

**BEFORE THE
UNITED STATES HOUSE OF REPRESENTATIVES
COMMITTEE ON HOMELAND SECURITY
SUBCOMMITTEE ON TRANSPORTATION SECURITY**

**“Industry Perspectives: Authorizing the Transportation Security Administration
for FY 2012 and 2013”**

**Statement of
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July 12, 2011

Introduction

Good afternoon Chairman Rogers, Ranking Member Jackson Lee and Members of the Subcommittee. My name is Steve Alterman and I am President of the Cargo Airline Association. We appreciate the opportunity to testify before you today as Congress moves to authorize the activities of the Transportation Security Administration for Fiscal years 2012 and 2013.

The Cargo Airline Association is the nationwide trade organization representing the interests of the nation’s all-cargo air carriers.¹ Specializing solely in the transportation of cargo, our members are the primary drivers of a worldwide economy that demands the efficient time-definite transportation of a wide range of commodities. Our industry segment has grown over the years to a point where, in Fiscal 2011, it accounted for 87.4% of the Revenue Ton Miles (RTMs) in domestic markets (up from 70.0% in 2000) and 69.1% of the RTMs in international markets (up from 49.3% in 2000). This expansion is expected to continue, with the Federal Aviation Administration estimating a growth rate of approximately 4.5% over the next twenty years.²

General Security Considerations

Every member of the aviation community recognizes that the highest level of safety and security must be a cornerstone of all operations. Failure to recognize this fundamental principle is both bad policy and bad business. It is also important to understand, however, that the aviation industry is composed of a diverse group of businesses with substantially different operational models. For example, Cargo Airline Association members, in their all-cargo operations, do not carry “passengers” in any generally accepted definition of that term, have substantial operations that never touch

¹ Association members include ABX Air, Atlas Air, Capital Cargo, DHL Express, FedEx Express, Kalitta Air and UPS Airlines.

² Statistics from the *FAA Aerospace Forecast, Fiscal Years 2011-2031*, March 2011.

U.S. soil (sometimes in the livery of foreign carriers), provide substantial support services for the U.S. military and in many cases, have control over the pickup and delivery, as well as the transportation of cargo. Indeed, even within the all-cargo community, there are substantially different operations. Some of our members offer a time definite service and are generally known for their express operations, while other companies concentrate on traditional freight operations providing the transportation function for the air freight forwarder community. These differing characteristics must continue to be taken into account in developing and implementing security policy. Accordingly, all-cargo air carriers today operate under a different Security Program and different Security Directives than our passenger counterparts or the members of the indirect air carrier community. Each of these different regulatory requirements is tailored to address the unique threats and vulnerabilities of the separate industry segments.

This multi-layered, risk-based, approach to aviation security is clearly appropriate. On June 2, 2011, TSA Administrator John S. Pistole testified before this Subcommittee and stated that:

TSA employs risk-based, intelligence-driven operations to prevent terrorist attacks and to reduce the vulnerability of the Nation's transportation system to terrorism. Our goal at all times is to maximize transportation security to stay ahead of the evolving terrorist threat while protecting passengers' privacy and facilitating the flow of legitimate commerce.

We absolutely agree with this statement. We also believe, however, that this approach to aviation security should be codified in any TSA Authorization legislation and not left to the whim of future Administrators. This codification should clearly indicate that, in issuing regulations and other documents such as Security Programs, Security Directives and Emergency Amendments, the Administrator must employ a risk-based, intelligence-driven, approach, taking into account the nature and location of any threats to transportation security, as well as the unique operational characteristics of the various segments of the transportation industry and apply the appropriate security measures to meet that specific threat.

We also agree with and appreciate Administrator Pistole's commitment to work collaboratively with the stakeholder community to develop the programs necessary to enhance security across the transportation system. To his credit, the Administrator has made good on his promise to engage the industry in formulating policy as we move forward. Having said that, however, we believe that the TSA/industry communications interface should be strengthened and institutionalized by legislatively establishing the Aviation Security Advisory Committee. While this Committee has existed in the past, and we understand that it is about to be reconstituted, there has been a significant gap over the past several years, leaving no formal way for the industry and the Agency to communicate. Therefore, we support the provisions of H.R. 1447, introduced on April 8, 2011, and urge that this proposed legislation be folded into any TSA Reauthorization bill.

The Lessons of October 2010

In late October, 2010, terrorists in Yemen targeted the international supply chain by placing explosive devices aboard two U.S. all-cargo carriers. This plot was thwarted through the work of the intelligence community, but it still sent a wake up call to everyone in the industry. Subsequent to the foiled attack, all participants in the supply chain, as well as several U.S. government departments, came together to start a process that has led to substantial improvements in international air cargo security. After a review of the vulnerabilities exposed by the Yemen incident, TSA, working with industry stakeholders, issued a number of new Security Directives and Emergency Amendments designed to address any deficiencies uncovered. While the details of these new provisions cannot be publicly disclosed, we can say that they involve enhancements across the entire range of participants in international commerce – carriers, forwarders and shippers.

In addition, the incident spurred ongoing analyses of other potential enhancements that can be implemented if proven successful. For example, the Department of Homeland Security (DHS) established an Air Cargo Security Working Group to study, and make recommendations on, various aspects of the security puzzle. Perhaps the most promising and certainly most important areas of inquiry involve how to better share and use information developed by the intelligence community and how to develop and certify new technologies to screen high risk air cargo shipments. With respect to the latter project, we urge Congress, both in the context of authorizing and appropriations legislation, to ensure the funding necessary to continue research on promising new technologies – especially those that might be able to screen consolidated shipments.

It is also important not to overlook “low tech” initiatives to screen air cargo – in both international and domestic markets. Specifically, the use of canines has proven effective in the screening of air cargo, but the use of dogs has been hampered by the relative scarcity of TSA trained animals. We firmly believe that the use of canines should be aggressively expanded by permitting the use of private, but TSA certified, canines as a primary screening method. TSA has begun to move in this direction and we encourage accelerated action in this area, both at domestic and international locations.

In yet another development, TSA, in conjunction with U.S. Customs and Border Protection and the air cargo industry, has also begun a significant Pilot Program to determine the feasibility of submitting data on international air cargo shipments earlier than presently required. Such information holds the promise of enabling the Government to target high-risk shipments before they are loaded on aircraft bound for the United States. While initial results of this Pilot Program have been promising, much more needs to be done before any regulatory or legislative conclusions can be reached. At this point, the Program has involved only the express segment of the air cargo community, and even there, only at somewhat remote locations. More work needs to be done in the high volume areas of the express environment and the Program needs to be expanded to the

heavy freight environment, as well as to the passenger and air freight forwarder segments of the marketplace. Therefore, if this Committee addresses this Program in any TSA Authorization legislation, we urge that any provisions simply require the continuation of the Program with a Report to Congress at its conclusion. Now is not the time to prejudge the outcome of the Program by mandating any particular pre-flight data submission requirements.

A final lesson of the incidents of October 2010 is that the United States alone cannot ensure the security of international air cargo shipments. The air cargo business is global – and it demands global cooperation to thwart potential terrorist activity. TSA should therefore be encouraged to continue its ongoing efforts to work with foreign governments to ensure that these foreign governments adopt security standards substantially similar to those in place in the United States. Over and above this unilateral initiative, every effort should be made to arrive at harmonized international standards for securing the entirety of the supply chain. Such harmonization is necessary both for security and for facilitating the flow of commerce. In a worldwide economy, businesses simply should not be required to adopt widely differing security practices dependent solely on the country of origin of the freight.

Conclusions

The all-cargo air carrier industry fully understands the importance to maintain the highest possible level of security, while at the same time providing our world-wide customer base the level of service it demands. In accomplishing these twin objectives, we will continue to work cooperatively with both TSA and CBP to develop and implement the best possible security regime. We urge Congress to assist in this effort by enacting TSA Authorization legislation that establishes guidelines under which TSA must operate, but that does not “over regulate”, giving TSA and the industry the flexibility to assess threats and vulnerabilities and to take appropriate action in each individual circumstance.

Thank you very much. I am happy to answer any questions.