

Statement of John L. Mica
Mishandled Baggage: Problems and Solutions
May 3, 2006

This morning's hearing will focus on the growing problem of airline passenger baggage that is delayed, damaged, lost or stolen.

As we enter the peak travel season, which will bring not only increased flight delays, but increased baggage problems, the traveling public and our airlines may experience a baggage meltdown this summer.

Mishandled baggage increased by 23 percent in the U.S. from 2004 to 2005, to a rate of about 6 mishandled bag reports per 1,000 passengers. The vast majority of these complaints are related to baggage that is delayed.

At some time all of us have probably experienced first-hand the frustration of having our bags delayed. In addition to customer inconvenience, mishandled baggage is also a huge financial drain on the airlines. Mishandled baggage has been estimated to cost the airline industry approximately \$2.5 billion per year, worldwide. Airline passenger bags are mishandled because of weather, theft, human error, and TSA screening.

Nearly two-thirds of all baggage delays are caused by transfer baggage mishandling. Bags often take longer to reach a flight than passengers.

Normally, airline schedules take this into account. However, flight delays -- caused by severe weather, air carrier maintenance, crew problems, air traffic control, or security delays -- can reduce the actual time available to make a connection, resulting in delayed baggage.

Unfortunately, a growing cause of baggage delay under federal command is security screening.

Last summer, passengers were left in long security lines, and back-ups in the baggage screening process left luggage behind. For example, the July 4, 2005, Washington Post reported flights routinely delayed last summer at Dulles Airport as planes sat at the gate waiting for passenger baggage to work its way through the screening process. At Ft. Lauderdale Airport, baggage and security delays caused chaos.

As planes fill to capacity this summer, more baggage turmoil is almost inevitable.

Screening delays such as these can, and should, be eliminated through the use of better technology.

To date, only 14 of our 429 commercial airports have installed in-line automated hi-tech baggage screening systems.

Since the Transportation Security Administration was created in 2002, we have spent over \$25 billion on labor-intensive aviation security. Despite this massive spending, few federal dollars have gone to deploy automated in-line Explosives Detection Systems.

Converting to hi-tech in-line Explosives Detection Systems is important for several reasons. Most importantly, it improves the screening detection. More pertinent to today's hearing, it would also increase the screening throughput rate, allowing TSA to screen bags more quickly and efficiently. In-line automated EDS also pinpoints whether TSA or the air carrier is responsible for mishandling.

While installation of in-line Explosives Detection Systems requires a large up-front capital investment, it significantly reduces TSA operating costs and pays for itself in just a few years. Not only is automated bag screening less costly, it performs detection better, doesn't file workers comp claims, call in sick, or turnover its workforce. Last week, TSA announced an astounding TSA staff turnover of 24 percent.

According to a March 2005 GAO report, TSA analysis showed that installing in-line EDS at the nine airports that are covered by Letters of Intent would result in a savings to the Federal Government of \$1.26 billion over 7 years, with the initial investment in these systems recovered in just 1.07 years.

We currently employ 16,708 full time equivalent TSA staff to process checked bags, or 33 percent of TSA's workforce.

According to TSA's analysis, in-line EDS could reduce by 78 percent the number of TSA baggage screeners and supervisors required to screen checked baggage at the airports reviewed.

Despite the operational cost savings TSA could derive from in-line baggage systems, progress in installing such systems has been slow. To date, of the top 25 airports in terms of passenger enplanements, only 3 have fully converted to in-line EDS. At the current installation pace, it will be 18 years before in-line and automated checked baggage systems reach all our major airports.

The airlines also have a significant role to play in mishandled baggage. In 1999, 14 major airlines agreed to implement a 12-point "Customer Service Commitment," including a commitment to on-time baggage delivery. Last year, I asked the Department of Transportation's Office of Inspector General to assess how effective the Airline Customer Service

Commitment has been in improving customer service. This work is currently in progress. I look forward to receiving the Inspector General's report in the near future.

I also look forward to the testimony of today's witnesses. I am hopeful that today's hearing will allow us to gain a better understanding of the causes of mishandled baggage and, therefore, possible solutions to this problem.

I now recognize the Ranking Member of the Subcommittee, Mr. Costello.