# United States House of Representatives Committee on Transportation and Infrastructure OVERSIGHT AND INVESTIGATIONS STAFF REPORT



# TSA Ignores More Cost-Effective Screening Model

Prepared for Chairman John L. Mica U.S. House of Representatives Committee on Transportation and Infrastructure 112<sup>th</sup> Congress

June 3, 2011

#### **Key Findings**

- 1. Taxpayers would save \$1 billion over five years if the Nation's top 35 airports operated as efficiently as SFO does under the SPP model. 35 airports account for 75 percent of commercial passengers in the United States. 34 of these airports operate under the federal model, while SFO operates under the SPP model. If federal screeners at each of these airports were able to process the same number of passengers that private screeners screen at SFO, then 7,601 screeners could be cut from the Federal workforce, resulting in at least \$1 billion in savings from salaries alone.
- SPP screeners are 65 percent more efficient than their federal counterparts. Private
  screeners at SFO process 65 percent more passengers per screener than their Federal
  counterparts at LAX. If federal screeners at LAX operated as efficiently as private screeners
  at SFO, the LAX screener workforce could be reduced by 867 full time equivalent (FTEs)
  positions (see Appendix 2).<sup>2</sup>
- 3. Taxpayers would save more than \$38.6 million a year if LAX joined the SPP (see Table 1). A reduction of 867 FTEs at LAX would result in approximately \$33.3 million in savings from salary alone. \$3,635,800 would be saved because the National Deployment Force would not need to be deployed to fill staffing gaps. \$4.6 million would be saved in reduced training and recruitment costs due to lower attrition rates. Total savings would exceed \$38.6 million a year. This assessment did not take into account higher overtime and injury rates that are unique to the federal model because TSA officials refused to provide that information to Committee staff. Savings will increase once these factors are also considered.
- 4. TSA concealed significant cost factors unique to the federal screening model. Committee staff found that TSA dismissed significant cost factors unique to the all-federal model when conducting past cost comparisons of the SPP and federal models. Specifically, TSA did not consider cost savings that would result from increased screener efficiencies or removing the need to deploy the NDF. In addition to these metrics, the Committee recommends that future cost comparisons also include an analysis of the rate of screener overtime charged due to poor scheduling, and costs paid out due to injury rates.

<sup>2</sup> This number is calculated by dividing the annual number of passengers screened at LAX by the annual number of passengers-per-screener at SFO, and subtracting that number from the 2010 total number of FTE screeners at LAX. <sup>3</sup> Committee staff used the average base screener salary for private screeners at SFO, or \$38,480, as the base annual salary for screeners at both SFO and LAX.

<sup>&</sup>lt;sup>1</sup> FAA Aerospace Forecast: Fiscal Years 2011-2031, at 26.

<sup>&</sup>lt;sup>4</sup> The National Deployment Force (NDF) is a team of mobile TSA screeners whose mission is to respond to emergencies at the Nation's airports due to heightened security or increased traffic. Increasingly, TSA has deployed the NDF to backfill staffing shortages at airports due to high attrition and poor screener allocation models. The NDF has never been deployed to a SPP airport.

<sup>&</sup>lt;sup>5</sup> GAO: TSA Cost and Performance Study; GAO: TSA Revised Cost Comparison.

<sup>&</sup>lt;sup>6</sup> Committee staff requested this information from TSA in order to include it in the report, however TSA officials refused the request.

- 5. TSA has hired 137,100 staff<sup>7</sup> since the agency's creation and spent more than \$2 billion on recruiting and training costs (see Appendix 3).<sup>8</sup> Due to high attrition, TSA has spent so much time managing itself that it has been unable to focus necessary resources on oversight and regulation of U.S. transportation security, in general. The SPP allows TSA to function as its creators in Congress originally intended—as a government regulator.
- 6. Clear and substantial advantage existed to approve five airport applications denied by TSA. Interviews with each of the five denied airport authorities found that significant advantages would have resulted from SPP participation including cost-savings, greater flexibility and responsiveness of screening staff, and improved customer service.
- 7. **TSA's SPP application and evaluation process is flawed.** The SPP application requires only a simple, one-sentence response from the airport operator to provide rationale for applying to the program. TSA officials did not communicate with or seek additional information from any of the airport authorities that were denied participation (see Appendix 5).
- 8. TSA does not have clear criteria to determine if a "clear or substantial advantage" exists to approve SPP applications. TSA officials could not have had sufficient information to determine if advantage existed to allow airport participation in the SPP. TSA refused to release the metrics used to evaluate SPP applications and TSA officials claim that applications were denied based on the "discretion of the Administrator." 9
- 9. There is evidence that TSA officials erroneously claimed no communication with union representatives about the SPP. On February 1, 2011, Chairman Mica requested that Administrator Pistole provide all communications between DHS and TSA with labor union organizations and their representatives related to the SPP (see Appendix 6). Administrator Pistole responded on February 28, 2011, that "there are no such communications" (see Appendix 7). However, there is a public history of union meetings and communications with DHS and TSA officials regarding the program, including an in-person meeting between American Federation of Government Employees (AFGE) representatives and DHS Secretary Janet Napolitano, where AFGE urged "the SPP program and policies be reviewed by senior leaders." TSA officials also noted in an internal presentation that impact on the TSO workforce is a "justifiable reason" to end or limit the SPP program, stating that "TSOs at potential SPP airports face uncertainty about their job status."
- 10. TSA officials recommended abolishing the SPP. Although the SPP is mandated statutorily through ATSA, documents obtained by the Committee confirm that TSA officials

<sup>&</sup>lt;sup>7</sup> E-mail from Tomeika Blackwell, Legislative Affairs, TSA, to Rachel Weaver, T&I Comm. (March 23, 2011).

<sup>&</sup>lt;sup>8</sup> TSA officials did not comply with requests from Committee staff to provide the cost of recruiting and training screeners. Information obtained by the Committee related to these costs is all publicly available, and does not provide a complete representation, therefore this estimate is conservative.

<sup>&</sup>lt;sup>9</sup> Briefing with TSA SPP Program Office (March 22, 2010).

<sup>&</sup>lt;sup>10</sup> Letter from John S. Pistole, Administrator, TSA, to John L. Mica, Chairman, T&I Comm. (Feb. 28, 2011).

<sup>&</sup>lt;sup>11</sup> AFL-CIO, AFGE's Efforts Put SPP on Ice: TSA Ends Expansion of Airport Privatization Program, The TSO Voice, Jan. 29, 2011 [hereinafter AFGE's Efforts Put SPP on Ice].

<sup>12</sup> TSA SPP Power Point.

recommended awarding new contracts at existing SPP airports for one year while the agency "resume(d) federalization efforts."  $^{13}$ 

11. Most of the rest of the world utilizes a SPP-like screening model at airports. The United States is one of the only countries in the world, along with governments in the Middle East and Africa that operates as security operator, administrator, regulator, and auditor at airports (see Appendix 1). Most international governments contract the role of airport security "operator" to qualified private screening companies, allowing the government to focus on setting standards, performing oversight, and enforcing regulations. International stakeholders report that this private-federal model drives innovation, increases performance, and lowers costs.

<sup>&</sup>lt;sup>13</sup> Id.

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#### I. Executive Summary

On January 28, 2011, Transportation Security Administration (TSA) Administrator John Pistole announced that he would not expand the Screening Partnership Program (SPP) and denied SPP applications from five airports. The SPP was established as a pilot program in the Aviation and Transportation Security Act of 2001 (P.L. 107-71) to allow TSA-certified contractors, under federal supervision and regulation, to conduct passenger and baggage screening at airports. The law provided that, two years after the creation of TSA, the option to "opt-out" of the federal screening model would become available to all airport authorities. While the federal government is responsible for setting security standards under both models, the SPP would enable TSA to get out of the human resources business and focus instead on setting standards, auditing performance, and enforcing compliance.

Covert testing, anecdotal information and independent evaluation have shown that utilizing private screening professionals under federal regulation and oversight is the better and more cost-effective security option. The Committee found that if each of the Nation's "Core 35"

airports operated as efficiently as San Francisco International Airport (SFO) does under the SPP model, *American taxpayers would save more than \$1 billion over five years.* 14

TSA has continuously thwarted adoption of the better model, and is now denying airport applications to opt-out of the federal screening model. Administrator Pistole's January 28 announcement marked the first time in the program's ten-year history an airport had been refused participation in the statutorily-mandated program. <sup>15</sup>

"I examined the contractor screening program and decided not to expand the program beyond the current 16 airports as I do not see any clear or substantial advantage to do so at this time."

TSA Administrator John Pistole January 28, 2011

The Secretary of Homeland Security, through the TSA Administrator, currently has sole and unfettered discretion to deny SPP applications. The United States is one of the only governments in the world that employs its transportation security agency as regulator, operator, and auditor at airports (see Appendix 1). <sup>16</sup>

<sup>&</sup>lt;sup>14</sup>The Federal Aviation Administration (FAA) has identified what they term the "Core 35" airports in the Nation that account for about 75 percent of commercial passengers, *FAA Aerospace Forecast: Fiscal Years 2011-2031*, at 26. Committee staff evaluated the efficiency of screeners at each of these 35 airports, and identified that 7,601 screener FTEs could be cut if the Core 35 operated as efficiently as SFO does under the SPP Model. "Efficiency" is calculated by dividing the number of passengers screened in a year by the number of screeners employed in a year. More than \$1b would be saved in salary costs by cutting 7,601 federal screeners from the TSA workforce.

<sup>15</sup> On January 28, 2011, TSA Administrator Pistole denied the SPP applications of Glacier Park International Airport (GPI), Yellowstone Airport (WYS), Missoula International Airport (MSO), Bert Mooney Airport (BTM), and Springfield Branson National Airport (SGF).

<sup>&</sup>lt;sup>16</sup> Conversations between Committee staff and representatives from Securitas, G4S, ICTS, U.S. Embassies, and the TSA Attaché in Belgium.

The Administration has often used cost as justification for not promoting the SPP<sup>17</sup>; however an analysis by Committee staff found that if federal screeners at Los Angeles International Airport (LAX) were to operate as efficiently as private screeners at San Francisco International Airport (SFO), American taxpayers would save more than \$38.6 million a year (see Table 1).<sup>18</sup> Further, private screeners at SFO screened 65 percent more passengers per screener than federal screeners at LAX in 2010.

Committee Staff also found that TSA officials did not examine the merit of pending SPP applications before denying them on January 28, 2011. The SPP application process was found to be flawed; airport authorities are not required to provide a clear explanation of challenges related to the federal screening model at their airport, or how SPP participation would fix those problems. Moreover, agency officials did not request additional information from airport authorities with pending requests, or contact them at any time during the decision-making process. TSA officials refused repeated requests by Committee staff to provide the metrics used by the agency to determine whether advantage existed.<sup>19</sup>

TSA leadership could not have had sufficient information to determine if a "clear or substantial advantage" would result from these airports joining the SPP and therefore did not have basis to deny airport authority applications. Furthermore, and as discussed later in the report, Committee staff discovered that such advantage did in fact exist to admit these airport authorities into the program.<sup>20</sup>

The Committee also uncovered evidence of multiple meetings between union representatives and Administration officials regarding the SPP, a finding that is in direct opposition to claims from TSA leadership denying any communication between union representatives and Department of Homeland Security (DHS) or TSA officials about the program.<sup>21</sup>

Moreover, documentation obtained by Committee staff reveals that in late 2010 and early 2011, senior officials at TSA considered disregarding the statutory requirement for the SPP

Chairman, Committee on Transportation and Infrastructure (T&I Comm.) (Feb. 28, 2011).

<sup>&</sup>lt;sup>17</sup> TSA has issued two misleading cost comparisons of the two screening models. These studies claimed that SPP airports were 17.4% and 3% more expensive to operate than non-SPP airports. Government Accountability Office, *Aviation Security: TSA's Cost and Performance Study of Private-Sector Airport Screening* (Jan. 9, 2009) (GAO-09-27R) [hereinafter GAO: TSA Cost and Performance Study]; Government Accountability Office, *Aviation Security: TSA's Revised Cost Comparison Provides a More Reasonable Basis for Comparing the Costs of Private-Sector and TSA Screeners* (March 4, 2011) (GAO-11-375R) [hereinafter GAO: TSA Revised Cost Comparison].

<sup>&</sup>lt;sup>18</sup> This analysis was based on the productivity rates of private screeners, workforce turnover costs, and the cost of TSA sending the National Deployment Force to LAX. Additional factors, such as the overtime and costs related to injury rates, were not considered because TSA officials refused to provide those statistics upon repeated request by Committee staff. If those factors were included, the savings would increase significantly.

<sup>&</sup>lt;sup>19</sup> Administrator Pistole's January 28 statement claimed that there must be "clear and substantial" advantage to approve a SPP application, however TSA officials refused to provide the metrics TSA used to determine "advantage" upon repeated Committee request.

<sup>&</sup>lt;sup>20</sup> Committee staff spoke repeatedly with Airport Directors at each of the five airports that were denied and learned that significant challenges existed at each of the denied airports as a result of federal screening operations. <sup>21</sup> Letter from John S. Pistole, Administrator, Transportation Security Administration (TSA), to John L. Mica,

entirely by abolishing the program and federalizing the existing 16 SPP airports.<sup>22</sup> The agency instead chose to avoid public backlash by continuing the program at existing SPP airports but refusing any future applications.

The findings of this report reveal that Administration officials do not have clear criteria for denying SPP applications, have concealed significant cost factors unique to the federal screening model when conducting cost comparisons, and suggest that union pressure to retain federal jobs played a leading role in TSA officials' decision to deny airport applications and stop expansion of the program.

TSA officials provided a power point presentation to Committee staff from January 5, 2011, providing a recommendation to Administrator Pistole to completely eliminate the SPP. They intended to do this by renewing contracts at the existing 16 SPP airports for one year, refusing any future applications, and setting up a timeline to federalize the SPP airports. TSA, *Screening Partnership Program*, Power Point Presentation (Jan. 5, 2011) [hereinafter TSA SPP Power Point]. The following 16 U.S. airports participate in the SPP: San Francisco International Airport (SFO), Sioux Falls Regional Airport (FSD), Tupelo Regional Airport (TUP), Charles M. Schultz Sonoma County Airport (STS), Sidney-Richland Municipal Airport (SDY), Dawson Community Airport (GDV), Wokal Field/Glasgow International Airport (GGW), Havre City-County Airport (HVR), L. M. Clayton Airport (OLF), Lewiston Municipal Airport (LWT), Miles City Airport (MLS), Key West International Airport (EYW), Kansas City International Airport (MCI), Greater Rochester International Airport (ROC), Roswell International Air Center (ROW), and Jackson Hole Airport (JAC).

#### SPP Saves Taxpayers 42%; SPP Screeners are 65% More Efficient 11.

Through the SPP, TSA can reduce the capital and time the agency spends on managing human resources issues and refocus its mission on security and better coordination of intelligence.

The Committee found that TSA concealed significant cost factors unique to the federal model of screening when conducting cost comparisons with the SPP. In 2007, TSA claimed that SPP airports cost 17.4 percent more to operate than airports under the federal security model.<sup>23</sup> The Government Accountability Office (GAO) challenged TSA's methodology for the cost assessment and identified multiple cost elements that the agency had excluded when performing the analysis.<sup>24</sup> TSA revised its cost assessment in January of 2011 to reflect a three percent higher operating cost at SPP airports than airports using federal screeners.<sup>25</sup>

TSA's 2011 cost analysis has not been independently verified, however Committee staff challenged TSA's 2011 claim that SPP airports are more than three percent more costly to operate. To do so, Committee staff compared the cost of employing private sector screeners under the SPP model at San Francisco International Airport (SFO) with the cost of employing Transportation Security Officers (TSOs) under the all-federal model at Los Angeles International Airport (LAX). LAX and SFO are both large, Category X hub airports in California with similar traffic patterns and challenges.

The Committee's analysis was based solely on three cost metrics that have been dismissed in previous cost comparisons conducted by TSA:

- 1. Screener Productivity: average number of passengers processed by a screener under each model during one year;
- 2. <u>Turnover</u>: cost of recruiting and training new employees under each model due to attrition:
- 3. National Deployment Force (NDF): cost of deploying National Deployment Officers due to high attrition rates and poor screener allocations at airports under the federal model (the NDF has never been deployed to a SPP airport);

Assuming that all other costs related to screening operations at the SPP and non-SPP airport are equal, the Committee found that SPP screeners at SFO are 65 percent more efficient than non-SPP screeners at LAX (see Appendix 2), <sup>26</sup> and additional costs associated with ineffective workforce management at LAX were 42 percent higher than similar costs under the SPP model at SFO (see Appendix 2).27

<sup>&</sup>lt;sup>23</sup> GAO: TSA Cost and Performance Study, at 7.

<sup>&</sup>lt;sup>24</sup> For example, GAO observed that TSA failed to consider the impact of overlapping administrative staff, workers compensation, general liability insurance, certain federal retirement costs, and lost corporate income tax revenue generated by private companies through the SPP. GAO: TSA Cost and Performance Study, at 16.

25 GAO believes that only three of the seven limitations related to cost, identified after they agency's 2007 cost

comparison, were addressed in the revised estimate. GAO: TSA Revised Cost Comparison.

<sup>&</sup>lt;sup>26</sup> This information is based on the annual number of passengers screened per screener FTE employed.

<sup>&</sup>lt;sup>27</sup> This cost estimate takes into account costs related to the efficiency of screeners, recruiting and training costs due to high attrition, and the use of the National Deployment Force.

#### Table 1

The Committee conducted a cost analysis of screening costs at LAX under the Federal structure and the SPP structure, using efficiencies at SFO as the model for SPP savings (See Appendix 2). If LAX operated as efficiently as SFO, then 867 screener FTEs could be cut from the LAX Screener Allocation Model.

Cost Per Screener FTE	Federal Model	SPP Model	Savings under SPP
2010 Passengers <sup>28</sup>	21,484,690	21,484,690	
Screener FTEs <sup>29</sup>	2200	1333	867
Passengers per Screener	9,765	16,113 <sup>30</sup>	65% more efficient
Screener Productivity (annual salary) <sup>31</sup>	\$38,480	\$38,480	\$0
Turnover (recruiting & training costs) <sup>32</sup>	\$2,439	\$541	\$1,898
National Deployment Force <sup>33</sup>	\$289	\$0	\$289
Total cost per screener	\$41,208	\$39,021	\$2,187
Total Cost of Screener Workforce	\$90,657,600	\$52,014,993	42% less costly \$38,642,607

Committee staff did not conduct an analysis of the *performance* of screening operations at SPP and non-SPP airports in this study, however the Committee did request that GAO conduct a performance analysis of operations at SPP and non-SPP airports (see Appendix 8).<sup>34</sup>

Analyses to-date, however, have found that private screeners perform at a level equal to or greater than TSOs.

In 2007, USA Today uncovered covert TSA test results that showed significantly higher screener detection capabilities at SFO than at LAX: "investigators successfully smuggled 75 percent of fake bombs through checkpoints at Los Angeles International Airport ... and 20 percent at San Francisco International Airport." In December of 2007 Catapult Consultants also issued a report to TSA that found "private screeners performed at a level that was equal to or greater

-Catapult Consultants December 2007

"...private screeners

performed at a level that was

equal to or greater than that

of federal Transportation Security Officers."

than that of federal TSOs [Transportation Security Officers]."<sup>36</sup> Similarly, interviews with private sector screening companies and airport officials indicate that SPP airports have better screener detection capabilities and provide greater customer service, responsiveness, and flexibility at passenger checkpoints (see Appendix 12).

<sup>&</sup>lt;sup>28</sup> 2010 passenger numbers received from SFO and LAX airport authority officials, respectively.

<sup>&</sup>lt;sup>29</sup> TSA, SAM11 Allocation Summary.

<sup>&</sup>lt;sup>30</sup> See Appendix 2, private screeners at SFO are able to process 16,113 passengers per screener.

<sup>&</sup>lt;sup>31</sup> Id.

<sup>&</sup>lt;sup>32</sup> Id.

<sup>33</sup> Id.

<sup>&</sup>lt;sup>34</sup> Letter from John L. Mica, Chairman, T&I Comm., to Gene Dodaro, Comptroller General, Government Accountability Office (May 5, 2011).

<sup>35</sup> Thomas Frank, Most Fake Bombs Missed by Screeners, USA Today, Oct. 22, 2007.

<sup>&</sup>lt;sup>36</sup> GAO: TSA Cost and Performance Study, at 7.

### III. Unions Pressured TSA to Save Federal Jobs by Abolishing the SPP

TSA officials cited the uncertainty TSOs face about their job status as a justifiable reason for limiting the scope of the SPP. Unions representing TSOs have placed significant pressure on TSA officials at headquarters and at local airports considering the SPP to abolish the program and preserve federal jobs. On February 1, 2011, Chairman Mica requested that Administrator Pistole provide to Committee staff all communications between DHS or TSA and labor union organizations and their representatives related to the SPP (see Appendix 6). Administrator Pistole responded on February 28, 2011, that "there are no such communications" (see Appendix 7).<sup>37</sup>

To the contrary, Committee staff discovered direct evidence that questions Administrator Pistole's claim of no union involvement in his decision to stop the expansion of the SPP. A public history exists of union meetings and communications with DHS and TSA officials regarding the SPP, including an in-person meeting between AFGE representatives and DHS Secretary Janet Napolitano.

Airport authorities that were denied participation in the program also reported that union representatives often met with TSA employees at the airport while their applications were pending.<sup>38</sup> At Glacier Park International Airport (GPI), TSOs represented themselves as AFGE members and December 19, 2010

"AFGE and TSA have agreed that the SPP program will be abolished. They just signed an agreement."

-Cynthia Jenson President Local 1120 AFGE-TSA

attended airport authority board meetings to lobby against the airport's transition to the SPP, targeting board members supportive of the SPP. Airport officials at GPI believe these efforts resulted in the removal of Tim Grattan, a Flathead Municipal Airport Authority board member. 40

In a January 29, 2011, newsletter following Administrator Pistole's announcement to halt the SPP, AFGE reported that they first began communicating with TSA officials to "conduct a thorough review of SPP in 2009 after seven Montana airports' applications were approved to privatize the screening function and three more airports in Montana publicly stated that they intended to apply to go private." In a May 6, 2010 newsletter, AFGE reported that "TSA has

<sup>41</sup> AFGE's Efforts Put SPP on Ice.

<sup>&</sup>lt;sup>37</sup> Letter from John S. Pistole, Administrator, TSA, to John L. Mica, Chairman, T&I Comm. (Feb. 28, 2011).

<sup>&</sup>lt;sup>38</sup> Telephone conversation between Cindi Martin, Airport Director, Glacier Park International Airport (GPI), and Rachel Weaver, Oversight and Investigations, T&I Comm. (Feb. 28, 2011).

<sup>&</sup>lt;sup>40</sup> E-mail from Cindi Martin, Airport Director, GPI, to Rachel Weaver, T&I Comm. (May 18, 2010, 10:59 PM EST) (Appendix 9).

told AFGE that the agency will revisit the SPP and will place any contracting out plans on hold until a decision has been reached."<sup>42</sup>

AFGE also reported its participation in an in-person meeting with DHS Secretary Janet Napolitano, "urging that the SPP program and policies be reviewed by senior leaders." In the same newsletter, Eric Wood, a Lead TSO at GPI Airport, applauded the union's efforts: "AFGE was able to get TSA management to stop moving forward on our airports application for SPP... now thanks to all the help from AFGE we were able to convince TSA that SPP was not a program that is good for the mission of TSA."

On December 19, 2010, Cynthia Jenson, President of the American Federal Government Employees Local 1120 in Montana, sent an e-mail stating, "I have some very good news. AFGE and TSA have agreed that the SPP program will be abolished. They just signed an agreement" (see Appendix 10). Jenson told Committee staff on May 19, 2011, that she "wholeheartedly believed" AFGE had a role in Administrator Pistole's January 28 decision not to expand the SPP.

Finally, on the same day Administrator Pistole denied five airport applications to the SPP and made his announcement that TSA would not expand the program, he sent an email to TSA employees informing them of his decision and guaranteeing that TSOs are safe (see Appendix 4). Pistole told employees:

...I want to assure you that at this time, TSA does not have plans to replace federal employees with contractors at any airports that are not currently participating in the Screening Partnership Program... The entire leadership team and I remain committed to continuing our support for you in every possible way we can.<sup>47</sup>

In general, airport authorities reported multiple obstacles to participation in the SPP, including what airport officials interpret as a general desire from TSA to put an end to the program. <sup>48</sup> As one example of TSA's opposition to the program, Administrator Pistole arranged a meeting with Larry Dale, the President and Chief Executive Officer of Sanford Airport Authority (SAA), and attempted to dissuade the SAA from opting-out after a public meeting of the board unanimously voted to apply to the SPP in October of 2010 (see Appendix 11). <sup>49</sup>

<sup>&</sup>lt;sup>42</sup> AFL-CIO, What Happens in Montana May Not Stay in Montana, The TSO Voice, May 6, 2010.

<sup>&</sup>lt;sup>43</sup> AFGE's Efforts Put SPP on Ice.

<sup>44</sup> Id

<sup>&</sup>lt;sup>45</sup> E-mail from Cynthia Jenson, President, American Federal Government Employees (AFGE) Local 1120, to AFGE Members (Dec. 19, 2010, 8:35 PM).

<sup>&</sup>lt;sup>46</sup> Telephone conversation between Cynthia Jenson, President, AFGE Local 1120, and Rachel Weaver, T&I Comm. (May 19, 2010).

<sup>&</sup>lt;sup>47</sup> SPP January 28 E-mail.

<sup>&</sup>lt;sup>48</sup> Aviation and Transportation Security Act (ATSA), Pub. L. No. 107-71, § 108.

<sup>&</sup>lt;sup>49</sup> Letter from Larry Dale, President & CEO, Sanford Airport Authority, to Rachel Weaver, T&I Comm. (May 16, 2011).

Between January of 2009 and the summer of 2010, TSA officials informed airport authorities that a TSA Administrator must be named before SPP applications would be evaluated. Some airport management was left in the dark for 18-24 months after their SPP application was submitted before it was denied by the Administration. Private companies also reported that TSA was reluctant to extend contracts in a timely manner, resulting in multiple month-to-month contracts that often were not awarded until the day the previous contract expired, creating uncertainty and driving costs up. So

 $^{51}$  See Section V for a discussion of the timeline between application and TSA response.

<sup>&</sup>lt;sup>50</sup> Telephone conversation between Gary Cyr, Director of Aviation, Springfield Branson National Airport, and Rachel Weaver, T&I Comm. (March 7, 2011).

<sup>&</sup>lt;sup>52</sup> Conversations between current SPP security companies and the Coalition for Innovative Airport Screening.

# IV. Substantial Advantage Existed to Approve SPP Applications of Five Denied Airports

Six airports applied for participation in the SPP between 2007 and the date of this report, five of which were denied on January 28, 2011. Orlando-Sanford International Airport in Florida submitted an application after Administrator Pistole's January 28 decision to halt the program that is still considered to be "pending." Bert Mooney Airport in Montana first submitted an application in 2007 and then again in 2009. Glacier Park International and Yellowstone Airports in Montana submitted applications in 2008 and 2009, respectively, and Springfield Branson National Airport and Missoula International Airport submitted applications in 2010.

TSA Administrator Pistole has maintained that he did not find a "clear or substantial advantage" to approve these applications. 54

TSA officials have refused to provide the metrics used to determine "clear or substantial

advantage" to airport authorities and Committee staff upon repeated request. 55
Based on a thorough review of airport applications by Committee staff, and conversations with the Airport Director at each of the five denied airports, it is clear that officials did not have sufficient information to determine if such an advantage existed for each of these airport authorities to join the SPP (see Appendix 5).

Through interviews with airport officials and a review of the application process,

Committee staff determined that:

 Sufficient merit existed at each of the five airports to determine clear and substantial "advantage" for participation in the SPP; TSA had permanently reduced staff at Glacier Park
International Airport based on the traffic it receives during the off-season...
As another example of poor scheduling and staff management, TSA was forced to deploy the NDF between June

and September of 2008 to

backfill the positions they had

just eliminated.

2. TSA did not require sufficient information in the SPP application or during the decision-making process to make an accurate determination of merit; and

<sup>&</sup>lt;sup>53</sup> Orlando-Sanford International Airport submitted an application on February 1, 2011, and is therefore still considered pending. Letter from John S. Pistole, Administrator, TSA, to John L. Mica, Chairman, T&I Comm. (Feb. 28, 2011).

<sup>&</sup>lt;sup>54</sup> SPP January 28 E-mail.

<sup>&</sup>lt;sup>55</sup> Briefing with LaVita LeGrys, TSA Assistant Secretary for Legislative Affairs (March 9, 2011); briefing with TSA SPP Program Office (March 22, 2010).

3. TSA officials did not communicate with airport officials after applications were submitted or share rationale for denial.<sup>56</sup>

Each of the denied airport authorities identified similar reasons for wanting to participate in the SPP (see Appendix 12):

- 1. Many of the airports had been encouraged by TSA to participate in the SPP;
- 2. Airport officials believe that the private sector drives innovation and efficiency at airports;
- 3. Airport authorities desire greater ownership of the screening experience (including efficiency and effectiveness) at passenger checkpoints;
- 4. TSA screeners provide poor customer service to passengers, resulting in a negative travel experience and perception of the airport; and
- 5. Many of the airports are either partially- or fully-staffed by the National Deployment Force, resulting in a high cost to taxpayers, a rotating staff with little experience at the airport, and low screener morale and customer service.<sup>57</sup>

Each of the five denied airports intends to continue pursuing participation in the SPP.

#### Glacier Park International Airport (GPI), Montana

Glacier Park International Airport is a non-hub airport with a summer seasonal spike. Airport Director Cindi Martin noted that TSA screeners were unable to efficiently and effectively process checked and carry-on baggage. She further cited numerous and consistent complaints by passengers regarding the customer service provided by TSOs.

Airport officials at Glacier Park
International Airport determined
that TSA was not flexible or
responsive enough to perform
effectively at their airport.

In September of 2007 TSA officials visited Martin and asked her to consider applying to the SPP so that TSA's "human resources burden" at the airport would be relieved and the agency could focus on oversight and compliance. <sup>59</sup> In October of 2007 TSA officials appealed to the Montana Airport Managers Association and requested that airport authorities in the state consider opting-out of the TSA screening model through participation in the SPP. <sup>60</sup>

<sup>&</sup>lt;sup>56</sup> See Appendix 5; letter from Lee Kair, Assistant Administrator of Security Operations, TSA, to Cindi Martin, Airport Director, GPI (Jan. 28, 2011) (Appendix 13).

<sup>&</sup>lt;sup>57</sup> See Appendix 12.

<sup>&</sup>lt;sup>58</sup> Telephone conversation between Cindi Martin, Airport Director, GPI, and Rachel Weaver, T&I Comm. (Feb. 28, 2011).

<sup>&</sup>lt;sup>59</sup> Id.

<sup>&</sup>lt;sup>60</sup> *Id*.

The mission of NDF is to support:
...all airports during emergencies,
to cope with seasonal demands,
or under other special
circumstances that require labor
assets not regularly available to
Federal Security Directors.
Examples of these circumstances
include severe weather
conditions, heightened security
requirements, natural disasters
such as Hurricane Katrina, and
increased passenger activity due
to special occasions.

In April of 2008, the DHS Office of Inspector General found that TSA is "overly reliant on the deployment force to fill chronic staffing shortages at specific airports in lieu of more cost effective strategies and solutions to handle screening demands."

The OIG found that TSA had not identified the criteria and priority for deployment decisions or ensured that resources were being allocated appropriately. It was further found that TSA did not have a financial system in place to track the expenses related to the program, "adequate documentation to support deployment decision-making, or internal controls and standard operating procedures over key deployment functions."

Source: DHS OIG, TSA's National Deployment Force (Aril 2008) (OIG 08-49).

Shortly thereafter, airport officials at GPI were informed that TSA planned to cut the number of screeners at the airport nearly in half (from 30 to 17), a staff model that would be unable to manage the airport's peak travel time of June through September when passenger traffic triples.

GPI airport management repeatedly attempted to contact TSA officials regarding the new screener allocation model and even involved their congressional offices in an attempt to get a response to airport concerns. Four months later, in March of 2008, Martin received a phone call from TSA officials informing her that screener allocation models are based on the passenger traffic trends measured in October. TSA had permanently reduced staff at GPI International Airport based on the traffic it receives during the off-season.

As another example of poor scheduling and staff management, TSA was forced to deploy the NDF between June and September of 2008 to backfill the positions they had just eliminated. <sup>63</sup> As outlined in the sidebar, the NDF has been wrought with mismanagement and inefficiencies.

In the summer of 2008, airport officials determined that TSA was not flexible or responsive enough to perform effectively at their airport. They further believed that customer service would improve with private screeners. In August the GPI airport authority board voted to opt-out of the federal screening structure in favor of SPP. In October of that year, GPI's Airport Director flew to Washington, D.C., and hand delivered the airport's SPP application to TSA officials.

TSA officials informed Martin that the agency did not want to manage multiple RFPs and therefore GPI would need to participate in an existing RFP that contained a small business provision. Martin reported

<sup>63</sup> Telephone conversation between Cindi Martin, Airport Director, GPI, and Rachel Weaver, T&I Comm. (Feb. 28, 2011).

<sup>61</sup> Id.

 $<sup>^{62}</sup>$  TSA issues a "Screener Allocation Model" or "SAM" each year to determine how many screeners will be allocated to each airport.

that the GPI airport authority did not feel a small business would be able to devote adequate resources and focus to the scale of operations at GPI, and so the airport was forced to wait until a new RFP opened in 2009 to submit its application.

As news of the airport's intent to opt-out of the federal screening model spread, TSOs repeatedly informed passengers that it would not be safe to fly under the SPP model, and lobbied the airport board, the press and local government officials to abolish the program. TSOs also lobbied their federal representatives to save federal jobs and stop the SPP at GPI International Airport. 165

In December of 2010 a uniformed TSO lobbied passengers at a GPI departure gate by handing out fliers and requesting travelers to sign a petition to have a member of the Airport Board of Directors, who was in favor of the SPP, removed from the board. Although airport officials immediately requested an investigation (see Appendix 14), and Committee investigators requested that TSA look into the incident on March 9, 2011, TSA has yet to initiate an investigation into the actions of the TSO.

Between July of 2008 and December of 2010, airport officials from GPI spoke monthly with the TSA SPP Office. During these conversations, including an in-person meeting with the SPP Program Manger, Ray Williams, on December 10, 2010, airport officials were not informed that there may be a problem with their application. On January 28, 2011, GPI airport officials received a letter from TSA Assistant Administrator of Security Operations, Lee Kair, stating that the airport's application had been denied (see Appendix 13) and directing airport officials to contact the Montana Federal Security Director, Dan Fevold, with any questions. No justification for the denial was provided in the letter and Fevold has yet to respond to multiple communications from the Airport Director.

#### Missoula International Airport (MSO), Montana

MSO is a non-hub airport that enplanes approximately 300,000 passengers per year. In 2007, TSA approached airport officials and encouraged them to consider participation in the SPP. The Airport Director described the TSA officials as "teasing" the airport authority with the potential of additional funding for screening technology if they joined the program.

<sup>&</sup>lt;sup>64</sup> Id.

<sup>&</sup>lt;sup>65</sup> Id.

<sup>66</sup> Id

<sup>&</sup>lt;sup>67</sup> E-mail from Cindi Martin, Airport Director, GPI, to Dan Fevold, Federal Security Director, TSA (May 23, 2010, 3:59 PM EST).

<sup>&</sup>lt;sup>68</sup> Briefing with LaVita LeGrys, Assistant Secretary for Legislative Affairs, TSA (March 9, 2011); e-mail from LaVita LeGrys, TSA, to Rachel Weaver, T&I Comm. (March 9, 2011, 3:52 EST).

<sup>&</sup>lt;sup>69</sup> Letter from Lee Kair, Assistant Administrator of Security Operations, TSA, to Cindi Martin, Airport Director, GPI (Jan. 28, 2011).

E-mail from Cris Jensen, Airport Director, Missoula International Airport (MSO), to Rachel Weaver, T&I Comm.
 (May 19, 2011, 10:55 AM EST).
 Id.

Shortly thereafter, TSA directed the MSO airport authority to begin monitoring a passenger exit area that had historically been under TSA supervision. MSO airport officials determined that the additional manpower and budgetary obligation of monitoring that checkpoint would be a significant burden for the airport's small budget. Airport officials determined that the additional cost would be off-set if MSO were able to participate in the SPP, which would provide for greater flexibility of staff resources.

Justification for the denial has not been provided to airport officials and the TSA Federal Security Director at MSO informed the airport authority that he is unaware of TSA's rationale for denying the application.

#### Bert Mooney Airport (BTM), Montana

As a small airport, Bert Mooney Airport officials must keep cost structures low in order to remain competitive. Consequently, airport operators have become increasingly concerned with TSA's poor management of screening staff. BTM management reports that the airport vacillates between being overstaffed and understaffed by TSA management, resulting in idle staff in one instance and the deployment of the NDF to supplement screening operations in the next.

As with the other Montana airports, TSA encouraged BTM airport officials to apply for the SPP during an annual meeting of the Montana Airport Mangers

Association in 2007. Airport officials viewed the program as an opportunity for airport management to get involved in the management of staffing passenger checkpoints, with the intent of lowering operating costs at the airport.

BTM airport leadership first submitted an application for the SPP in 2007 along with the Montana seven. TSA officials informed the BTM Airport Director that the current RFP was for essential air service airports and BTM would have to wait until a new RFP became available.

In January of 2009, BTM airport officials submitted their second application to participate in the program. Due to staffing shortages at the airport, TSA deployed the NDF between 2009 and 2010 to supplement screening operations.

"It is our (Sanford Airport Authority) belief that participation in the SPP will enable us to maximize our influence over the quality of customer service afforded to our passengers, while implementing federal rules and regulations, and allowing the TSA to exercise appropriate oversight. We strongly believe our participation the SPP will ensure increased performance without compromise of security or passenger safety and welfare. Further, participation in the program will eliminate costly layers of bureaucracy and red tape that SAA and [Orland Sanford International Airport] must navigate with the TSA."

-Larry A. Dale, President/CEO Sanford Airport Authority In January of 2011, the airport authority was informed that their application had been denied. No justification was provided.

#### Springfield Branson National Airport (SGF), Missouri

The SGF airport authority determined that a qualified private screening company would eliminate problems related to poor management, scheduling, and flexibility of screening operations at the airport. Airport management report multiple instances of TSOs closing passenger checkpoints early, resulting in missed flights and key checkpoints remaining closed during peak travel times at the airport, resulting in unnecessarily long lines at security checkpoints (see Appendix 15). Airport management expressed its intent to apply for the program in late 2009 but was informed that TSA must name an Administrator prior to application reviews, a process they were told that would take approximately 18 months.

The Obama Administration appointed a TSA Administrator in July of 2010, and SGF submitted their SPP application in November of that year.

Airport officials report that local TSOs immediately began to contact local news outlets and send anonymous letters to board members advocating that the SPP application process be shut down in order to save federal jobs at the airport.

In January of 2011 the airport authority's application was denied. TSA officials have not provided justification for the denial to airport management.

#### Yellowstone Airport (WYS), Montana

Yellowstone is a state-owned seasonal airport that operates from June 1st to September 30<sup>th</sup> of most years. The airport is staffed entirely by the NDF during these months. In order to staff the airport through NDF, TSA screeners are flown from their home base, provided per diem lodging and food costs, and are often afforded a visit home depending on the length of their deployment.<sup>74</sup>

Current economic challenges in the state and the fact that the airport is not funded through tax dollars make airport officials uniquely cost-conscious of airport operations. Through participation in the SPP, airport officials believe a qualified private screening company could permanently staff the airport and eliminate the need to pay for travel, per diem and the various fringe benefits associated with using the NDF, resulting in a better utilization of taxpayer money.

<sup>&</sup>lt;sup>72</sup> Letter from Kent Boyd, Public Information Officer, Springfield Branson National Airport, to Rachel Weaver, T&I Comm. (March 8, 2011) (Appendix 15).

<sup>&</sup>lt;sup>73</sup> TSA was without a permanent Administrator between January of 2009 and June of 2010.

<sup>&</sup>lt;sup>74</sup> Department of Homeland Security, Office of Inspector General, *The Transportation Security Administration's National Deployment Force* (April 2008) (OIG-08-49).

In addition, airport management report difficulty establishing relationships with NDF screeners that are constantly rotated in and out of the airport. The turnover results in poor communication between airport management and screeners and insufficient screener knowledge of airport operations. Airport officials also believe that NDF screeners are typically reluctant to be away from home, resulting in low morale and poor customer service to the traveling public. This is of particular concern to the operation of the Yellowstone Airport and the Airport Director, who believes that customer service is of the utmost importance.<sup>75</sup>

In hopes of acquiring a permanent and more cost-effective screening staff, airport officials began careful consideration of the SPP in 2007 and officially submitted their application in 2009. In January of 2011, the Director of the Montana Department of Transportation received notice that the airport's application for SPP participation had been denied. No justification has been provided.

#### Orlando Sanford International Airport (SFB)

The Sanford Airport Authority (SAA) voted unanimously to opt-out of the federal screening model on October 5, 2010. On October 27, 2010, Administrator Pistole arranged a meeting with the SFB Airport Director Larry Dale and unsuccessfully attempted to dissuade him from participating in the program. Dale submitted SFB's application to the SPP on February 1, 2011, the day after Administrator Pistole's decision not to expand the program. The application is considered "still pending." <sup>76</sup>

Airport Director Larry Dale told Committee staff that the Sanford Airport Authority directed him to apply for the SPP because they fundamentally believed that the government should not oversee itself, but should provide oversight to qualified private screening companies.<sup>77</sup> Dale also reports high TSA turnover at the airport, resulting in poor communication with airport management. In a letter to Committee staff, Dale explained that "privatization creates competition, which in turn begets greater accountability, productivity, innovation, efficiency and customer satisfaction at a lower cost."<sup>78</sup>

Dale reported that the SAA Board often felt slighted and ignored by TSA officials when they attempted to communicate with TSA regarding the SPP. The SAA Board did not believe that their SPP application would be treated fairly or in a business-friendly manner by TSA officials.<sup>79</sup>

<sup>&</sup>lt;sup>75</sup> Conversation between Anthony Bean, Airport Director, Yellowstone Airport, and Rachel Weaver, T&I Comm.

Letter from John S. Pistole, Administrator, TSA, to John L. Mica, Chairman, T&I Comm. (Feb. 28, 2011).
 Letter from Larry Dale, President & CEO, Sanford Airport Authority, to Rachel Weaver, T&I Comm. (May 16, 2011).

<sup>&</sup>lt;sup>78</sup> Id.

<sup>&</sup>lt;sup>79</sup> Id.

#### VI. TSA has Refused to Provide Justification for Halting the SPP

After Administrator Pistole's decision to deny five SPP applications and halt the program, Committee Chairman John L. Mica sent four letters to the Administrator requesting justification for the decision (see Appendix 16). In these letters, Chairman Mica requested (1) all documentation related to the SPP policy decision announced on January 28, 2011 as well as any

documentation related to the decision to reject five airport applications; (2) a list of all personnel responsible for or involved in the SPP policy decision; (3) all communications between DHS and TSA with labor union organizations and their representatives relative to the SPP; (4) TSA staffing information for each SPP airport; (5) all communications between airports or private entities and DHS or TSA regarding the SPP; and (6) a list of all meetings held with any airport officials or SPP participant from July 1, 2010 through January 31, 2011.

There is evidence that TSA officials hope to stop future growth of the program simply by denying any future application they receive.

TSA officials failed to respond to these requests. Information was not provided regarding meetings and communications that took place regarding the SPP policy decision, TSA personnel involved in the decision-making process, or as it related to the decision to deny SPP applications specific to the five denied airports. Instead, Administrator Pistole provided two power point presentations, one with redacted information and one classified as Sensitive Security Information, to Chairman Mica during an in-person meeting on March 2, 2011. Administrator Pistole also sent a letter to the Chairman claiming that there had been no communications between DHS and TSA with labor union organizations concerning the SPP. 81

The power point presentations provided by the Administrator identified three options for the future of the SPP that were considered by senior agency officials in late 2010 and early 2011. One of these options was the complete dissolution of the program and federalization of existing SPP airports, an action that would have been in direct conflict with current statutory requirements.<sup>82</sup>

Although Administrator Pistole has chosen not to federalize existing SPP airports, there is evidence that TSA officials hope to stop future growth of the program simply by denying any future application received from airports.

An internal TSA power point presentation, dated January 5, 2011, outlined the following three options for SPP:

1. Award new contracts to the existing SPP airports and accept the requests of the five airports that had pending applications;

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<sup>&</sup>lt;sup>80</sup> See Appendix 16.

<sup>&</sup>lt;sup>81</sup> Letter from John S. Pistole, Administrator, TSA, to John L. Mica, Chairman, T&I Comm. (Feb. 28, 2011).

<sup>82</sup> See Aviation and Transportation Security Act (ATSA), Pub. L. No. 107-71, § 108.

- 2. Award new contracts to the existing SPP airport and deny pending applications on the basis of keeping the program small for test purposes only; or
- 3. Award new contracts to SPP airports for one year and resume federalization efforts. 83

TSA officials recognized that "any effort to end or limit the SPP program based on cost will face stiff resistance."84

The TSA Office of Security Operations recommended option number two – that SPP be continued with current member airports but that any pending applications be denied. 85 The presentation again recognized that "this recommendation will invite considerable scrutiny" and determined that public justification would center on "operational reasons and the reasoning that the SPP program is currently large enough for test purposes."86

TSA officials identified five potential operational justifications to "limit the scope of the SPP program to the current airports":

- Administrative burden disproportionate amount of resources are spent on SPP airports;
- Intelligence TSA can tailor and provide direct information to Federal employees;
- Direct control another layer is involved when FSDs order direction action
- Flexibility and use of resources TSA can use its own resources for emergency events, but cannot utilize SPP; and
- Impact on workforce TSOs at potential SPP airports face uncertainty about their job status, benefits, leave, and salarv. 87

Committee staff discussed each of these justifications with SPP Program Office officials on March 22, 2011, during an in-person meeting. SPP officials informed staff that TSA is currently amending SPP contracts (not including potential impacts on the TSO workforce), and that these modifications will eliminate any existing challenges related to the above factors.<sup>88</sup>

As it related to the administrative burden of the SPP, program officials discussed that additional resources are needed at TSA headquarters to manage SPP contracts; however upcoming contract modifications would reduce this administrative burden by ensuring that a contract review is not necessary each time there is a change in standard operating procedures for screeners.

SPP Program Office officials also stated that future SPP contracts would eliminate concerns related to the flow of intelligence in the SPP model because they would require that private

<sup>85</sup> Id.

<sup>83</sup> TSA SPP Power Point.

<sup>&</sup>lt;sup>84</sup> Id.

<sup>&</sup>lt;sup>86</sup> Id.

<sup>88</sup> Briefing with TSA SPP Program Office (March 22, 2010).

contractors have sufficient clearances and infrastructure at the airport to receive intelligence from TSA headquarters.<sup>89</sup>

During the same meeting, SPP officials dismissed concerns over the additional "layer ... involved when FSDs [Federal Security Directors] order direct action," informing Committee staff that the flow of communication is good and that the additional layer does not hinder operations. <sup>90</sup>

Finally, Committee staff dispute the notion that the SPP hinders the agency's ability to deploy resources in emergency situations. The NDF rotated 311 National Deployment Officers in 2010, and there are currently more than 49,000 TSOs to draw from for this program. <sup>91</sup>

TSA officials also provided information related to TSA staff located at SPP airports, however they admittedly provided inaccurate data on three accounts, and the fourth transmission of data from TSA was disputed by Committee sources at the airport. For example, TSA officials informed Committee staff that there are 64 TSA employees located at SFO, the TSA FSD at SFO e-mailed a list of TSA employees to a Committee source at the airport with the names of 85 agency employees. 4

Furthermore, a 2009 GAO study found that TSA has "not consider[ed] the impact of overlapping administrative personnel on the costs of SPP airports." Despite claims by TSA officials that the agency has since addressed duplicative staffing, Committee staff found multiple instances of TSA employees holding similar or identical positions to those held by the private screening company at the airport. For example, the private screening company at SFO employs 60 behavioral detection officers (BDOs) along with one BDO Supervisor that manages the BDO workforce. TSA also employs eight behavioral detection supervisors; sources at the airport claim they are unnecessary and duplicative. TSA officials from the SPP Program Office were unaware of the overlapping staff at SFO and promised to look in to it during a meeting in March of 2011.

<sup>&</sup>lt;sup>89</sup> Id.

<sup>&</sup>lt;sup>90</sup> TSA SPP Power Point.

<sup>&</sup>lt;sup>91</sup> Letter from John S. Pistole, Administrator, TSA, to John L. Mica, Chairman, T&I Comm. (Feb. 28, 2011); letter from John S. Pistole, Administrator, TSA, to Jason Chaffetz, Chairman, Subcommittee on National Security, Homeland Defense and Foreign Operations, Committee on Oversight and Government Reform (March 8, 2011) (Appendix 17).

<sup>&</sup>lt;sup>92</sup> TSA officials provided four different accounts of the number of TSA staff at SPP airports to Committee staff between February 24 and March 14, 2011. TSA acknowledged that the first transmissions were incorrect when challenged by Committee staff. The fourth transmission of data, which TSA deemed to be accurate, was disputed by Committee sources at the airports.

<sup>&</sup>lt;sup>93</sup> E-mail from Tomeika Blackwell, Legislative Affairs, TSA, to Rachel Weaver, T&I Comm. (April 15, 2011, 2:30 PM EST).

<sup>&</sup>lt;sup>94</sup> Committee source at San Francisco International Airport.

<sup>&</sup>lt;sup>95</sup> GAO: TSA Cost and Performance Study.

<sup>&</sup>lt;sup>96</sup> TSA, Screening Partnership Program GAO Update, Jan. 4, 2011 (Appendix 18).

<sup>&</sup>lt;sup>97</sup> Briefing with TSA SPP Program Office (March 22, 2010).

#### VII. The Rest of the World Uses SPP Model

The SPP models the screening operations of almost every other developed nation. There are three models for airport screening internationally: (1) governmental, (2) in-house, and (3) outsourcing. In the government model, replicated primarily in the Middle East and Africa, as well as under the current structure in the U.S., airport security services are provided by a government agency (see Appendix 1). In the "in-house" model, the airport authority provides screening services under government supervision and oversight. This model is replicated sporadically throughout the rest of the world, as well as under the SPP model at Jackson-Hole Airport in Wyoming. Most international screening operations are outsourced to qualified private security companies as duplicated by 15 U.S. airports under the SPP. <sup>98</sup>

TSA officials would benefit from adopting the international model of outsourced screening operations and focusing instead on setting standards, performing oversight, and enforcing compliance. Due, in part, to its role as service provider as well as regulator, TSA has failed to deploy appropriate assets to properly deter terrorist plots in several recent examples. The shoe bomber was foiled by a damp fuse and alert passengers. The liquid bomb plot was uncovered by British intelligence. The underwear bomber was stopped by a defective device, crew, and passengers. The cargo package plot was discovered by Saudi intelligence. The Times Square bomber ordered his cash-purchased ticket on his way to JFK and was then apprehended by Customs and Border Protection. The cargo package provides to the cargo package plot was discovered by Saudi intelligence. The Times Square bomber ordered his cash-purchased ticket on his way to JFK and was then apprehended by Customs and Border Protection.

Because the international community has historically used private screening, international security companies have pioneered significant innovations in this field. The major competitors of screening operations overseas have approximately one million employees and two centuries of combined security experience. These companies cite their years of experience, learned

<sup>&</sup>lt;sup>98</sup> The following 15 U.S. airports outsource screening operations to private companies: San Francisco International Airport (SFO), Sioux Falls Regional Airport (FSD), Tupelo Regional Airport (TUP), Charles M. Schultz Sonoma County Airport (STS), Sidney-Richland Municipal Airport (SDY), Dawson Community Airport (GDV), Wokal Field/Glasgow International Airport (GGW), Havre City-County Airport (HVR), L. M. Clayton Airport (OLF), Lewiston Municipal Airport (LWT), Miles City Airport (MLS), Key West International Airport (EYW), Kansas City International Airport (MCI), Greater Rochester International Airport (ROC), Roswell International Air Center (ROW).

<sup>&</sup>lt;sup>99</sup> Ian Sample, *Cargo Plane Bomb Plot: What is PETN?*, Guardian, Nov. 1, 2010, available at http://www.guardian.co.uk/world/2010/nov/01/cargo-bomb-plot-petn-explosive.

<sup>&</sup>lt;sup>100</sup> Richard Norton-Taylor & Haroon Siddique, *Liquid Bomb Plot: British Intelligence Says Premature Arrest Foiled Operation*, Guardian, Sept. 9, 2008, available at http://www.guardian.co.uk/uk/2008/sep/09/6.

Peter Slevin, Fear and Heroism Aboard Northwest Airlines Flight 253 After Attempted Bombing, Washington Post, Dec. 27, 2009, available at http://www.washingtonpost.com/wp-dyn/content/article/2009/12/26/AR2009122601150.html.

<sup>&</sup>lt;sup>102</sup> Mark Mazzetti, Robert F. Worth & Eric Lipton, *Bomb Plot Shows Key Role Played By Intelligence*, New York Times, Oct. 31, 2010, available at http://www.nytimes.com/2010/11/01/world/01terror.html.

Michael Daly, Customs Border Protection Officers Busted Times Square Car-Bomb Suspect Faisal Shahzad at JFK, New York Daily News, May 8, 2010, available at http://articles.nydailynews.com/2010-05-08/local/27063824\_1 plane-door-jfk-airport-due-recognition.

G4S, Who We Are, http://www.g4s.com/en/Who%20we%20are/; G4S, History, http://www.g4s.com/en/Who%20we%20are/History/; Securitas, Securitas Group, http://www.securitas.com/us/en/About-Securitas1/Securitas-Group/; Securitas, History,

best practices, and the value placed on corporate reputation as the basis for increased flexibility and cost-savings provided to consumers.

International companies report the importance of accommodating ever-changing client needs and believe that the trend towards private screening overseas is the result of the increased flexibility and efficiency that can be provided by the private sector. In order to best measure their service, international security companies use two types of metrics to evaluate performance: metrics relating to their security service and metrics relating to their security performance. Security service measures queue management, passenger wait time, screener interaction with passengers, and passengers' perception of airport security. Security performance metrics measure Threat Image Projection (TIP) scores, training data, and ongoing testing.

These companies strive to provide the best service for the lowest cost. For example, in January of 2011 Austria transferred its airport security operations from the government to individual airport operators. Airport operators chose Securitas to perform screening operations. Securitas was able to reduce staff at the airport by 25 percent without impacting security or customer service. 109

Securitas was able to reduce staff at the airport by 25 percent without impacting security or customer service.

At Gardermoen Airport in Oslo, Normandy, G4S reconfigured the physical layout of the airport's screening operation to enhance screening efficacy and increase customer service, and in Brussels, G4S provides screening services equal to what the government had provided but with less staff. The company estimates that they were able to reduce operating costs to the airport by 35 percent.<sup>110</sup>

In order to maintain a common standard of safety and service across all contracts and locations, international security companies forme the Aviation Security Services Association — International (ASSA-I). As such, ASSA-I members have collaborated to form a Quality Charter that guarantees a high level of performance and service to client needs. The ASSA-I Quality Charter sets common standards for service delivery, ethical behavior, corporate governance, and employee behavior for all member organizations. Participation in the ASSA-I Quality

http://www.securitas.com/us/en/About-Securitas1/Securitas-Group/; ICTS Memorandum (May 5, 2011), at 1-3 (on file with author) [hereinafter ICTS Memo].

<sup>&</sup>lt;sup>105</sup> ICTS Memo, at 17.

<sup>&</sup>lt;sup>106</sup> Securitas, *Aviation Security: A Global Overview* (March 23, 2011), at 8 (on file with author) [hereinafter Securitas Aviation Security].

<sup>&</sup>lt;sup>107</sup> Securitas Aviation Security, at 8.

<sup>&</sup>lt;sup>108</sup> Id.

<sup>&</sup>lt;sup>109</sup> Securitas, *Aviation Security: Additional Information* (April 26, 2011), at 4 (on file with author) [hereinafter Securitas Additional Information].

<sup>&</sup>lt;sup>110</sup> E-mail from Kevin Johnson, Vice President, G4S, to Shant Boyajian, Oversight and Investigations, T&I Comm. (May 13, 2011, 9:55AM EST).

<sup>&</sup>lt;sup>111</sup> G4S, Securitas, and ICTS are all members of ASSA-I.

<sup>&</sup>lt;sup>112</sup> Aviation Security Services Association International, *Quality Charter*, at 6 (on file with author) [hereinafter ASSA-I Quality Charter].

Charter demonstrates a commitment to meet standards that exceed even what the government requires. 113

As seen in Appendix 1, the vast majority of western nations either outsource airport security operations to the private sector or in-source them to the airport authority. Only the Middle East and Africa utilize the current U.S. structure of aviation security of the government as regulator, operator, and auditor as the primary model of screening operations.

#### Western Europe

In Europe, the vast majority of airports use non-government screening personnel, employed either by the airport operators or by an outsourced security company. Many airports which currently use in-house security services are in the process of outsourcing their operations to a private company. Because of the uniform standards promulgated by the EU, European governments have been overwhelmingly supportive of airports outsourcing their screening operations. Zurich is the only European airport to use government screeners, and even there, some aspects of the

Participation in the ASSA-I Quality Charter demonstrates a commitment to meet standards that exceed even what the government requires.

baggage screening operation are outsourced to private companies. The vast majority of EU airports (approximately 90 percent) are operated by private security companies. 117

#### Eastern Europe

Eastern Europe is closely following the European move towards privatized security. While Poland, Romania, and Bulgaria use government screeners, pending legislation in Poland would allow airports to outsource their screening operations, according to a Committee contact at Securitas. The same source reports that Hungary and Serbia, which currently have in-house screening, are seeking to outsource screening operations to private companies. 119

#### Middle East & Africa

In the Middle East and Africa region, passenger and baggage screening is performed primarily by the government in each country. Yet, in most of these countries, government regulation allows airport operators to outsource certain functions, such as cargo screening or prescreening prior to check-in, even if the government provides the bulk of the screening operation. 121

<sup>&</sup>lt;sup>113</sup> Id.

<sup>114</sup> Securitas Aviation Security, at 3.

<sup>115</sup> Id

<sup>&</sup>lt;sup>116</sup> Briefing with Joram Bobasch, Executive Vice President, ICTS (May 18, 2011).

<sup>117</sup> Securitas Aviation Security, at 3.

<sup>&</sup>lt;sup>118</sup> Id.

<sup>&</sup>lt;sup>119</sup> Id.

<sup>120</sup> *Id*. at 4.

<sup>&</sup>lt;sup>121</sup> Id.

#### Latin America

In Latin American countries, airport operators outsource some or all of the screening operations to private companies. <sup>122</sup> In Argentina, the only country with a vestige of government screening operations, there is a move towards privatized passenger and baggage screening. <sup>123</sup>

#### Asia

While Asian governments maintain some significant involvement in airport screening operations, only Malaysia uses a strict government-only screening model. <sup>124</sup> In the Philippines and in Hong Kong and Makao, the government does the bulk of the screening operations, but private or quasi-private companies complement these services. <sup>125</sup>

<sup>&</sup>lt;sup>122</sup> Securitas Aviation Security, at 5.

<sup>&</sup>lt;sup>123</sup> Id.

<sup>&</sup>lt;sup>124</sup> Id.

<sup>&</sup>lt;sup>125</sup> *Id*.

#### VIII. Recommendations

- 1. TSA should <u>not</u> serve as the regulator, operator, and auditor of screening operations at airports. TSA should catch up with the rest of the world and promote the SPP as a way to reduce federal spending, increase efficiency, and make the travel experience more enjoyable to the flying public. The SPP will enable TSA to turn its focus away from managing a bloated bureaucracy and toward becoming a true security agency focused on intelligence and oversight.
- 2. The TSA Administrator should immediately approve any SPP application that was previously denied by the agency, as well as any current pending applications. The TSA Administrator subverted the intent of Congress and the law with his January 28 decision to deny five airport applications. Even under the Administrator's own standard of determining a "clear and substantial advantage" prior to approving a SPP application, each of the denied applications should have been approved. TSA officials did not have sufficient information to determine if substantial advantage existed to approve them. Further, interviews with Airport Directors at each of these airports determined that such advantage did in fact exist.
- 3. The TSA Administrator should not have the discretion to deny an airport authority's SPP application. Every airport authority is entitled to opt-out of the federal model of security screening. The only discretion that the TSA Administrator should have is to choose the private security company that is best able to provide a level of security at the airport that is equal to or better than that which would be provided by the Federal government.
- 4. The TSA should pre-qualify private security companies to compete for SPP contracts. TSA should determine the criteria by which to "pre-qualify" a private security company to compete for a SPP contract and regularly update and maintain a list of such companies. It is incumbent upon the private security company to present a security plan to the TSA Administrator that meets TSA criteria for security at the airport.
- 5. The SPP application process should be revamped. The current SPP application does not require sufficient information from airport authorities. TSA officials should take greater efforts to communicate with airport officials after an application has been submitted to ensure a full understanding of challenges with current screening processes at the airport, as well as the benefits an airport authority hopes to realize through participation in the SPP.
- 6. The transition from a federal model to a SPP model at airports should take less than one year. It currently takes up to 24 months for TSA officials to evaluate a SPP application. This is much too long. The process should be revamped so that a transition can occur within one year of applying to the program. The creation of a list of prequalified companies should help to shorten the transition by providing an already-approved list of vendors that can compete for a contract.

7. If federal screeners fail to meet certain performance standards, that airport should immediately be transitioned to the SPP model. TSA should develop performance criteria for federal and SPP screeners based on Threat Image Projection scores as well as other performance criteria. Any airport under the federal model that fails to meet established standards should automatically be transitioned to the SPP model. Under the SPP, private companies are able to offer better incentives for performance and provide more effective discipline to the screener workforce, including dismissing any screener that fails to meet certain standards from employment at the airport.

# **APPENDIX 1**

# **Table 1: Screening Operations Overseas**

International screening operations that model the SPP are highlighted in yellow below.

# 1.1 Europe

Country Security Category		Airport Name (main airports only)	
Denmark In-house		Copenhagen	
Finland Outsourced		Helsinki	
Sweden	Outsourced	ed Stockholm Arlanda, Stockholm Bromma, Malmo	
Norway	Outsourced	Oslo, Bergen, Trondheim, Bodo	
United Kingdom	In-house	London-Heathrow, London-Standsted, Glasgow, Edinburgh, Southampton, Southend Airport, Highlands and Islands, Manchester	
	Outsourced	Liverpool, Doncaster, Durham, London City	
Ireland	In-house	Dublin, Cork, Shannon, Knock	
Austria	In-house	Vienna	
1	Outsourced	Innsbruck, Salzburg, Graz, Linz, Klagenfurt	
Switzerland	Governmental	Zurich	
	In-house	Geneva	
	Outsourced	Geneva	
Belgium	Outsourced	Brussels, Charleroi, Liege, Antwerp	
Netherlands	Outsourced	Amsterdam, Rotterdam	
France	Outsourced	Paris CDG, Paris Orly, Lyon, Marseille, Nice, Nantes, Bordeaux, Toulouse	
Germany	In-house	Frankfurt, Nuremberg, Munich, Hahn	
·	Outsourced	Hamburg, Hannover, Berlin Tegel, Berlin Schonefeld, Frankfurt, Stuttgart, Dusseldorf, Lübeck, Cologne	
Spain	Outsourced	Madrid, Barcelona, Valencia, Malaga, Tenerife, Sevilla, Lanzarote (in total 46 AENA Airports)	
Portugal Outsourced Lisbon, Madeira, Porto, Faro, Azores Islands		Lisbon, Madeira, Porto, Faro ,Azores Islands	
Greece	Outsourced	Athens, Thessaloniki, Corfu, Rhodes (and other regional)	
Italy	In-house	Rome, Milan	
	Outsourced	Florence/ small airports	

## 1.2 Eastern Europe and Turkey

Country	Security Category	Airport Name (main airports only)
Turkey	Outsourced	Istanbul, Antalya, Izmir, Ankara
Albania	Outsourced	Tirana
Poland	Governmental	Warsaw, Cracow, Poznan (In total 12 airports)
Czech	In-house	Prague

Republic		
Estonia	Outsourced	Tallinn
Slovenia	Outsourced	Ljubljana
Croatia	Outsourced	Brac, Dubrovnik
Hungary	In-house	Budapest
Serbia	In-house	Belgrade
Latvia	In-house	Riga
Lithuania	In-house	Vilnius
Romania	Governmental	Bucharest
Bulgaria	Governmental	Sofia, Varna
		St Petersburg-Pulkovo, Moscow- Domodedovo, Moscow-
Russia	In-house	Sheremetvevo

## 1.3 Middle East and Africa

Country	Security Category	Airport Name (main airports only)
Israel	Outsourced	Lod-Ben Gurion, Sede Dov, Eilat, Hertzelia
Qatar	Governmental	
Bahrain	Governmental	
Kuwait	Governmental	
Morocco	Governmental	v "
Tunisia	Governmental	
Algeria	Governmental	
Libya	Governmental	
Mauritania	Governmental	
Egypt	Governmental	
<u> </u>	Governmental/	4
Senegal	Outsourced	
South		Johannesburg, Cape Town, Durban, Port Elisabeth,
Africa	Outsourced	Bloemfontein
Nigeria	Outsourced	
<b>Ivory Coast</b>	Outsourced	

### 1.4 Latin America

Country	Security Category	Airport Name (main airports only)
-	Governmental/	
Argentina	Outsourced	A
Chile	Outsourced	
Uruguay	Outsourced	/4
Columbia	Outsourced	
Brazil	Outsourced	

# 1.5 Asia

Country	Security Category	Airport Name (main airports only)
Thailand	Outsourced	Bangkok, Phuket, Chang Mai, Krabi, Koh Samui
Hong Kong and Makao	Government	
Philippines	Government	Manila, Cebu, Clark
Cambodia	Outsourced	Sihanoukville, Siam Reap, Phnom Penh
Malaysia	Government	
India	Outsourced	

Source: Securitas Aviation Security, at 2-5.

# **APPENDIX 2**

## **SPP Cost Analysis**

Committee staff conducted an independent cost comparison of screening operations at LAX (a non-SPP airport) and SFO (a SPP airport) using three metrics that have been disregarded by TSA officials in previous analyses:

- 1. <u>Screener Productivity</u>: average number of passengers processed by a screener under each model during one year;
- 2. <u>Turnover</u>: cost of recruiting and training new employees under each model due to attrition; and
- 3. <u>National Deployment Force (NDF)</u>: cost of deploying National Deployment Officers due to high attrition rates and poor screener allocations at airports under the federal model (the NDF has never been deployed to a SPP airport).

## 1. Screener Productivity

SPP Screeners Are 65% N	Nore Efficient	
	LAX	SFO
Annual Number of Passengers Screened	21,484,690 <sup>1</sup>	15,098,000 <sup>2</sup>
Total Number of FTE Screeners	$2,200^3$	937 <sup>4</sup>
Passengers Per Screener	9,765 <sup>5</sup>	16,113 <sup>6</sup>

Private screeners at SFO process sixty-five percent more passengers per FTE screener than their Federal counterparts at LAX. If Federal screeners at LAX operated as efficiently as private screeners at SFO, the LAX screener workforce could be reduced by 867 FTE positions, and the Federal government would save \$33.4 million in base salary costs every year at just that airport.

<sup>5</sup> This number is calculated by dividing the annual number of passengers screened by the total number of FTE screeners.

<sup>&</sup>lt;sup>1</sup> E-mail from LAX official to CRS official (May 2011).

<sup>&</sup>lt;sup>2</sup> E-mail from SFO official to CRS official (May 2011).

<sup>&</sup>lt;sup>3</sup> TSA, SAM11 Allocation Summary.

<sup>4</sup> Id.

<sup>&</sup>lt;sup>6</sup> Same as above.

<sup>&</sup>lt;sup>7</sup> This number is calculated by dividing the annual number of passengers screened at LAX by the annual number of passengers-per-screener at SFO, and subtracting that number from the 2010 total number of FTE screeners at LAX. <sup>8</sup> Same as above.

### 2. Workforce Turnover

High Cost of Workforce	Turnover	
	LAX	SFO
Attrition Rate	13.80% <sup>9</sup>	8.7% <sup>10</sup>
Initial Training and Recruitment Cost Per Screener	\$17,652 <sup>11</sup>	\$6,222 <sup>12</sup>
Annual Cost	\$5,366,208 <sup>13</sup>	\$507,093 <sup>14</sup>
Average Replacement Cost Per Screener	\$2,439 <sup>15</sup>	\$541 <sup>16</sup>

Screener retention is a critical issue for the effectiveness and efficiency of an airport security program. A stable workforce is more cost-effective, efficient and motivated.

High turnover means higher incurred costs for training and recruitment. As a result, the average replacement cost of federal screeners at LAX is \$1,898 more than their private screener counterparts at SFO.

<sup>10</sup> Telephone conversations between the Coalition for Innovative Airport Screening and Sean McMaster, T&I Comm. (May 2011).

<sup>12</sup> Telephone conversations between the Coalition for Innovative Airport Screening and Sean McMaster, T&I Comm. (May 2011).

<sup>14</sup> Same as above.

<sup>16</sup> Same as above.

<sup>&</sup>lt;sup>9</sup> E-mail between Tomeika Blackwell, legislative affairs, TSA, and Sean McMaster, T&I Comm. (May 20, 2011).

<sup>&</sup>lt;sup>11</sup> This estimate is calculated by dividing the total costs of TSA recruitment and training contracts by the total number of employees hired by the TSA. See Appendix 3

<sup>&</sup>lt;sup>13</sup> This number is calculated by multiplying the attrition rate, by the total number of FTE screeners, by the initial training and recruitment cost per screener. See Appendix 3

<sup>&</sup>lt;sup>15</sup> This number is calculated by dividing the annual cost of workforce turnover by the total number of FTE screeners.

## 3. Cost of Backfilling Open Staff Positions through the National Deployment Force

The National Deployment Force has never been deployed to a SPP airport.

National Deploy	ment Force Costs	
	LAX	SFO
NDF Screeners Deployed	70 <sup>17</sup>	O <sup>18</sup>
Total NDF Costs	\$637,061 <sup>19</sup>	\$0 <sup>20</sup>
NDF Cost Per Screener	\$289 <sup>21</sup>	S0 <sup>22</sup>

The mission of the NDF is to support:

...all airports during emergencies, to cope with seasonal demands, or under other special circumstances that require labor assets not regularly available to Federal Security Directors. Examples of these circumstances include severe weather conditions, heightened security requirements, natural disasters such as Hurricane Katrina, and increased passenger activity due to special occasions.

In April of 2008, the DHS Office of Inspector General found that TSA is "overly reliant on the deployment force to fill chronic staffing shortages at specific airports in lieu of more cost effective strategies and solutions to handle screening demands."

The OIG found that TSA had not identified the criteria and priority for deployment decisions or ensured that resources were being allocated appropriately. It was further found that TSA did not have a financial system in place to track the expenses related to the program, "adequate documentation to support deployment decision-making, or internal controls and standard operating procedures over key deployment functions."

<sup>&</sup>lt;sup>17</sup> E-mail between Tomeika Blackwell, legislative affairs, TSA, and Sean McMaster, T&I Comm. (May 20, 2011).

<sup>&</sup>lt;sup>18</sup> Telephone conversations between the Coalition for Innovative Airport Screening and Sean McMaster, T&I Comm. (May 2011).

<sup>&</sup>lt;sup>19</sup> E-mail between Tomeika Blackwell, legislative affairs, TSA, and Sean McMaster, T&I Comm. (May 20, 2011).

<sup>&</sup>lt;sup>20</sup> Telephone conversations between the Coalition for Innovative Airport Screening and Sean McMaster, T&I Comm. (May 2011).

<sup>&</sup>lt;sup>21</sup> This number is calculated by dividing the total NDF costs by the total number of FTE screeners.

<sup>&</sup>lt;sup>22</sup> Same as above.

## 4. The Total Cost of Management

Scorecard		
	LAX	SFO
Passengers Per Screener	9,765	16,113
Attrition rate	13.8%	8.70%
Recruitment and Training Per Screener	\$2,439	\$541
NDF Cost Per Screener	\$289	\$0
Total Added Cost Per Screener	\$2,728 <sup>23</sup>	\$541 <sup>24</sup>

When comparing LAX to SFO, the federal screening operations at LAX struggle to match the efficiency and effectiveness of their private sector counterparts at SFO. Private sector screeners at SFO have a higher average number of passengers per screener and are less likely to terminate employment either voluntarily or involuntarily. These efficiencies at SFO have resulted in a difference of \$2,187 a year per screener in unnecessary expenses at LAX.

## Los Angeles International Airport

Cost Per Screener FTE	Model	SPP Model	Savings under SPP	g.
National Deployment Force	\$289	\$0	\$289	
Salary	\$38,480	\$38,480	\$0	
Recruiting & Training	\$2,439	\$541	\$1,898	
Total cost per screener	\$41,208	\$39,021	\$2,187	9
Number of Full Time Equivalent Screeners	2200	1333	867	39% reduction
<b>Total Cost of Screener Workforce</b>	\$90,657,600	\$52,014,993	\$38,642,607	42% savings
2010 Passengers	21,484,690	21,484,690	r	
Passengers per Screener	9765	16113	si .	65% more efficient
Screener Cost per Passenger	\$4.22	\$2.42	\$1.80	42% savings

<sup>&</sup>lt;sup>23</sup> This number was calculated by adding the overtime cost per screener at LAX, turnover cost per screener at LAX, NDF cost per screener at LAX, and injury cost per screener at LAX.
<sup>24</sup> Same as above.

## **APPENDIX 3**

## TSA Recruitment and Training Contracts

Date Awarded	Contractor	Amount	Notes
2002	NCS Pearson	\$741,000,000 <sup>1</sup>	Original contract estimate was \$104M. IG Report found that at some airports, more than \$140K was spent in recruiting costs PER SCREENER
2002	Lockheed Martin	\$105,000,000 <sup>2</sup>	Secure Screener Training
2003	CPS HR Services	\$554,000,000 <sup>3</sup>	Handle recruiting and training processes
2003	Accenture	\$214,000 <sup>4</sup>	handle "day-to-day" HR administration
2008	Lockheed Martin	\$600,000,000 <sup>5</sup>	HR Access - \$1.2B over an 8-year period of time = \$150/year * 4 years (through 2011)
2009	Lockheed Martin	\$420,000,000 <sup>6</sup>	Secure Screener Training - \$700M over a 5 year period of time = \$140M * 3 years (through 2011)
	TOTAL:	\$2,420,214,000	E second

137,100 TSA Staff Hired<sup>7</sup> \$2,420,214,000 – low estimate of recruiting and training costs \$17,652 per hire

13.8% attrition<sup>8</sup> 2010 SAM – 2200 FTEs<sup>9</sup> 13.8% of 2200 FTEs = 303.6 (304)

304 \* \$17,652 = \$5,366,208

\$5,366,208 / 2200 FTEs = \$2,439 estimated recruiting and training costs per screener FTE at LAX

<sup>&</sup>lt;sup>1</sup> http://www.homelandsecuritynewswire.com/cost-tsa-airport-screeners-recruitment-effort-under-scrutiny

<sup>&</sup>lt;sup>2</sup> http://www.tsa.gov/press/releases/2002/press\_release\_0051.shtm

http://www.govexec.com/dailyfed/0103/011503b1.htm

<sup>4</sup> http://www.govexec.com/dailyfed/0103/011503b1.htm

http://www.govexec.com/dailyfed/0708/071808e1.htm

<sup>&</sup>lt;sup>6</sup> E-mail between Lockheed Martin official and Sean McMaster, T&I Comm. (May 23, 2011).

<sup>&</sup>lt;sup>7</sup> E-mail from Tomeika Blackwell, Legislative Affairs, TSA, to Rachel Weaver, T&I Comm. (March 23, 2011).

<sup>&</sup>lt;sup>8</sup> E-mail between Tomeika Blackwell, legislative affairs, TSA, and Sean McMaster, T&I Comm. (May 20, 2011).

<sup>&</sup>lt;sup>9</sup> TSA, SAM11 Allocation Summary.

## **APPENDIX 4**

From: TSABroadcast

Sent: Fri 1/28/2011 4:03 PM

Subject: 100 – Screening Partnership Program

Date:

January 28, 2011 All TSA Employees

To: From:

John S. Pistole, Administrator

Subject:

100 - Screening Partnership Program

You may have read or heard in the news lately questions about TSA's role in providing security at the nation's airport checkpoints and a select number of airports expressing interest in a private screening model. First, I want to assure you that at this time, TSA does not have plans to replace federal employees with contractors at any airports that are not currently participating in the Screening Partnership Program (SPP).

This program was established to satisfy the "opt-out" requirement in the 2001 Aviation and Transportation Security Act (ATSA). This legislation mandated TSA establish pilots at up to five airports where screening would be performed by private contractors under federal oversight. The program was later expanded and currently has 16 participants.

Shortly after beginning as TSA Administrator, I directed a full review of TSA policies with the goal of helping the agency evolve into a more agile, high-performing organization that can meet the security threats of today and the future.

As part of that review, I examined SPP and decided to continue privatized screening operations at the current 16 airports. These airports will continue to be regulated by TSA and required to meet our high security standards. However, to preserve TSA as an effective, federal counterterrorism security network, SPP will not be expanded beyond the current 16 airports, unless a clear and substantial advantage to do so emerges in the future.

TSA's mission is to provide world-class security to the traveling public and I am proud of your professionalism toward one another and the millions of passengers who you interact with every day. The entire leadership team and I remain committed to continuing our support for you in every possible way we can.

Thank you for your dedication and commitment to the security of the traveling public.

# **APPENDIX 5**



#### Application to Participate in the Screening Partnership Program

This application notifies the Transportation Security Administration (TSA) of an airport's intent to participate in the Screening Partnership Program (SPP). Airport operators may submit this application at any time.

Acceptance of this application does not guarantee the requesting airport that a contract for private security screening will be awarded. In accordance with the Aviation and Transportation Security Act (ATSA), the decision to award a private security screening contract is at the discretion of the TSA Assistant Secretary.

If a requesting airport is seeking to become its own provider of private security screening services, please indicate this in Section 1.18 of the application. Note, however, that airports interested in providing their own private security screening services must qualify according to criteria determined by the TSA Office of Acquisition.

TSA intends to select private security screening companies through an impartial competitive process. Airports granted privatization must transition to the private security screening company selected.

#### **GENERAL INSTRUCTIONS:**

- 1) A separate application must be submitted for each individual airport location.
- 2) An authorized representative of the airport owner must execute the application.
- The application requisite documentation must be completed in full to be considered for acceptance.
- 4) The application must have Section: REQUIRED INFORMATION (line items 1.0 − 1.18) completed in order for TSA to accept the application. Incomplete applications will delay the process.
- The applicant's provision of information requested in Section: ADDITIONAL OPTIONAL INFORMATION may assist TSA in the scheduling of private screening contract awards and implementations.
- 6) The application must be received at TSA Office of Screening Partnership Program (OSPP).
- 7) Please provide a copy of your application to the Federal Security Director at your airport.
- 8) If your application includes Sensitive Security Information or confidential business information, please indicate in writing so that the information will be protected from public disclosure as appropriate. Further information regarding TSA policies and procedures for safeguarding and control of SSI is available at <a href="https://www.tsa.gov">www.tsa.gov</a> or <a href="https://www.tsa.gov">http://www.tsa.gov</a>.



## Application to Participate in the Screening Partnership Program

## **Application Process Contact Information**

Paper submissions: Send the original signed copy of the application to this address:

Transportation Security Administration Attention: TSA-29, Screening Partnership Program, Room E9-204S 601 South 12<sup>th</sup> Street Arlington, Virginia, 22202

To download a copy of the Screening Partnership Program Application from the TSA website, please visit the following link:

http://www.tsa.gov

Electronic submissions (electronic mail / e-mail): Submit the application to:

opt-out@TSA.dot.gov

Facsimile submission: Submit application to the following e-fax number:

Application Assistance: To obtain assistance regarding the application contact:

Telephone based assistance:

Application submission interval:

Open enrollment



## Application to Participate in the Screening Partnership Program

## REQUIRED INFORMATION:

1.0 Airport name:	5
*	Bert Mooney Alaport Authority
1.1 Airport three (3) digit identifier designated by the Federal Aviation	* * * * * * * * * * * * * * * * * * * *
Administration:	BTM
1.2 Airport address:	101 Airport Road Bulle MT 5970
1.3 Airport owner:	Bent Mooney Airport Authority
1.4 Airport authority / operator:	Anthority
1.5 Airport authority / operator contact name (individual authorized to submit application):	Rick Griffith
1.6 Airport authority / operator contact position:	Ainpoint Manager
1.7 Airport authority / operator contact telephone number:	The state of the s
1.8 Airport authority / operator contact mailing address:	101 Airport Road Butte MT 59701
1.9 Airport authority / operator contact facsimile number:	· OH COPE
1.10 Airport authority / operator contact electronic mail (e-mail) address:	
1.11 Airport authority / operator alternate point of contact name:	Pat Sheq
1.12 Airport authority / operator alternate point of contact position:	Asst. Manager



## Application to Participate in the Screening Partnership Program

1.13 Airport authority / operator alternate point of contact telephone number:	
1.14 Airport authority / operator alternate point of contact mailing address:	101 Airport Road Butle MT 59701
	Bute MT 59701
1.15 Airport authority / operator alternate point of contact facsimile number:	-
1.16 Airport authority / operator alternate point of contact electronic mail (e-mail) address:	
1.17 Number of pages of application:	
	3
1.18 Indicate if the requesting airport seeks to be the qualified vendor providing private security screening services. (circle or highlight YES or NO)	YES. If yes, the airport will need to apply under the methodology and criteria published by TSA to become a qualified vendor.  NO. The requesting airport does not seek to be the provider of private security screening services.



## Application to Participate in the Screening Partnership Program

## ADDITIONAL INFORMATION:

1.19 What is the airport authority's primary reason for wanting to participate in the SPP?

Help maintain quality Service while Keeping cost down

2.0 Does the airport have a preferred timeline for when the transition to private screening should occur? (Example: please notify TSA of any scheduled activities that may interfere with the SPP transition, such as, major construction, peak travel dates, planned conferences, etc.)

June on July 2009

2.1 Does the airport authority have other airports under its jurisdiction, or in its region, that will be submitting applications for privatized screening? If so, please list the other airports. (If yes, an application will need to be submitted separately for each airport).

No

2.2 Are there any special circumstances that TSA should consider in reviewing the airport authority's request to participate in the SPP?

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2.3 Please provide any additional information you would like TSA to consider during the evaluation of this application.

None

2.4 Upon execution of this application, the authorized representative, (specified in line 1.5 of this document), of the operator of the airport, (specified in line 1.0 of this document) hereby requests the Assistant Secretary to accept this application to have the screening of passengers and property at the airport, as cited under section 44901 of the Aviation and Transportation Security Act, to be carried out by the screening personnel of a qualified private screening company under a contract entered into with the Assistant Secretary.

Signature

Date of execution



## Application to Participate in the Screening Partnership Program

## REQUIRED INFORMATION:

1.0 Airport name:	GLACIER PARK INTERNATIONAL AIRPORT
1.1 Airport three (3) digit identifier	AIRPORT ID – GPI
designated by the Federal Aviation Administration:	AIRLINE ID - FCA
1.2 Airport address:	4170 Highway 2, East
	Kalispell, MT 59901
1.3 Airport owner:	Flathead Municipal Airport Authority
1.4 Airport authority / operator:	Flathead Municipal Airport Authority
1.5 Airport authority / operator contact name (individual authorized to submit application):	Cindi Martin
1.6 Airport authority / operator contact position:	Airport Director
1.7 Airport authority / operator contact telephone number:	
1.8 Airport authority / operator contact	4170 Highway 2 East, Box 1
mailing address:	Kalispell, MT 59901
1.9 Airport authority / operator contact facsimile number:	
1.10 Airport authority / operator contact electronic mail (e-mail) address:	
1.11 Airport authority / operator alternate point of contact name:	Robert Ratkowski
1.12 Airport authority / operator alternate point of contact position:	Airport Deputy Director
	Waysian data 1/0



## Application to Participate in the Screening Partnership Program

1.13 Airport authority / operator alternate point of contact telephone number:	
1.14 Airport authority / operator alternate point of contact mailing address:	4170 Highway 2 East, Box 1 Kalispell, MT 59901
1.15 Airport authority / operator alternate point of contact facsimile number:	
1.16 Airport authority / operator alternate point of contact electronic mail (e-mail) address:	
1.17 Number of pages of application:	3
1.18 Indicate if the requesting airport seeks to be the qualified vendor providing private security screening services. (circle or highlight YES or NO)	YES. If yes, the airport will need to apply under the methodology and criteria published by TSA to become a qualified vendor.
	NO. The requesting airport does not seek to be the provider of private security screening services.



#### Application to Participate in the Screening Partnership Program

#### ADDITIONAL INFORMATION:

1.19 What is the airport authority's primary reason for wanting to participate in the SPP?

To ensure adequate staffing levels and to increase staffing to meet seasonal demands.

2.0 Does the airport have a preferred timeline for when the transition to private screening should occur? (Example: please notify TSA of any scheduled activities that may interfere with the SPP transition, such as, major construction, peak travel dates, planned conferences, etc.)

This airport prefers that the transition be completed by April 30, 2010.

2.1 Does the airport authority have other airports under its jurisdiction, or in its region, that will be submitting applications for privatized screening? If so, please list the other airports. (If yes, an application will need to be submitted separately for each airport).

NO

2.2 Are there any special circumstances that TSA should consider in reviewing the airport authority's request to participate in the SPP?

This airport prefers that the ensuing RFP be for this airport only – not combined with any other airport(s) RFP in Montana or elsewhere.

2.3 Please provide any additional information you would like TSA to consider during the evaluation of this application.

N/A

2.4 Upon execution of this application, the authorized representative, (specified in line 1.5 of this document), of the operator of the airport, (specified in line 1.0 of this document) hereby requests the Assistant Secretary to accept this application to have the screening of passengers and property at the airport, as cited under section 44901 of the Aviation and Transportation Security Act, to be carried out by the screening personnel of a qualified private screening company under a contract entered into with the Assistant Secretary.

Signatura

Date of execution



Date: May 18, 2010

From: Cris Jensen

Missoula International Airport

5225 Hwy 10 West Missoula, MT 59808

To: Ray Williams

Screening Partnership Program Branch Chief, TSA

601 South 12<sup>th</sup> Street, E9-141S (TSA-29)

Arlington, VA 22202

Encl: Opt Out Application for Missoula International Airport

Subject: Request to Participate in the Screening Partnership Program for Missoula International Airport, Missoula, MT

This letter is to request participation of the Missoula International Airport in the Transportation Security Administration (TSA) Screening Partnership Program (SPP). I have enclosed the application required by TSA to begin the process of transitioning to a private screening workforce. I understand that TSA will evaluate this application and is not obligated to proceed with transitioning the Missoula International Airport to SPP if the application is not approved by the agency, or does not meet the criteria specified in section 44920 of Title 49, United States Code. Should additional information be required, I can be reached at the following:



Thank you for your consideration in this manner.

Sincerely,

Cris Jenseh Airport Director



#### Application to Participate in the Screening Partnership Program

This application notifies the Transportation Security Administration (TSA) of an airport's intent to participate in the Screening Partnership Program (SPP). Airport operators may submit this application at any time.

Acceptance of this application does not guarantee the requesting airport that a contract for private security screening will be awarded. In accordance with the Aviation and Transportation Security Act (ATSA), the decision to award a private security screening contract is at the discretion of the TSA Assistant Secretary.

If a requesting airport is seeking to become its own provider of private security screening services, please indicate this in Section 1.18 of the application. Note, however, that airports interested in providing their own private security screening services must qualify according to criteria determined by the TSA Office of Acquisition.

TSA intends to select private security screening companies through an impartial competitive process. Airports granted privatization must transition to the private security screening company selected.

## **GENERAL INSTRUCTIONS:**

- 1) A separate application must be submitted for each individual airport location.
- 2) An authorized representative of the airport owner must execute the application.
- The application requisite documentation must be completed in full to be considered for acceptance.
- 4) The application must have Section: REQUIRED INFORMATION (line items 1.0 1.18) completed in order for TSA to accept the application. Incomplete applications will delay the process.
- The applicant's provision of information requested in Section: ADDITIONAL OPTIONAL INFORMATION may assist TSA in the scheduling of private screening contract awards and implementations.
- The application must be received at TSA Office of Screening Partnership Program (OSPP).
- Please provide a copy of your application to the Federal Security Director at your airport.
- 8) If your application includes Sensitive Security Information or confidential business information, please indicate in writing so that the information will be protected from public disclosure as appropriate. Further information regarding TSA policies and procedures for safeguarding and control of SSI is available at <a href="https://www.tsa.gov">www.tsa.gov</a>, or <a href="https://www.tsa.gov">http://www.tsa.gov</a>.



### Application to Participate in the Screening Partnership Program

## **Application Process Contact Information**

Paper submissions: Send the original signed copy of the application to this address:

Transportation Security Administration Attention: TSA-29, Screening Partnership Program, Room E9-204S 601 South 12<sup>th</sup> Street Arlington, Virginia, 22202

To download a copy of the Screening Partnership Program Application from the TSA website, please visit the following link:

http://www.tsa.gov

Electronic submissions (electronic mail / e-mail): Submit the application to:

opt-out@TSA.dot.gov

Facsimile submission: Submit application to the following e-fax number:

Application Assistance: To obtain assistance regarding the application contact:

Telephone based assistance:

Application submission interval:

Open enrollment



## Application to Participate in the Screening Partnership Program

## REQUIRED INFORMATION:

1.0 Airport name:	Missoula International Airport
1.1 Airport three (3) digit identifier designated by the Federal Aviation Administration:	MSO
	a a
1.2 Airport address:	5225 Hwy 10 West, Missoula MT 59808
1.3 Airport owner:	Missoula County Airport Authority
1.4 Airport authority / operator:	Missoula County Airport Authority
1.5 Airport authority / operator contact name (individual authorized to submit application):	Cris Jensen
1.6 Airport authority / operator contact position:	Airport Director
1.7 Airport authority / operator contact telephone number:	
1.8 Airport authority / operator contact mailing address:	5225 Hwy 10 West Missoula MT 59808
1.9 Airport authority / operator contact facsimile number:	
1.10 Airport authority / operator contact electronic mail (e-mail) address:	
1.11 Airport authority / operator alternate point of contact name:	Cathy Tortorelli
1.12 Airport authority / operator alternate point of contact position:	Administrative Manager



## Application to Participate in the Screening Partnership Program

1.13 Airport authority / operator alternate point of contact telephone number:	
1.14 Airport authority / operator alternate point of contact mailing address:	5225 Hwy 10 West Missoula MT 59808
1.15 Airport authority / operator alternate point of contact facsimile number:	
1.16 Airport authority / operator alternate point of contact electronic mail (e-mail) address:	
1.17 Number of pages of application:	five
1.18 Indicate if the requesting airport seeks to be the qualified vendor providing private security screening services. (circle or	YES. If yes, the airport will need to apply under the methodology and criteria published by TSA to become a qualified vendor.
highlight YES or NO)	NO. The requesting airport does not seek to be the provider of private security screening services.



#### Application to Participate in the Screening Partnership Program

#### ADDITIONAL INFORMATION:

1.19 What is the airport authority's primary reason for wanting to participate in the SPP?

As the operator of the Missoula International Airport (MSO), Missoula County Airport Authority (MCAA) already has an active role and vested interest in the security of passengers, baggage and the facilities here at MSO. The Board and Staff of MCAA believe that the SPP gives it the best opportunity to be proactively involved in providing the best possible security for our customers and tenants. In addition, we believe that a private contractor will provide additional flexibility not currently possible with Federal employees. Finally, we believe that local control of the security functions will ensure that any issues are dealt with as expeditiously as possible by individuals familiar with and directly involved in the screening functions at MSO.

2.0 Does the airport have a preferred timeline for when the transition to private screening should occur? (Example: please notify TSA of any scheduled activities that may interfere with the SPP transition, such as, major construction, peak travel dates, planned conferences, etc.)

The MCAA is flexible on the when the transition should occur. However, we would like to coordinate the transition so that it does not occur during the summer peak season or during the holidays. Generally, September – October or January – March would be best according to our statistics.

- 2.1 Does the airport authority have other airports under its jurisdiction, or in its region, that will be submitting applications for privatized screening? If so, please list the other airports. (If yes, an application will need to be submitted separately for each airport).

  No.
- 2.2 Are there any special circumstances that TSA should consider in reviewing the airport authority's request to participate in the SPP?

MSO has an exit lane that is not co-located with the screening checkpoint. The MCAA is currently working to try to eliminate the need for the staffing of the exit lane by installing a technological solution to restrict unauthorized entry into the sterile area. Should the technological solution not be approved it would be the desire of MCAA to have the staffing of the exit lane included in the contract.

2.3 Please provide any additional information you would like TSA to consider during the evaluation of this application.



### Application to Participate in the Screening Partnership Program

2.4 Upon execution of this application, the authorized representative, (specified in line 1.5 of this document), of the operator of the airport, (specified in line 1.0 of this document) hereby requests the Assistant Secretary to accept this application to have the screening of passengers and property at the airport, as cited under section 44901 of the Aviation and Transportation Security Act, to be carried out by the screening personnel of a qualified private screening company under a contract entered into with the Assistant Secretary.

Signature /

Date of execution



## Springfield-Branson

NATIONAL AIRPORT

2300 n airport blvd ste 100 springfield missouri 65802 p 417.868.0500 f 417.868.0501

December 14, 2010

Director Mr. Gary A. Cyr Sr. A.A.E. Springfield Branson National Airport 2100 N. Airport Blvd, Suite 100 Springfield, Missouri 65802

Mr. Ray Williams Screening Partnership Program Branch Chief, TSA 601 South 12<sup>th</sup> Street, E9-205S (TSA-29) Arlington, VA 22202

Encl: Opt Out Applications for Springfield Branson National Airport

Subject: Request to Participate in the Screening Partnership Program for Springfield Branson National Airport, Springfield, Missouri.

This letter is to request participation of the Springfield Branson National Airport in the Transportation Security Administration (TSA) Screening Partnership Program (SPP). I have enclosed the application required by TSA to begin the process of transitioning to a private screening workforce. I understand that TSA will evaluate this application and is not obligated to proceed with transitioning the Springfield Branson National Airport to SPP if the application is not approved by the agency, or does not meet the criteria specified in section 44920 of Title 49, United States Code. Should additional information be required, I can be reached at the following:

Work: 417-Cell: 417• Fax: 417

Thank you for your consideration in this matter.

Sincerely.

Gary A. Cyr Sr. A.A.E.



## Application to Participate in the Screening Partnership Program

## REQUIRED INFORMATION:

1.0 Airport name:	
	Springfield Branson National Airport
1.1 Airport three (3) digit identifier designated by the Federal Aviation Administration:	SGF
1.2 Airport address:	2300 North Airport Boulevard, Suite 100
ai	Springfield, Missouri 65802
1.3 Airport owner:	City of Springfield
1.4 Airport authority / operator:	Airport Board of Directors
1.5 Airport authority / operator contact name (individual authorized to submit application):	Gary A. Cyr Sr. A.A.E.
1.6 Airport authority / operator contact position:	Director of Aviation
1.7 Airport authority / operator contact telephone number:	
1.8 Airport authority / operator contact mailing address:	2300 North Airport Boulevard, Suite 100 Springfield, Missouri 65802
1.9 Airport authority / operator contact facsimile number:	
1.10 Airport authority / operator contact electronic mail (e-mail) address:	
1.11 Airport authority / operator alternate point of contact name:	Shawn Schroeder
1.12 Airport authority / operator alternate point of contact position:	Assistant Director of Aviation - Operations



## Application to Participate in the Screening Partnership Program

1.13 Airport authority / operator alternate point of contact telephone number:	
1.14 Airport authority / operator alternate point of contact mailing address:	2300 North Airport Boulevard, Suite 100 Springfield, Missouri 65802
1.15 Airport authority / operator alternate point of contact facsimile number:	
1.16 Airport authority / operator alternate point of contact electronic mail (e-mail) address:	
1.17 Number of pages of application:	(4) four and a cover letter
1.18 Indicate if the requesting airport seeks to be the qualified vendor providing private security screening services. (circle or highlight YES or NO)	YES. If yes, the airport will need to apply under the methodology and criteria published by TSA to become a qualified vendor.  NO. The requesting airport does not seek to be
	the provider of private security screening services.



### Application to Participate in the Screening Partnership Program

#### ADDITIONAL INFORMATION:

1.19 What is the airport authority's primary reason for wanting to participate in the SPP?

The airport recently moved commercial operations to a new terminal. As part of the "new" customer experience, the airport is striving to increase customer convenience. This effort includes comfort in the terminal, ease of check in, speed of baggage return, and the security screening customer service experience. Participating in the SPP will increase screening efficiency and flexibility, lower screening operating cost, and improve the customer service experience. SPP will allow the FSD to concentrate on operational oversight—while the private contractor can concentrate on employee management and customer service.

2.0 Does the airport have a preferred timeline for when the transition to private screening should occur? (Example: please notify TSA of any scheduled activities that may interfere with the SPP transition, such as, major construction, peak travel dates, planned conferences, etc.)

Completed by the end of the calendar year 2011.

2.1 Does the airport authority have other airports under its jurisdiction, or in its region, that will be submitting applications for privatized screening? If so, please list the other airports. (If yes, an application will need to be submitted separately for each airport).

No

2.2 Are there any special circumstances that TSA should consider in reviewing the airport authority's request to participate in the SPP?

No

2.3 Please provide any additional information you would like TSA to consider during the evaluation of this application.

This airport often encounters irregular airline operations encompassing charters, diversions, and military charters. These operations often occur with little notice and demand security screening flexibility, particularly in light of the Airline Passenger's Bill of Rights and the three hour tarmac rule.

- Military activity is associated with the airport's proximity to Ft. Leonard Wood and the
  presence of the Missouri National Guard AVCRAD facility on the airport. This is one of
  only four AVCRAD facilities in the United States.
- The airport is a primary diversion airport for American, United and Delta airlines.
- 2.4 Upon execution of this application, the authorized representative, (specified in line 1.5 of this document), of the operator of the airport, (specified in line 1.0 of this document) hereby requests the Assistant Secretary to accept this application to have the screening of passengers and property



## Application to Participate in the Screening Partnership Program

at the airport, as cited under section 44901 of the Aviation and Transportation Security Act, to be carried out by the screening personnel of a qualified private screening company under a contract entered into with the Assistant Secretary.

Date of execution



#### Application to Participate in the Screening Partnership Program

This application notifies the Transportation Security Administration (TSA) of an airport's intent to participate in the Screening Partnership Program (SPP). Airport operators may submit this application at any time.

Acceptance of this application does not guarantee the requesting airport that a contract for private security screening will be awarded. In accordance with the Aviation and Transportation Security Act (ATSA), the decision to award a private security screening contract is at the discretion of the TSA Assistant Secretary.

If a requesting airport is seeking to become its own provider of private security screening services, please indicate this in Section 1.18 of the application. Note, however, that airports interested in providing their own private security screening services must qualify according to criteria determined by the TSA Office of Acquisition.

TSA intends to select private security screening companies through an impartial competitive process. Airports granted privatization must transition to the private security screening company selected.

#### GENERAL INSTRUCTIONS:

- 1) A separate application must be submitted for each individual airport location.
- 2) An authorized representative of the airport owner must execute the application.
- 3) The application requisite documentation must be completed in full to be considered for acceptance.
- 4) The application must have Section: REQUIRED INFORMATION (line items 1.0 1.18) completed in order for TSA to accept the application. Incomplete applications will delay the process.
- 5) The applicant's provision of information requested in Section: ADDITIONAL OPTIONAL INFORMATION may assist TSA in the scheduling of private screening contract awards and implementations.
- 6) The application must be received at TSA Office of Screening Partnership Program (OSPP).
- 7) Please provide a copy of your application to the Federal Security Director at your airport.
- 8) If your application includes Sensitive Security Information or confidential business information, please indicate in writing so that the information will be protected from public disclosure as appropriate. Further information regarding TSA policies and procedures for safeguarding and control of SSI is available at <a href="https://www.tsa.gov">www.tsa.gov</a> or <a href="http://www.tsa.gov">http://www.tsa.gov</a>.



## Application to Participate in the Screening Partnership Program

## **Application Process Contact Information**

Paper submissions: Send the original signed copy of the application to this address:

Transportation Security Administration Attention: TSA-29, Screening Partnership Program, Room E9-205S 601 South 12<sup>th</sup> Street Arlington, Virginia, 22202

To download a copy of the Screening Partnership Program Application from the TSA website, please visit the following link:

http://www.tsa.gov

Electronic submissions (electronic mail / e-mail): Submit the application to:

opt-out@tsa.dhs.gov

Facsimile submission: Submit application to the following e-fax number:

Application Assistance: To obtain assistance regarding the application contact:

Telephone based assistance:

Application submission interval:

Open enrollment



#### Montana Department of Transportation

Jim Lynch, Director Brian Schweitzer, Governor

2701 Prospect Avenue PO 80x 201001 Heleno M1 59620-1001

September 2, 2009

Ray Williams
Screening Partnership Program Branch Chief, TSA
601 South 12<sup>th</sup> Street, E9-205S (TSA-29)
Arlington VA 22202

Subject:

Request to Participate in the Screening Partnership Program for WYS

Airport, West Yellowstone, MT

Dear Mr. Williams:

This letter is to request participation of the WYS Airport in the Transportation Security Administration (TSA) Screening Partnership Program (SPP). I have enclosed the application required by TSA to begin the process of transitioning to a private screening workforce. I understand that TSA will evaluate this application and is not obligated to proceed with transitioning the WYS Airport to SPP if the application is not approved by the agency, or does not meet the criteria specified in section 44920 of Title 49, United States Code. Should additional information be required, please contact:

Debbie Alke, MDT Aeronautics Administrator MDT Aeronautics Division PO Box 200507 Hclana MT 59602-0507

:k

H

- fax

Thank you for your consideration in this manner.

Sincerely,

Jim Lynch

Director

Enclosure: SPP Application



## Application to Participate in the Screening Partnership Program

## REQUIRED INFORMATION:

1.0 Airport name:	West Yellowstone
1.1 Airport three (3) digit identifier designated by the Federal Aviation Administration:	WYS
1.2 Airport address:	POBox306 WEST YELLOWSTONE, MT 59758
1.3 Airport owner:	Montana Department of Transportation
1.4 Airport authority / operator:	Montana Department of Transportation Aeronautics Division
1.5 Airport authority / operator contact name (individual authorized to submit application):	Jim Lynch
1.6 Airport authority / operator contact position:	Director, Department of Transportation
1.7 Airport authority / operator contact telephone number:	
1.8 Airport authority / operator contact mailing address:	PO Box 201001 Helena MT 59620-11
1.9 Airport authority / operator contact facsimile number:	
1.10 Airport authority / operator contact electronic mail (e-mail) address:	
1.11 Airport authority / operator alternate point of contact name:	Debbie Alke
1.12 Airport authority / operator alternate point of contact position:	Administrator, Aeronautics Division



### Application to Participate in the Screening Partnership Program

1.13 Airport authority / operator alternate point of contact telephone number:	
1.14 Airport authority / operator alternate point of contact mailing address:	PO Box 200507 Helena MT 59620-0507
1.15 Airport authority / operator alternate point of contact facsimile number:	
1.16 Airport authority / operator alternate point of contact electronic mail (e-mail) address:	
1.17 Number of pages of application:	3
1.18 Indicate if the requesting airport seeks to be the qualified vendor providing private security screening services. (circle or highlight YES or NO)	YES. If yes, the airport will need to apply under the methodology and criteria published by TSA to become a qualified vendor.  The requesting airport does not seek to be the provider of private security screening services.

#### ADDITIONAL INFORMATION:

- 1.19 What is the airport authority's primary reason for wanting to participate in the SPP? This is a seasonal airport and looking to partner with the private sector.
- 2.0 Does the airport have a preferred timeline for when the transition to private screening should occur? (Example: please notify TSA of any scheduled activities that may interfere with the SPP transition, such as, major construction, peak travel dates, planned conferences, etc.)

Preferred start-up date: June 1, 2010.



#### Application to Participate in the Screening Partnership Program

2.1 Does the airport authority have other airports under its jurisdiction, or in its region, that will be submitting applications for privatized screening? If so, please list the other airports. (If yes, an application will need to be submitted separately for each airport).

NO

2.2 Are there any special circumstances that TSA should consider in reviewing the airport authority's request to participate in the SPP?

WYS is a seasonal airport with commercial airline service from June 1 – September 30 of each year. WYS prefers to be awarded with the Butte, MT (BTM) airport SPP application.

2.3 Please provide any additional information you would like TSA to consider during the evaluation of this application.

Awarding of contract to be combined with the award of the Butte, MT (BTM) SPP application in hopes of sharing the same employee pool.

2.4 Upon execution of this application, the authorized representative, (specified in line 1.5 of this document), of the operator of the airport, (specified in line 1.0 of this document) hereby requests the Assistant Secretary to accept this application to have the screening of passengers and property at the airport, as cited under section 44901 of the Aviation and Transportation Security Act, to be carried out by the screening personnel of a qualified private screening company under a contract entered into with the Assistant Secretary.

Signature

Date of execution

## **APPENDIX 6**



# H.S. House of Representatives Committee on Transportation and Infrastructure

John L. Mica Chairman Washington, DC 20515

Mick J. Rahall, III Ranking Member

James W. Coon II, Chief of Staff

February 1, 2011

James H. Zoia, Democrat Chief of Staff

The Honorable John Pistole Administrator Transportation Security Administration 701 South 12th Street, West Tower Arlington, VA 22202

Dear Administrator Pistole:

As you are aware, I am extremely disappointed in the poor judgment displayed by the Transportation Security Administration's (TSA) decision not to expand the Screening Partnership Program (SPP). As one of the authors of the Aviation and Transportation Security Act (ATSA) which created the SPP, TSA's decision to the halt the program is an affront to both the intent and spirit of the legislation.

In addition to my initial request for documents pertaining to this decision, I also request you preserve and produce to Majority staff of the Committee on Transportation and Infrastructure of the House of Representatives the following information:

Any and all communications between the Department of Homeland Security (DHS) and the TSA with labor union organizations and their representatives that relate to the SPP policy decision announced on January 28, 2011; as well as any and all communications between DHS and TSA with labor union organizations and their representatives that relate to the decision to reject five airport applications to participate in the SPP, also announced on January 28, 2011.

This request encompasses all items within the DHS's and the TSA's, or any of their officers', managers' and employees' possession, custody, or control. The term "document" or "documents" includes all writings, emails, phone logs, calendars, notes, meeting minutes, reports, charts, photographs, recordings, data compilations, spread sheets, memoranda, and any other written compilations and communications. This request is continuing in character, and your response should be promptly amended or supplemented if you obtain further material information.

The Honorable John Pistole February 1, 2011 Page Two

Please produce the documents no later than February 21, 2011, to 2165 Rayburn House Office Building. If you have any questions regarding this request, please contact Holly Woodruff Lyons at Suzanne Mullen at

Sincerely,

John L. Mica Chairman

Holly Woodruff Lyons, Staff Director and Senior Counsel Suzanne Mullen, General Counsel

cc:

FEB 28 2011



The Honorable John L. Mica Chairman Committee on Transportation and Infrastructure U.S. House of Representatives Washington, DC 20515

#### Dear Chairman Mica:

Thank you for your recent letters requesting information about my January 28, 2011, decision regarding the Transportation Security Administration's (TSA) Screening Partnership Program (SPP).

Shortly after being sworn in as TSA Administrator, I conducted a top-to-bottom review of all of TSA's security programs and policies. As part of that review, I examined the SPP. The security implications of expanding beyond the current airports were my priority in making this determination. Specifically, some of the areas I considered include security, implementing new programs, administrative complexity and challenges, workforce and management continuity, career progression, and cost.

Ultimately, I decided to continue privatized screening operations at the current 16 airports. I also independently determined that the best way to maximize TSA's effectiveness as a Federal counterterrorism security agency was to not expand SPP beyond the current 16 airports unless there are clear and substantial advantages to do so. That said, I am always open to new and innovative ideas and opportunities to manage TSA's operations more efficiently while maintaining our high standards and meeting the threats of today and the future. I believe it is important to retain TSA's flexible use of the program. If a unique situation arises where utilizing SPP could be beneficial, I am willing to expand the program where it makes sense.

In response to your request for information about applications to participate in SPP that were pending as of Friday, January 28, 2011, SPP applications from Springfield-Branson National Airport (SGF), Missoula International Airport (MSO), Glacier Park International Airport (GPI), Yellowstone Airport (WYS), and Bert Mooney Airport (BTM) were still pending at that time. On February 1, 2011, however, TSA received an SPP application from Orlando Sanford International Airport, which remains pending before the agency.

As to your request for information about any possible communications between DHS and TSA with labor union organizations and their representatives concerning my January 28, 2011, SPP decision, there are no such communications. The decision to not expand

SPP beyond the current 16 airports was derived separately and independently from the February 4, 2011, determination to allow limited collective bargaining for Transportation Security Officers (TSO).

Lastly, enclosed is information responding to your request for staffing information at TSA's FSD offices at the 16 SPP airports. FSD staff positions at both the Federalized and SPP airports consist of TSA management and administrative staff who provide direct support and supervision to our TSOs, Transportation Security Inspectors, Behavior Detection Officers, and operational oversight of the private contractors performing screening duties.

I assure you this response will be promptly amended or supplemented as we make additional clarifications to the SPP program moving forward. I am available to meet with you personally to further discuss my decision not to expand SPP at this time, and I look forward to the opportunity to share my overarching strategic vision for TSA as a more agile, high-performing counterterrorism agency that can meet the security threats of today and the future. Should you need additional assistance, please do not hesitate to contact me personally or the Office of Legislative Affairs at \_\_\_\_\_

Sincerely yours,

John S. Pistole Administrator

Enclosures



## H.S. House of Representatives Committee on Transportation and Infrastructure

John L. Mica Chairman Washington, DC 20515

Dick J. Rahall, II Ranking Member

James W. Coon II, Chief of Staff

James H. Zola, Democrat Chief of Staff

May 5, 2011

The Honorable Gene Dodaro Comptroller General U. S. Government Accountability Office Washington, DC

Passenger screening is a critical component of securing the Nation's civil aviation system. Currently, the Transportation Security Administration (TSA), the federal agency responsible for civil aviation security, is responsible for overseeing screening operations at over 400 commercial airports. At 16 airports, TSA oversees the screening operations performed by private-sector screening contractors as part of TSA's Screening Partnership Program (SPP). Established in November 2004 following a two-year pilot program, the SPP provides commercial airports with an opportunity to apply to TSA to use private-sector screeners through private screening contractors approved by the agency.

The Aviation and Transportation Security Act (ATSA) established TSA and charged it with the responsibility for securing all modes of transportation, including civil aviation. Prior to ATSA and the establishment of TSA, passenger and baggage screening had been performed by private screening companies under contract to airlines. ATSA required TSA to create a federal workforce to assume the job of conducting passenger and checked-baggage screening at the Nation's commercial airports. In accordance with ATSA, TSA also created the SPP to allow commercial airports to continue using private-sector screeners. These private-sector screeners are employed by TSA-approved private-sector screening contractors. TSA funds all passenger and baggage screening activities at SPP airports, similar to airports with federal screeners. TSA continues to be responsible for overseeing screening operations at SPP airports and for ensuring that contract screening companies provide effective and efficient security operations.

The TSA Administrator previously announced that the agency will not expand the SPP beyond the current 16 airports presently participating in the program. In a press statement, the Administrator stated that he saw no clear or substantial advantage to expanding the SPP program at this time.

<sup>&</sup>lt;sup>1</sup> See Pub. L. No. 107-71, 115 Stat. 597 (2001).

<sup>&</sup>lt;sup>2</sup> See Pub. L. No. 107-71, § 108, 115 Stat. at 611-13 (codified as amended at 49 U.S.C. §§ 44919-20). TSA established the SPP after concluding a two-year pilot program through which private screening companies performed screening operations, with TSA oversight, at five commercial airports.

I continue to believe the SPP is a cost-effective method for providing screening services at commercial airports and provides financial benefits to the American taxpayer. Consequently, I am interested in an analysis of whether private sector screeners perform better than federal screeners and the factors that airports consider in making their decisions about whether to participate in the SPP. Some prior evaluations have suggested that private screeners perform as well or significantly better than government screeners in tests of airport checkpoints. However, as GAO previously reported, TSA's analysis comparing the performance of SPP and non-SPP airports did not explain the basis for selecting the performance measures used to make program comparisons and to assess the differences in screening performance between SPP and non-SPP airports.

I am also interested in better understanding how TSA has administered its Threat Image Projection (TIP) Program, a scoring system which serves as TSA's only mechanism to regularly evaluate screeners' skills and alertness to detect threats in carryon baggage. Specifically, it would be useful to know from TIP scores whether SPP screeners exceed the performance of federal workers in detecting threats in carryon baggage. It is also important to assess the performance of federal and private-sector screening operations to help guide future decision making related to providing airports increased opportunities to innovate and participate in the program. As GAO reported in 2009, the most frequently cited advantages of the SPP were staffing flexibility and improved customer service.

As part of our efforts to conduct continuing oversight of this issue, I am interested in learning more about the screening performance of private and federal airport screeners:

- 1. What is the basis for TSA's selection of the measures currently being used to assess screener performance, and how do the results of performance assessments compare at SPP and non-SPP airports? Additionally, to what extent has TSA gauged the effectiveness of the TIP program, and what factors affect decisions on whether to retain or discontinue the program at airports?
- 2. What other performance measures, if any, could be used to compare the screening performance between SPP and non-SPP airports?
- 3. To what extent does the SPP result in improved customer service, better screener detection capabilities, and increased staffing flexibilities at passenger checkpoints? Did TSA consider how the additional flexibilities provided under the SPP program contribute, if at all, to any observed increases in screening performance?
- 4. What advantages and disadvantages, if any, do airport operators cite from their experience with federal and non-federal screening operations?

Please direct any inquiries regarding this request to Rachel Weaver of my staff on Thank you for your attention to this matter.

Sincerely,

John L. Mica

Chairman

From:

Cindi Martin

Sent:

Monday, May 16, 2011 3:08 PM

To:

Weaver, Rachel

Subject:

GPI - SPP

Importance:

High

Dear Rachel:

In November 2009, the Flathead Municipal Airport Authority submitted a Screening Partnership Program (SPP) Application to the TSA.

TSA senior management came to Montana in September and October 2007 and made personal visits to every commercial service airport in the state to promote the SPP. TSA management encouraged us to apply to the SPP citing the agency's desire to concentrate on regulatory compliance and oversight.

This airport's decision to opt-out was made because of serious concerns with TSA staffing levels and customer service issues. After considerable due diligence, the airport authority board was confident that a private screening contractor could better serve the flying public and our air carrier partners' needs far better than TSA could or would.

In January 2011, without a visit, consultation, prior correspondence or justification the TSA sent a letter denying our application.

The decision to apply for SPP was not made lightly - it was made in the best interest of the flying public, our air carrier partners and the community. Since submitting the SPP application this airport – staff and board members - have endured retaliation from the local TSA TSO workforce.

I am certain that Congress never imagined that airports would be held hostage by federal employees for exercising their right to opt-out as provided for in the law. Thus, I urge you to support any legislation that holds the TSA accountable to the law that allows airports to opt-out of TSA provided security screening, using, instead, a qualified private screening contractor operating under TSA standards and oversight.

Thank you for your efforts and continued support.

Sincerely,

FLATHEAD MUNICIPAL AIRPORT AUTHOIRTY

Cindi Martin, C.M.

Airport Director

From:

"Cyndi Jenson"

To:

Sent:

Sunday, December 19, 2010 8:35 PM

Subject:

AFGEVSTSA-SPP GOOD NEWS!

Happy Dayl

You are all aware that AFGE National verbalized that the SPP program would be abolished.

I have had reluctance to accept any thing that is just verbalized by TSA. I believe it when it is put into writing. I have some very good news. AFGE and TSA have agreed that the SPP program will be abolished. They just signed an agreement. This is the first time anything has been put in writing to my knowledge. The agreement has been sent forward to the Office of Budget Management (OBM) to be approved.

AFGE, thanks to your input, was able to support the fact that it would cost more to privatize by 17%-20%. I am sure that OBM will agree that the SPP is NOT IN THE BUDGET. All of DHS is looking for ways to cut spending not increase spending. Of course there are many other compelling reasons as to why SPP needs to be stopped. The argument that Security provided by TSA is a component of National Security and National Security is inherently governmental is one of many other reasons.

It seems like TSA has left us in a "holding pattern" and it has been frustratingly slow but it appears the 'putting it into writing phase' finally has arrived. Please share with everyone. Thank you all!

Merry Christmas!!!!

Cindy Jenson President Local 1120 AFGE-TSA



SANFORD AIRPORT AUTHORITY Board of Directors

\* \* \* \* \*

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Kenneth W. Wright Counsel

Larry A. Dale, C.M. President & CEO

\* \* \* \* \*

May 16, 2011

Rachel Weaver Lead Investigator, Oversight & Investigations House Transportation & Infrastructure Committee 587 Ford House Office Building Washington, DC 20515

Dear Rachel:

On February 1, 2011, the Sanford Airport Authority (SAA) directed me to apply for participation in the Screening Partnership Program or "Opt Out" for TSA passenger, checked baggage and cargo screening here at SFB. In February, 2010, the SAA Board asked me and my staff to conduct due diligence on the concept of privatizing such screening, and to bring back to them the pros and cons of such an operation at Sanford.

After conducting interviews and gathering data from all five (5) of the original "pilot" screening airports (San Francisco, Kansas City, Rochester, Jackson Hole and Tupelo), we met with private screening companies that were successful in the industry (Covenant, McNeil, First Line, Raytheon and Trinity). In September, 2010 our Board Chairman visited Rochester and McNeil Security, and another of our board members and my operations director visited Jackson Hole. The SAA Board was particularly interested in Jackson Hole because they conducted the screening operations themselves, a concept that intrigued us all here at SFB. In fact, in February, 2010, the SAA Board asked Counsel to request from the TSA Screening Partnership Office if the SAA would be approved as a private screening company for participation in the SPP (as Jackson Hole had done). On March 24, 2010, a second letter was sent by Counsel and On June 6, 2010 (after SAA Counsel was treated rudely on follow up phone calls with TSA Counsel), a third letter was sent by Counsel because no reply had been received. Finally, and only after contacting Holly Woodruff Lyons, SAA counsel received a letter acknowledging that the SAA Board qualifies as a private screening company and should be granted permission to compete for SPP contracts. Naturally, this long timeframe and rude behavior soured the SAA Board to any idea that this SPP application would be treated in a business friendly manner.

On October 5, 2010, at a regular public meeting of the Board, the SAA Board voted unanimously to authorize me as Airport President/CEO to apply for participation in the SPP, with timing of same to be at my discretion. This did not escape the attention of TSA Administrator John Pistole, who arranged a meeting with me and senior staff at SFB on October 27, 2010. At this meeting, Mr. Pistole and I had

occasion to disagree vehemently about the new pat down procedures upon which the TSA was about to embark. We also had serious disagreement over the value and worth of the SPP program to the TSA. Then, on January 28, 2011, Mr. Pistole issued his infamous statement that he would not be expanding the SPP program beyond those airports already participating in the SPP.

The TSA acknowledged receipt of SAA's application to participate in the SPP on February 3, 2011, but of course we have yet to hear anything about the status of our request, further souring the SAA Board's feeling of "fair play" by the TSA.

We at SFB believe that government should not oversee itself, but should provide oversight to the private sector to get the job done through free enterprise. While safety is uppermost in our minds, we need to direct both the confidence of the air traveler and satisfaction in the process to create a positive experience related to airline security for passengers. The public deserves the passion and compassion relevant to securing comfort in travel. Trained, backgrounded private personnel with their very jobs at stake should be a desired result at all airports. Private companies have to do it the old-fashioned way – they must EARN IT

Privatization of public services is NOT a new concept, but has been used widely and with great success by local, state, and federal agencies, including all branches of the U.S. military for many years. Privatization creates competition, which in turn begets greater accountability, productivity, innovation, efficiency and customer satisfaction at a lower cost, BECAUSE private companies:

- \*Have to prove and maintain their worth every day to retain their contracts
- \*Cannot afford to grow complacent, must always strive for excellence to maintain competitive advantage
- \*Must hold employees accountable to satisfy the customer (TSA, AIRPORT)
- \*Will reduce costs to meet the bottom line of profitability (Terms of contract and oversight by both the Airport and the TSA will ensure that service is not compromised for profitability).

All airports are vastly different in their lay-out, passengers served, fleet mix of aircraft, management philosophy, and many other factors. The "one size fits all" plan of a huge, bloated federal bureaucracy like the TSA is a recipe for ultimate failure. Who better to have a say in the security of their airports than the very people who operate it on a 24/7-basis? In-spite of the public impression, the TSA are, for the most part, not law enforcement officers. At SFB, we have our own Sanford Airport Police Department, and we are trained in airport law enforcement techniques. We share intelligence with the Central Florida Intelligence Exchange at our Fusion Center and also with ALEAN (Airport Law Enforcement Agency Network). I and my three senior officers all-have-Homeland-Security-Administration "secret" clearance, but we get very little intelligence from TSA, and none that we don't already have from our law enforcement affiliations.

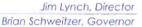
At SFB, the TSA is continuously rotating its management staff in and out of our airport. We can hardly get one familiar with our nuances and idiosyncrasies before they are transferred out and a new one brought in. The TSA actually brags about its "mobile screening force" as an efficient staffing policy, but we think private companies, with just our airport to staff, can do a much better job.

It is our belief that participation in the SPP will enable us to maximize our influence over the quality of customer service afforded to our passengers, while implementing federal rules and regulations, and allowing the TSA to exercise appropriate oversight. We strongly believe our participation in the SPP will ensure increased performance without compromise of security or passenger safety and welfare. Further, participation in the program will eliminate costly layers of bureaucracy and red tape that SAA and SFB must navigate with the TSA.

Thank you for your time and consideration.

Sincerely

Larry A. Dale, President/CEO Sanford Airport Authority





2701 Prospect Avenue PO Box 201001 Helena MT 59620-1001

May 18, 2011

Rachel Weaver Lead Investigator, Oversight & Investigations House Transportation & Infrastructure Committee 587 Ford House Office Building Washington, DC 20515

Subject: Yellowstone Airport Screening Partnership Program

Dear Ms. Weaver:

The Montana Department of Transportation operates the Yellowstone Airport on a seasonal basis with commercial operations for a 4 month period from June 1 to September 30 each year. The airport is serviced by Delta Connection during this period and TSA provides screening by utilizing the NDF with no local staff.

The Department began a serious review of the TSA's Screening Partnership Program in 2007 in conjunction with the Bert Mooney Airport Authority in Butte, MT with the goal of acquiring a permanent and more cost-effective screening staff. The Department's review of the program revealed that the NDF had a frequent turnover of staff. These individuals are given orders to report to Yellowstone away from families and homes which can result in low morale and poor customer service efforts together with increased costs for travel, per diem and various other fringe benefits.

MDT believes a partnership with the Bert Mooney Airport and a qualified screening firm will result in better utilization of taxpayer money, enhanced local economic impact, higher quality of customer service, and better morale and job satisfaction of the screening force.

MDT submitted an application in 2009, requesting the Yellowstone Airport be partnered with the Bert Mooney Airport. In January of 2011, I received notice that the airport's application for SPP participation had been denied.

MDT remains interested in private screening at the Yellowstone Airport considering the best interest of the airport and the travelling public.

Sincerely

Jim Lynch

Director



### Greater Rochester International Airport

Monroe County, New York

Maggie Brooks County Executive

Susan L. Walsh, Esq. Director of Aviation

May 19, 2011

VIA ELECTRONIC MAIL

Rachel R. Weaver Oversight & Investigations Transportation & Infrastructure Committee Ford House Office Building 587 Washington, DC 20515

Dear Rachel,

Thank you for your inquiry regarding the Screening Partnership Program. As you know the Greater Rochester International Airport (ROC) was one of the original five (5) airports that piloted the Screening Partnership Program at its inception in 2002.

Since the Partnership Program began the airport has experienced several innovations, including design and implementation of our central security checkpoint and the planning and construction of our cost effective in-line baggage system. Many of these innovations were initiated by or positively impacted through our partnering private screening company, McNeil Security, Inc. (McNeil). Our state-of-the-art in-line baggage system saves the airport and the airlines several million dollars per year compared with the government recommended system. In addition, McNeil is able to cost effectively deliver high quality security services through use of part-time employees, which gives them tremendous flexibility in scheduling staff during peak hours.

Equally important to the savings achieved and the advancements implemented is the positive impact that private screening has on our traveling public. The feedback we often and consistently receive is that:

The screening process at the Rochester airport is far more efficient and pleasant than any other airports. The attitude and professionalism of the screeners are outstanding.

If there is an issue, the private screening company takes care of it

I strongly believe that private security companies are able to drive innovation, reduce costs, and optimize effectiveness because of the competitive nature of their business and their flexibility in dealing with workforce issues.

> 1200 Brooks Avenue • Rochester, New York 14624 (585) 753-7020 • fax: (585) 753-7008 • monroecounty.gov

Rachel R. Weaver May 19, 2011 Page 2

At the Rochester airport we are very satisfied with the flexibility, responsiveness, efficiency and attitude of our private screening contractor as an active partner in making air travel a positive experience for our customers while helping to maintain the security of our nation's airports.

Please feel free contact me if you have any questions or comments.

Sincerely,

Susan L. Walsh, Esq. Director of Aviation



#### Springfield-Branson

NATIONAL AIRPORT

2300 n airport blvd ste 100 springfield missouri 65802 p 417.868.0500 f 417.868.0501

May 20, 2011

Rachel R. Weaver Lead Investigator, Oversight & Investigations House Transportation & Infrastructure Committee Washington, DC 20515

Dear Ms. Weaver,

Thank you for your inquiry about our airport's desire to participate in the Screening Partnership Program (SSP). While our SSP application has been rejected, we are still interested in the program.

The airport recently moved commercial operations to a new terminal. As part of the "new" customer experience, the airport strives to increase customer service. This effort includes comfort in the terminal, ease of check in, speed of baggage return, and the security screening customer service experience. As we have documented, TSA employees frequently have no concern for customer service. We feel that participating in the SPP will increase screening efficiency and flexibility, and improve the customer service experience. It will allow the local federal security director to concentrate on operational oversight—while the private contractor can concentrate on employee management and customer service.

Given our airport's emphasis on the customer experience, we think it's both appropriate and prudent to request inclusion in the SPP. We do this in the best interest of customer service and the airport.

Sincerely,

Shawn Schroeder

Acting Director of Aviation



Joe Foss Field, 2801 Jaycee Lane, Sioux Falls, SD 57104 605.336.0762 | FAX: 605.367.7374 | airport@sfairport.com www.sfairport.com | An equal opportunity employer.

May 23, 2011

Rachel Weaver Lead Investigator, Oversight & Investigations House Transportation & Infrastructure Committee 587 Ford House Office Building Washington, DC 20515

Dear Ms. Weaver:

I am sending this letter to voice my support for the Screening Partnership Program (SPP) that is currently under review.

The Sioux Falls Regional Airport Authority voted in the fall of 2004 to take advantage of the legislation that would allow our airport to opt out of the Federal screening provide by the TSA to a privatized program. In February of 2005 Covenant Aviation Security took over the responsibility of passenger and luggage screening in Sioux Falls.

The primary reason for the decision to opt for private screening was the high number of passenger complaints the airport was receiving for the rude treatment experienced by our customers while undergoing screening. The hope of the Airport Authority at that time was private screening companies could provide security and customer service while providing more efficient staffing than currently allowed by the TSA.

We have been very pleased with the transition to a private screening model and would highly recommend airports to consider this transition. The current provider meets or exceeds all TSA screening requirements and has some of the highest ratings of any airport. They are able to provide screening but also receive substantial customer service training which is reflected in their interaction with the traveling public.

My concerns about this program include the limited role the airport plays in the selection process and the actual increase in TSA management over the years even though the screening is provided by a vendor.

Again, I would highly recommend the private screening program to other airports and certainly hope the TSA allows the program to continue and expand. Please feel free to contact me if you have any questions or concerns.

Sincerely,

Dan Letellier

Dan Letellier, Executive Director, Sioux Falls Regional Airport

#### ROSWELL INTERNATIONAL AIR CENTER 1 JERRY SMITH CIRCLE ROSWELL, NEW MEXICO 88203 575-347-5703 FAX 575-347-2595

May 23, 2011

Ms. Rachel Weaver Lead Investigator, Oversight and investigations Committee on Transportation and Infrastructure U.S. House of Representatives 587 Ford House Office Building Washington, DC 20515

RE: TSA SPP

Dear Ms. Weaver:

Thank you for giving me the opportunity to comment on the TSA Screening Partnership Program. The Roswell International Air Center opted out of the TSA screening program in 2007, at the time our successful air service began with flights to and from Dallas/Fort Worth, Texas. One of the reasons for opting out of the program was the ability to employ contract screeners from the local community. It was felt that a private contractor would provide friendlier customer service to the traveling public. For the first 60 days of service, TSA deployed their own employees while the selected contractor hired, trained and deployed their screeners. In some cases not all, TSA employees did not appear to possess the personal courtesy we were looking for.

I believe that Roswell made the right decision. It has been a pleasure to work with the contractor selected and their employees. These employees are easy to work with, show a great deal of leadership and responsibility and excel when put to the test. We work very well with the contractor who has an open door policy should any issues arise.

If you have any questions feel free to contact me.

Regards,

Jennifer Brady Air Center Manager



May 23, 2011

Ms. Rachel Weaver Lead Investigator, Oversight & Investigations House Transportation & Infrastructure Committee 587 Ford House Office Building Washington, D.C. 20515

Dear Ms. Weaver

As we have discussed, the Missoula County Airport Authority (MCAA) submitted its application to join the Screening Partnership Program (SPP) to TSA on May 18, 2010. After careful consideration and almost 2 years of analysis, MCAA made the decision to apply to the SPP as permitted by the Aviation Transportation Security Act of 21 November, 2002 (ATSA). Before making the decision to submit our application, MCAA staff and Board spent considerable time and expense analyzing the costs and benefits of participation. As part of this process, MCAA brought representatives from the Jackson Hole, WY airport and the Sioux Falls, IA airport to Missoula to discuss their experience with the program; held several public meetings where Board and staff heard from TSA employees, local community members and representatives from private security contractors; and had our legal counsel review the laws and regulations applicable to the SPP program and analyze the obligations MCAA would be undertaking.

On January 28, 2011, MCAA received a letter from Mr. Lee Kair, the TSA's Assistant Administrator for Security Operations, denying our application. In that letter, Mr. Kair stated only that "the Transportation Security Administration determined that there is no clear advantage to the federal government in contracting the workforce at your airport."

During the eight months between the submission of our application and the TSA's denial letter, the TSA never contacted us to discuss our application. To the best of our knowledge, the TSA never performed any analysis or study regarding the advantages or disadvantages of private screening here at Missoula and our Federal Security Director (FSD) was unable to give us a specific reason for the rejection of our application. This decision by TSA seems arbitrary and capricious especially in light of MCAA's time and careful consideration of the decision to apply for the program.

At the February 22, 2011 public meeting of the Missoula County Airport Authority the Board again took up the issue of the Screening Partnership Program and reaffirmed our desire to be allowed to opt out of the federally provided security. We believe that airports are already heavily invested in the security of our individual airports as we provide all of the law enforcement responsibilities related to the checkpoint activities; we are responsible for all of the badging requirements which allow access to the secure areas of our airport; we control, monitor and maintain all of the access control and close circuit televisions systems at our airport; we provide all of the airport perimeter security; and we have a well established relationship with all of the local, state and federal law enforcement authorities giving us the necessary resources to be able to respond to incidents of any size or type.

In closing, we believe that the TSA does have an important regulatory role to play setting standards, providing oversight and ensuring that airports are fully complying with their Airport Security Plan (ASP), Security Directives, and Federal Regulations. We ask that the TSA reconsider the decision to reject the application of the MCAA to join the Screening Partnership Program.

Sincerely

Cris Jensen, A.A.E. Airport Director

Missoula International Airport

Email:



#### San Francisco International Airport

May 25, 2011

The Honorable John L. Mica United States House of Representatives Transportation and Infrastructure Committee 2187 Rayburn House Office Building Washington, DC 20515

Dear Chairman Mica:

I am responding to an inquiry from your staff regarding the Screening Partnership Program (SPP). As you know, SFO was one of the original five airports and the only Cat X airport that participated in the pilot program. I recall that you actually led the first Congressional delegation trip that came out for a sight visit to evaluate how SFO was integrating private operations into the TSA system.

Overall, the experience of SFO with the SPP has been positive. Part of that stems from the close working relationship that the SFO team of airport professionals has developed with Ed Gomez, the FSD at SFO and Gerry Berry, President of Covenant Aviation Security (CAS), the private contractor selected by the TSA to run screening operations at SFO. SFO and CAS have both made significant investments of financial and technology resources that have made our security operations among the best airport operations in the country - our passenger screening operations are among the most effective in the U.S. aviation system.

It is my belief that CAS has been instrumental along with SFO in developing a long list of improvements and innovations that have greatly improved screening operations at SFO, such as parttime and shift employees; baggage handlers, multi-plexing the EDS equipment, and the company's efforts to reduce worker's compensation claims and keep the screener retention rates high. I believe. that the SPP has provided SFO with a better customer service experience to our passengers and CAS has instituted a number of employee incentive programs that highlight customer service and friendly responsive screeners. When I have concerns about passenger screening operations and raise them with CAS, they are very responsive and are willing to work with me in addressing our concerns.

Yet, I would like to take the opportunity to raise an issue with you that I am concerned about going forward with the SPP program. For the past several years, I have felt that SFO has been understaffed at the screener level. I have made the case to TSA Headquarters directly that unlike most airports our traffic has gone up and the numbers of screeners has not kept pace with traffic growth. I hope to hear favorable news from Administrator Pistole in the next ten days on additional staffing.

Notwithstanding the staffing allocation issues with TSA, we believe the SPP program has been a positive experience for SFO and we support additional airports utilizing this model.

Very truly yours,

John L Martin Airport Director

# CITY OF FOUNTAINS HEART OF THE NATION KANSAS CITY MISSOURI May 24, 2011

#### Aviation Department

Kansas City International Airport
601 Brasilia Avenue
Kansas City, Missouri 64153-2054

P.O. Box 20047	±0
Kansas City, Missouri	64195-0047

	(816)	FAX	
Director	243-3100	243-3170	
Deputy Director	243-3180	243-3113	
Accounting	243-3120	243-3172	
Economic Development	243-3020	243-3070	
Engineering	243-3030	243-3071	
Human Resources	243-3010	243-3072	
Information Services	243-3140	243-3172	
Marketing	243-3160	243-3171	

Rachel Weaver Lead Investigator, Oversight & Investigations House Transportation & Infrastructure Committee 587 Ford House Office Building Washington, DC 20515

Dear Ms. Weaver:

As you know, Kansas City International Airport (MCI) was one of the five original airports in the United States to be a part of a new privatized passenger screening program formed shortly at 9/11. Since that time, the airport has experienced dramatic shifts in airline service both in scheduling and location in each of our three separate terminals in Kansas City (the terminals are not connected). Because of our unusual layout, we conduct passenger screening at <u>each</u> airline gate in all three terminals. Several of the airlines serving MCI have only a few flights each day. At one point, there were fourteen checkpoints open throughout the day.

Our current security provider, FirstLine Transportation Security, Inc., has managed to maintain our excellent customer service while outperforming the national standards for passenger screening. Kansas City Int'l has won the J.D. Power award for Medium Hub Airports for passenger convenience several times in the past five years. Passenger screening plays a major role in that ranking. I strongly feel that this type of private activity allows for the use of part-time employment, lower turnover and higher morale. Checkpoints in our terminals can be opened and closed to match airline schedules with very little effort. This has been such a successful endeavor for the airport that we have again re-enlisted for another five year term under the program.

As the program continues to mature, I would recommend allowing the airport sponsor a more prominent role in the selection process as we tend to be more familiar with community issues related to customer service. As the local representative, a seat at the table can only help TSA in selecting the best qualified company to become a partner with us.

Mark D. VanLoh, A.A.E.

Director of Aviation

Kansas City International Airport

U.S. Department of Homeland Security 601 S. 12<sup>th</sup> Street Arlington, VA 22202-4220

JAN 28 2011



Mr. Cindi Martin Airport Director, Glacier Park International Airport 4170 Highway 2, East Kalispell, Montana 59901

Dear Ms. Martin,

The application for the Glacier Park International Airport to participate in the Screening Partnership Program has been denied. In making this decision, the Transportation Security Administration determined that there is no clear advantage to the federal government in contracting the workforce at your airport.

The Federal Security Director for your airport, Mr. Dan Fevold, has been informed of this decision and is available to discuss it with you further. Should you wish to speak with me, I can be reached at f

Thank you for your interest in the Screening Partnership Program and we look forward to continuing to work together to protect the security of the traveling public.

Sincerely,

Lee R. Kair

Assistant Administrator Security Operations

cc: Federal Security Director, Montana Area Director, Area 10

From:

Cindi Martin

Sent:

Monday, May 23, 2011 3:59 PM

To:

Weaver, Rachel

Subject:

FW: TSO Complaint Follow-up

Importance:

High

#### Email #2 - Follow-up

From: Cindi Martin

Sent: Thursday, February 10, 2011 3:15 PM

To: 'Fevold, Dan'

Subject: TSO Complaint Follow-up

Importance: High

Dan-

Wondering what was the result of your investigation of TSOs – in uniform/on-duty - approaching passengers at GPIA about signing petitions to remove airport authority members who voted to apply for the SPP program?

As you may recall, Mr Dale Cockrell, a local attorney, alerted me to this after he was approached by a uniformed TSO while waiting in the gate 2 hold room to board a Delta flight. He was handed a flyer & encouraged to sign a petition to have Brian Grattan removed from the airport authority. Subsequently, 13 GPIA TSOs attended the December 20, 2010 county commission meeting, made disparaging remarks about the airport authority and management, and encouraged the commissioners Not to reappoint Mr. Grattan. Mr. Grattan was not reappointed to the airport authority.

Any info you can provide is appreciated.

Thanks, Cindi

Cindi Martin, C.M. Airport Director

Glacier Park International Airport 4170 US Highway 2 East, Box 1 Kalispell, Montana 59901

Phone -Fax -

www.iflyglacier.com



## Springfield-Branson NATIONAL AIRPORT

2300 n airport blvd ste 100 springfield missouri 65802 p 417.868.0500 f 417.868.0501

March 8, 2011

Rachel Weaver
Oversight & Investigations
Committee on Transportation & Infrastructure
U.S. House of Representatives

Dear Ms. Weaver -

Enclosed you will find documentation of incidents occurring at the Springfield-Branson National Airport (SGF) involving the Transportation Security Administration (TSA).

It's important to point out that many TSA incidents have occurred at SGF that are not documented—we did not anticipate the need. That being said, what is documented illustrates an undercurrent of TSA mismanagement, and disregard for customer service.

#### MARCH 14, 2008: 40 MINUTE WAIT TIME

40 minute waits at the screening checkpoint have occurred several times, but this incident was well documented. Photo A documents the line when it was longest.



#### РНОТО А

This photo was taken on March 14, 2008, at 2:06 pm, by SGF's public information officer. The man standing at the end of the line (holding bag in left hand; shoulder bag over right shoulder) had just arrived. He cleared the checkpoint at 2:50 pm.

Photo B, taken at 2:02 pm, clearly illustrates why the line was so long: TSA was operating only one of the checkpoint's x-ray machines. The open machine is on the left, the closed machine is on the right.

The immediate response from the assistant federal security director (AFSD), Paul Cave, was to question the PIO's ability to track time. At one point, during initial conversation, he stated that TSA considered a 40 minute wait time acceptable in a small market like Springfield.

On March 18, Cave responded via email to SGF's assistant director, Shawn Schroeder (Exhibit A). The following excerpt stands outs:

"TSA's goal is not to exceed a 10 minute wait... so

we exceeded our goal by about 5 minutes for less than 30 minutes during an 8 hour shift. More importantly, no one missed a flight and no flight was delayed as a result of our screening efforts. So, the problem is what????"

#### РНОТО В



The problem was customer service, or rather, the lack of it. In a small air market, like Springfield (less that one million total passengers a year), customers have the expectation of a short wait time — perhaps 10-15 minutes at most.

Essentially, TSA's response was, you're wrong, we're right, "the problem is what????"

#### **AUGUST 24, 2008: TSA CLOSES THE CHECKPOINT EARLY**

TSA employees closed the screening checkpoint before the last flight of the evening had departed. The incident caused uproar in the community and string of letters to the editor in the local newspaper (see Exhibits B and C). As with the 40 minute wait, this wasn't the first time it had occurred, but it is the best documented.

#### OCTOBER 29, 2010: TSA ABANDONS CUSTOMER IN WHEELCHAIR

TSA employees apparently forgot about a female customer in a wheelchair. Wheelchair customers require extra screening. In this instance, TSA pushed the customer to the extra screening area—then left her to sit. At one point, she was unattended for 15 minutes. In total, it took her 31 minutes to clear the checkpoint. She missed her flight.

SGF police supervisor, David Nokes, documented the event, as seen on the airport's security camera system. His memo is attached (Exhibit D). Unfortunately, SGF no longer has the video record. According to Nokes, the wheelchair customer was made to wait, while numerous other customers passed through the checkpoint without delay. Nokes says the checkpoint "was not crowded."

When queried by SGF administration, the AFSD said he didn't have enough female employees working that day to perform the extra screening, on a female customer, in a timely manner.

#### FEBRUARY 23, 2011:

#### SCREENING OVERSIGHT CAUSES ONE HOUR FLIGHT DELAY AND RAISES SERIOUS QUESTIONS CONCERNING SECURITY PROCEDURE

A passenger was selected for extra screening at the airline ticket counter. His boarding pass was marked with symbols to alert TSA that the customer required selectee screening. At the checkpoint, the TSA document checker failed to notice the symbols and the customer did not receive selectee screening.

Later, when TSA realized its mistake, the flight was called back to the gate and all passengers were required to go through the screening process again. The extra screening delayed flight departure by one hour. The incident was documented by police supervisor Nokes (Exhibit E). Besides the obvious customer service issues, SGF administration has several concerns about how the incident unfolded:

- On paper, at least, TSA and SGF are equally responsible for airport security. But at no time did TSA inform SGF administration of the on-going event. In short, the decision to call the plane back to the gate was done without input or consultation with SGF.
- 2. If SGF had been consulted during the incident, we likely would have asked if evacuation of the sterile (secure) area of the terminal should be considered. If the security breech was serious enough to justify calling the plane back to the gate, why not evacuate the terminal and require ALL airline customers to be rescreened? Bottom line: we question whether TSA followed proper procedure.
- 3. During a follow-up meeting, the AFSD admitted that the TSA document checker had made a mistake, but that everything worked out all right since the mistake was caught. He also said that the American Eagle employee, who processed the boarding pass at the gate, should have noticed the selectee symbols. In short, it's clear that TSA had implemented a new system for indentifying passengers picked for selectee screening. What's unclear is whether news of the new system was passed on to airline employees, or even the TSA document checker.

These four incidents are a sample of what SGF considers a pattern of disregard for customer service. TSA often portrays its critics as those who don't agree with its security procedures (such as the "enhanced pat-down"). With the exception of the last incident described, nothing could be further from the truth. What TSA never mentions is "customer service." And that is the heart of the matter—we believe it's possible to have great security and great customer service. It's clear to us that customer service issues will not be resolved as long as TSA employees staff the screening checkpoint.

We've consulted with several airports that participate in the Screening Partnership Program. They all report that private security companies are responsive to customer service concerns. That is why we applied to opt-out.

www.flyspringfield.com

We have enclosed our opt-out application, dated December 14, 2010. It is labeled "Exhibit F."

We have also enclosed our rejection letter. It is "Exhibit G."

As far we know, SGF has never been a recipient of the National Deployment Force.

Best Regards,

Kent Boyd

Public Information and Marketing Springfield-Branson National Airport

#### EXHIBIT A

#### Gary Cyr

From:

Cave, Paul

Sent:

Tuesday, March 18, 2008 12:16 PM

To:

Shawn Schroeder

Cc:

Gary Cyr

Attachments: Wait Time and Throughput Comparison 031408.doc

#### Shawn.

I took a look at the throughput rates for Friday, 03/14/08 and I attached our numbers above. The pictures you gave me were not a fair representation of what actually occurred that day. I ran the numbers from one hour before that picture was taken to one hour after. Here's what I found out: 1200-1300, 120 pax throughput; 1300-1400, 222 pax throughput, 1400-1500 248 pax throughput. That means we processed 590 pax in that three hour window. Which means we were processing 3.27 people a minute, or one person every 18.35 seconds. That equates to 32.7 people every 10 minutes. I counted the people in line in the picture you gave me and the most I could come up with was 36 people. I assume your guy took this picture when the line was at its absolute worst. If so, this line represents a maximum of a 15 minute wait in the worst case scenario. TSA's goal is not to exceed a 10 minute wait... so we exceeded our goal by about 5 minutes for less than 30 minutes during an 8 hour shift. More importantly, no one missed a flight and no flight was delayed as a result of our screening efforts. So, the problem is what????

I completely agree that TSA needs to be responsive. I also agree that a couple of my supervisors may be a little more reactive that proactive when it comes to opening that second lane. That is probably because we are measured on our throughput rates. The standard throughput rate is 200 pax per lane, per hour. If we open that second lane and we don't exceed 200 pax, our throughput optimization rate goes through the floor. However, I am willing to take that hit to stay under the 10 minute wait time. I am getting the word out to my TSMs and STSOs so they aren't as afraid to pull the trigger if things start backing up. I also agree that it is inappropriate for one of the TSA employees to blame airline flight intervals for our long lines. We get the flight load numbers in advance and we should adjust staffing to meet those requirements. But we all know there are variables outside of TSA control. For example, Allegiant regularly puts one ticket agent at the gate when they are getting an AC ready to go. So the line tends to back-up pretty bad. Once they are done with all the stuff in the back, they send two or more employees out to the counter to get the line processed as quickly as possible. So, TSA gets a smooth, slow trickle, and suddenly it's a rushing stream and our lines then back up. This is only one of several anomalies that could impact our line and cause us to exceed a 10 minute wait for a short period.

But I am not able to address those issues if I am blind-sided. In the future, I would greatly appreciate it if you would let me know what you want to talk to me about in advance. If there is a specific issue, please allow me time to research the issue so we can have an informed discussion with the overall objective being a positive outcome. I don't consider yesterday's encounter as positive... and it is definitely not how I'd like to conduct business in the future. Hopefully this answers your questions/concerns about the back-up this past Friday. Please let me know if you wish to discuss this any further.

#### Crystal C. Bell 810 Cordova Street Dallas TX 75223

September 3, 2008

SEP 8 2008

Mr. Gary A. Cyr Director of Aviation Springfield-Branson National Airport 5000 W. Kearney, Suite 15 Springfield MO 65803

Dear Mr. Cyr:

Recently I had a travel experience I want you to be aware of – in hopes that you will correct the situation and prevent it from happening again.

On Sunday, August 24, I was ticketed to fly from Springfield MO to Dallas on American Eagle #3770 scheduled to depart at 5:40 p.m. The flight was cancelled (with no reason given), and I was rebooked on the next departing flight, American Eagle #3764 scheduled to depart at 6:40 p.m., the last flight to Dallas that evening. The flight's departure was delayed several times for what the ticket counter agent told me was "mechanical" reasons – from 7:05 p.m. to 7:25 p.m. and finally to 7:57 p.m.

Members of my family, long-time Springfield residents, drove me to the airport for my original flight. When they learned it was cancelled and that my later flight was to leave at 7:05 p.m., they decided to wait with me, so we had a cup of coffee in the airport café. But when it was posted that the flight was to leave at 7:57 p.m., they suggested we drive back to their Springfield home and wait. While there, we frequently checked the American Airlines web site to confirm the flight was still scheduled for a 7:57 p.m. departure, which it was. They drove me back to the airport, arriving at 7:25 p.m. so I could clear security and board my flight (the ticket agent had given me my boarding pass for the flight when my previous flight was cancelled).

When I neared security, I could see that it was in lock down. Puzzled, I sought out a person in an airport uniform and told her my situation, that security was locked down and I was on the flight that was leaving at 7:57 p.m. She referred me to the American Eagle ticket counter and when I told her no one was there, she told me to "go knock on the door." I walked over to the American area, stepped behind the ticket counter and rapped on the door several times. Finally, a ticket agent answered. When I told her my situation and that security was closed, she did not appear surprised. She said that it had been announced throughout the terminal that security would close at 6:45 p.m. She informed me that I would have to depart the next day, that there was no way she could clear me through security because that was the job of the "the government." Fortunately, I have

family in Springfield where I could spend the night. But what about those passengers who were treated the same way and did not?

During my conversation with the ticket agent, who checked me in for an early-morning flight the following day, she said that this situation has occurred before, and that of the four airports where she has worked, she doesn't know how "they get away with this here."

At last I departed Springfield the next morning on the 6:00 a.m. flight for Dallas, once again inconveniencing my family to transport me to the airport (their third round trip from home).

I want to know how such intolerable procedures are allowed to exist at the Springfield-Branson National Airport. Specifically, I would like to know:

- Why is TSA allowed to close at 6:45 p.m. or close at all when there are still departing flights and passengers boarding them? I was at the airport 30 minutes prior to departure to clear security (I already had my boarding pass). But TSA was allowed to close 1 hour and 12 minutes prior to the departure of American Eagle #3764.
- How is it that miscommunication or perhaps no communication between American Eagle and TSA at the airport can cause Springfield to look like a thirdworld country and airline customers to lose time and money because their actions are governed by two giant bureaucracies?
- How are American Eagle, the TSA and/or the airport authority going to compensate me for the time and money lost during this travel debacle? I am self employed and needed to be back in Dallas Monday morning to run my business.
- How are American Eagle, the TSA and/or the airport authority going to compensate my family for their futile efforts transporting me to and from the airport for no reason?
- Why can TSA be on duty for the first American Eagle flight in the morning departing at 6 a.m. but not the last flight in the evening?
- When is American Eagle going to pressure TSA to remedy this deplorable situation? Doesn't American Eagle realize how damaging this situation is to customer relations?

#### Page 3

 And finally, when will TSA and the Springfield-Branson National Airport mature into professional organizations that offer the full service that tax-paying citizens deserve?

I look forward to hearing how you plan to resolve this unacceptable airport operation.

Sincerely,

Crystal C. Bell

Copies:

U.S. Sen. Christopher S. (Kit) Bond

U.S. Sen. Claire McCaskill

U.S. Rep. Roy Blunt

American Airlines Customer Relations-D/FW Airport, Texas

Gerard J. Arpey, Chairman, President & CEO, AMR Corp.

Robert W. Reding, American Airlines, EVP, Operations

Peter M. Bowler, American Eagle, President & CEO

Jonathan D. Snook, American Eagle, SVP, Customer Service

R. Bates, Business Editor, Springfield News-Leader

Sarah Overstreet, Springfield News-Leader

## on road to nowhere \$25 million spent

John Watkins Springfield

\$25 million gravel road leading to nowhere was built with federal tax dollars. The road may be useful for The road that now leads to road racing and save some hunters Gov. Sarah Palin's transportation department has now completed a the site of The Bridge to Nowhere. from walking through the brush. That's the sort of governmental efficiency we are being offered in he lower 48 states.

# MIKE K. FAULKNER

## world a darker place Loss of man makes

Springfield

short time in the long scheme of 2008, after suffering a long illness. He was my friend for only a Mike died on September 19, Tribute to Mike K. Faulkner

explored, he was in the halfway Our friendship began with a house on Division Street in simple story. For reasons I never Springfield. In the evenings, Mike

# We want to hear from vou!

FAX PHONE NUMBER:

SPRINGFIELD, MO 65806

E-mail

VIA THE WEB

NEWS-LEADER.COM GO TO OPINION AT

where her reasoning takes you.

News-Leader.com E-MAIL IT. Letters@

Preference is given to brief and direct letters, 200 words or less. We verify all letters, so please include your name, address, daytime and evening phone numbers. Please include a photograph with submissions.

would take part of his dinner to Sheba that lived in the yard. He would sit, in companionship, smoking his ever-present cigar, found a job, a place to live and was able to move from that place he feed a semi-feral cat he named talking to the cat. When he had went back, once, to collect Sheba to take the cat with him.

to disrespect for life

ries of Sheba's doings - her The cat shared, after that, equal-For to me, those stories marked the deepest quality of the man. He was a man who didn't forget a friend or ly in Mike's life and ups and downs. He was always telling stoquirks, her hunting ability, and her likes and dislikes. Sometimes people seemed bored with his long a favor. He always had time for those others discarded, cats, dogs or people. His compassion for the nelpless, his endless patience with those in need, were truly the hallmarks of the Mike I admired. He stories about his cat, but Histened was the model of a good friend.

The world seems, at the moment, a darker, harsher place for

And by the way Ms. Murphy, the responsible people to produce an birth control" if it happens after the fact (there are options for that you know). There are legions of us abortion), is taking the life of a huunwanted pregnancy. It's not hat believe your "choice" (a.k.a. last time I checked, it took two irman being, each one just as valuable and precious as any other. Writer's logic leads

You're right -- women do mater, and so do children.

# DELAYED FLIGHT

flight unexcusable TSA's behavior on

RE: "Abortion - Don't take

Springfield

away right to choose" by Patricia

It is interesting that Ms. Murcause President Bush believes in

phy seems to think that just be-



the sanctity of life that his idea of

women is to "procreate and not speak ... wear shoes...and keep a Using Ms. Murphy's logic to get take that a step further? There are that may take a limb, paralyze

clean house ..." Why is that?

lots of "accidents" including ones

someone, or what about someone losing their mind or body due to illness, someone with a mental dis-

rid of "unwanted fetuses," why not

Springfield

To Crystal Bell's "Voice of the Day" column on Monday, I want to add a hearty "Amen." Never field so embarrassingly and intol-Eagle Flight on Aug. 24 that Ms. erably bungled as the American have I seen a flight out of Spring-Bell describes.

Ms. Bell's. She had her boarding our experience was the same as went down the street to dinner My daughter, a physician in Dalas, was ticketed on that flight and pass, the plane was delayed, we (the airport cafe had closed), returned to the airport to clear security some 35 minutes before de-

> ability? Should we just "humanely" get rid of all of them also? Why do they have any more right to life

parture, only to find that TSA had Bell among others could not be checked by security and allowed to board. She had to spend the night and take the first plane out gone home. She along with Ms. the next morning, missing an appointment at her hospital Ridiculous of course, but that is

pervisor said he was sorry and tor confirmed that the airline aw unto itself," and there was ate. I encountered Ms. Bell that served that this incident made security that the problem had "would send an email to his suhad notified TSA about the late flight. He added that "TSA was a "Springfield look like a third In following up on this bungled matter, I was told by airport occurred before. The TSA sunothing he or the airline could do to change the way they opernext morning as my daughter fipervisor," and the airport direcnally caught her flight. She obworld country."

lems today with high ticket costs, fares from nearby driveable cities Branson. We don't need visitors The question is, Who can assure that this situation does not occur again? I've posed the question to potential new competition from port and the service it offers are akin to a "third world country." all the powers that be but have yet Our airport has enough probmuch cheaper than our own and from Dallas or residents of Springfield itself concluding that our airto get a good answer

# FROM THE RIGHT

in specialized containers placed in modern solutions to an age-old Nuclear power is the key to weaning America off oil a hollowed-out mountain in the Radical environmentalists and their political friends wrongfully believe that nuclear power is dangerous and harmful to the environment. Sen. Harry Reid continues to insist that Nevada resimiddle of nowhere, Nevada. would cost tons of money replacered with corn just for ethanol to cent of its power from wind power, every available square mile of un-For the country to achieve 20 perverted into a wind mill farm. In much the same way, all of America's farmland would have to be covused land would have to be coning our electrical infrastructure. Picken's enormous farm of stainless steel can produce the same amount of energy as a large nuclear power plant - on a windy day. On average, wind mills only generate 30 percent of to-Once produced, this en-T. Boone Pickens is full of hot ergy for the amount of effort. tal capacity. The former oil mogul is running

dents will be harmed by potential

problem. The answers will come velop more fuel efficient vehicles from entrepreneurs, who will dethat use little if any gasoline.

\$7,000 three-wheeled electric California beer distiller maker ferry Ogle is hoping that his two-seater, the Vulcan, will be a hirge sales success That's why

> Nothing could be furpendence on foreign oil.

ther from the truth.

power, a natural resource he

claims will solve our de-

paid advertisements urging Congress to adopt greater use of wind ergy has to be used or trans-

#### **EXHIBIT D**

#### Kent Boyd

From: David Nokes

Sent: Monday, November 01, 2010 3:44 PM

To: Gary Cyr; Shawn Schroeder; Kent Boyd

Subject: Checkpoint Incident Friday 10-29

Wheelchair PAX left Allegiant TC at 1207. Wheelchair PAX arrives at screening que line at 1221 with skycap pushing. 1223 carry on items being unloaded onto X-Ray belt screening lane #1. 1226 — wheelchair PAX pushed to gate by walk through mag. 1227 wheelchair PAX pushed back to screening lane #1 1231 - pushed to screening lane #4 and items put on Xray belt of screening lane #4 and TSA screener pushes wheelchair PAX to wait at gate by walk through. Wheelchair PAX waits at gate from 1231 to 1246 when TSA screener lets wheelchair PAX through gate for search. 1247- PAX arrives at selectee screening area. 1252 - PAX leaves checkpoint area.

Two big delays in this process as shown by cameras are: 1) 1207 to 1221 – the time the wheelchair PAX left the TC and arrived at que line for entry to checkpoint, and 2) 1231 to 1246 – the time the wheelchair PAX waited at gate to get screened as other PAX's were being screened.

Cameras also show TSA supervisor entering Gate 2 bridge and then exiting bridge shortly after. Information has it that the TSA supervisor tried to stop the pilot from departing – but attempt failed. Allegiant did start the process of departing from gate at 1251.

Unknown why they had wheelchair PAX go to a different screening lane. It appeared she had to get her items from screening lane #1 and switched to Lane #4.

Cameras 48, 54, 59, 60, 63, 65, 72, 119.



#### Springfield-Branson

NATIONAL AIRPORT

POLICE DEPARTMENT 2300 n airport blvd ste 100 springfield missouri 65802

P 417.868.0500 x2200 f 417.868.0581

TO: Director of Aviation Gary Cyr

FROM: Police Supervisor David Nokes

SUBJECT: TSA Security Breach - Missed Selectee Search

DATE: 02/23/2011

On 02/23/2011, a designated selectee PAX flying on AE Flight #4042 was allowed to board the plane without being searched as a selectee. Facts are as follows:

Flight AE #4042 scheduled to depart at 0705.

PAX selected as selectee at AE ticket counter

- PAX's boarding pass marked with the standard 4 "S"'s to alert TSA that this PAX is a selectee
- PAX goes through checkpoint without being "selectee" searched

PAX boards plane

- TSA employees in baggage search room (BHS) notice they have a bag from a selectee and call checkpoint of the selectee status as it is a rare occurrence
- TSA checkpoint supervisor notices they did not selectee search the PAX
- AE Flight had just been pushed back and had to taxi back to bridge

AE flight deplaned 15 PAX's

- The 15 PAX's were run through the checkpoint again
- An Airport officer and AE employees search plane
- AE Flight #4042 scheduled to leave at 0705 (actually left gate at 0657 then deplaned at 0704) was delayed until 0805

TSA did a report on this incident and does have names associated. One of the lead TSA screeners advised the document checker is the one to "catch" the selectee markings on the boarding pass. He also advised that TSA places an orange/red circle on the pass after the PAX is screened and the AE ticket agent should have caught the PAX had not been screened. I talked with AE employees (3) and they knew nothing of this orange/red circle procedure that is supposed to show the selectee was searched. This is apparently a new procedure that was not communicated to the AE employees responsible to catch this. One of the AE employees stated that even TSA Inspector Rod Chana did not know of the new selectee orange/red circle marking status on boarding passes that is supposed to alert gate agents.

Holes

www.flyspringfield.com



#### Springfield-Branson

NATIONAL AIRPORT

2300 n airport blvd ste 100 springfield missouri 65802 p 417.868.0500 f 417.868.0501

December 14, 2010

Director Mr. Gary A. Cyr Sr. A.A.E. Springfield Branson National Airport 2100 N. Airport Blvd, Suite 100 Springfield, Missouri 65802

Mr. Ray Williams Screening Partnership Program Branch Chief, TSA 601 South 12<sup>th</sup> Street, E9-205S (TSA-29) Arlington, VA 22202

Encl: Opt Out Applications for Springfield Branson National Airport

Subject: Request to Participate in the Screening Partnership Program for Springfield Branson National Airport, Springfield, Missouri.

This letter is to request participation of the Springfield Branson National Airport in the Transportation Security Administration (TSA) Screening Partnership Program (SPP). I have enclosed the application required by TSA to begin the process of transitioning to a private screening workforce. I understand that TSA will evaluate this application and is not obligated to proceed with transitioning the Springfield Branson National Airport to SPP if the application is not approved by the agency, or does not meet the criteria specified in section 44920 of Title 49, United States Code. Should additional information be required, I can be reached at the following:

Work:		54	3.00		
Cell:	4				V 1503-
Fax:	ŧ.			 	

Thank you for your consideration in this matter.

Gary A. Cyr Sr. A.A.E.



#### Application to Participate in the Screening Partnership Program

#### REQUIRED INFORMATION:

1.0 Airport name:				
	Springfield Branson National Airport			
1.1 Airport three (3) digit identifier designated by the Federal Aviation Administration:	1			
1.2 Airport address:	2300 North Airport Boulevard, Suite 100			
	Springfield, Missouri 65802			
1.3 Airport owner:	City of Springfield			
1.4 Airport authority / operator:	Airport Board of Directors			
1.5 Airport authority / operator contact name (individual authorized to submit application):	Gary A. Cyr Sr. A.A.E.			
1.6 Airport authority / operator contact position:	Director of Aviation			
1.7 Airport authority / operator contact telephone number:				
1.8 Airport authority / operator contact	2300 North Airport Boulevard, Suite 100			
mailing address:	Springfield, Missouri 65802			
1.9 Airport authority / operator contact facsimile number:	1			
1.10 Airport authority / operator contact electronic mail (e-mail) address:				
1.11 Airport authority / operator alternate point of contact name:	Shawn Schroeder			
1.12 Airport authority / operator alternate point of contact position:	Assistant Director of Aviation - Operations			



#### Application to Participate in the Screening Partnership Program

1.10 1.						
1.13 Airport authority / operator alternate point of contact telephone number:	×					
1.14 Airport authority / operator alternate						
point of contact mailing address:	2300 North Airport Boulevard, Suite 100					
	Springfield, Missouri 65802					
1.15 Airport authority / operator alternate point of contact facsimile number:	S					
* .						
1.16 Airport authority / operator alternate point of contact electronic mail (e-mail) address:						
1.17 Number of pages of application:						
	(4) four and a cover letter					
1.18 Indicate if the requesting airport seeks to be the qualified vendor providing private security screening services. (circle or highlight YES or NO)	YES. If yes, the airport will need to apply under the methodology and criteria published by TSA to become a qualified vendor.  NO. The requesting airport does not seek to be the provider of private security screening services.					



#### Application to Participate in the Screening Partnership Program

#### ADDITIONAL INFORMATION:

1.19 What is the airport authority's primary reason for wanting to participate in the SPP?

The airport recently moved commercial operations to a new terminal. As part of the "new" customer experience, the airport is striving to increase customer convenience. This effort includes comfort in the terminal, ease of check in, speed of baggage return, and the security screening customer service experience. Participating in the SPP will increase screening efficiency and flexibility, lower screening operating cost, and improve the customer service experience. SPP will allow the FSD to concentrate on operational oversight—while the private contractor can concentrate on employee management and customer service.

2.0 Does the airport have a preferred timeline for when the transition to private screening should occur? (Example: please notify TSA of any scheduled activities that may interfere with the SPP transition, such as, major construction, peak travel dates, planned conferences, etc.)

Completed by the end of the calendar year 2011.

2.1 Does the airport authority have other airports under its jurisdiction, or in its region, that will be submitting applications for privatized screening? If so, please list the other airports. (If yes, an application will need to be submitted separately for each airport).

No

2.2 Are there any special circumstances that TSA should consider in reviewing the airport authority's request to participate in the SPP?

No

2.3 Please provide any additional information you would like TSA to consider during the evaluation of this application.

This airport often encounters irregular airline operations encompassing charters, diversions, and military charters. These operations often occur with little notice and demand security screening flexibility, particularly in light of the Airline Passenger's Bill of Rights and the three hour tarmac rule.

- Military activity is associated with the airport's proximity to Ft. Leonard Wood and the
  presence of the Missouri National Guard AVCRAD facility on the airport. This is one of
  only four AVCRAD facilities in the United States.
- The airport is a primary diversion airport for American, United and Delta airlines.
- 2.4 Upon execution of this application, the authorized representative, (specified in line 1.5 of this document), of the operator of the airport, (specified in line 1.0 of this document) hereby requests the Assistant Secretary to accept this application to have the screening of passengers and property



#### Application to Participate in the Screening Partnership Program

at the airport, as cited under section 44901 of the Aviation and Transportation Security Act, to be carried out by the screening personnel of a qualified private screening company under a contract entered into with the Assistant Secretary.

Date of execution

Office of Security Operations

U.S. Department of Homeland Security 601 S. 12th Street Arlington, VA 22202-4220

JAN 28 2011



Mr. Gary A. Cyr Director, Springfield-Branson National Airport 2300 N. Airport Blvd., Suite 100 Springfield, Missouri 65802

Dear Mr. Cyr,

The application for Springfield-Branson National Airport to participate in the Screening Partnership Program has been denied. In making this decision, the Transportation Security Administration determined that there is no clear advantage to the federal government in contracting the workforce at your airport.

The Federal Security Director for your airport, Mr. John Della Jacono, has been informed of this decision and is available to discuss it with you further. Should you wish to speak with me, I can be reached at

Thank you for your interest in the Screening Partnership Program and we look forward to continuing to work together to protect the security of the traveling public.

Sincerely,

Lee R. Kair

Assistant Administrator Security Operations

cc: Federal Security Director, Missouri Area Director, Area 7

### **APPENDIX 16**



### **U.S. House of Representatives**Committee on Transportation and Infrastructure

John L. Alica Chairman Washington, DC 20515

Nick J. Rahall, II Ranking Member

James W. Coon II, Chief of Staff

January 31, 2011

James II. Zola, Democrat Chief of Staff

The Honorable John Pistole Administrator Transportation Security Administration 701 South 12th Street, West Tower Arlington, VA 22202

#### Dear Administrator Pistole:

I was shocked to learn of your decision not to expand the Screening Partnership Program (SPP). I believe this decision is in direct conflict with the intent and direction of Congress. Consequently, I request you preserve and produce to Majority staff of the Committee on Transportation and Infrastructure of the House of Representatives the following information:

- (1) All documents in the Department of Homeland Security's (DHS) and the Transportation Security Administration's (TSA) possession that relate to the SPP policy decision announced on January 28, 2011, as well as all documents that relate to the decision to reject five airport applications to participate in the SPP, also announced on January 28, 2011.
- (2) A list of all personnel responsible for or involved in developing, researching, drafting, and making the SPP policy decision announced on January 28, 2011, including the name, position title, contact information, and official job description and list of duties of each such person.

This request encompasses all items within the DHS's and the TSA's, or any of their officers', managers' and employees' possession, custody, or control. The term "document" or "documents" includes all writings, emails, phone logs, calendars, notes, meeting minutes, reports, charts, photographs, recordings, data compilations, spread sheets, memoranda, and any other written compilations and communications. This request is continuing in character, and your response should be promptly amended or supplemented if you obtain further material information.

The Honorable John Pistole January 31, 2011 Page Two

Please produce the documents and provide the list of personnel no later than February 21, 2011, to 2165 Rayburn House Office Building. If you have any questions regarding this request, please contact Holly Woodruff Lyons at or Suzanne Mullen at'

Sincerely,

John L. Mica Chairman



### H.S. House of Representatives Committee on Transportation and Infrastructure Washington, DC 20515

John L. Alica Chairman

Nick J. Rahall, III Ranking Member

James W. Coon II, Chief of Staff

February 1, 2011

James H. Zoia, Democrat Chief of Staff

The Honorable John Pistole Administrator Transportation Security Administration 701 South 12th Street, West Tower Arlington, VA 22202

Dear Administrator Pistole:

As you are aware, I am extremely disappointed in the poor judgment displayed by the Transportation Security Administration's (TSA) decision not to expand the Screening Partnership Program (SPP). As one of the authors of the Aviation and Transportation Security Act (ATSA) which created the SPP, TSA's decision to the halt the program is an affront to both the intent and spirit of the legislation.

In addition to my initial request for documents pertaining to this decision, I also request you preserve and produce to Majority staff of the Committee on Transportation and Infrastructure of the House of Representatives the following information:

Any and all communications between the Department of Homeland Security (DHS) and the TSA with labor union organizations and their representatives that relate to the SPP policy decision announced on January 28, 2011; as well as any and all communications between DHS and TSA with labor union organizations and their representatives that relate to the decision to reject five airport applications to participate in the SPP, also announced on January 28, 2011.

This request encompasses all items within the DHS's and the TSA's, or any of their officers', managers' and employees' possession, custody, or control. The term "document" or "documents" includes all writings, emails, phone logs, calendars, notes, meeting minutes, reports, charts, photographs, recordings, data compilations, spread sheets, memoranda, and any other written compilations and communications. This request is continuing in character, and your response should be promptly amended or supplemented if you obtain further material information.

The Honorable John Pistole February 1, 2011 Page Two

Please produce the documents no later than February 21, 2011, to 2165 Rayburn House Office Building. If you have any questions regarding this request, please contact Holly Woodruff Lyons at or Suzanne Mullen at

Sincerely,

John L. Mica Chairman



#### H.S. House of Representatives Committee on Transportation and Infrastructure

John L. Alica Chairman Washington, DC 20515

Nich I. Rahall, III Ranking Member

Continan

February 2, 2011

James W. Coon II, Chief of Staff

James H. Zoia, Democrat Chief of Staff

The Honorable John Pistole Administrator Transportation Security Administration 701 South 12th Street, West Tower Arlington, VA 22202

Dear Administrator Pistole:

I request that you provide staffing information for the Federal Security Director offices for the 16 airports currently in the Screening Partnership Program (SPP).

The information should include:

- (1) number of staff
- (2) titles of staff
- (3) and the average salaries or salary ranges of staff.

Thank you for your prompt response to this information request by close of business February 9, 2011. If you have any questions please contact Holly Woodruff Lyons of the Subcommittee on Aviation staff at

Sincerely,

John L. Mica Chairman



#### H.S. House of Representatives Committee on Transportation and Infrastructure

John L. Mica Chairman Washington, DC 20515

Aich J. Rahall, II Ranking Member

February 3, 2011

James W. Coon II, Chief of Staff

cc:

James II. Zoia, Democrat Chief of Staff

The Honorable John Pistole Administrator Transportation Security Administration 701 South 12th Street, West Tower Arlington, VA 22202

Dear Administrator Pistole:

I request you preserve and produce to Majority staff of the Committee on Transportation and Infrastructure of the House of Representatives the following information:

- (1) All records of communication between any individual airport or private entity and the Department of Homeland Security's (DHS) and/or the Transportation Security Administration (TSA) regarding the Screening Partnership Program (SPP) from January 1, 2009, through January 31, 2011.
- (2) A list of all meetings, including date, location, and DHS and/or TSA personnel, that have been held with any airport official or representative or SPP participant from July 1, 2010, through January 31, 2011.

This request encompasses all items within the DHS's and the TSA's, or any of their officers', managers' and employees' possession, custody, or control. The term "records of communication" includes all writings, letters, emails, phone logs, notes, meeting minutes, recordings, memoranda, and any other written communications. This request is continuing in character, and your response should be promptly amended or supplemented if you obtain further material information.

Please produce the documents and provide the list of personnel no later than February 21, 2011, to 2165 Rayburn House Office Building. If you have any questions regarding this request, please contact Holly Woodruff Lyons at or Suzanne Mullen at

Sincerely

John L. Mica

Chairman

Holly Woodruff Lyons, Staff Director and Senior Counsel Suzanne Mullen, General Counsel

### **APPENDIX 17**

U.S. Department of Homeland Security 601 South 12th Street Arlington, VA 20598



The Honorable Jason Chaffetz
Chairman
Subcommittee on National Security, Homeland Defense,
and Foreign Operations
Committee on Oversight and Government Reform
Washington, DC 20515

#### Dear Chairman Chaffetz:

Thank you for your letter of February 14, 2011, requesting information about my January 28, 2011, decision regarding the Transportation Security Administration's (TSA) Screening Partnership Program (SPP). I welcome this opportunity to respond to your questions and provide an explanation for my decision.

Shortly after being sworn in as TSA Administrator, I conducted a top-to-bottom review of all of TSA's security programs and policies. As part of that review, I examined the SPP. The security implications of expanding beyond the 16 current airports participating in the SPP were my priority in making this determination. Specifically, some of the areas I considered include:

- Security Flexibility One of TSA's highest priorities is maintaining its capability for a rapid, national mobilization of its workforce and the flexible use of security resources.
   Transportation Security Officers (TSOs) have provided security assistance on numerous occasions, including hurricane and earthquake response, refugee crises and temporary deployments for special security events. TSOs at SPP airports are not subject to this mobilization.
- Implementing New Programs New initiatives can take longer to execute at SPP airports than Federal airports due to the need for contract modifications and negotiations.
- <u>Transparency</u> Details of employees and working conditions are often obscured by the nature of contracting, especially with fixed-price contracts.
- Administrative Complexity and Challenges There are a significant number of personnel focused on SPP, including a support office, acquisitions experts, lawyers, and finance employees.
- Workforce and Management Continuity SPP creates anxiety within the screening workforce, which is not beneficial to morale or security performance. Also, transitioning airports between contract providers can lead to workforce and management turnover.
- <u>Career Progression</u> TSA is dedicated to creating an organizational culture that offers career
  progression and potential opportunities in other areas of TSA and the U.S. Department of
  Homeland Security (e.g., inspectors, Federal Air Marshals, canine handlers, management,

Headquarters jobs). Directly managing our workforce allows us to provide such career opportunities for our workforce.

 <u>Cost</u> - The cost difference varies on the individual contracts. On average, current private screening contracts cost the Government 3 to 9 percent more than a Federalized workforce.

Ultimately, I decided to continue privatized screening operations at the current 16 airports. I also independently determined that the best way to maximize TSA's effectiveness as a Federal counterterrorism security Agency was to not expand SPP beyond the current 16 airports unless there are clear and substantial advantages to do so. That said, I am always open to new and innovative ideas and opportunities to manage TSA's operations more efficiently while maintaining our high standards and meeting the threats of today and the future. I believe it is important to retain TSA's flexible use of the program. If a unique situation arises where utilizing SPP could be beneficial, I am willing to expand the program where it makes sense.

Regarding your inquiry of the review process for applications from airport operators seeking to opt-out of Federal workforce airport security, TSA reviews these applications for completeness and verifies that the signing party is authorized to submit the application on behalf of the airport operator. We then conduct a cost and performance analysis prior to either improving or denying the application.

Concerning your request for the cost associated with sending TSOs from TSA's National Deployment Force (NDF) to understaffed airports, TSA spent a total of \$7,210,639.19 rotating 311 NDF TSOs through 48 different airports in fiscal year 2010. This figure includes lodging, airfare, meals, incidental expenses, and rental vehicle costs.

I am available to meet with you personally to further my discussion not to expand SPP at this time, and I look forward to the opportunity to share my overarching strategic vision for TSA as a more agile, high-performing counterterrorism Agency.

I appreciate that you took the time to share your concerns with us and hope this information is helpful. If I may be of further assistance, please do not hesitate to contact me personally or the Office of Legislative Affairs at

Sincerely yours,

John S. Pistole Administrator

### **APPENDIX 18**

 An updated SPP and non-SPP cost comparison. The latest analysis that we have is dated September 15, 2010 and was provided at the joint TSA-GAO Hill meeting. We understand that a recent update may have been prepared.

Please see below for multiple scenarios of TSA's cost estimate for SPP and federal operations. These estimates are for FY11. Private cost estimates may change with the re-competition process.

The first cost estimate column shows the private cost estimate calculated using the Independent Government Cost Estimate (IGCE) and historical invoice data. TSA expects the new contracts to be close to this price range.

The second column shows the actual impact to TSA's budget in FY11 (excluding transition) if operations at SPP airports were run by TSA. This estimate includes recent attrition data from airports in similar geographic locations, the same wage rates as the contractor, actual benefit and premium pay percentages from TSA, and actual non-pay costs from TSA averages such as uniforms, hiring, and training. It also includes some funds for overhead which would need to be increased, such as additional FSD staff and some headquarters programs.

The third column includes indirect cost items such as workers' compensation, general liability insurance, and a corporate tax adjustment. General liability insurance and a corporate tax adjustment were calculated according to A-76 standards. Workers compensation, which is paid two years in arrears, is based on actual TSA averages.

The fourth column includes an additional benefit percentage for the standard retirement factor. Actuals were calculated for certain TSO benefits (FERS, FICA and TSP) and adjusted upwards by 10% to match the A-76 standard for retirement (24%) to account for the full dynamic normal cost of retirement and retiree health benefits.

Finally, the fifth column includes the imputed retirement costs as calculated in accordance with OPM and the Statement of Federal Financial Standards No. 5. (While this is only a requirement for financial statements and not public-private comparisons, it is included for additional analysis.)

Airport	Priva	Private Cost Estimate		Federal Costs - Impact to TSA Budget		Federal Costs - With Imputed costs		Federal Costs - With Imputed and Adjusted Benefits		Federal Costs - With Imputed, Adjusted Benefits - OPM	
SFO	\$	84,460,032	S	76,456,506	S	77,874,170	\$	79,152,269	S	80,852,812	
MCI	\$	30,923,549	S	28,638,782	S	29,287,868	S	29,749,188	S	30,599,001	
ROC	S	9,975,722	S	9,617,589	S	9,807,387	\$	9,957,067	S	10,194,164	
FSD	\$	3,485,004	S	3,194,175	S	3,262,527	S	3,309,886	S	3,397,836	
JAC	S	4.844.663	S	4,622,550	S	4.712.601	S	4,786,275	S	4,896,762	
EYW	S	3,448,420	\$ .	3,001,754	S	3,065,346	S	3,116,918	S	3,195,523	
STS	S	1,379,411	S	1,224,494	S	1,247,434	S	1,267,958	S	1,294,892	
MT7	s	1,974,812	\$	1,551,650	S	1,579,917	\$	1,602,832	\$	1,637,847	
ROW	s	513,003	S	532,086	S	541,288	S	549,725	s	560,242	
TUP	\$	585,388	S	543,127	S	553,314	S	562,084	S	574,361	
TOTAL	\$	141,590,004	\$	129,382,712	\$	131,931,853	\$	134,054,202	\$	137,203,440	

#### Other Cost Assumptions

- Wage rates in the federal cost estimate are set at the actual contractor level to ensure no adverse personnel actions if transition from private screening to Federal screening occurs.
- The number of screening personnel is prescribed by the Staffing Allocation Model, which is run for all SPP airports.
- In general, the federal cost estimate is incremental. That is, it excludes items that would not change regardless of whether the airport is a TSA or SPP operation.
- It is assumed that 27 additional FSD Staff personnel would be needed if SPP airports were converted. These costs are included in the cost estimate.
- Jackson Hole Airport (JAC), due to its unique location, includes a 20% retention incentive in the federal estimate. This is similar to other ski resort airports such as Aspen and Vail.
- 2. A summary of the changes made in response to our recommendation that "TSA update the study to address the methodological limitations that we have identified." (Please see the recommendation on p. 38 of the attached report).

Please see TSA response to question 3 for a summary of changes. A central GAO recommendation is that TSA not use its internal study as the sole source for decision making. TSA does not plan to rely solely on this study for future management decisions, and TSA has communicated this decision to GAO previously.

3. A summary of actions taken to address the specific issues/limitations highlighted in yellow in the attached report.

Please see responses below.

GAO: TSA's study design did not consider the impact of overlapping administrative personnel on the costs of SPP airports...According to TSA officials, this analysis is an ongoing effort and has no completion date.

GAO: TSA has initiated actions to identify and eliminate any unnecessary redundancies at SPP airports between TSA administrative staff and contractor personnel; however, these efforts are not yet complete.

GAO: TSA officials stated that the agency is in the process of conducting a workforce analysis to better understand the unnecessary redundancy concerns regarding the duties of administrative staff, including supervisory positions, at SPP and non-SPP airports, and develop a staffing model to more effectively utilize administrative staff at its airports.

**TSA Response:** Federal Security Director staff allocation models have been refined to more accurately account for contractor management of the workforce. The most significant change has come from adjusting FSD staffing to reflect the needs of the airports and by reducing redundancies. The SPP airports are allocated a Federal Security Director who provides leadership and management oversight to each SPP location. These airports are also allocated support staff using adjusted headcount (66% less) when applying the FSD Staff business rules because of the reduced administrative workload of managing

contracted staff. SPP airports are allocated Administrative Officers (AO) (as appropriate), Assistant FSD for Security (as appropriate) and Assistant FSD Generalist (as appropriate). The remaining positions in the FSD staff model are applied based on the standard business rules. To illustrate the improvement in FSD staff allocation, the Rochester, NY (ROC) staff was reduced from 7 Full Time Equivalent (FTE) to 2.2 FTE. TSA is committed to ensuring that all SPP airports retain the required FSD staff positions to ensure TSA oversight and responsibility for security.

GAO: Furthermore, the estimate for non-SPP airports does not take into account the costs of certain retirement benefits to be paid by OPM to TSA retirees.

**TSA Response:** TSA adheres to administration guidelines set by the Office of Management and Budget when conducting its cost estimates. Cost comparisons rarely factor in accounting practices from OPM as costs are not realized and it is not standard practice. Please see table in question 1.

GAO: Thus, there was more uncertainty embedded in the cost estimates for non-SPP airports than those for SPP airports.

**TSA Response:** All cost estimates contain a certain level of uncertainty. DHS officials are in the process of assisting TSA with a confidence interval.

GAO: TSA's design did not include an analysis to determine how changes in underlying assumptions would affect the size of the estimate, and its cost comparison did not account for differences in screening performance.

**TSA Response:** TSA officials have provided GAO cost studies with varying results based on changing assumptions. At the time of the original study, TSA briefed GAO on how an interactive cost tool can be used to quickly change assumptions.

Due to the small sample size of SPP airports and TSA's determination that their performance was comparable to their federal counterparts there is little to base costs vs. difference in screening performance. To date, TSA has found it difficult to attach costs to certain performance measures, such as a dollar figure for TIP detection rates. However, TSA welcomes further input from GAO regarding refinements to the cost estimate in this area.

GAO: TSA's comparison of SPP and non-SPP airports' costs was based on fiscal year 2007 data. However, it is unclear how representative the costs for 1 year may be.

**TSA Response:** TSA officials have provided GAO cost studies for multiple fiscal years. An independent contractor also conducted a study which spanned multiple fiscal years, including a full statistical analysis.

GAO: TSA's study design did not call for conducting procedures needed to ensure that cost data collected were reliable and did not prepare documentation of its costing methodology called for in federal accounting standards. Key assumptions and methods used were also not documented in sufficient detail to justify the reasonableness of costs.

**TSA Response:** TSA disagrees. The review process for TSA's internal study was thorough. Many offices and stakeholders, including the Office of Security Operations, Office of Human Capital, Office of Acquisition, and the SPP Program Office participated in the analysis. These estimates were further reviewed and found adequate by an independent group from DHS Acquisition. The cost study conducted by Catapult reached similar conclusions as TSA when examining the costs of the SPP and federal models. Firsthand knowledge of costs and processes were discussed and many different assumptions were considered and built into the model. The cost data that was collected was from actual payroll data from the National Finance Center and non-compensation data from the Coast Guard financial system.

GAO concludes that TSA did not prepare documentation of its cost methodology called for in federal accounting standards and that TSA's efforts would not have allowed a knowledgeable person to replicate the results in the entirety. TSA disagrees. The analysis was not meant to be a stand-alone product. TSA has provided GAO ample opportunity to review all data and has provided detailed guidance and briefings on how TSA arrived at the conclusions of its analysis.

GAO: TSA's study provided no evidence showing that the five performance measures are the most meaningful indicators of performance or that they provide a comprehensive basis for comparing the performance of SPP and non-SPP airports. In comparing the performance of SPP and non-SPP airports, TSA's design did not control or otherwise account for other possible factors, such as airport configuration or size, that could contribute to performance differences but may not be associated with the SPP.

**TSA Response:** TSA manages SPP airports to the same standards and performance metrics as non-SPP airports.

GAO: TSA's study design did not provide any statistical analyses to indicate the level of confidence in the observed differences in screening performance, consistent with generally accepted statistical practices. The study also did not address the procedures needed to ensure that performance data collected were reliable, and that there was an appropriate, standardized, and generally accepted methodology used for the analysis of the data.

**TSA Response:** For SPP, TSA now collects actual performance data using standard data collection requirements as delineated in written TSA policy. The performance data is evaluated bi-weekly for both SPP and non-SPP airports.

4. A summary of any other recent changes being made or under consideration (e.g., size, location, contractors, etc.)

None. TSA is in the final stages of awarding new contracts for most SPP airports through a competitive process.

#### About the Committee

The Transportation and Infrastructure Committee currently has jurisdiction over all modes of transportation: aviation, maritime and waterborne transportation, roads, bridges, mass transit, and railroads. The Committee also has jurisdiction over other aspects of our national infrastructure, such as clean water and wastewater management, the transport of resources by pipeline, flood damage reduction, economic development programs for rural and urban areas, disaster preparedness and response, the Civil Works program of the Army Corps of Engineers, and the various missions of the U.S. Coast Guard. The Committee also has oversight jurisdiction of the Transportation Security Administration (TSA), which resided within the Department of Transportation (DOT) directly following 9/11 and was later transferred to the Department of Homeland Security (DHS) upon DHS's creation. Furthermore, Homeland Security Presidential Directive 7 mandates that DOT and DHS collaborate on all matters relating to transportation security and transportation infrastructure protection. As such, matters of transportation security are of long-held and natural importance to this Committee.

#### **Contacting the Committee**

#### For information regarding this report:

**Rachel Weaver** 

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Justin Harclerode

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Committee on Transportation and Infrastructure