

Statement of

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Before the

**United States House of Representatives
Committee on Oversight & Government Reform
Subcommittee on National Security**

April 18, 2013

Good morning Chairman Chaffetz, Ranking Member Tierney and distinguished Members of the Subcommittee. Thank you for the opportunity to testify today about the impact of sequestration on the Transportation Security Administration's (TSA) operations.

As you know, the President issued a sequestration order on March 1, as mandated by law, requiring across-the-board budget cuts at most Federal agencies, including \$3.2 billion in cuts for the Department of Homeland Security (DHS) through the end of this fiscal year.

TSA is the Federal Government's lead agency for protecting our Nation's transportation systems from terrorist attacks while ensuring the freedom of movement for people and commerce. The agency manages effective and efficient screening and security of all air passengers, baggage, and cargo on passenger planes. It also deploys Federal Air Marshals internationally and domestically to detect, deter, and defeat hostile acts targeting air carriers, airports, passengers, crews, and other transportation infrastructure. Each year, transportation systems protected by TSA accommodate approximately 640 million aviation passengers;

751 million passengers traveling on buses; more than 9 billion passenger trips on mass transit; nearly 800,000 daily shipments of hazardous materials; more than 140,000 miles of railroad track; over 4 million miles of public roads; and nearly 2.6 million miles of pipeline.

As it faces a changing fiscal landscape, TSA's guiding principle has been, and will continue to be, to provide the most effective security in the most efficient manner. Since its creation, TSA has continuously refined and evolved our workforce, process, and technology capabilities to protect the Nation's transportation systems against acts of terrorism, while ensuring the freedom of movement for people and commerce.

TSA functions as a critical component of our Nation's counterterrorism efforts with a highly dedicated workforce working around the clock and across the globe to execute our transportation security responsibilities. Every day we interact closely with public and private sector stakeholders in the aviation, freight rail, mass transit and passenger rail, highway, and pipeline sectors to employ an intelligence-driven, risk-based security approach across all modes of transportation. We are dedicated to preventing terrorist attacks, reducing the vulnerability of the Nation's transportation systems to terrorism, and improving the experience of the nearly 1.8 million domestic air passengers who fly each day.

Initial Sequestration Planning

Throughout the planning efforts, TSA and its DHS components were careful to strike a balance to take prudent, responsible steps to implement the across-the-board budget reductions. Our guiding principles have been as follows:

- First, we focus on preserving TSA's frontline operations and other mission-critical activities to the maximum extent possible.
- Second, understanding that TSA is a labor-driven organization and our employees are essential to carrying out our mission, we strive to avoid and, if required, minimize furloughs to the greatest extent possible. Hiring freezes and potential furloughs not only have operational impacts but adversely affect employee morale and well-being.

Although under the continuing resolution TSA was operating at the fiscal year (FY) 2012 enacted level, TSA realized there was a possibility that several of its major operational programs might face reductions under the enacted FY 2013 appropriation. To ensure that TSA could maintain its critical operation missions and their support, TSA planned to operate at the lower Congressional mark.

Program Adjustments Resulting From Sequestration

TSA's FY 2013 budget request was \$200 million less than its FY 2012 appropriation, reflecting a variety of planned efficiencies. After applying sequestration to its final enacted FY 2013 appropriation, TSA's FY 2013 funding level is \$670 million less than FY 2012, or about 8.8 percent less than the previous fiscal year.

While the reductions required by sequestration will continue to have impacts on TSA, the Fiscal Year 2013 Consolidated and Further Continuing Appropriations Act provides TSA with additional funding for Transportation Security Officers (TSOs), which allows TSA to mitigate to some degree the impacts on their workforce and operations. TSA will use these additional funds to maintain its security screening workforce through prudent management of hiring and controlled overtime. Although initial projected impacts on wait times are largely mitigated through the additional funding provided by Congress for TSOs, at reduced levels of personnel and restricted overtime, travelers may see lines and wait times increase during the busiest travel periods or required surge operations.

The Federal Air Marshal Service (FAMS) has had a hiring freeze in place for over a year to manage a planned program adjustment from \$965.8 million in FY 2012 to \$929.6 million in FY 2013. Congress further reduced that funding in the full FY 2013 appropriation to \$906.9 million, or \$858 million under sequestration, an 11.1 percent cut below FY 2012 levels. The FAMS mission funding is dominated by personnel, travel, and related costs. TSA continues to assess the personnel actions and mission adjustments that will be necessary at the decreased budget level.

Sequestration has also had significant impacts on TSA's information technology, checkpoint technology, security screening equipment and infrastructure accounts, totaling a \$288 million reduction from FY 2012 levels. In light of these cuts, information technology (IT) service level contracts, refreshment of IT equipment and maintenance schedules will be deferred or reduced through the end of the fiscal year. Furthermore, security equipment technology replacement and investment plans are being adjusted to reflect the reduced budget level. While TSA is working to minimize disruption to operational support and security services to the

greatest extent possible, in many cases equipment also already reached or exceeded its planned service life.

Finally, TSA has taken action to establish additional controls across the agency. We have canceled previously approved conferences, meetings that require travel, and training activities. This includes management control training, field oversight and compliance audits, operational and support program coordination planning and preparedness training.

Conclusion

Our Nation continues to face evolving threats to our transportation system. In the face of sequestration, TSA will continue to implement an intelligence-driven, risk-based approach to security across all transportation modes while implementing operational and management efficiencies across the organization. Thank you for the opportunity to appear before you today. I look forward to answering your questions.