TESTIMONY

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TSA's Efforts to Advance Risk-Based Security – Stakeholder Perspectives

Chairman Hudson, Ranking Member Richmond, and members of the Subcommittee it is a pleasure to provide a stakeholder perspective on TSA's efforts to advance risk based security.

IATA's 240 member airlines crisscross the globe every day, safely carrying passengers and cargo to their destinations. Aviation is responsible for 56.6 million jobs globally and 3.5% of global GDP. Here in the US, it contributes $669 billion dollars to the GDP which is equivalent to 4.9% of the US economy. In 2011, airlines carried more than 2.8 billion passengers. You've heard all of this before. But these numbers are expected to grow globally over the coming years, with nearly 6 billion passengers, 82 million jobs, and $6.9 trillion in economic activity by 2030.

With this projected growth will come the need for improved security infrastructure, streamlined operations, and, perhaps most importantly, next generation passenger and cargo screening.

Despite the difficult decade that we have been through, the industry did not take its eye off of the ball on the top priorities of safety, security and sustainability.

- We committed to carbon-neutral growth from 2020 and to cut our net carbon emissions in half by 2050 compared to 2005.
- Last year was the safest in aviation history with just one accident for every 5 million flights on Western-built jet aircraft. And there were no hull losses with Western-built jets among IATA's 240 member airlines.
- And we developed a roadmap through 2020 to build a passenger Checkpoint of the Future.

That said every activity comes with risk. Cross the street, take a shower, eat a meal, go to a conference and there is risk. That's life. Air transport is not different. However limited, there is risk. One of the biggest challenges today is how we strike the correct balance between Risk and Regulation.

We cannot accept 100% risk. And any regulation that completely eliminated risk would shut the industry down—an equally unacceptable solution. A pragmatic approach is needed to balance the two. But I am not sure that we have achieved a common understanding on defining where that balance should be with regulators.

If we don't find that balance soon we will lose the goodwill of our passengers and shippers, clog our airports, slow world trade, and bring down the level of security that we have worked so hard to build-up.

IATA believes that the prevailing one-size-fits-all proscriptive model for security is not sustainable. If we don't evolve, the system will grind to a halt under its own weight.

That means changing our mindset:

- We must put desired results at the center of our efforts. If we want to keep bombs off of airplanes, it does not matter whether we use machines, dogs, intelligence or any combination thereof.
- We must understand that bureaucracy and rules do not equate to effective security. The Transportation Security Administration's (TSA) consolidation of their Emergency Amendments for international carriers is a step in the right direction….and we need more of it.
- And we must recognize that 99.9999% (if not more) of passengers and freight pose no threat to aviation. So we need to make better use of the information that is available to assess the risk of the people, objects or situations that can pose threats.

These principles would lead to security that is driven by the desired outcomes not the processes, which is pragmatic not bureaucratic, and that is efficiently focused on mitigating risks rather than on mechanistically repeating procedures ad infinitum.

Passenger Security

If that is utopia, where are we today?

We are spending a lot of money—some $8.4 billion a year and rising—to support a security system that has grown exponentially since 2001. And this is just what airlines spend, let alone the cost to passengers and on other parts of the value chain. This is well-intentioned spending. Air transport is secure. But there are inefficiencies. For example, our most trusted employees and people with high-level security clearances -- even Members of Congress -- are screened in the same way as our least known passengers.

Processes are cumbersome. Before 9.11 the average checkpoint processed 350 passengers per hour. Today it is below 150.

Resources are being stretched. The TSA admits it is concerned that we are running out of space to accommodate the growing footprint of the security areas at airports.

And customers are unhappy. IATA research found that wait times at checkpoints were the most frequently-cited gripe in the security process. 37% of our passengers think that security screening is taking too long.

But how do they define too long? According to our survey about 27% of passengers would like to see a wait of no longer than 5 minutes. 51% of travelers would be satisfied if the maximum wait was no longer than 10 minutes. 21% believe times between 10 and 20 minutes are acceptable. So these measurements indicate that a target wait time of 5-10 minutes would make nearly 73% of passengers satisfied with the checkpoint wait. Interestingly, when we ask this question of business and leisure travelers the results are nearly the same.

We think that this is an important number that regulators need to aim for as they design new checkpoints and immigration lanes and try to optimize existing ones.

Our collective failure to get full buy-in from air travelers means that they are not partners in the process, merely silent and sometimes intimidated and resentful participants.

We have a growing problem. I emphasize “we”. Security is the responsibility of states but delivering it effectively requires the cooperation of the whole value chain. We are accountable to our passengers and they do not care if the delays and hassles they encounter are the result of government, airline or airport processes. All they remember is an unpleasant experience making them less willing to travel by air and sending ripples across the economy. With enough of those ripples a city may see connectivity decline.

Government and industry have a strong history of working together on safety. It’s a well-developed model for our collaboration on security. The Department of Homeland Security (DHS), for example, has revitalized its aviation security advisory committee and added an international subcommittee. I want to thank DHS Secretary Janet Napolitano and TSA Administrator Pistole for their leadership on this. There is still plenty of room to improve engagement between industry and government in the US and elsewhere, and this sets a good example.

Risk Based Security

Integral to risk based security and IATA’s Checkpoint of the Future is the concept of differentiation to ensure that we deploy our resources where they will have the biggest impact on reducing risk. But you can only differentiate if you have the information for risk-based decisions.

As I said earlier, the vast majority of our passengers pose no security risk. Yet we screen them identically. We need a model that allows us to match limited security resources to the level of risk. We are not advocating for profiling based on religion or ethnicity…or proposing

infringements on privacy. The proposal is to use information that is already being provided to governments for purposes of border control. Advance Passenger Information (API) and Passenger Name Record (PNR) information could also be used to provide automated guidance for decisions on the level of screening each passenger receives.

Such pre-screening is an important part of risk based security and not surprisingly our passengers understand this as well. In the same survey we asked passengers whether they would voluntarily share additional information in exchange for faster security screening. 73% reported back that they would. If you compare the responses of business travelers against those of leisure travelers you see strong support in both groups, with business travelers slightly more favorable. If you look at those business travelers who travel 10 or more time per year nearly 85% would volunteer information in exchange for quicker screening.

The importance of these findings is twofold. One, for the first time we can document overwhelming support from the traveling public to voluntarily provide information in exchange for expedited screening. Two, business travelers and leisure travelers equally support the idea. This shatters the old myth that only business travelers who fly a lot would find sharing information of value.

In the meantime, passengers are already seeing some of what the future holds. Voluntary "Known Traveler" programs are already used by 25 or more immigration and security authorities. For example, Under Homeland Security Secretary Napolitano and Transportation Security Administrator Pistole we have seen an important move to a risk-based approach to screening by rolling out PreCheck. I would add that such programs maintain a random element to eliminate predictability.

IATA estimates that known traveler lanes can improve checkpoint throughput by as much as 30%. Creating a separate screening area for those travelers requiring additional attention will boost efficiency another 4-5%. That is a 34-35% increase in passenger processing capability, without adding infrastructure.

Checkpoint of the Future

The industry is taking up the challenge to develop risk based measures as well. IATA is working with public and private partners around the world to modernize and improve the passenger screening experience through the Checkpoint of the Future program. Our vision for 2020 is simply an uninterrupted journey from curb to aircraft door, where passengers proceed through the security checkpoint with minimal need to divest, where security resources are allocated based on risk, and where airport amenities can be maximized.

The goals of the Checkpoint of the Future are:

- Strengthened security – through focusing resources based on risk, increasing unpredictability, making better use of existing technologies, and introducing new technologies with advanced capabilities as they become available.

- Increased operational efficiency – by increasing throughput, optimizing asset utilization, reducing cost per passenger, and maximizing space and staff resources.
- Improved passenger experience – reducing lines and waiting times and using technology for less intrusive and time consuming security screening.

Allow me now to highlight the scope and the roadmap of the Checkpoint of the Future project. Over the last three years the program has evolved into an industry-led and IATA supported initiative. That means that airports, security equipment manufacturers, Interpol, universities, governments, and airlines are working together to make a new checkpoint a reality. We can put numbers behind the collaboration. Our Advisory Group, which provides oversight, has 16 key senior executives from every corner of aviation. They guide 110+ experts who are working to assemble the technology, policy, and procedures needed for a checkpoint of the future. All have volunteered I would add.

To date this team has developed a concept definition and blueprints to take us through checkpoint evolutions from today to 2014, 2017, and 2020. In addition, the stakeholders have developed an Operational Test and Evaluation Program (OT&E) that will evaluate the key Checkpoint of the Future components in light of our overall goals.

I am happy to report that we concluded component trials in 2012 with our airport partners at Geneva, Heathrow, and Amsterdam. For 2013, we are planning a dozen new trials that will support rollout of the first checkpoint in 2014. We certainly hope that we can bring several of these trials to airports in the US.

So what will the checkpoint look like in the future?

With a view toward the near term, the Checkpoint of the Future in 2014 focuses on integrating new procedures to facilitate risk based screening and decision making, optimizing resource and asset utilization, and integrating available technology and repurposing existing equipment. The emphasis is therefore to introduce new and innovative procedures that maximize the opportunities presented by the existing checkpoint configuration.

The 2017 Checkpoint of the Future, or the medium term vision, is focused on updating technologies and processes to increase the security value of the checkpoint, while maintaining a strong focus on customer service to enable greater passenger satisfaction. It includes some major advances in risk assessment, dynamically delivering a result to the checkpoint to enable greater automation, and a better passenger experience. It envisages increased use of biometrics and remote image processing, coupled with advances in screening technologies and targeted algorithms to achieve less divesting and faster throughput.

From 2020 and beyond it is envisaged that the passenger will be able to walk through the security checkpoint without interruption unless the advanced technology identifies a potential threat. A passenger will have a level of security screening based on information from states of departure and arrival through bilateral risk assessments in real-time. In terms of the passenger experience, there will no longer be the burden of divesting by default, and there are expected to be little to no lines as a result of the enhanced speed at which screening can occur.

Just as one-size-fits all is not a desirable situation for screening today, neither will it be for the next generation of screening. The Checkpoint of the Future project offers many options and suggestions that can help move screening towards being more efficient, effective, and passenger-friendly. We are confident that the important collaboration between the airline industry, airports, manufacturers, ICAO, and global regulators will continue to improve security and efficiency in passenger screening.

Early on I referred to a security utopia. This would see rigid requirements and formulaic processes replaced by an approach guided by realistic risk assessments, global standards and outcomes-focused targets. Air travel would be more secure. And we—industry and government—would be prepared to address efficiently and rapidly new and emerging threats in the knowledge of what data tells us.

Our success in safety has many lessons to point us in the right direction. Over decades, industry and governments have built global standards and processes that improved safety performance and adapted to emerging concerns. We have made aviation safer while also largely having processes invisible to the passenger. Passengers take safety for granted. That should be our inspiration for security—effective and hassle-free security for both passengers and cargo.

Chairman Hudson, Ranking Member Richmond, and members of the Subcommittee thank you again for the opportunity to speak to you today about the future of aviation security. IATA applauds your commitment to improving aviation security and making the experience more enjoyable for passengers. The future of flight is bright, and your collaboration is vital to our continued success as an industry.