obviously, look at the appropriations request for 2003, and I am happy to answer any questions about that in the Q&A.

Lastly, I am very concerned about cash flow in the first quarter of fiscal year 2003. Our deadlines are focused early in that fiscal year, and any lengthy continuing resolution would be severely limiting in our ability to meet those goals if the normal processes were followed. I would seek your support for a customized CR if there must be one for the transportation appropriation this year.

Let me mention briefly three controversial issues, and then take your questions. First, deadlines, which virtually every one of you has mentioned. It should be noted that TSA has met every deadline in the Aviation Transportation Security Act up to this date. Again, a line diagram in your handout shows those deadlines met.

The next important one is the November 19 deadline for passenger checkpoint screening. It will also be met. The December 31 deadline for baggage screening will be met in 90-plus percent of those 429 commercial airports. There are some, among the balance, where lost time, lost budget, and very, very real engineering challenges make it virtually impossible to make that deadline.

I want to work with the Congress to find the right approach to dealing with those airports. At the very least, they will have a robust interim system of inspection while a final solution, probably in-line EDS, is completed, and again I will be happy to elaborate during the questions and answers.

Second, Federal air marshalls. Much has been written about our Federal air marshall program, and I am sure you have watched my exchange with the USA Today. I personally briefed Senators Boxer and Burns, and would be delighted to do the same privately for any Committee Member with the chairman's permission, or with the Committee as a whole if you would so choose.

Suffice it to say here that this is an enormous success story for this organization, coming from where we were to where we are today. I do not sit here and suggest that we have come everywhere that we need to come, in terms of numbers of Federal air marshalls deployed, and flying on those critical long distance routes that are the part of the concern that prompted ATSA to begin with, but I will say here that there is an unprecedented number of extraordinarily dedicated and well-trained professionals providing security aboard U.S. airliners. Their morale is superb, and I am proud of them and their services, and all Americans should be as well.

Lastly, guns in the cockpit. Although I certainly recognize numbers when I see them, and 87 for 6 is a pretty significant number, I recognize as a result the overwhelming congressional support for arming pilots, but I must ask that you carefully consider the concerns that I offered in a letter to Senator Hollings late last week. There are issues here about cost and liability, international jurisdiction, and other such things, and I ask it again that we work together, perhaps with the conferees, on this proposal. How this program is implemented is critical to aviation security, and again I will gladly elaborate in Q&A.

Tomorrow is the first anniversary of arguably the worst day in American history since Pearl Harbor. Survivors of the USS ARIZONA still have their ashes lowered into the muzzle of those great guns in that great ship to join their shipmates left behind 60 years ago. Equally emotional stories are being told about the World Trade Center, the Pentagon, and the field in Pennsylvania. Our

challenge is to rise above the din, and with cold efficiency focus on our assignment to turn fear back into confidence.

A great article in Newsweek this week grades our efforts so far. It gives aviation security an A, unlike the report in the Washington Post this morning, but despite the well-chronicled fits and starts, the author of that Newsweek article predicts that we will end up meeting our deadlines at most airports and will ultimately be praised as a rare model of Government efficiency that truly works, and I am here to tell you this morning that description is precisely my goal. I need and look forward to your constructive criticism. I welcome, always, your great ideas and support.

Thank you for listening. I am prepared to answer your questions.

[The prepared statement of Admiral Loy follows:]

PREPARED STATEMENT OF ADMIRAL JAMES M. LOY, ACTING UNDER SECRETARY OF THE TRANSPORTATION SECURITY ADMINISTRATION, DEPARTMENT OF TRANSPORTATION

Good Morning Mr. Chairman, Senator McCain, and Members of the Committee. I am pleased to testify before this Committee in a new role as the Acting Under Secretary of Transportation for Security and the head of the Transportation Security Administration (TSA). As you commented at the July 25th hearing, Mr. Chairman, when I accompanied Secretary Mineta and Deputy Secretary Jackson, I am adjusting to wearing a business suit rather than my familiar Coast Guard uniform, but I am the same person—focused entirely on the mission that the Secretary has assigned to me—assuring the security of our Nation's transportation systems.

I appear before this Committee today with a heavy heart and with added determination. I am mindful that tomorrow is the first anniversary of that terrible day when so many Americans lost their lives as part of the war that terrorists have declared on America. My heart goes out to the families, friends and loved ones of those who perished on September 11. Their loss has steeled our determination to do our duty and to fulfill the responsibilities that the President, Congress, and the American people have entrusted with us. We will not fail you.

This Committee is very aware of the challenges that are facing TSA. We are building a world-class agency from scratch, assuming new Federal functions and implementing our responsibilities under stringent deadlines, and we are doing so in the glare of the public spotlight. This is highlighted by the series of articles that appear in the press throughout the country virtually every day. I am proud of our performance so far, of the dedication of our employees and contractors, and I am grateful for the support from our many stakeholders and from this Committee. I particularly appreciate the welcome letter I received from you, Mr. Chairman, as well as those from Chairman Young and Chairman Rogers from the House of Representatives.

When I assumed the helm at TSA I was concerned about the perception of TSA among our stakeholders as an aloof or arrogant agency that had only one way of doing business—"My way or the highway." I have dedicated much of my efforts over the past seven weeks in building relationships with these stakeholders to assure them that TSA fully expects to work in a collaborative arrangement with all of the stakeholders who have interests in the national transportation system. While the primary focus this first year has been in the aviation arena, TSA is also working diligently with the stakeholders concerned with maritime and land transportation security. I am pleased that I have an outstanding leader in this field, retired ADM Richard Bennis, to head this important office within TSA.

As an indication of my outreach efforts since I became Acting Under Secretary seven weeks ago, I have visited a number of airports across the country from Logan International Airport in Massachusetts to Seattle-Tacoma International Airport in Washington. I have met with numerous Airport Directors including those at Logan International Airport, LaGuardia Airport, Newark International Airport, Hartsfield Atlanta International Airport, Dallas-Fort Worth International Airport, Miami International Airport, Seattle-Tacoma International Airport, San Francisco International Airport, and Los Angeles International Airport, among others. I held meetings with the CEOs and other senior officials from a number of air carriers including American Airlines, Delta Airlines, Southwest Airlines, Alaska Airlines, AirTran Airways, and Miami Air, a large charter operation in Southern Florida. I look forward to meeting other airport directors and carriers as I continue my outreach ef-

forts with site visits in the coming months. While in town, I have met with Carol Hallet of the Air Transport Association (ATA) several times, Chip Barclay of the American Association of Airport Executives (AAAE), David Plavin of the Airport Council International—North America, the Air Line Pilots Association and the General Aviation Manufacturers Association (GAMA), and just last week I met with the Regional Airline Association and the Air Carrier Association of America. Yesterday I met with Phil Boyer from the Aircraft Owners and Pilots Association (AOPA). I have also been fortunate enough to participate in two in-depth meetings with numerous Airport Directors to discuss overarching issues as well as specific concerns regarding the work TSA is conducting in airports across the country. I am also grateful to have had the opportunity to spend some time with the Victims of Pan Am Flight 103, an organization representing many of the families of the victims of that terrible tragedy. I have also met with many Members of Congress and I intend to do more of that. In each case I heard from these important stakeholders about their concerns and what their suggestions are on how TSA should interact with them.

TSA has made great progress since its inception. As of this week we will have deployed federal screeners to almost 100 airports. This includes 23 airports that we transitioned from contract screeners to federal screeners in part or in full last week. This week alone we are engaged in deploying federal screeners at all or portions of 11 more airports including airports in a number in states represented by Members of this Committee such as San Antonio International Airport in Texas; Richmond International Airport in Virginia; Portland International Airport in Maine and portions of Logan International Airport in Massachusetts. I might add that two weeks ago we deployed federal screeners at Charleston International Airport in the Chairman's home state of South Carolina. By the end of August we had hired 26,845 screeners. That number should increase to approximately 32,000 by the end of this week. These screeners have been carefully selected and must pass stringent qualifying tests. Many applicants have not made the grade. Those that have are well trained for their important responsibilities. If Congress provides the budget resources and operational flexibility requested by the President, I am confident that we will meet the November 19 deadline for providing for federal screeners at all commercial airports in the United States.[1]

The December 31 deadline for screening all checked baggage for explosives by using explosive detection systems (EDS) is more difficult. This Committee is well aware of the concerns raised by some airport operators that pressing forward with the December 31 deadline will result in unacceptable delays for airline passengers and added costs for airports. However, I must balance the concerns of the airport operators with the very real security concerns that this Committee expressed when it wrote this provision into law. We are under threat from terrorists who have made it clear that they will stop at nothing to kill Americans, to damage our economy, and to destroy our confidence in our ability to move freely about the country and around the world. Therefore, I do not support a wholesale delay in the December 31 deadline. We must deploy explosive detection systems at all of our airports as soon as possible. I will work with each airport to invest wisely in the solution that best meets the intent of the law. The December 31 deadline enables us to focus our efforts. In a small number of airports it may be necessary to push back the deadline for a modest amount of time, while temporarily putting in place other methods of screening checked baggage. Mr. Chairman, I would like to work with you and this Committee on a solution that fits within the context of a raised security paradigm throughout the aviation system.

I would like to take this opportunity to debunk some of the inaccurate and inflammatory reporting that has been recently published regarding the Federal Air Marshal (FAM) service. This reporting has dishonored the thousands of men and women

[1] The Aviation and Transportation Security Act requires the establishment of a pilot program under which the screening of passengers and property at selected airports will be carried out by a qualified private screening company under contract with the TSA. TSA requested applications of airports interested in participating in the pilot program. The TSA selected the following five airports: San Francisco International Airport, Kansas City International Airport, Greater Rochester International Airport, Jackson Hole Airport, and Tupelo Airport. On July 21, 2002, we issued a Presolicitation Notice requesting interested companies to submit a capabilities letter. The Presolicitation Notice briefly outlined the program needs and the minimum requirements for companies to qualify to participate in the program. On August 13, 2002, we issued the Request For Proposal (RFP) to all of the companies that submitted capabilities letters. The RFP contains all of the requirements of the program and the requirements for submitting a full proposal to participate in the program. All proposals are due to the TSA by September 6, 2002. We anticipate awarding a contract or contracts for screening at all five airports by October 1, 2002.

who are selflessly protecting our travelers today and every day. My staff has previously provided some Members with a closed briefing on the FAM service. I will offer you another closed briefing if you believe it would be helpful. Contrary to these press reports we do not have a high attrition rate, nor do we have a lack of ammunition, nor do we have unqualified FAMs, nor do we have FAMs that are not assigned to flights for weeks at a time. I do agree that being a FAM is a difficult job. For some who volunteered for this demanding position it is not what they expected it to be. I fully understand and respect that. For those disappointed individuals we can come to an honorable parting of the ways. I am proud to state that for the overwhelming majority of the dedicated Americans who responded to the tragedies of September 11 and the call to service by joining the FAM service, they are quiet professionals doing their duty. TSA is completely supporting them and they completely support aviation security. This Committee and the traveling public should understand that the FAM service is providing the largest, highest-quality, best trained, and most professional protective force in American aviation history.

I am also pleased with the progress we have made in hiring 158 Federal Security Directors (FSDs) that will be deployed at our largest airports. As of now, we have 147 FSDs on board. Those FSDs will in turn have 105 Deputy FSDs who will assist with the management of some of the smaller airports. As of late August we had made job offers to candidates for 45 of these positions. This data changes every day as we continue to recruit and fill these important positions. I realize that some Members of this Committee have expressed concern about the length of time it took to recruit, hire, train and deploy FSDs for particular airports. I understand the concern but this process has actually gone remarkably well considering the number and location of the airports and the fact that all of the individuals we selected were employed in other important jobs. I expect to complete the process of hiring FSDs and their key support staff very soon. I encourage you to meet with the FSDs that are assigned to airports in your respective states. They are also available to assist your staffs in resolving constituent issues concerning airport security. I am sure they will be happy to arrange tours of the airport security facilities at an appropriate time.

As part of my plan to bring common sense into the aviation security area I have charged my staff with taking aggressive steps to reduce the "hassle factor" at airports and eliminate what I call "unnecessary rules." I have revised the policy on passengers carrying beverages through security screening checkpoints. We will now allow paper or foam polystyrene cups to pass with the passenger through the metal detectors. Factory sealed or closed plastic, metal, glass, or ceramic containers are permitted through the x-ray machines. We will not, however, allow open cans of soda or other beverages through the screening checkpoints. We are also reminding all of our screeners, including both TSA screeners and contract screeners, that they are prohibited from asking passengers to drink or eat from any containers of liquid or food as a security clearance procedure.

A second common sense change that we have made is to eliminate the 16-year-old questions asked at ticket counters and at curb-side check-in whether the passengers had control of the bags at all times or had been asked by others to include items in their bags. These questions have not proven to enhance security. By eliminating them we will speed up the check-in procedure so we can then more quickly move the passengers to the secure areas of the airport.

We have also published very clear guidance on our website for the traveling public to use. This easily understandable, yet comprehensive guidance, separately lists prohibited items that passengers may not bring through security checkpoints and onto airliners and also items that are permitted in aircraft cabins. It contains guidance on travel for people with disabilities and guidelines on traveling with children, as well as information on boarding aircraft, and general "Dos and Don'ts" for travelers. This is excellent information that I encourage all travelers to read. We also have standardized signs at airports nationwide at the screening checkpoints, reminding passengers of the prohibited items. Notwithstanding the public availability of this information in advance, our airport screeners are still intercepting large numbers of prohibited items. Our field reports state that in July of this year alone we intercepted at least 122,763 knives, 234,575 other types of prohibited cutting devices, 4,631 box cutters, 5,201 incendiary devices, and 228 firearms through passenger security screening. From February 2002 through July we have intercepted a total of more than 2,300,000 prohibited items. Mr. Chairman, these numbers speak volumes about the public's continued confusion on what is prohibited from air travel under current circumstances. TSA will continue to publicize this information to better educate the flying public. We are partnering with aviation stakeholders to help communicate these messages.

I will continue to challenge my staff, and our stakeholders, to point out other unnecessary rules that we can eliminate or modify, while not diminishing our security posture.

I know that this Committee is very interested in our moving forward with a trusted traveler program, which you have given me the authority to implement. I am going to refer to this program from now on as the "registered traveler" program. I am convinced that we can balance the needs of security with common sense for those who agree to register for this program and submit to a detailed background check. Frequent fliers make up a large percentage of the air traveling public. By enrolling many of these frequent fliers as registered travelers all air travelers can benefit. First of all, for those who register with the program and pass scrutiny, we will know more about them from a security standpoint than anonymous passengers who present themselves to our screeners at the airport. This enhances aviation security. Secondly, by allowing the registered travelers to pass more quickly into the secured areas, this will ease congestion at the checkpoints and reduce overall waiting times for the registered travelers and for the traveling public that does not participate in the registered traveler program. Third, we will be able to reduce the hassle factor for those registered travelers. Finally, by implementing a registered traveler program we may be able to better utilize our airport workforce.

However, our ability to move forward with a registered traveler program at this time is hampered by the restrictions that the Appropriations Committees placed on our plans to move forward with a Transportation Worker Identification Card (TWIC). The Conference Report on the Supplemental Appropriations Act directs that TSA not proceed with any further plans to implement a TWIC. This impacts on our plans to use a similar type of card for registered travelers. Mr. Chairman and Senator McCain, I would like to work with this Committee and with the Appropriations Committees to remove this obstacle.

I also would like to report progress on a matter that I know is of great concern to this Committee. That is the strengthening of cockpit doors to prevent forced entry into an aircraft's cockpit. You are aware that this project is the responsibility of the Federal Aviation Administration (FAA) although obviously, from a security standpoint, TSA has a great interest in ensuring that the project is successfully concluded. FAA has advised me that they are well on the way to approving designs for a retrofit of the cockpit doors for many airplanes and they expect to approve the designs for almost all of the remainder during the fall. Aircraft manufacturers are producing the required cockpit door kits. The key issue comes down to scheduling the aircraft to be out of service for the several days necessary to install the new equipment. Given today's market conditions, air carriers want to make sure they do not take aircraft out of service to the detriment of their business. The addition of bolts, locks, and bars to cockpit doors has already substantially increased cockpit security. The completion of this task will alleviate any continuing concern that this Committee may have had about this issue of aviation security. By the way, Mr. Chairman, I agree with your views that once the plane leaves the gate the doors must remain shut, save for essential access only. That is our policy and we shall enforce it.

I would like to discuss the status of the TSA budget. We were disappointed with the reduced funding provided in the recently approved FY 2002 supplemental appropriations. Upon approval of the supplemental, however, we moved quickly to review our budget and decrease our estimates to the approved level. We will closely monitor our expenditures and control costs as we continue our airport rollout operations over the next few months.

Our success in FY 2003 is largely dependent on receiving the $4.8 billion in funds the President requested for TSA, plus an additional $546 million in funds in the budget amendment forwarded to the Congress last week. My staff and I will work closely with the Appropriations Committees on the entire FY 2003 budget. I pledge to cooperate fully with the Committees as they finalize FY 2003 TSA appropriations. I would be grateful for the support of this Committee for our TSA budget request as the appropriations process moves ahead.

I would also appreciate support from this Committee in ensuring that the cap on hiring more than 45,000 full-time permanent employees does not carry over to the FY 2003 appropriation. While we can manage within that cap during FY 2002, we would simply be unable to meet our core statutory requirements of the law for baggage screening if this limit remains in place past this month. If this limit remains, we would halt plans for hiring baggage screeners, and would likely be forced to warehouse EDS equipment that is now on order.

An advantage of being a start-up organization is that TSA was able to begin tackling its mission with a clean slate, allowing us the ability to design and implement an organization dedicated to excellence from day one. We will have an outstanding

and diverse workforce of employees that are working for us because of their commitment to protecting the American people. TSA is committed to being a performance-based organization, that is an organization whose culture establishes performance expectations that support the mission; drives those expectations into organizational and individual performance goals; and collects data to assess our performance. We have fielded an interim Performance Measurement Information System (PMIS) to facilitate this commitment. The PMIS provides timely information to help ensure we meet our mandate to federalize transportation security. This same system is also providing information on security activities in the field and supports our airport Federal Security Directors as they manage their operations.

I would now like to briefly address our research and development program. I know that the Members of this Committee are very interested in ensuring that we are developing the best possible technology to use in transportation security and that we are investing in equipment that enhances security while effectively using the taxpayer's money. We are making progress in this area, although there clearly is no "magic bullet" on the near-term horizon. TSA is leading efforts to develop next generation technologies for use at airport checkpoints and to inspect checked bags. We are developing methods to help us control access to airport perimeters and ensure that only authorized people are allowed in secure areas. We are continuing our efforts to optimize human performance by improving screener selection, training and evaluation methods. In addition we are beginning to expand our research efforts in order to assess the terrorist threat to all transportation modes, particularly as it relates to cargo. We expect these R&D efforts to result in our ability to test and phase in new generations of equipment over the next 2 to 7 years. During Fiscal Year 2003 we plan to invest an additional $130.4 million dollars in our R&D program. I would like to highlight two aspects of our R&D program: the development of the CAPPS II system and the development of the "EDS Next Generation" of explosive detection systems. In Fiscal Year 2002 TSA devoted $45 million to CAPPS II. We have programmed an additional $35 million for Fiscal Year 2003. For the EDS Next Generation we are seeking $100 million in Fiscal Year 2003. Fifty million dollars of that amount is contained in the President's initial budget submission for TSA. The other $50 million is in the Budget Amendment for Fiscal Year 2003 that the President recently released to the Congress.

I would now like to turn to an area of great controversy in the Congress and in the public's eye. That is the issue of arming pilots with firearms to defend the flight deck of commercial airliners. I realize that this is a very emotional issue and that reasonable people can differ on how best to provide the full measure of security on commercial airliners that our Nation deserves. I also realize that there is overwhelming support for this proposition in the Congress. Secretary Mineta and former Under Secretary Magaw previously announced their opposition to this proposal. When Secretary Mineta testified before this Committee on July 25 he informed you that he had asked me to take a fresh look at this issue, particularly in view of the overwhelming approval of the legislative proposal by the House of Representatives. I agreed to do so. I convened a task force of knowledgeable law enforcement and aviation officials from a number of federal agencies including the U.S. Secret Service, the Federal Bureau of Investigation, the Bureau of Alcohol, Tobacco and Firearms, and the Federal Aviation Administration, as well as representatives from the Federal Air Marshal service within TSA and several individuals under contract to federal agencies who are licensed commercial pilots.

This task force recently presented its recommendations to me. I have to tell you that it is the recommendation of the task force that pilots not be armed with either lethal or less-than-lethal weapons. However, the task force advised that if pilots are armed, it should be through a carefully controlled, systematically planned test program and that the pilots receive personal firearms that can be calibrated to their individual use. Furthermore, to prevent pilots from having to openly transport firearms through secure airport areas and in off-site locations where pilots may overnight between flights, the task force recommended a lock-box system for carrying the weapons. The firearm would fit into a sleeve installed within the cockpit. Were the pilot to leave the flight deck for personal or flight related reasons, the pilot would be required to secure the firearm again in the lock-box. Thus, the firearm would only be available for use on the flight deck during flight operations, as intended.

As I advised the Chairman and Senator McCain in my letter of September 5, 2002, I remain concerned that questions that deserve serious attention have not yet been adequately addressed in the bills that passed both the House and Senate. For example, the cost of the program, which will be very expensive, must be considered. Who will pay these costs? The federal government through discretionary appropriations, the airlines that employ the pilots, or the pilots that volunteer for the pro-

gram? There are serious liability issues involved should an incident occur that gives rise to legal action. There are critical issues of international jurisdiction in addressing armed pilots carrying weapons on international flights into other countries where their laws do not provide for armed pilots either on the flight deck, inside the airport, or outside the airport's boundaries. Finally, and ultimately, are we confident that arming pilots yields potential gain for passenger security and safety that justifies the potential risk to passenger security and safety?

Mr. Chairman, Senator McCain, and Members of the Committee, now that the initial bills have passed I urge you carefully to consider these and other unaddressed concerns before this proposal is considered in Conference. In addition, I implore you to give me the flexibility to plan this program with care, implement it efficiently, and provide needed support to make sure it improves our overall security posture. I hope that we can work together with the Conferees on this proposal. The President has shown his willingness to engage in this dialogue by including $20 million in his recent Fiscal Year 2003 Budget Amendment to plan for such a program should one be initiated.

Mr. Chairman, earlier in my testimony I mentioned that while we are keeping our eye on the ball to meet the statutory deadlines for passenger screening and screening checked baggage for explosives, we have also made strides in the area of transportation security for other modes of transportation such as ports, rails and trucks. I would like briefly to discuss some of our initiatives. In order to ensure that no terrorist or other individual is successful in causing harm or significant disruption to the maritime and surface transportation systems, our Office of Maritime and Land Security will capitalize on existing programs involving the other modes of transportation and transportation infrastructure, as well as stakeholder relationships by identifying methods and measures already in place to implement standards. We are currently engaged in outreach with maritime and surface industry stakeholders. Discussions thus far have involved representatives from trucking, freight railroads, maritime shipping, intercity bus companies, and mass transit as well as representatives of state and local security to identify best practices and the need for security enhancements.

In addition we are working to develop a comprehensive Risk-Based Management program with Transportation Security Conditions (TRANSECs) that is intermodal, interdependent and international in nature, is integrated with the Homeland Security Advisory system, and is responsive to the unique needs of each transportation mode. We will establish a program of prevention, protection, and emergency preparedness for non-aviation modes that includes the capacity to respond to threats and to events. This will provide for the restoration of transportation services and for the restoration of public confidence in our transportation system.

Our Office of Maritime and Land Security will also oversee a coordinated program of vulnerability assessments by identifying critical infrastructure, conducting assessments according to established standards, and overseeing security enhancements. As a first step in this effort, TSA in conjunction with the Coast Guard and MARAD is currently overseeing port security assessments and enhancements by virtue of grants that we awarded in June of this year with funds provided to TSA by the Department of Defense and Emergency Supplemental Appropriations for Recovery from and Response to Terrorist Attacks on the United States Act, 2002, enacted last December.

As part of our initiative to bring common sense to aviation security, the Department of Transportation has asked that this Committee consider a number of technical corrections and improvements to ATSA. I would like to underscore two of those improvements. The first concerns the deployment of Federal law enforcement officers at every passenger security-screening checkpoint by November 19 of this year. According to ATSA, by November 19 we must have "a sufficient number of Federal screeners . . . and Federal law enforcement officers to conduct the screening of all passengers and property under section 44901" of Title 49, United States Code. This requirement would seem to preclude TSA from continuing to rely on the resources of state and local law enforcement officers at certain airports, as we have been doing since February 17 of this year when TSA assumed civil aviation security functions from the FAA. This does not make common sense. In some of the smaller airports in Categories III and IV, we may not have a need for full-time Federal law enforcement officers. We may be able to handle the security functions at these smaller airports under reimbursable agreements with the state and local law enforcement agencies. At other airports, especially where state and local law enforcement officers can enforce federal laws on aviation security, or where there are equivalent state and local laws, TSA would like the option of continuing to reimburse state and local law enforcement officers for their services. Accordingly, our legislative proposal will

simply remove the requirement that the law enforcement officers be federal employees in all cases.

The second major area where we are seeking legislative assistance from this Committee concerns the aviation security service fees established by Section 118 of ATSA. TSA has requested Congress to legislatively establish this fee at a flat rate of $750 million per year, which TSA will apportion among air carriers based on market share or any other appropriate measure. TSA has also requested the authority to adjust the Air Carrier Fee starting fiscal year 2005 to reflect the most current economic conditions, inflation, or other reasonable factors. I ask for the support of this Committee in approving this important initiative. Our technical corrections package includes several other important proposals to fine-tune this important legislation. I thank the Committee in advance for your early consideration of these measures.

Mr. Chairman, Senator McCain, and Members of the Committee. We have accomplished much in the short time of TSA's existence. There remains much to do. Secretary Mineta, my team and I are fully dedicated to this important task. I appreciate the support I have received from this Committee and I look forward to continuing to work with you to see this effort through. I will be pleased to answer your questions.

TRANSPORTATION SECURITY ADMINISTRATION ACCOMPLISHMENTS

January 28

- Under Secretary of Transportation for Security sworn in. TSA has 13 permanent employees.

February 17

- Assume the responsibility for civil aviation security functions, including passenger screening that had previously been conducted by air carriers. TSA oversees private security companies.
- Each of the nation's airports has a federal presence on site, coordinating with local law enforcement and airport security personnel, and overseeing all aspects of security enforcement throughout the nation's 429 airports.

March 13

- Appoint the first set of federal security directors to Atlanta, Baltimore-Washington, Chicago O'Hare, Denver, Mobile, Phoenix, Ronald Reagan Washington National, and San Diego airports.

March 25

- Develop a new training curriculum for passenger screener that includes more than 44 hours of classroom training and 60 hours of on-the-job training.
- 300 passenger screener-trainer candidates begin training at Aeronautical Center in Oklahoma City. The TSA will train about 300 screener-trainers a week at the center.

April 27

- Return Ronald Reagan Washington National to its fully operational, pre-9/11 status.

April 30

- Roll-out new federal passenger screeners at BWI; first airport of many.

May 31

- National Guard troops, who were deployed at airports checkpoints since September, end their tour of duty. TSA provides funding to hire local law enforcement officers to replace guard members.

June 28

- TSA deploys federal screeners to Mobile and Louisville—the first after BWI.

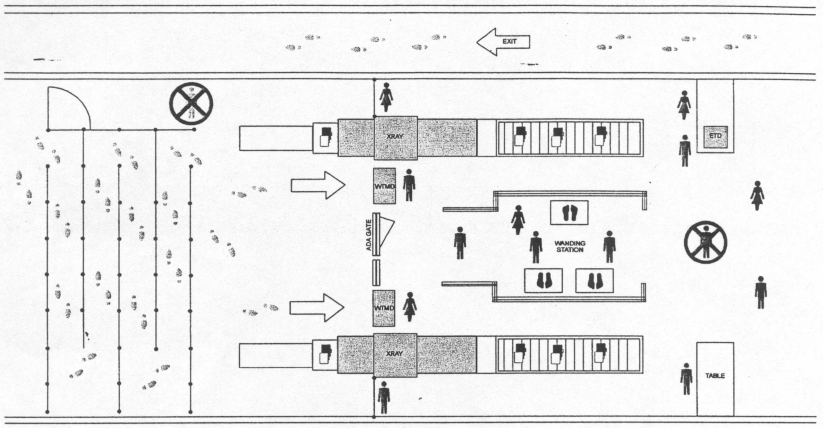
August 6

- TSA has thousands of federal air marshals on the job in the air.

September 10

- TSA hires more than 26,600 of the 30,000 federal passenger screeners mandated by the November 19 deadline—and by September 13 TSA expects to name all but a handful of the federal security directors for the nation's commercial airports.

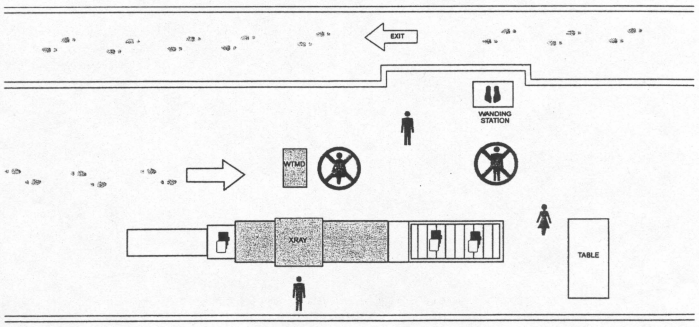
Flow: 350 Passengers Per Hour



Total - 15 Personnel (April 2002)
Total - reduced to 13 (November 2002)

Line Monitor · WTMD · ETD/Bag Search · Supervisor · X-Ray · Wanding · Secondary Security · Position Eliminated

Flow: 50 Passengers Per Hour

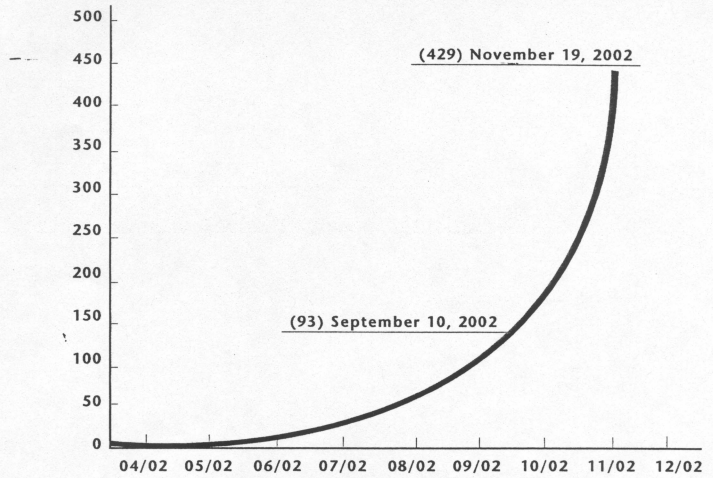


Total - 5 Personnel (April 2002)
Total - reduced to 3 (November 2002)

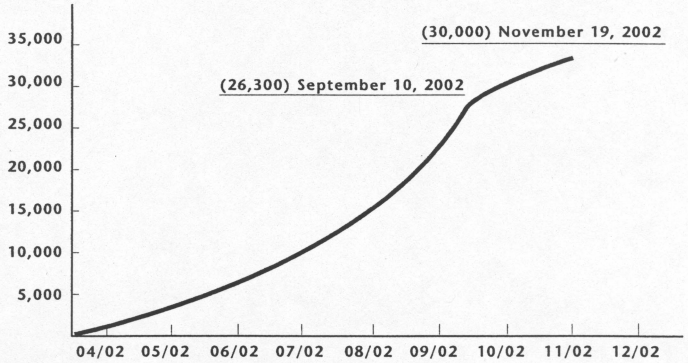
X-Ray/Supervisor · WTMD · Position Eliminated · ETD/Bag Search · WTMD/Wanding

Transportation Security Administration

Meeting Airport Security Goals



Partially and Fully Federalized Airports



Number of Screeners Hired

Prohibited Items

February 2002 Through July 2002

Total Items
2,384,982

The CHAIRMAN. Very good, Admiral. That is a breath of fresh air.

Getting right to the point of guns in the cockpit, of course, they overwhelmingly approved that approach last Thursday. With respect to the approach of the administration, because I have got hope that the administration has got a vote, I have yet to be able to persuade that the entire thrust of the plan for the cockpit doors staying closed in flight is to change over from the pilot being responsible for law and order to having a higher responsibility, namely, making certain that that plane is not used as a weapon of mass destruction, and with that in mind—with that in mind, we do not have to worry about the cost and all that kind of thing. It is whether or not you have got the right policy.

And incidentally, you do not have to have a pilot program to determine right policy. We have got a 30-year pilot program of success in El Al Airlines, never a hijacking. I know I can be politically incorrect in profiling and everything else like that, but we want it known, and almost a sign. Rather than "Welcome to Reagan National," just put a sign in every one of these major airports, try to hijack and go to jail, and put it in all the languages necessary so they understand it, because that is what they know. That is why they shoot at the ticket counter of El Al. They do not try to hijack the plane, because they know it is not going to work.

That is what the pilots in America have got to understand. There is a greater responsibility. Yes, I would like to have a gun if I am going to have to win the fight on the plane, but you have got to win a bigger fight, specifically not have to have all of these F–16's flying around above you ready to shoot you down.

You talk about fair. You started immediately with the fair. With respect to Reagan National, you do not have to worry about taking off from Reagan National and running into the White House. I am a good witness, because I travel every week on those planes, and they say for 30 minutes before and 30 minutes after take-off and before landing you cannot get out of your seat. That is fair, and they wonder what is going on and everything else. You do not have to worry about a commercial airliner going into a nuclear power plant, all with one rule that is tried and true. Never open that cockpit door in flight.

So we can reconcile that in conference. Let them have the pistols and everything else until they get that secure cockpit door, but you do not want to have a responsibility for opening that door if you have got the pistol, and somebody is crying outside, namely, open the door, he is choking me or killing me, or whatever it is. You do not have that responsibility. You have got the responsibility to go to the ground, and law enforcement meets them.

Having said that, let us get really to the needs that you have as the administrator. You say, on reduced funding, is it the case that you have got $4.8 billion and you are now looking at $546 million more, is that right? I want to make sure that this Committee authorizes, and we follow through, and you get the money, and particularly, like you say, if we are going to have a continuing resolution, we take care of you in that first quarter, because it is no use to have a good man take over this thing and then not support you, so my idea is to support you in every way possible. What do you need?

Admiral LOY. Yes, sir. The request for 4.8 that was originally part of the President's request in 2003, plus the 546 in the budget amendment that was sent up just last week, is the required amount for us to deal with what we need to deal with, Mr. Chairman.

The CHAIRMAN. All right, and what with respect to the exceptions, what recommendations do you have for the Committee? You got into this with Senator Ensign, which was a good thing, so we would be realistic. I mean, we cannot get the impossible, but let us get to the point there. What approach do you suggest that we make, just exceptions as need be, ad hoc kinds of things?

Admiral LOY. Yes, sir. I think my views are very, very consistent with what I have heard from many of the Members this morning. I do not think we should in any kind of blanket manner eliminate the current deadline. The current deadline offers us the focus you intended, as I heard Senator Rockefeller mention when he was in the conference, but there are very legitimate—I have gone to many of these airports over the course of the last 5 weeks. I visited West Coast airports, those that Senator Boxer just mentioned, including SEA–TAC up in Seattle.

I have gone to New York. I have gone to Logan. I am enormously appreciative of what Logan is doing in terms of taking a lead and saying yeah, we can meet these deadlines, we are a category X airport, and we are going to take $140 million that has been offered us by the Massachusetts Port Authority and step out and make it happen.

But on the other hand, I find in a number of these airports something considerably less than 10 percent of the total, a legitimate set of engineering challenges that I do not believe it would be right for us to force interim solutions that would dominate their lobbies, literally expel the passengers for the sake of ETD equipment. They would not have to be forced into the lobbies as a means of meeting the deadline.

It does go to customer service and the efficiency of security, and I do not want those lines to be out in the parking lot and down the street, so I am of the mind that we hold onto the deadline, that we shape the legislation in such a fashion that it offers the Under Secretary or the Secretary of Transportation, as you deem appropriate, the authority to grant extensions to those very few numbers of airports where these circumstances exist, and that we do so attendant to two things, one, an absolute end game with each and every one of those airports that we have designed by, say, 1 December, and secondly that there is an interim mitigation strategy so that we do not put concentric circles around those airports and offer them as paths of least resistance to any terrorists or anyone else.

I think that notion of holding onto the deadline for the 90 percent that can get there, identifying specifically those airports that cannot, an individual negotiation with myself and my staff with each and every one of those, key to an extension of that deadline for them individually down the road.

The CHAIRMAN. If the cockpit door is to remain secure, the flight attendants really are the first line of defense, so to speak. What

training schedules or needs do you have from the Committee to have them properly trained?

Admiral LOY. As the legislation calls for, Mr. Chairman, the airlines have been asked with providing training. We have designed a training curriculum and offered it to each of the airlines so that there is a standard set of training elements going on across the country. Much of that training has already been conducted, so as it relates to more needs from the Committee about that training, I think we have what we need, sir.

The CHAIRMAN. Senator McCain.

Senator MCCAIN. To follow up Senator Hollings' questioning, how many airports are going to be affected by this perhaps negotiated extension on the explosive detection system installation and deployment?

Admiral LOY. Senator McCain, we have pretty good assessment information on about 21 or 2 at the moment, and my guess is that could climb to as many as 30 or 35, but certainly less than 10 percent of our total.

Senator MCCAIN. But when you look at the size of the airports, it is a significant number of passengers that pass through those.

Admiral LOY. Enplanement numbers are absolutely significant, yes, sir. It is not 10 percent of the passenger load, you are absolutely right.

Senator MCCAIN. The DOTIG reported that Boeing was to have completed 266 site assessments by the end of August. How many site assessments have been completed?

Admiral LOY. I do not have that number——

Senator MCCAIN. Roughly.

Admiral LOY.—but I can get it for you, sir. Boeing——

Senator MCCAIN. It is not many, is it?

Admiral LOY. I am sorry.

Senator MCCAIN. It is not many, is it?

Admiral LOY. Boeing is behind with respect to those assessments.

Senator MCCAIN. Then look to somebody else to do those assessments. Boeing has had their chance.

Admiral LOY. I will do that, sir.

Senator MCCAIN. How will those delays affect the schedule to meet the screening checked baggage deadline? If you do not have an assessment it will be very hard to meet the deadline, it would seem to me.

Admiral LOY. We are making significant progress. This past weekend, Senator McCain, a team of TSA and Boeing executives got together with their engineers and approved 50 of those assessments just on Saturday and Sunday, and they have probably another 25 or 30 over the course of the first 2 days this week, so the process of having reached the point of final assessment judgments is right with us. It goes very much, sir, to the nature of the chart that I showed with the steep incline towards the end of the period here, and that is by design, not by accident.

Senator MCCAIN. TSA has cited 1,100 EDS and 6,000 ETD machines to be procured in order to meet the deadline. How many machines remain to be ordered?

Admiral LOY. We are at about 1,025 on the EDS, Senator McCain, and so we leave about 75. We think we will probably push about 50 of those 75 into the first quarter of fiscal 2003, but the wherewithal to do so is contingent on the budget amendment being included in the final appropriation.

Senator MCCAIN. What about ETD?

Admiral LOY. There is no problem with ETD, sir. I do not know precisely what the order number is. I can get that for you for the record, but we have no problems in either a supply chain or the availability of ETD.

Senator MCCAIN. The airline people have been to see me on several occasions. As you know, the airlines are in great financial difficulty. It is certainly common knowledge. They are concerned about assuming the increasing amount of costs to pay for many of these security requirements. What is your view of that issue?

Admiral LOY. Senator, I believe there is a burden on all of the stakeholders to be contributory to the solution that we have at the other end of the day. The same thing exists in our ports. The same thing exists in many of our terrestrial modes of transportation as well.

I think most of the burden, though, with respect to the ETD/EDS installation, as well as the checkpoint reconfiguration, is being borne by TSA, the Federal Government, and the airports as opposed to the airline.

Senator MCCAIN. The airlines claim that they are assuming significant costs. Do you agree with that?

Admiral LOY. The assumption of costs is, of course, as you know, an issue, somewhere between the $750 million figure that was offered forward as the original airline contribution to security in the past, which was to be continued. There are those who would revise that estimate from the airline community downward considerably, and I think we need to be very conscious and careful of making certain that all of the stakeholders at the table meet their obligations with respect to partial funding.

Senator MCCAIN. How many airports now are fully federalized, three?

Admiral LOY. We are in about 100, sir.

Senator MCCAIN. Fully federalized employees.

Admiral LOY. Fully federalized, I think there is only a handful.

Senator MCCAIN. One of them is Baltimore, BWI?

Admiral LOY. Only at the checkpoints for passenger screening.

Senator MCCAIN. And you have information that would lead one to assume or conclude that this has been successful, federalizing these employees?

Admiral LOY. We have had considerable evidence that that is the case, Senator McCain.

Senator MCCAIN. In what respect?

Admiral LOY. Well, first of all, one of the advantages——

Senator MCCAIN. The reason I ask this question, as you know, there was a matter of great contention at the time we passed this legislation, and I would be interested in your preliminary assessment.

Admiral LOY. Yes, sir. We owe the Congress what I would call the metrics and the reports therefrom on the basis of a federalized

system versus a third party screener basic system of the past, and we have as a result of being a brand-new organization, the opportunity to inculcate performance based management or leadership at the threshold level in this organization.

We have done that, so we are already beginning to get those kinds of metrics from BWI, from Mobile, from Louisville, from those other airports where we got into early, and the evidence is pretty overwhelming that if you spend 100 hours training a screener to do the job well, including the attitudinal end of what they do, as opposed to the 5 to 6 hours that was the average in the past, you will get an increasingly professional product on the job.

Senator MCCAIN. So you believe that federalization of the employees was a good thing to do?

Admiral LOY. I do so at this point, yes, sir.

Now, we still, as you know, have five experiments, including Kansas City, Senator Brownback, and San Francisco and Rochester to below Mississippi. There is one other where we will continue to press third party screening as an option, because, as you recall, the law also offers, 2 years down the road, an opportunity for airport directors to reconsider the notion of federalized screeners.

Senator MCCAIN. I thank you. Thank you, Mr. Chairman. Thank you, Admiral.

The CHAIRMAN. Senator Wyden.

Senator WYDEN. Thank you, Mr. Chairman. Thank you, Admiral Loy for a very thoughtful opening presentation. Let me begin by asking you about the consequences of poor performance. I have been very troubled by the fact that we have gotten these reports now for months that airports, 30 to 40 percent of the time, weapons, for example, get through the checkpoints.

Just last weekend, over Labor Day, numerous news organizations all across the country were going through these exercises where they have got knives and the like through. Can you tell me what is being done to deal with the consequences of poor performance, and spell out particularly how there is going to be new accountability, so that when there is poor performance there are changes made?

Admiral LOY. Yes, sir. The anecdotes you describe, of course, make my stomach churn as well and keep me up at nights. The reality is, on the other hand, there have been numerous occasions where news media have made an effort, illegal by the way, I might add, to attempt to introduce weapons or knives or whatever it might be into the system where they have been intercepted and confiscated as a result, and obviously we do not often see very much of that in the press. What I can tell you is that, for example, we had an unfortunate incident 2 weeks ago where a young woman was carrying a .357 Magnum, came out of Atlanta into Philadelphia, going on to a small town in Eastern Maryland. The screening process missed that weapon in Atlanta on the way out, but got it in Philadelphia as she attempted to reboard from the public area in the Philadelphia Airport.

What had occurred, interestingly enough, in Atlanta is that the screener actually saw something that—I forget if it was a he or she—that they did not like on the screen, called her supervisor over to validate it, the supervisor said, it does not look quite right,

I am going to hand-check this bag, hand-checked the bag and the weapon got through. That supervisor is no longer working, and the accountability end for the screener was reinforced as her having done exactly the right thing, and her supervisor having been found to have been lax.

So the first order of business is to provide some kind of remedial training opportunity that can gain a focus on what broke down, build the skill set, and as necessary, not only deal with that individual who had a problem, but build that back into the training curriculum for all.

Senator WYDEN. How many airports are under extra monitoring? I was under the impression that there was going to be an effort to really zero in on the airports where there were problems. I want to know if that is correct this morning, and particularly how many airports would be subject to this extra monitoring to make sure that there is follow-up so the holes get plugged?

Admiral LOY. Senator Wyden, I will have to get back to you with the number, but what we have——

Senator WYDEN. Is it a significant number that are getting extra monitoring?

Admiral LOY. We pay very close attention to the press report of several weeks and months ago, and the inspection staff that is, in fact, just forming, and coming of age, if you will, like every other element of the TSA organization has been about the business, in conjunction, I might add, with the Inspector General of the Department who has been cooperating extremely well to help us design the right kind of review and oversight monitoring of things that needed to be going on.

Senator WYDEN. Let me ask you a money question. The Inspector General reported that the screening companies jacked up their rates when your agency started paying the bills. Now, maybe that is all right if we are actually getting better performance, but given the fact that we are having this budget debate, it seems to me critically important that the agency is monitoring the screening contractors to see where the money is going. Do you all have a program underway to watch dog the screening companies?

Admiral LOY. Absolutely we do, sir. Part of the IG's initial review of those third party contracts included a recommendation that we reach out to a third party accountant, if you will, to aid us in the process of oversight, and so we have reached a DCMA and DCAA and engaged them so as to help us definitize those contracts and watch very, very carefully the data flow that is associated with them, so we did pay a little more, as you know, at the beginning, because it was important for us to incentivize those contractors to stay on the job until the federalization process could take place.

The other reality there is, when the federalization process takes place, aside from the five pilots that we will continue to run with third party screeners, we will have that problem behind us.

Senator WYDEN. What were the most important changes that you put in place when you took over? I mean, it was clear there was a reason that you were installed, and I would like to know what changed when you got there. What were the specific policies that were altered?

Admiral LOY. Well, sir, first, the Secretary made it very clear to me on the occasion of asking me to take the job what he was expecting out of the job, so the first order of business I think was a new way to do business, if you want to refer to it in that fashion, new in the sense of public-private relationships, new in the sense of focusing on the customer service piece equally with respect to world class as we were focusing on world class security from the very beginning.

I come from an organization, Senator Wyden, as you know, that for the last 5, 6, 8, 10 years has made a huge difference in its performance based on public-private partnerships. If you go ask Tom Aligretti, the president of the American Waterways Operators, what is the difference between the AWO over the past and its Coast Guard relationship over the last 5 to 7 years, I believe he would tell you that we have found a way to get together on policy generation issues and performance issues in such a fashion that we hold deeply to our regulatory responsibilities, we the Coast Guard—it is hard for me not to say that—and they the impacted industry gain performance as a result.

I want to bring that to this organization as well, and I have traveled extensively. I have gone to 15 or 20 airports, I have dealt with the airport directors, the airline executives. I have met several times with Carol Hallett at ATA, with Chip Barclay over at AAAE, I have met with the pilots associations, I have met with all the trade associations, and I have met with all of the senior staff of the respective Committees here on the Hill, and on those occasions where the recess allowed, with Members and Senators as well, so my notion there is that we have to engage in a partnership to get this job done together.

The second thing I have brought or tried to bring to the table is an emphasis on strategic planning. I can tell you, sir, that for the course of the first 7 or 8 months of this organization they have been wrapped around the axle of the in-box. The daily terror has been the in-box, and the ability to sit back and say to ourselves, what do we want this organization to be for America, what did the Congress really have in mind that they wanted this organization to do for America, and what should we be doing 5 years from now when these deadlines are behind us and we, in fact, have in place a new security paradigm for the country, not only in airports, by the way, but for the rest of the transportation system?

So I have tried to focus on what I always have called the precious few, and the precious few for the moment are the 1119, 1231, the CAPPS–2 program, which will enable us to do infinitely better as it relates to identifying selectees at airports, including a frequent or registered traveler program, as we are calling it at the moment, and then, of course, these outreach trips have offered me a chance to learn about this new industry.

When I walked aboard, I was a sailor, and I used to tell aviation jokes, and I am not allowed to do that any more, because first of all Senator McCain would be all over me, but beyond that, the notion of learning this new industry and all the inside subtle relationships about airlines and trade associations and airports, and how they have dealt with the FAA in the past.

So that is an off-handed approach to your question, sir.

Senator WYDEN. Thank you, Mr. Chairman.

The CHAIRMAN. Senator Ensign.

Senator ENSIGN. Thank you, Mr. Chairman. Just to get on the record what we had in our meeting last week in my office, you had talked about not making targets of these 20 to 30 airports, whatever it turns out to be, that physically cannot meet the deadline. Could you describe some of the measures—you used McCarran as an example. Describe some of the things to make sure that we meet your two goals. One is that we screen all the bags, and two is that we do not hurt customer service—could you tell me the type of resources that are going to be necessary, for example at an airport in Las Vegas?

Admiral LOY. Yes, sir. I think what I have referred to as a mitigation strategy associated with gaining the functional accomplishment, but waiting for the final solution in terms of what mostly likely will be an in-line media solution for those airports. There is a menu of things we will surge to the respective airports where appropriate. It might be additional ETD. It may be hand checks. It may be canine patrols. It may be positive passenger bag match.

There is that inventory of tools of the trade that we will just have to surge in greater quantities to not only meet the goal of baggage inspection, but also to make certain that doing that did not end up with—you know, it is that fine balance between customer service and getting the job done, and we have to get the job done, and also balance the customer service accordingly, so we would surge those things to the airports in question in such fashion as to do that.

Senator ENSIGN. Obviously, Southern Nevada is very tourism-dependent. That airport is critical to the economy of our State, as it is to the economies all across our country. Do you have the adequate resources to put those extra resources in places like the Los Vegas Airport?

Admiral LOY. With the budget that we have offered forward as an amendment to the fiscal 2003 request, we think we will be able to do that. I must also say, however, that all of the assessments are not finished, and I would be remiss if I ever gave this Committee or any other Committee an absolute guarantee until we have all of the cards face up on the table, if you will, but we do believe that we will, as necessary, reshape the inventory of the 1100 EDS machines that Senator McCain asked me about, and the 6000 ETD to make it right across the country.

Senator ENSIGN. Lastly, your commitment was that we were not going to have the lines that have been, at least the studies have indicated, preliminary studies have indicated at McCarran, that your goal is not that 10-minute rule you talked about with the screening of the passengers, that that is, in effect, what your goal is, and you said that you would absolutely make sure that that is met, for instance, at McCarran Airport.

Admiral LOY. Yes, sir. That remains so. That is the direction I was given by my boss.

Senator ENSIGN. Thank you, Mr. Chairman.

The CHAIRMAN. Thank you. Senator Hutchison.

Senator HUTCHISON. Thank you, Mr. Chairman.

Admiral Loy, do you support the trusted traveler program?

Admiral LOY. I do, indeed. I am disappointed that one of the elements in the language of the supplemental sort of pulled the rug out from under the funding of the transportation workers' identity card, because I had always imagined that, and I believe the organization had always imagined that to be sort of a foundation block from which we could grow a registered traveler program. I have sort of discounted the use of the trusted traveler program because the opposite of that suggests we do not trust all of the other players, so I have visited a plant down in Corbin, Kentucky, where INS is currently having its new sort of family of green cards made.

There are laser cards and chip cards and all kinds of better ways for us doing business. I absolutely endorse the notion of a trusted traveler program at the other end of the day, and I think it has to be hooked up with this second generation of the computer-assisted passenger screening system that we currently have in place. Unfortunately, I probably should go to a closed hearing to talk that over, and I am happy to do that for the chairman and anyone else who would like to do it, but the connection is very real.

Yes, ma'am.

Senator HUTCHISON. Was the supplemental the $5 billion that was not declared as an emergency? What was in the supplemental?

Admiral LOY. I was directed not to spend another nickel, basically, on the transportation worker identification card. I think that primarily came from Chairman Rogers over in the House Appropriations Committee, and his notion was very straightforward. He understood that we were lining our effort up with the new DOD military identification card issuing process, and he wanted to make sure that he had a chance to speak with me about the strengths of that program as opposed to the strengths of others, the difference between lasers and chip cards, et cetera, so that what we do is produce for this purpose the functionality that ought to be there at the other end of the day, so I have had a great conversation with Chairman Rogers and I look forward to continuing to work with him.

Senator HUTCHISON. I think it is essential that we move forward. One of the disagreements I had with your predecessor was this known traveler concept. I think it can expedite the whole operation of this security effort and segue into cargo. I think we need a very firm, known shipper program. I think today the qualifications to be a known shipper are quite lax, and I would like to ask you what are the qualifications, and what are you doing about them?

Admiral LOY. I agree, Senator Hutchison, both you and Senator Snowe have introduced legislation associated with cargo as an issue, and it is absolutely an imperative that we spend focused attention on getting a better approach to cargo. We have strengthened the known shipper program from what it used to be, but I do believe that it is still simply not enough.

I think your notions of technological monitoring and advances, your notions in your bill of supply chain audits make great sense in terms of ways in which we can bring strength to a cargo focus in addition to the passenger focus that has been, of course, by decree in ATSA, the 100-percent mandate with the date certain, that sure prioritized things for TSA in terms of what it should be putting its emphasis on at the beginning, but we must reach to gen-

eral aviation aircraft better, we must reach to cargo better, and frankly I look forward to working with you, Senator Hutchison, on the language in your bill.

Senator HUTCHISON. Are you taking steps under the trade promotion bill to screen and evaluate cargo, whether it is coming into or out of the United States?

Admiral LOY. I need to get back to you with a better answer than I would be able to give you today on that.

Senator HUTCHISON. There is a requirement on that bill which would be helpful. It does not include the interstate commerce which, of course, is clearly important as well. 22 percent of cargo is on passenger planes and, as I said earlier, I want to continue that and build on it. I want to make sure the airlines have every opportunity for revenue possible.

Admiral LOY. And Oklahoma City, as we know, was a domestic act of terrorism.

The CHAIRMAN. If the Senator would yield just a minute, our clock is not working. We are already half-way through a roll call that is going on right now. Excuse me for interrupting.

Senator HUTCHISON. Mr. Chairman, if I could just finish, then, I would just like to ask Admiral Loy to look at the trade promotion bill that was signed. I would like a report in writing, or an answer in writing on that. Let me just ask you if you support the basic concept in my bill, which involves the chain of custody being established, the system for certifying known shippers with an encrypted identifier that cannot be tampered with, and inspections as things go on board.

Admiral LOY. Absolutely. I spent the last 8 months in uniform designing maritime security plan for America, and when we focused on containers, for example, that is precisely those elements, the chain of custody associated with products or cargo inside a container, if you will, from its point of being packed and sealed.

I used the phrase, in transit transparency, such that through the course of the time it left that manufacturing plant wherever it was, and ended up wherever it was going, we know whether or not it had been violated, whether that cargo container had been opened or not. That was a goal that absolutely needed to be there, and I sense that is the same thing you are describing in your bill.

Senator HUTCHISON. Absolutely. Well, Mr. Chairman, I thank you. I think that our comprehensive bill addressing all of these issues must include cargo, or we will have one gaping hole in our system which we do not need. I think you are doing a credible job.

The CHAIRMAN. Very good. We are going to have to, I guess, suspend for a few minutes, otherwise—Senator Snowe, she did not even get an opening statement. Do you want to ask some questions, then we will suspend for the roll call? Brownback is next in order, and then Allen. Excuse me. Allen—excuse me. George, you go ahead. I am sorry.

Senator ALLEN. Thank you, Senator Snowe. Very quickly, Admiral Loy, I have been increasingly concerned. We have been patient on Reagan National Airport. A year now from the tragic events, general aviation is still shut down there. Back in May Secretary Mineta said it would be open. I even brought it up with Ms. Blakey last week, the new FAA administrator.

I would like to ask you, Admiral Loy, is there a plan, currently a plan to reopen Reagan National Airport to general aviation, and if not, what is the timetable for developing such a plan?

Admiral LOY. Senator Allen, this is where we are. There is no change since we last reported in July to you from this particular table, when both Secretary Mineta and Secretary Jackson and I testified then. There is a regulation that has been developed and is on hand, but the reality of what happened in terms of threat assessments in the months of late May and through the course of June just sort of unfortunately interrupted whatever might have been a plan of intent, and I understand what you say when you say plan, and that is what I am trying to react to and respond to.

I think it would be a very good thing, sir, if we had an opportunity to brief you privately with respect to the threat analysis on which we are basing our actions and, of course, it is not just TSA, but many other Federal agencies that are involved.

With your permission, Mr. Chairman, I would like to try to do that.

Senator ALLEN. Well, I look forward to having that private meeting. I can understand why you cannot divulge, I suppose, some of these matters, but I would like to see a plan developed that meets all the security needs, and I think the general aviation community would be willing to go through those elaborate, gold-plated, hyper security requirements for general aviation. Reagan National has put in specific requirements for commercial aviation, for understandable reasons. It was accepted in the phased-in reopening for many, many months for commercial, and that same sort of an attitude and an approach probably needs to be taken for general aviation.

Admiral LOY. Yes, sir. You have been an eloquent spokesman on this, as has Delegate Norton, and I would just like to have the opportunity to brief you in private, sir.

Senator ALLEN. Thank you. I know we are short on time, Mr. Chairman.

The CHAIRMAN. Senator Snowe.

STATEMENT OF HON. OLYMPIA J. SNOWE, U.S. SENATOR FROM MAINE

Senator SNOWE. Thank you, Mr. Chairman, for giving me this opportunity, and very quickly, Admiral Loy, I want to welcome you, and I want to commend you for the can-do spirit you are bringing to this position, which is obviously something that is so critical to this country, and I also thank you for really expressing the sentiment of moving heaven and earth to meet all the deadlines. I think that is important.

I do not think it is an option to fall short of our targets if it is at all possible. I know there will be some extenuating circumstances, but above and beyond that I think we cannot express a vacillating message, and you are certainly not in this instance, and we certainly appreciate that.

I do believe we have created a strong foundation for enhancements to the status quo from where we were a year ago, and tragically what occurred a year ago tomorrow.

Let me ask you several questions. I was in Portland, Maine, yesterday, and I visited with airport security officials, the Director of Federal Security from TSA, Bob Dyer, and the Jetport manager and I am pleased to announce they are federalizing their security workforce. They are rolling it out today, and that really is commendable, because Maine's two largest airports are two of 82 out of the 429 that have met the deadline of November 19, 2 months ahead of time for doing so, so I am very pleased with that record, and I am also impressed with the relationship that exists between the Director of Security in the airports, and I just want to say that here.

I am very impressed with the cooperative team work attitude that was displayed yesterday in their efforts to resolve all of the challenges that obviously are out there, and I just want to give that report to you.

You mentioned the Washington Post grading by experts here. Is there any truth to the statement that airport security has not been substantially changed, because as one person said, airlines have exerted a tremendous amount of pressure not to implement security. Is that true?

Admiral LOY. My instincts as I have gone around, this is a very competitive industry, there is no doubt about that, but I have visited up to 20 airports at this point, and every airline station manager, every airport director has been willing to come to the table and meet us more than halfway as it related to designing the game plan that would be appropriate for that airport, so I put very little faith in that particular report. I would much rather read Newsweek this week, which is giving us an A instead of whatever you found in the Post this morning.

Senator SNOWE. But it is not a sentiment you have seen?

Admiral LOY. No, ma'am. Carol Hallett, representing all the major airlines, the trade associations representing the charter services, the smaller airlines, I have touched base with each and every one of them. I have given them my card which has my e-mail and phone number, told them to call me directly. We have made excellent progress with the relationships that I think will allow us to go forward.

Now, that is not to mask very serious challenges and very expensive challenges we all have in front of us, and as the chairman mentioned before, the industry is on very tight margins right now as it relates to survival, really, and our goal is to bolster the robustness of our aviation industry across the board, airports, airlines and, of course, most importantly, the security of the traveling public.

Senator SNOWE. I also want to reinforce what Senator Hutchison mentioned about air cargo.

Admiral LOY. Yes, ma'am.

Senator SNOWE. Because 22 percent of all cargo is shipped on passenger planes, it is a gaping loophole. I hope we can move quickly to develop a plan.

Admiral LOY. Part of our focus in the budget amendment is an interestingly small amount, but just so we can focus on the postal cargo, which is an enormous revenue loss to the airlines at the moment, we believe we have really sorted this pretty well, we think,

and we believe the right answer may very well be canines, of all things, and so we have asked for a specific amount of money to enhance the canine program that would allow us to deal with the Postal Service straightforwardly and reintroduce a postal cargo back into the belly of those aircraft, because that is a huge good step forward for the airlines.

Senator SNOWE. Thank you very much, Admiral. Thank you, Mr. Chairman.

The CHAIRMAN. Thank you. The Committee will be at ease. Admiral, if you do not mind sticking with us, Senator Brownback and some others are coming back after the roll call.

[Recess.]

The CHAIRMAN. The Committee will come to order. Senator Brownback.

Senator BROWNBACK. Thank you very much, Mr. Chairman. Admiral Loy, thank you for staying here through all of this. I want to ask a couple of questions that people regularly ask me, so they may not make a whole lot of sense, and they may not be great illuminators, but it is just questions that people ask me often.

I have had a gentleman say to me, and this is a pretty typical example, say look, I see them examining a 72-year-old grandmotherly looking person, doing a full search on her. At the same time, I saw them let through in the same flight four young men that were traveling together, and were obviously traveling together, and they were inspecting and going through a full search for this one lady who I really doubted was going to try to do something on this plane, and yet let through these four gentlemen who were traveling together and were younger. If you were looking and trying to think through the situation you would say that is a much higher security risk than the 72-year-old grandmotherly looking lady is.

How are you dealing with this? Do you think you are adequately getting at the people who are actually the high risk individuals getting on planes?

Admiral LOY. Senator Brownback, I am very concerned about that as an element of the so-called hassle factor that just, we have to do better. The answer is in the replacement of what is currently the computer-assisted passenger screening system that selects selectees, and there is a rule-based system whereby if you violate the rule, and unfortunately many of the rules have been compromised in terms of public knowledge, you get labeled a selectee, whether you are that blue-haired grandma or the infant in the stroller, and the challenge for us is to expedite and accelerate the replacement of CAPPS–1 with CAPPS–2. It is my single most important R&D investment that we have to make.

Secretary Jackson, Secretary Mineta and I have been working very hard on this already to lay the groundwork for learning the things we need to learn to accelerate the replacement of CAPPS–1. When that newer system is there, it will have two features that I can talk about publicly, and again, this is one of those things, Mr. Chairman, that only to some point can I talk about them publicly, and I would be delighted, Senator Brownback to do something privately for you, but the two things are this.

We have to have an absolute firm feel for the identity of the individual we are talking about, whether it is the grandmother or whether it is one of the foursome that is walking toward the checkpoint. That means that we have to go from sort of a name-only identity system to one that meets what I will call law enforcement specifications.

In other words, your ticket to come back to Washington probably said Brownback, comma, initial, and that was sufficient to have you buy an airplane ticket, and as a result then of only the screening process at the checkpoint, where if in fact you violated the rules, one of those compromised rules, you became a selectee and, as Senator Breaux suggests, every piece of clothing he owns has now been investigated many times by screeners along the way. 100 percent identification is critical to the new system, but it has to be one that does not impose privacy violations on the traveling public.

The second piece then is, once you know for sure who the individual is, what are we bouncing it against? What are we comparing it to in the way of sophisticated lists of concern to the United States of America, whether they are forthcoming from the Joint Terrorism Tracking Task Force, or the FBI, or Interpol, or our own watch list or no-fly list? How robust is the process by which we are comparing the individual now that we know for sure who he or she is against that list?

When we are able to do that—and the technology is one of those things that we should take advantage of immediately, because the technology is there for us right now. We can do those kinds of list millions of times with a less than 3-second turn-around, once we have developed the engagement effort that we need to for that particular process.

So I would like to think that within the balance of this calendar year, and on into the early part of the next calendar year, we will have built that portion of our new system. You might have seen this discussed pretty thoroughly with a very, very good article on Tuesday of last week in the *Washington Post*, when they ran that trio of articles on aviation security generally. The second one was about the CAPPS–2 system, and I would seek the support of the Committee to enable us to get the resources necessary to get that done quickly, because once we do, we will then not be looking at blue-haired grandmothers and infants in the strollers.

Senator BROWNBACK. And I would hope you would. And the training you are providing to individuals and the guidelines you are giving to the private companies would urge them to also review the subjective situations they are in. I mean, if you have four young males traveling together on a plane that look suspicious, but none of them clicks off in the computer system, do they receive training and authorization to be able to check into a situation like that?

Admiral LOY. The process of where the TSA takes over that effort is at the checkpoint where they have already normally gone through the airline-driven process of being identified as a selectee, so as the selectee, quote-unquote, identified on the boarding pass shows up at the checkpoint, that TSA in the future, or even the third party screener of today, the decision has already been made for them to do what they are supposed to do next.

Now, I would say, especially because of the inordinate imbalance between the CAPPS–1 process as it impacts smaller airlines and as compared to the larger airlines, we have already seen some significant discontinuities in the data there. We should be able to—in the time between CAPPS–1 and CAPPS–2 we need to do a better job of providing guidance as you have just described, so some good human judgment is entered into the system.

Senator BROWNBACK. The second thing I get asked a lot about is dropping off and picking up passengers, and I do not know if you have control over this particular situation, or have any input, but constantly having people circle around airports I really question. Are we really gaining anything securitywise or not with that?

Admiral LOY. Sir, what I have asked for is a review of rules that have been put in place, especially those that were sort of put in place just since 9/11 almost impulsively in the aftermath of 9/11, and even those like the two questions rule, which we have eliminated as of 2 weeks ago, I am bringing each of them sort of one at a time onto my desk, really thoroughly reviewing them and saying to ourselves, is this adding to security? Is this adding to the hassle of the American traveling public, and what is the balance that we have reached here in terms of whether the rule, as specified when we put it out, can be tailored to make sense in the security environment we find ourselves in a bit later.

Now, that has nothing to do with failing to continue to recognize the legitimacy of the threat, as Senator McCain mentioned in his opening statement. That is for real, every morning at 7:15 to 8:00. I am looking at that material and being briefed, so the legitimacy of the threat is absolutely still there, but we can bring onto the table and reconsider things we have imposed in the past, and we have done that already.

Part of this was not carrying a cup of coffee through the mag, and now when we know we can do that safely with paper cups and with polystyrene cups, we have allowed that to now be part of a revised rule. The two questions have been brought on the table and considered, and found not to be a part of security, and we have eliminated that.

We are looking at the 300-foot rule for airports, and we are looking at that as to whether you have to continue to circle or not, and there are three or four others, and frankly, as you experience, sir, whatever you experience at the airport, I would be delighted if you would let me know what you consider to be a less than thoughtful rule, and maybe one not contributing to security, and let me bring that on the table, too.

Senator BROWNBACK. I appreciate that you are looking at those, and God speed. As I look at it, the thing I still get concerned about is checked luggage as much as anything right now. To me, that is still the area that—well, I want us to expedite some of the others, because I look at it and I just really question whether we are getting much, but that checked luggage area, that one still causes me great concern.

Admiral LOY. Sir, when you are putting both the passenger and the baggage in the air compartment together, that should be the one that gives us the greatest pause.

Senator BROWNBACK. And we have people willing to attack us that they do not care whether they die in the process, too, so that increases their options for destruction, and so it is not just enough to put the bag with the person any more. I mean, we have got to get through, and know what is in that bag when they check it at the airport.

Admiral LOY. Sir, it goes right back to Senator Hollings' concerns with respect to the impenetrable cockpit door.

Senator BROWNBACK. Thank you.

The CHAIRMAN. Senator Fitzgerald.

STATEMENT OF HON. PETER G. FITZGERALD, U.S. SENATOR FROM ILLINOIS

Senator FITZGERALD. Thank you, Mr. Chairman, and Admiral Loy, thank you for being here. I have to apologize, I have a cold, and I sound worse than I actually feel, but please bear with me.

I noticed in your opening remarks you talked about your intent to implement a trusted traveler program which you would like to call a registered traveler program, and I guess I wanted to talk to you about that. I think that is very important if we want to save commercial aviation in this country. Our airlines are continuing to suffer with diminished revenues and declining number of passengers, and I suspect a large part of it is the hassle factor that people perceive at our Nation's airports.

Do you have a deadline in mind? I know you have a lot of other things you have got to accomplish, the first among them being scanning all the bags by December 31 that go into the planes, and it is appropriate that you focus on that, but do you have a deadline in mind for implementing a trusted traveler program?

Admiral LOY. Senator Fitzgerald, I do not have a date certain in my mind, but I certainly have an ASAP kind of notion to making it happen. Before you came we discussed it a little bit earlier, and one of the things that I pointed out was that the language in the supplemental tells me to no longer fund the development of a transportation worker's identification card, which was the beginning, the foundation step, if you will.

Senator FITZGERALD. Did anybody tell you the reason? When they just denied you the funds, the Appropriations Committee, did they tell you why?

Admiral LOY. I have some insights to that, sir, and I am working very hard with Chairman Rogers, because he most of all has the well-being of our country at heart, and at the other end of that conversation we are going to work very strongly together.

His concern was that we were marrying up with the DOD ID card implementation process. He wanted to make sure that the difference between a chip card and a laser card was well understood, and that we could press forward together on designing what would be a card that had the functionality that we really needed for not only transportation workers, as an ID card and access control card, but also one that could grow into a registered or trusted traveler program as well.

Senator FITZGERALD. What do you envision for a registered traveler program, that the registered traveler would have some kind of special ID card?

Admiral LOY. It may, sir, even just be a number in the registry, such that at the same time you make a reservation, if you are giving them your frequent flyer number, if you are able to give the reservation agent your trusted or registered traveler number, that there would be a window inside the software of our new computer-assisted passenger screening system that would recognize the validity, if you will, of a trusted traveler and incorporate that right into the incentives necessary to screen people in the airport.

Senator FITZGERALD. How would you envision getting these trusted travelers into the secure area more quickly? Would there be a special checkpoint for them, and how would you know that that would not get more jammed up, because as you point out, many of the travelers in our airports are frequent flyers?

Admiral LOY. Two issues, one, how do you become a member of the registered traveler community, so to speak, and that would all be about adequate criminal background checks, and the legitimacy of what the inventory of things would be that would enable you to become one, and then secondly, what is it—now that you have been incentivized to become one, what is the reward, so to speak, as it relates to the security system that you deal with at the airport?

First of all, we should not put it in our minds that we eliminate screening for those folks. Rather, in the same fashion that we were trying to design a notion about containers coming into the country, where we could identify maybe the large volume of the good guys and allow, whether it is known shipper programs, or whatever becomes the combined Coast Guard-Customs effort in that regard, we want to be able to identify the good guys so that the small number of resources that we do have can be concentrated on the ones we do not know completely.

And in the same fashion, in our airports we would think that a registered traveler program should be incentivized to be expedited through the security paradigm at the airport because they travel so frequently, and that, in and of itself, becomes a reduction in the total wait time for everybody that is in line at that airport.

And, sir, I might add we must have in mind we have to expand this to passenger cruise ship terminals, to potentially railroad stations and bus terminals, or whatever else. We cannot see this as just an airport aviation industry issue. It has to be the full transportation system that we serve.

Senator FITZGERALD. So there is a lot we really—it is just a concept, and now we really do not know how this would be implemented.

Admiral LOY. There are some very, very bright folks that traveled with me, I being not among them in this particular instance, to this plant down in Corbin, Kentucky which is now making the new family of green cards for INS, a combination of a company known as SEI Technologies. Datatrack and the INS have an installation there serving that particular Federal agency with the issuance and creation of their new ID cards.

We learned an awful lot while we were down there and, as I say, need to recalibrate our jump-start now that we have been zeroed out with respect to funding on the transportation workers' identification card.

Senator FITZGERALD. With respect to the next generation of explosive detection equipment—you mentioned that in your opening remarks—what is on the horizon? Is it a matter of us pouring more money in to come up with the next generation, or can we already discern the next generation explosive detection equipment, and how much better and faster will it be than what we are currently using?

Admiral LOY. Yes, sir, we certainly—I think there are two priorities in what I would call our R&D end of TSA at the moment, in addition to issues like the blast-resistant containers for baggage in the bellies of the wide bodies, but there are a number of other ones.

I do not want to discount those as being very important. They are very important, but the two that I think are overwhelming are CAPPS–2, the second generation computer-assisted passenger screening system, and whatever is the next generation of explosive detection equipment we think we see, and we have looked very hard, Senator Fitzgerald, and we do not see anything out there before the 3 to 5-year horizon, but we absolutely must be investing today so that if, in fact, the 3 to 5-year horizon is the right answer, that we will be ready to replace either the ETD systems and their attendant dependence on people—that is an enormously expensive people tail associated with the ETD—or these huge cumbersome EDS systems that we are stuck with as the two legitimate, for all the right reasons, pieces of equipment that can be designing into our airports today.

So there is pulse fast neutron analysis out there which is promising. There is a variety of different activities that are being undertaken by our technical center up in Atlantic City to continue to explore. We have visited virtually every major European nation to check what they are doing with respect to anything that might be imminent.

Sadly, I cannot report to you today, sir, that we see something obvious as the next generation of EDS. We must make the investment to do that.

Senator FITZGERALD. Finally, if the chairman would indulge me, I see my red light is on, but forgive me if I should know the answer to this, but our commercial air passenger aircraft in this country, they also carry a lot of freight cargo, is that not correct?

Admiral LOY. Yes, sir.

Senator FITZGERALD. Is that freight cargo examined in any way, and did our bill address that issue?

Admiral LOY. The bill identified cargo as an issue, but it was pretty clear that the prioritization within the bill was this 100-percent mandate and date certain on the two things of passenger checkpoint screening and, as you said, baggage screening.

We had a good conversation with both Senator Snowe and Senator Hutchison, each of which has introduced legislation about cargo in aircraft. Their legislation has really excellent notions about it in terms of the whole idea of technological monitoring, the whole idea of supply chain management, so that you are able to trace what you put in a box, or what you put in a container, or what you put in a whatever, and sealed it, that it was untampered with by the time it got to you.

Senator FITZGERALD. Can I stop you right now? We are not doing any checking?

Admiral LOY. We are not doing what we need to do.

Senator FITZGERALD. And on December 31, and going into next year, freight cargo in airplanes will continue to be unexamined?

Admiral LOY. We have a protocol in place, sir. It is not as if we are doing nothing. We have a protocol in place that requires a security profile. We require somebody to be responsible for all of that, that is dealing with it. We have eliminated postal cargo, for example, only up to the 16-ounce idea, and we are trying very hard to find out how we reintroduce postal cargo into the aircraft, because that is a very serious revenue source for the airline.

So we are doing some things. I am just suggesting that cargo is an area that we have to spend more attention to, and we need the resources to do that.

Senator FITZGERALD. But I guess the message for the American public would be, even after all the passengers' bags are being scanned, they should not feel too good about things in the air, because there is cargo probably on the plane that they are flying on that has not been scanned.

Admiral LOY. If it is an aircraft that is greater than 95,000 pounds at certified takeoff weight, it absolutely has been screened.

Senator FITZGERALD. Now, what kind of planes are going to be greater than 95,000 pounds? Would a 737?

Admiral LOY. Yes, sir.

Senator FITZGERALD. How about a 727?

Admiral LOY. It is the window below that that does not require the screening of passengers and baggage.

Senator FITZGERALD. It seems to me that is troubling. We have a gap here that we somehow need to address, and it is a thorny issue, because that freight cargo is an important source of revenue for the airlines.

Admiral LOY. It is a challenge, sir, and you are absolutely right.

Senator FITZGERALD. Well, let me compliment you. You have been on the job 7 weeks, and you can bring, I can tell, a lot of determination and you are enthused about your job, and I can sense that from your testimony, and I think you are a very good person to be in charge of this. I do not envy you, though, because it is a real monumental challenge that faces your administration, but thank you for the good work you have done thus far, and good luck on implementing the remaining obligations you have under the act you passed last year, and Mr. Chairman, I want to thank you for holding this hearing.

The CHAIRMAN. Thank you very, very much, Senator.

Admiral Loy, with respect to the registered traveler program, just as these things come to mind, it was Intellicheck, it was a card that had on the magnetic tape part the fingerprint or some other identification. They have already been contracting with the Government in some agency.

I am, like every other Senator, everybody keeps coming in trying to sell you some equipment and everything else, and so I hope you have just got a little task force that is looking at all of this, because you cannot spend time meeting all of those folks, but look at that one, too. It looks, since they are already doing work with the Government—it impressed me. We can look at that one.

Admiral LOY. Yes, sir.

The CHAIRMAN. With respect to the roll call now, on what you need, you need the supplemental, 546 to get up to that figure. Now, that $45,000 limitation on screeners and personnel, that was just in the appropriations bill, so I think that will expire at the end of this month. It is not for 2003, is it?

In other words, you have got 30,000 passenger screeners and 22,000 baggage screeners for $52,000, and it is really going to be more than that, is it not?

Admiral LOY. It is likely to be more than that when you consider that the FAN program and others are part of that total inventory in the organization.

Thanks for the opportunity to just mention a word or two on that, Mr. Chairman. I think we will be just fine through Novemberish, or into sort of maybe even early December with that $45,000 limit, but it will not be replaced until there is an appropriation that replaces it, if, in fact, that occurs, and that is enormously important for us to deal with.

I think there was justifiable concern on the part of Members of the Congress that they had an inadequate feedback from us in terms of what was really needed in the way of that body count, if you will, and that is why I wanted to bring those slides and let you understand that we have really scrubbed those sort of checkpoint models, eliminated positions that we did not think were appropriate, and we will have a good report for you, sir, on that, so you can feel comfortable that what we are asking for is what is actually needed.

When the 33,000 figure was established when the Congress first thought about screening, it was about passenger checkpoints, and then when the subsequent additions of baggage screening were added, the number sort of never was adjusted from 33. We planted this 33,000 number in our minds, and then when we added the notion of gate screening, which I frankly want to eliminate, and the notion of baggage screening, that is when the numbers began to climb, and there was an inadequate exchange of information, I believe, back and forth.

So as you review the appropriation request for 2003, I would like to work with the Committee and with the appropriators, of course, to get the right number. It is going to be more than 35,000.

The CHAIRMAN. On that score, and also with the registered traveler program with Chairman Rogers over on the House side, I have worked with him over the years. He is good to work with, and if you have got any difficulty there, let me know, because I would be glad to work with him on it, on his concerns. He is outstanding.

Admiral LOY. He truly is, sir.

The CHAIRMAN. With respect to, now, your other CAPPS, and we have been giving each other kudos all morning, we flunked the course on port security. We flunked the course on rail security. We passed a rail security bill, and we have had an Amtrak bill with a rail security provision. The rail security section was before Christmas. We have not even called it up for debate. Get on the administration, because they have got holds on the Republican side. I have got to get Senator Fitzgerald to get on them or something.

I need to get something moving, no kidding. We have not done anything. Amtrak, we just give it conversation, but we have not stabilized it. Otherwise, on the ports, you and I have been down, we have had hearings with the Coast Guard, all the port officials. Your Coast Guard has been having various meetings trying to devise a plan, but they do not settle on a final plan on port security until they hear from Washington.

They do not want to get it all together and get halfway done and then Washington comes out and says, oh, no, you have got to do it this way, and that is being held up over on the House side for money. I have gone back and forth, and what they do not want to do is pay for it. I will go over the user fee, I will go over the tax, we will go any which way the administration wants to go, but you have got to pay for it, and that is still in conference, and that port security bill was passed 100 to nothing.

All the Republicans, all the Senators voted for that before Christmas, and this is September, and we are all saying, look at what we have done for the airlines, and everything else like that, but that is how Bin Laden blew up both Dar-es-Salaam and Nairobi. It was his ship that went into the port in Kenya, and he could come into Philadelphia and blow up that tank farm and the Eastern Seaboard would be closed down for a year.

You and I know that, because you have been in maritime, and we do not say anything about it, and that is why we do not have the baggage blow up. I mean, why blow up baggage in one plane when they can go for something big. This crowd is serious. They are suicidal, and they are not going to go for a little bag blowing up. I am not worried about that. I am worried about just that, a ship being overtaken, any kind of regular oil tanker coming in, and going in and blowing up a tank farm in Houston or Philadelphia, or some other big place like that. That is their mind set, and we have got to be able to get ready for it, and we have not done it, and you can get on them because you know it better than anybody, that particular part.

I know Senator Smith and others had to leave, and they had several other conflicting hearings here this morning. Senator Fitzgerald, we are going to keep the record open for those questions by the Senators, and the Committee—excuse me, Senator Fitzgerald.

Senator FITZGERALD. I just have one final question. I know that the Transportation Security Administration has announced its intention to do away with those 16-year-old questions they ask you at the airport, have all the bags been under your control and so forth. Do you have a time frame for that? They are still asking those questions the last time I was at the airport.

Admiral LOY. It is done, sir. I will follow up with the respective airlines. We did that 2 weeks ago.

Senator FITZGERALD. Okay, but probably the employees have been doing it for the last 16 years, and they just may be still doing it by rote, but they do not have to any more?

Admiral LOY. That is correct. We eliminated that requirement, and there is a real practical tone to that as well. If you are standing in a line of 30 people, or 40 people, and each time that question is asked of the individual in front of you the law of aggregate numbers tends to add up, and say the guy at the tail end of the line

has wasted another X number of minutes, whether it takes 15 seconds to ask those questions or whatever,

So yes, sir, that is behind us, and as I indicated earlier also we are bringing all of those rules, quote-unquote, onto the table and examining them closely, and validating those that contribute to security, but looking at that sort of through the prism of customer service at the same time.

Senator FITZGERALD. Well, I congratulate you for doing away with those questions. Obviously, a terrorist is not going to answer those questions wrong, and just out of curiosity, how many people answered those questions wrong?

Admiral LOY. Anecdotally, every once in a while there would be some virtuous person who would come there and insist that yes, I set it down when I went to lunch, or whatever, and they were even being talked into giving the right answer. It was a bad scene, and long now gone, we hope.

Senator FITZGERALD. Well, thank you very much, Admiral.

The CHAIRMAN. And finally, along that same line, Admiral Loy, yesterday—and I see it every time I board to come back on Monday. You go through the check down there in Charleston, and then you can see the spot checks on either side. There is a team of four here, and a team four on the other side at the Delta counter. I am over at the USAir, and they are just sitting around shooting the bull and waiting for another boarding, and then they open a couple of bags, and that is a waste. Get another machine and facilitate or accelerate the actual check.

If you had another machine, that eight personnel, you could cut half of them out and just use the four with another machine and save the money.

Admiral LOY. Yes, sir, technology is part of the answer, and as I again tried to show the reductions that we have scrubbed out of the checkpoint standard models——

The CHAIRMAN. Well, scrub Charleston for me.

Admiral LOY. I will do that.

The CHAIRMAN. Thank you very much, and the Committee is really indebted to you, and let us know up ahead anything.

The Committee will be in recess, subject to the call of the chair.

[Whereupon, at 11:55 a.m., the Committee adjourned.]

APPENDIX

UNITED STATES DEPARTMENT OF TRANSPORTATION
Washington, DC, September 5, 2002

Hon. ERNEST F. HOLLINGS,
Chairman,
Commerce, Science, and Transportation Committee
Washington, DC.

Dear Mr. Chairman,

This responds to your letter to me of August 1, 2002. I wanted to answer your question on my views about whether and how to arm flight deck crews operating commercial aircraft. The balance of the questions in your letter will be addressed by separate correspondence, which I will send you later this week.

After I began work as the Acting Under Secretary at the Transportation Security Administration (TSA), aud following the vote in July by the House of Representatives supporting a program to arm pilots with lethal weapons, Secretary Mineta asked me to review the range of issues associated with a voluntary deployment of guns in the cockpit. His concern and mine is, above all, to ensure the safety of airline passengers and crew. I have finished my review and wanted to share my conclusions and concerns with you while the discussion continues in the Congress.

Our review included significant outreach in which we sought counsel from airlines, pilots, airports, the FAA and numerous federal law enforcement agencies, including the FBI, Secret Service and ATF. The study team evaluated a range of deployment and training options and numerous associated policy and budget issues. The review was intended to reach general conclusions and also to outline the elements of the general protocols to be followed if a decision was made to arm pilots. A core assumption of pending legislation, and also of our review, was that any program would be carried out by volunteer pilots who would receive taming consistent with the designation as armed Federal Flight Deck Officers.

We concluded that if legislation is passed authorizing a program to arm pilots with lethal weapons, it would be preferable if pilots were individually issued lockboxes that would be used to transport their weapons to and from the aircraft. They would be trained on weapon use and their responsibilities under the program, and subject to periodic evaluation. The pilots would be responsible for maintenance and proper care of the weapon. We determined that the alternative program design—having general use weapons stored aboard an aircraft and maintained by a cadre of airline employees—poses greater security risks, operational complexity and cost.

Many of the federal law enforcement experts we consulted continue to have significant concerns about arming pilots with either lethal or non-lethal weapons. The airline industry shares these concerns. The Board of Directors of the Air Transport Association has sent Secretary Mineta a letter signed by twenty-one airline chief executive officers urging a cautious approach to arming pilots and outlining their concerns. We agree that there are literally dozens of issues that would need to be resolved as part of a program involving lethal weapons. Let me mention a few such issues or questions:

Training curricula and program design. We estimate that some 85,000 pilots may be eligible for the program authorized by the House. In order to avoid significant safety and security risk, a detailed, effective training program must be designed from scratch and tested. This must include firearms training and safety instruction. It would include classroom training on numerous issues, such as airport security procedures that would be established for airline employees to carry weapons through airports, and the legal liability and responsibilities of employees and airlines when a weapon is carried on duty and off duty. It must include specific training about the circumstances under which the weapon may be used onboard the aircraft and outside the aircraft at airports and within the community at large. It must establish protocols and communications tools to coordinate a pilot's respon-

sibilities with those of Federal Air Marshals and other law enforcement officers authorized to travel armed. It is possible that special training facilities would be needed for high-volume training, so that the program could incorporate at least some practice in a simulated aircraft environment, such as is provided to our Federal Air Marshals.

Cockpit modifications. In order to allow ready access to the weapon in the cockpit while securing it appropriately, it would be necessary to install special sleeves for the weapons in each cockpit. Obviously each different aircraft will raise different design and installation considerations. It would be necessary for TSA, the airlines and aircraft manufacturers to assess these issues in more detail.

Coordination with other nations and international airlines. There are numerous thorny issues that must be resolved with foreign nations and foreign airlines. For example, pilots flying international routes for a U.S. carrier must comply with gun control laws abroad. In order to avoid conflict, TSA, with the support of other federal agencies, would need to undertake extensive coordination with countries around the globe to clarify rights and responsibilities of airline employees traveling armed. Would we authorize the employees of foreign air carriers to participate in this program? Would we provide reciprocal access to the U.S. if other nations design similar programs to arm pilots? What type of background investigation would be possible and necessary? Who would pay?

Complying with state and local gun control laws. We have only begun to assess the issues associated with complying with state and local gun control laws. Our review suggests that some meaningful legal work and coordination would be an early task for the program.

Legal liability. There are numerous and complex issues of legal liability that need careful, thorough review. These relate to the pilots, flight crews, other airline employees, the airlines, airports, vendors supporting the program and individuals who provide training to the pilots participating in the program.

A large support organization. A worldwide program of this size would require sizable staff and support. Existing TSA headquarters functions would be considerably stretched in order to manage the program, track the inventory of federal weapons and investigate accidental weapon discharges, program operation and public complaints.

Cost. Our preliminary estimate is that a program involving all commercial pilots could cost up to $900 million for the start-up and some $250 million annually thereafter. Of course these estimates must be refined to reflect details of an actual program, including the possibility that fewer than all commercial pilots will participate. These estimates do not include any projections for necessary cockpit modifications to accommodate ready access to the firearms. The total program costs may vary widely according to program design decisions, but any program open to all pilots would be very expensive. TSA's current budget does not allow for further work in this area, which raises the question of who will bear the cost of this potentially expensive program.

I am convinced that if there is to be responsible legislation establishing a program to allow guns in the cockpit, it must address the numerous safety, security, cost and operational issues raised by TSA's review, and should enable us to implement the program in a methodical, careful, and pragmatic manner.

I remain committed to working with the Senate and the House of Representatives on this important issue. I have provided an identical copy of this letter to Senator McCain. Thank you for your interest and leadership in this matter and I took forward to our hearing next Tuesday.

Very Respectfully,

JAMES M. LOY,
Acting Under Secretary.

RESPONSE TO WRITTEN QUESTIONS SUBMITTED BY HON. ERNEST F. HOLLINGS TO ADMIRAL JAMES M. LOY

Question. 1. The Budget—What level of funding do you need for Fiscal Year 2003 to implement the requirements of ATSA by program and activity? Explain specifically how the FY 2002 funds will be expended and specific areas of shortfalls, if any.

Answer. Attachment A to this document is a table showing TSA's program budget for fiscal years 2002 and 2003 and a letter from President Bush presenting FY 2003 budget amendments to Congress.*

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*The information referred to has been retained in the Committee files.

The first numerical column in the table "FY 2002 Proposed Program" depicts TSA's requested fiscal year 2002 budget. The second column displays the specific program reductions achieved to remain within constrained resources levels ("Program Increases or Decreases") necessitated by current year appropriation levels. The third column "Earmarks Above Request" shows additions to the President's FY 2002 supplemental request.

The column entitled "Allocation of Total Appropriated" displays how we have budgeted our FY 2002 funding by line items. These figures include the full costs of the various activities. For example, activity I.A., Passenger Screening, includes all the costs associated with that activity, including such items as third party screening contracts, personnel compensation and benefits of Federal screeners, recruitment, training, uniforms, and checkpoint screening equipment. The FY 2002 figure does not reflect $480 million in contingency funding that was included in the recently enacted supplemental appropriation.

The last column on the table shows TSA's funding requirements for FY 2003. This is the sum of the "Budget Amendment" and "President's Request" columns. The "Budget Amendment" column displays costs that are advanced into fiscal year 2003 or new programs, such as "Security Grants to Trucking Industry". The Administration has also changed its 2003 budget request by substituting $100 million for aircraft cockpit door hardening in place of port security grants, as $125 million was provided in the supplemental appropriation for that purpose.

Question 2. Screener hiring—How will you meet the deadline? What is the status of hiring and training and what type of problems are you encountering? How many Federal Security Directors (FSDs) have you hired to date? What is the hiring process and schedule for the remaining airports? For airports that will not have an FSD on site, who will be in charge of security at those airports?

Answer. Screener Hiring—All airports are scheduled to have Federal screeners in place not later than November 18, 2002. As of the week of September 1, we have deployed Federal screeners to 82 airports.

Currently, 26,845 individuals have accepted screening positions. The TSA has trained 12,966 passenger screeners and approximately 155 baggage screeners, and the others are being trained or are scheduled to begin training shortly. Our plans call for the training and deployment of approximately 21,000 baggage screeners by mid-December, with the highest volume of training to begin in October.

We intend to hire a total of approximately 52,000 screeners—30,000 passenger screeners and 22,000 baggage screeners. In certain markets, TSA initially encountered difficulties finding suitable candidates. We have developed and executed outreach programs to address these issues and have now achieved satisfactory applicant pools.

FSD Hiring—149 out of a total of 158 Federal Security Directors (FSDs) were on board by August 30th. We have selected four additional FSDs. FSDs at five airports have not yet been identified. We are reviewing certification lists of candidates for these positions in order to make a selection and will fill all remaining FSD positions quickly.

The 158 FSDs will be located at a Hub Airport, usually a larger Category X, I, or II airport, serving as a major transfer point for several airlines. An additional 106 airports will be staffed with Deputy FSDs who will report to an FSD at a Hub Airport. Finally, 183 smaller airports, typically Category III or IV, will be staffed with a supervisor level manager who will report to an FSD at a Hub Airport in the region. TSA is working aggressively to complete the hiring of Deputy FSDs and Supervisors.

Attachment B contains charts detailing screener and FSD hiring and deployment information.*

Question 3. Explosives Detection Systems—It was envisioned that EDSs would be deployed inline in the basement of airports. The plan, as developed by TSA, will deploy EDS and a smaller unit Explosives Trace Detection (ETD). A number of European airports use them together, as will some U.S. airports. The Committee is aware that a handful of airports may need additional time to install and deploy this equipment. Section 110 of P.L. 107–71 provides the Administration with sufficient flexibility to respond to these particular concerns at these airports. Would you provide the Committee with a list of the equipment by type that has been installed at each airport to date and the installation schedule for the remainder of the airports? Can you tell me which airports will need more time, and give me a schedule for those that may be delayed?

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*The information referred to has been retained in the Committee files.

Answer. While the Aviation and Transportation Security Act (ATSA) provides flexibility in the types of equipment we could deploy for meeting the mandate to screen all checked baggage, we are still under a strict requirement to achieve this goal by December 31, 2002. TSA has certified both CT-scan EDS machines and ETD machines to meet this requirement. We continue to work closely with air carriers and the airport community to deploy explosives detection equipment in ways that will meet our security objectives and statutory requirements while minimizing, as much as possible, operational impact and cost.

With adequate funding, as requested by the President, and assuming that the existing TSA employment cap imposed by Congress as part of the July Emergency Supplemental is lifted, we currently estimate that in more than 90 percent of the commercial airports we will be able to install the permanent solution necessary to complete 100 percent baggage screening by December 31, 2002. A small number of airports, mostly large airports, present unique challenges that will result in extensive installations that may still be ongoing into a part of 2003. In each case, TSA will work closely with airport stakeholders to deploy temporary measures by the end of the year that will allow us to fully meet the objectives of the legislation for an effective program of explosives detection for all checked bags at all airports. This plan obviously involves security sensitive information, the disclosure of which would be quite harmful. I would therefore be happy to provide more information about this part of our plan in a classified briefing.

Attachment C contains sensitive security information (SSI) detailing the equipment thus far installed at airports. When we have completed our assessments at all airports, we will provide further specific details as to the type and quantity of equipment that will be deployed to provide 100% checked baggage screening by EDS/ETD at all domestic airports providing commercial service for the traveling public.*

Question 4. Cockpit Doors—Right now TSA can order procedures to lock the cockpit doors during flight. A number of carriers are looking at ways to put in double doors or removable barriers to allow ingress and egress to the cabin as needed. Please explain current fortification requirements and schedules for cockpit door reinforcement. Please explain why you do not order that doors be closed at all times during flight.

Answer. ATSA, section 104, gives the Federal Aviation Administration (FAA) the mandate to improve flight deck integrity measures, including the strengthening of flight deck doors. As a result, the FAA has required major air carriers, including foreign air carriers operating within the United States, to reinforce their cockpit doors on all aircraft on an interim basis with lock bars and other locking devices, and they have complied.

Additionally, the FAA has required that air carriers have new hardened flight deck doors in place on all U.S. passenger airplanes and foreign airplanes that fly into and out of the United States by April 9, 2003. On August 28, FAA officials met with air carriers and door manufacturers to assess progress toward implementation of this rule. Currently, cockpit door designs have been certified for approximately 55 percent of the domestic fleet and 40 percent of the international fleet flying to the United States. Installation of these approved designs has begun. FAA is working closely with the manufacturers to certify designs for the remaining aircraft.

Along with the Federal Air Marshal presence and impending changes to current bulkhead, surveillance, and transponder requirements, the threat to normal flight operations of opening and closing of the flight crew compartment doors will be greatly minimized, if not totally mitigated.

With respect to closing and locking of the flight crew compartment door, the FAA's rule requires that the flight crew compartment door will normally be closed and locked at all times during operation of the aircraft, with certain limited exceptions. Exceptions include opening of doors to allow pilots to use the lavatory and to provide food to the pilots. Current aircraft configurations do not allow for the placement of lavatories or kitchens within the cockpit. Additionally, in emergency situations, rescue personnel may need to enter the flight deck if windows are not useable.

Question 5. Arming pilots—The statute included provisions that allow the Administration to pursue arming pilots with firearms or less-than lethal weaponry and you stated at the hearing that the administration would review the matter. Please advise me of your recommendations on whether or how to arm pilots.

Answer. Please refer to my letter, dated September 5, 2002, that responds to this question in detail.

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*The information referred to has been retained in the Committee files.

Question 6. Flight attendant training—How many flight attendants have been trained to respond to a security crisis or on techniques that will improve security? What is the type and extent of the training? What is the schedule to complete the training?

Answer. Regulated air carriers are responsible for providing security training to their flight deck and cabin crews. On January 18, 2002, FAA, in consultation with TSA, issued comprehensive requirements for an industry-wide training program for flight attendants. This plan included guidelines on how to deal with suspicious items discovered in flight and recommended training methods to address varying levels of passenger aggressiveness. Each air carrier was obliged to develop its own training program to ensure that the elements of the FAA guidelines are presented in an effective manner.

The air carrier's training programs were due to FAA by March 18, 2002, with FAA having 30 days to either approve the programs or return them to the carriers for modification. As of April 18, seventy-five of the seventy-seven training programs were approved. The remaining two programs were approved in June and July. The air carriers have 180 days from the date of receiving FAA approval to complete crewmember training. Training for the first 75 air carriers will be completed by October 2002. The final two will be completed by January 2003.

FAA and TSA would be happy to provide your staff with a briefing about details of the plans, if desired.

Question 7. Technology—What new technologies, such as biometrics, smart cards for employees, and/or universal access cards is the administration testing or has procured to process airline passengers more effectively?

Answer. The Conference Report on fiscal year 2002 Supplemental Appropriations required TSA to suspend work on the Transportation Worker Identification Credential (TWIC) program. We have asked Congress to restore our discretion to proceed with this important program.

TSA continues to evaluate the use of a "Registered Traveler" program, which likely would involve the use of smart card technology. A registered traveler card would need to provide a reliable method of positively identifying an individual through biometric or other technologies and would have to prove difficult or impossible to tamper with or forge. Deployment of the "Registered Traveler" program would be part of the TWIC program. Work already completed on this program proposed a "smart" common credential for all transportation workers requiring unescorted physical and logical access to secure areas of the nationwide transportation system.

Question 8. Reimbursement of Law Enforcement Officers—TSA has committed to reimburse airports for Law Enforcement Officers that have been stationed at airports since 9–11. The airports have submitted the necessary information, but have not yet been paid. How much has been requested by the individual airports? When will that money be transferred to the airports?

Answer. As of August 15, 2002, TSA has received 78 invoices, totaling $5,058,522.22, for Law Enforcement Officer services provided by local authorities. Of this amount, 45 invoices totaling $2,659,499.02 have been approved for payment. We anticipate that all approved invoices will be paid by the end of this month.

An additional 23 invoices totaling $2,095,711.32 have been disapproved for various technical defects including the absence of a Taxpayer Identification Number, the lack of signature on the requisite certification, etc. Local authorities have been asked to remedy the defects; disapproval does not indicate rejection of the claim on its merits. These invoices will be processed promptly when resubmitted.

Finally, 10 invoices totaling $303,311.88 are in the review process.

Question 9. Charter Security—There are numerous questions surrounding the issue of charter security. What procedures apply to those above 95,000 pounds, what procedures are appropriate for small aircrafts and is the weight standard based on the original certified weight, for example, or the actual weight of each aircraft?

Answer. TSA issued a rule on June 19, with a request for comments, that requires private charter passenger operators in aircraft with a maximum certificated takeoff weight (MTOW) of 95,000 pounds or more to adopt a TSA-approved screening security program. The security program will establish procedures to ensure that passengers and their accessible property are screened prior to boarding. Although the rule became effective on August 19, TSA notified the public that it would amend the rule as needed, based on all comments received.

TSA received approximately 100 comments from affected entities and is in the process of analyzing them now. Many commenters, including aircraft manufacturers such as Bombardier and Boeing, suggest changes to the standard. Bombardier, in particular, has urged TSA to alter the 95,000 MTOW threshold. TSA is carefully considering this and other alternatives, but longstanding principles of administra-

tive law prohibit TSA from releasing any final decision on the resolution of these comments prior to notifying the public of that decision. TSA plans to make its decision and notify the public of it in the very near future.

Security programs constitute sensitive security information and cannot be published in the Federal Register. Therefore, TSA has distributed its proposed security program directly to affected entities, and by Notice published on August 28, invited comments on the program by September 30. After reviewing individual comments, TSA will issue its final security program to each entity, no later than October 30, and all entities must be in compliance with it by December 1, 2002.

Question 10. Funding—ATSA authorizes TSA to recoup from air carriers the funds they spent on security in 2000. During the debate, the carriers asserted, as I recall, that they spent more than $700 million. How much have you collected and how much do the carriers claim they spent in 2000 under your procedures? The Emergency Supplemental provided TSA $3.85 billion, including $783 million for airports. How will those funds be expended—for what types of items and at what airports?

Answer. In order to assist TSA in determining the carriers' individual and aggregate Aviation Security Infrastructure Fees, TSA issued a regulation requiring the carriers to submit all of their direct and indirect costs related to screening passengers and property in 2000, as laid out by 35 cost categories with explanatory footnotes. TSA has received 115 submissions from the approximately 165 carriers required to pay the fee (the exact number of carriers is still being determined due to complicated carrier ownership structures and code-sharing relationships among the carriers required to pay the fee). These submissions represent over 90 percent of the industry. The submitting carriers have reported total screening-related costs of less than $310 million.

Under the TSA regulation, carriers are required to make monthly payments of a set percentage of the total amount listed in their cost information submissions, unless and until TSA makes a different determination of their costs. Thus far, the carriers have paid to TSA about $112 million and, under their currently reported cost amounts, will owe TSA about $25 million per month.

TSA is addressing the discrepancy in the cost amounts expected by Congress and TSA and the amount reported by the carriers. Together with the DOT Inspector General, we have begun to audit the carriers' cost information submissions. TSA has also proposed an amendment to section 118 of the Aviation and Transportation Security Act that would replace the fee based on each carrier's 2000 screening-related costs, as currently required, with a flat fee that would be apportioned among the carriers by TSA.

Supplemental Funds: Please see the answer to question 1 (page one of this document), which addresses budget issues. (Note: The question states that TSA received $783 million for airports in the Emergency Supplemental. For clarification of the record, the ISA received $738 million for airports in the Emergency Supplemental.)

EXECUTIVE OFFICE OF THE PRESIDENT
Washington, DC, August 30, 2002

President GEORGE W. BUSH,

The White House

Submitted for your consideration are requests for FY 2003 budget amendments for the Departments of Health and Human Services (HHS) and Transportation and for International Assistance Programs. These proposals fulfill your commitment to request FY 2003 funding for certain contingent appropriations that were not made available from P.L. 107–206, the 2002 Supplemental Appropriations for Further Recovery From and Response to Terrorist Attacks on the United States; and for critically needed resources for transportation security that were not provided by the Congress in that Act.

Department of Health and Human Services

An amendment for the Centers for Disease Control and Prevention would provide $100 million of a total of $200 million now requested to support your International Mother and Child HIV Prevention Initiative. This initiative, to be implemented and managed as one program by both HHS and the Agency for International Development (AID), is designed to reduce the transmission of the HIV/AIDS virus from HIV infected mothers to their offspring at birth in low- and middle-income developing counties, and to maintain the health of the mother and child through the period of

infancy, An accompanying amendment for AID, as noted below, would provide the additional $100 million of the $200 million total request.

Department of Transportation

The proposed amendment would provide $546 million for the Transportation Security Administration (TSA). P.L. 107–206 provided $10 billion less than the supplemental request for TSA, and identified several funding items that were not part of the original request. The additional funding in this amendment would provide TSA with the resources necessary to meet the requirements of the transportation security law in the most effective, responsible, and efficient manner possible.

International Assistance Programs

The proposed amendments would provide:

- $200 million for the Economic Support Fund to support Israel in its efforts in the war on terrorism.
- $100 million for AID's portion of the International Mother and Child HIV Prevention Initiative. As discussed earlier, an additional $100 million is requested to be provided to HHS for this initiative.
- $50 million for humanitarian, refugee, and reconstruction assistance to the West Bank and Gaza. None of the assistance for the West Bank and Gaza would be provided to the Palestinian Authority.

Transmission of these requests to the Congress reflects your commitment to provide the necessary resources to enhance security on our Nation's airplanes and in the airways, to assist Israel and the people of the West Bank and Gaza, and to fight the growing pandemic of HIV/AIDS among developing countries.

I have carefully reviewed these proposals and am satisfied that they are necessary at this time. Therefore, I join the heads of the affected Departments and agencies in recommending that you transmit the amendments to the Congress.

Transportation Security Administration

FY2003 Budget Appendix Page:	721
FY2003 Pending Request:	$4,800,000,000
Proposed Amendment:	$546,000,000
Revised Request:	$5,346,000,000

(In the appropriations language under the above heading, delete "$4,800,000,000" and substitute *$5,346,000,000.*)

This request would provide funds to ensure sufficient and timely improvements to aviation and transportation security to meet the requirements of the Aviation and Transportation Security Act (PL 104–71). Funding reductions and earmarks in supplemental legislation enacted during FY 2002 reduced the Administration's ability to respond to transportation security requirements with sufficient flexibility. Cost estimates for some planned Transportation Security Administration (TSA) activities for FY 2002 have fallen as the program has matured, while others have increased. The net effect is that transportation security funding needs, particularly for aviation, are still larger than the resources provided in FY 2002. Specifically, the amendment would provide:

- $200 million in additional funding to support passenger screening requirements. These funds will ensure all passenger screening lanes are appropriately configured, and adequate staff is hired, effectively trained, and deployed.
- $196 million in additional funding for deferred costs, including costs attributable to Federal pay and hiring expenses, third party screening contracts, and leased equipment maintenance.
- $50 million in additional funding for deferred costs associated with the purchase of explosive detection systems (EDS). This funding is urgently needed to ensure that TSA can keep pace with its aggressive EDS deployment plans and have the ability to flexibly respond to individual airport needs.
- $50 million in additional funding for deferred research on a next generation EDS system. TSA must have the resources to work aggressively on the development of a more effective, smaller, and cost effective EDS system.
- $50 million for other newly identified transportation security initiatives including $20 million for cockpit security initiatives; $20 million for grants to test industry-wide trucking security proposals; and, $10 million for additional canine units to facilitate air cargo inspection and the reduction of air carrier restrictions on the transport of U.S. Postal Service mail, and to enhance existing canine coverage of airport terminals and baggage areas.

This proposed request would provide TSA with the resources necessary to meet the requirements of aviation security law in the most effective, responsible, and efficient manner possible.

This amendment would increase FY2003 outlays by $464 million.

Sincerely,

NANCY P. DORN

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