



## Testimony

Before the Subcommittee on  
Transportation Security, Committee on  
Homeland Security, House of  
Representatives

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# SCREENING PARTNERSHIP PROGRAM

## TSA Has Improved Application Guidance and Monitoring of Screener Performance, and Continues to Improve Cost Comparison Methods

STATEMENT OF JENNIFER GROVER, ACTING  
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# GAO Highlights

Highlights of [GAO-14-787T](#), a testimony before the Subcommittee on Transportation Security, Committee on Homeland Security, House of Representatives

## Why GAO Did This Study

TSA maintains a federal workforce to screen passengers and baggage at the majority of the nation's commercial airports, but it also oversees a workforce of private screeners at airports who participate in the SPP. The SPP allows commercial airports to apply to have screening performed by private screeners, who are to provide a level of screening services and protection that equals or exceeds that of federal screeners.

This testimony addresses the extent to which TSA (1) provides guidance to airport operators for the SPP application process, (2) assesses and monitors the performance of private versus federal screeners, and (3) compares the costs of federal and private screeners. This statement is based on reports and a testimony GAO issued from January 2009 through January 2014.

## What GAO Recommends

GAO has made several recommendations since 2009 to improve SPP operations and oversight, which GAO has since closed as implemented based on TSA actions to address them.

View [GAO-14-787T](#). For more information, contact Jennifer Grover at (202) 512-7141 or [GroverJ@gao.gov](mailto:GroverJ@gao.gov).

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## SCREENING PARTNERSHIP PROGRAM

### TSA Has Improved Application Guidance and Monitoring of Screener Performance, and Continues to Improve Cost Comparison Methods

## What GAO Found

Since GAO's December 2012 report on the Screening Partnership Program (SPP), the Transportation Security Administration (TSA) has developed guidance for airport operators applying to the SPP. In December 2012, GAO found that TSA had not provided guidance to airport operators on its SPP application and approval process, which had been revised to reflect statutory requirements. Further, airport operators GAO interviewed at the time identified difficulties in completing the revised application, such as obtaining cost information requested in the application. GAO recommended that TSA develop application guidance and TSA concurred. In December 2012, TSA updated its SPP website with general application guidance and a description of TSA's assessment criteria and process. The new guidance addresses the intent of GAO's recommendation.

TSA has also developed a mechanism to regularly monitor private versus federal screener performance. In December 2012, TSA officials stated that they planned to assess overall screener performance across all commercial airports instead of comparing the performance of SPP and non-SPP airports as they had done previously. Also in December 2012, GAO reported differences between the performance at SPP and non-SPP airports based on screener performance data. In addition, GAO reported that TSA's across-the-board mechanisms did not summarize information for the SPP as a whole or across years, making it difficult to identify changes in private screener performance. GAO concluded that monitoring and comparing private and federal screener performance were consistent with the statutory provision authorizing TSA to contract with private screening companies. As a result, GAO recommended that TSA develop a mechanism to regularly do so. TSA concurred with the recommendation and in January 2013, issued its *SPP Annual Report*, which provided an analysis of private versus federal screener performance. In September 2013, TSA provided internal guidance requiring that the report annually verify that the level of screening services and protection provided at SPP airports is equal to or greater than the level that would be provided by federal screeners. These actions address the intent of GAO's recommendation.

TSA has faced challenges in accurately comparing the costs of screening services at SPP and non-SPP airports. In 2007, TSA estimated that SPP airports cost about 17 percent more to operate than airports using federal screeners. In January 2009, GAO noted strengths in TSA's methodology, but also identified seven limitations that could affect the accuracy and reliability of cost comparisons. GAO recommended that TSA update its analysis to address the limitations. TSA generally concurred with the recommendation. In March 2011, TSA described efforts to address the limitations and a revised cost comparison estimating that SPP airports would cost 3 percent more to operate in 2011 than airports using federal screeners. In March 2011, GAO found that TSA had taken steps to address some of the limitations, but needed to take additional actions. In July 2014, TSA officials stated that they are continuing to make additional changes to the cost estimation methodology and GAO is continuing to monitor TSA's progress in this area through ongoing work.

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Chairman Hudson, Ranking Member Richmond, and Members of the Subcommittee:

I appreciate the opportunity to discuss our work on the Transportation Security Administration's (TSA) Screening Partnership Program (SPP). TSA, a component of the Department of Homeland Security (DHS), is responsible for ensuring the security of the traveling public through, among other things, screening passengers traveling by aircraft for explosives and other prohibited items. To fulfill this responsibility, TSA maintains a federal workforce of screeners at a majority of the nation's commercial airports, but also oversees a smaller workforce of private screeners employed by companies under contract to TSA at airports that participate in TSA's SPP.<sup>1</sup> The SPP, established in 2004 in accordance with provisions of the Aviation Transportation Security Act (ATSA), allows commercial airports an opportunity to "opt out" of federal screening by applying to TSA to have private screeners perform the screening function.<sup>2</sup> At airports with private screeners, the screening of passengers and baggage is performed by private screening contractors selected and approved by TSA; however, TSA continues to be responsible for overseeing airport security operations and ensuring that the private contractors provide effective and efficient screening operations in a manner consistent with law and other TSA requirements at these airports.<sup>3</sup> As of July 2014, there are currently 18 airports participating in the program, 14 of which are currently operating with contracted screeners and four of which that have not yet transitioned to private

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<sup>1</sup>For purposes of this report, a commercial airport is any airport in the United States that operates pursuant to a TSA-approved security program in accordance with 49 C.F.R. pt. 1542 and at which TSA performs or oversees the performance of screening services. There are approximately 450 commercial airports as of July 2014. We refer to airports that are participating in the SPP as SPP airports and the screeners in those airports as private screeners. We refer to airports not participating in the SPP as non-SPP airports and the screeners in those airports as federal screeners.

<sup>2</sup>See Pub. L. No. 107-71, § 108, 115 Stat. 597, 611-13 (2001) (codified as amended at 49 U.S.C. §§ 44919-20). TSA established the SPP in 2004 after concluding a 2-year pilot program through which four private screening companies performed screening operations at 5 commercial airports (one contractor served 2 airports).

<sup>3</sup>The SPP contractor's responsibilities include recruiting, assessing, and training screening personnel to provide security screening functions in accordance with TSA regulations, policies, and procedures. SPP contractors are also expected to take operational direction from TSA to help ensure they meet the terms and conditions of the contract.

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screeners. Two additional approved airports are awaiting the selection of a screening contractor and one application is pending.<sup>4</sup>

The standard by which TSA evaluates airport applications for participation in the SPP has changed since the program's inception in 2004. First, in January 2011, the TSA Administrator announced his decision not to expand the SPP beyond the 16 airports that were participating in the program at that time "unless a clear and substantial advantage to do so emerges in the future." In so doing, the Administrator cited his interest in helping the agency evolve into a "more agile, high-performing organization that can meet the security threats of today and the future" as the reason for his decision. Of the 6 airports that submitted applications from March 2009 through January 2012 and that were evaluated under the "clear and substantial advantage" standard, TSA approved the application of 1 airport and denied the applications of the other 5. Second, according to TSA officials, the Federal Aviation Administration Modernization and Reform Act of 2012 (FAA Modernization Act), enacted in February 2012, prompted TSA to change the standard by which it evaluates SPP applications and requires, among other things, that the TSA Administrator approve an SPP application submitted by an airport operator if the Administrator determines that the approval would not compromise security or detrimentally affect the cost-efficiency or the effectiveness of the screening of passengers or property at the airport.<sup>5</sup>

My testimony today addresses the extent to which TSA (1) provides guidance to airport operators for the SPP application process, (2) assesses and monitors the performance of private versus federal screeners, and (3) compares the costs of private and federal operations. This statement is based on reports and a testimony we issued from

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<sup>4</sup>In May 2014, TSA awarded contracts to 4 airports: Bert Mooney Airport, Bozeman Yellowstone International Airport, Glacier Park International Airport, and West Yellowstone Airport and in June 2014, TSA received a new application for Portsmouth International Airport. According to TSA, this application is in the adjudication phase with the decision to be made no later than October 2014.

<sup>5</sup>See Pub. L. No. 112-95, § 830(a), 126 Stat. 11, 135 (2012) (codified at 49 U.S.C. § 44920(b)). The term airport operator means a person that operates a "commercial airport," as that term is used in this report. See also 49 C.F.R. § 1540.5 (defining the term "airport operator").

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January 2009 to January 2014.<sup>6</sup> Our March 2011 report was based on our review of TSA's updated cost analysis, which was provided in response to recommendations in our January 2009 report, as well as discussions with agency officials. For our December 2012 report, among other things we analyzed past and current SPP application forms and instructions and interviewed airport operators, screeners, SPP contractors, SPP applicants, TSA headquarters officials, and federal security directors (FSD).<sup>7</sup> More detailed information on the scope and methodology appears in our January 2009, March 2011, and December 2012 reports, and our January testimony. For the January 2014 testimony, we obtained related documentation, such as the SPP Annual Report issued in January 2013, and interviewed agency officials on progress made to implement the recommendations from our December 2012 report related to application guidance and monitoring of private versus federal screener performance.

We conducted the work on which this statement and the underlying products are based in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

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## Background

On November 19, 2002, pursuant to ATSA, TSA began a 2-year pilot program at 5 airports using private screening companies to screen

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<sup>6</sup>GAO, *Aviation Security: TSA's Cost and Performance Study of Private-Sector Airport Screening*, [GAO-09-27R](#) (Washington, D.C.: Jan. 9, 2009); *Aviation Security: TSA's Revised Cost Comparison Provides a More Reasonable Basis for Comparing the Costs of Private-Sector and TSA Screeners* [GAO-11-375R](#) (Washington, D.C. Mar. 4, 2011); *Screening Partnership Program: TSA Should Issue More Guidance to Airports and Monitor Private versus Federal Screener Performance*, [GAO-13-208](#) (Washington, D.C.: Dec. 6, 2012); and *Screening Partnership Program: TSA Issued Application Guidance and Developed a Mechanism to Monitor Private versus Federal Screener Performance*, [GAO-14-269T](#) (Washington, D.C.: Jan. 14, 2014).

<sup>7</sup>FSDs are TSA officials that provide day-to-day operational direction for security operations at the airports within their jurisdiction, including those participating in the SPP.

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passengers and checked baggage.<sup>8</sup> In 2004, at the completion of the pilot program, and in accordance with ATSA, TSA established the SPP, whereby any airport authority, whether involved in the pilot or not, could request a transition from federal screeners to private, contracted screeners. All of the 5 pilot airports that applied were approved to continue as part of the SPP, and since its establishment, 21 additional airport applications have been accepted by the SPP.<sup>9</sup>

In March 2012, TSA revised the SPP application to reflect requirements of the FAA Modernization Act, enacted in February 2012.<sup>10</sup> Among other provisions, the act provides the following:

- Not later than 120 days after the date of receipt of an SPP application submitted by an airport operator, the TSA Administrator must approve or deny the application.
- The TSA Administrator shall approve an application if approval would not (1) compromise security, (2) detrimentally affect the cost-efficiency of the screening of passengers or property at the airport, or (3) detrimentally affect the effectiveness of the screening of passengers or property at the airport.
- Within 60 days of a denial, TSA must provide the airport operator, as well as the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Homeland Security of the House of

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<sup>8</sup>See 49 U.S.C. § 44919. The pilot program was to assess the feasibility of having qualified private screening companies provide airport security screening services in lieu of federal screeners. The following airports from each security risk category were selected to participate: (1) San Francisco International Airport—category X, (2) Kansas City International Airport—category I, (3) Greater Rochester International Airport—category II (now a category I airport), (4) Jackson Hole Airport—category III, and (5) Tupelo Regional Airport—category IV. TSA classifies commercial airports in the United States into one of five security risk categories (X, I, II, III, and IV) based on various factors, such as the total number of takeoffs and landings annually, and other special security considerations. In general, category X airports have the largest number of passenger boardings, and category IV airports have the smallest.

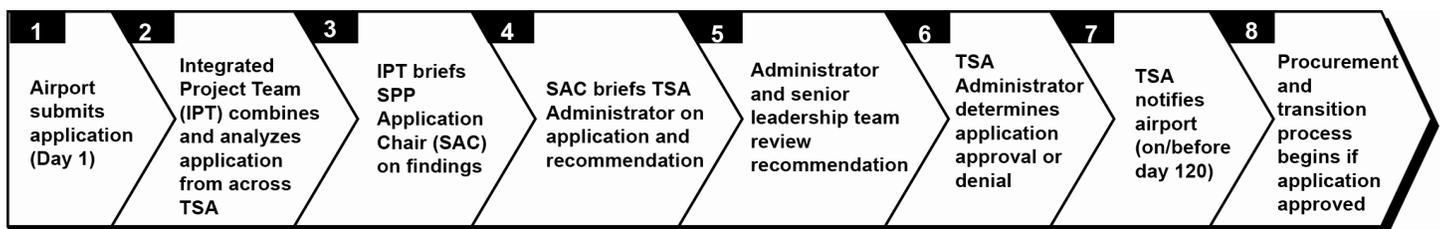
<sup>9</sup>A total of 26 airports have been approved to participate in the SPP since its inception in 2004, including the 18 airports currently participating in the SPP (of which 4 airports have not yet transitioned to private screening), and 2 airports approved for participation and awaiting the selection of a screening contractor as of July 2014. Of the remaining 6 approved airports, 4 airports had participated in the SPP but left the program after commercial air service was discontinued at the airport and 2 withdrew their applications after being approved. For more information on the history of application to the SPP, see [GAO-13-208](#).

<sup>10</sup>See generally Pub. L. No. 112-95, § 803, 126 Stat. at 135-36.

Representatives, a written report that sets forth the findings that served as the basis of the denial, the results of any cost or security analysis conducted in considering the application, and recommendations on how the airport operator can address the reasons for denial.

All commercial airports are eligible to apply to the SPP. To apply, an airport operator must complete the SPP application and submit it to the SPP Program Management Office (PMO), as well as to the FSD for its airport. Figure 1 illustrates the SPP application process.

**Figure 1: Transportation Security Administration’s (TSA) Screening Partnership Program (SPP) Application Process**



Source: GAO analysis of TSA information. | GAO-14-787T

Note: The IPT is made up of TSA staff from various offices across TSA, including offices related to human capital, information technology, security capabilities, and acquisitions.

Although TSA provides all airports with the opportunity to apply for participation in the SPP, authority to approve or deny the application resides in the discretion of the TSA Administrator. According to TSA officials, in addition to the cost-efficiency and effectiveness considerations mandated by FAA Modernization Act, there are many other factors that are weighed in considering an airport’s application for SPP participation. For example, the potential impacts of any upcoming projects at the airport are considered. Once an airport is approved for SPP participation and a private screening contractor has been selected by TSA, the contract screening workforce assumes responsibility for screening passengers and their property and is required to adhere to the same security regulations, standard operating procedures, and other TSA security requirements followed by federal screeners at non-SPP airports.

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## TSA Has Developed Program Application Guidance to Help Improve Transparency of Its Process and Assist Airports in Completing Their Applications

TSA has developed guidance to assist airport operators in completing their SPP applications, as we recommended in December 2012. Specifically, in December 2012, we reported that TSA had developed some resources to assist SPP applicants, but it had not provided guidance on its application and approval process to assist airports. As it was originally implemented in 2004, the SPP application process required only that an interested airport operator submit an application stating its intention to opt out of federal screening as well as its reasons for wanting to do so. In 2011, TSA revised its SPP application to reflect the “clear and substantial advantage” standard announced by the Administrator in January 2011. Specifically, TSA requested that the applicant explain how private screening at the airport would provide a clear and substantial advantage to TSA’s security operations.<sup>11</sup> At that time, TSA did not provide written guidance to airports to assist them in understanding what would constitute a “clear and substantial advantage to TSA security operations” or TSA’s basis for determining whether an airport had met that standard.

As previously noted, in March 2012 TSA again revised the SPP application in accordance with provisions of the FAA Modernization Act, which became law in February 2012. Among other things, the revised application no longer included the “clear and substantial advantage” question, but instead included questions that requested applicants to discuss how participating in the SPP would not compromise security at the airport and to identify potential areas where cost savings or efficiencies may be realized. In December 2012, we reported that while TSA provided general instructions for filling out the SPP application as well as responses to frequently asked questions (FAQ), the agency had not issued guidance to assist airports with completing the revised application or explained to airports how it would evaluate applications given the changes brought about by the FAA Modernization Act. For example, neither the application instructions nor the FAQs addressed TSA’s SPP application evaluation process or its basis for determining whether an airport’s entry into the SPP would compromise security or affect cost-efficiency and effectiveness.

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<sup>11</sup>For more on the specific wording of this and other questions from the application, see [GAO-13-208](#).

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Further, in December 2012, we found that airport operators who completed the applications generally stated that they faced difficulties in doing so and that additional guidance would have been helpful.<sup>12</sup> For example, one operator stated that he needed cost information to help demonstrate that his airport's participation in the SPP would not detrimentally affect the cost-efficiency of the screening of passengers or property at the airport and that he believed not presenting this information would be detrimental to his airport's application. However, TSA officials at the time said that airports do not need to provide this information to TSA because, as part of the application evaluation process, TSA conducts a detailed cost analysis using historical cost data from SPP and non-SPP airports. The absence of cost and other information in an individual airport's application, TSA officials noted, would not materially affect the TSA Administrator's decision on an SPP application.

Therefore, we reported in December 2012 that while TSA had approved all applications submitted since enactment of the FAA Modernization Act, it was hard to determine how many more airports, if any, would have applied to the program had TSA provided application guidance and information to improve transparency of the SPP application process. Specifically, we reported that in the absence of such application guidance and information, it may be difficult for airport officials to evaluate whether their airports are good candidates for the SPP or determine what criteria TSA uses to accept and approve airports' SPP applications. We concluded that clear guidance for applying to the SPP could improve the transparency of the application process and help ensure that the existing application process is implemented in a consistent and uniform manner. Thus, we recommended that TSA develop guidance that clearly (1) states the criteria and process that TSA is using to assess whether participation in the SPP would compromise security or detrimentally affect the cost-efficiency or the effectiveness of the screening of passengers or property

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<sup>12</sup>For our December 2012 report, we interviewed four of the five airport operators that applied to the SPP since TSA revised its application after enactment of the FAA Modernization Act. All five of the applications were subsequently approved by TSA. We reported that three of the four operators we interviewed struggled to answer the application questions related to the cost-efficiency of converting to the SPP because they did not have data on federal screening costs, while the fourth airport operator did not need additional information or guidance to respond to the question. Further, three of the four airport operators we interviewed said that additional guidance would have been helpful in completing the application and determining how TSA evaluates the applications. See [GAO-13-208](#) for more information.

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at the airport, (2) states how TSA will obtain and analyze cost information regarding screening cost-efficiency and effectiveness and the implications of not responding to the related application questions, and (3) provides specific examples of additional information airports should consider providing to TSA to help assess an airport's suitability for the SPP.

TSA concurred with our recommendation, and in January 2014, we reported that TSA had taken actions to address it. Specifically, TSA updated its SPP website in December 2012 by providing (1) general guidance to assist airports with completing the SPP application and (2) a description of the criteria and process the agency will use to assess airports' applications to participate in the SPP. While the guidance states that TSA has no specific expectations of the information an airport could provide that may be pertinent to its application, it provides some examples of information TSA has found useful and that airports could consider providing to TSA to help assess their suitability for the program. Further, the guidance, in combination with the description of the SPP application evaluation process, outlines how TSA plans to analyze and use cost information regarding screening cost-efficiency and effectiveness. The guidance also states that providing cost information is optional and that not providing such information will not affect the application decision. As we reported in January 2014, these actions address the intent of our recommendation.

## Performance between SPP and Non-SPP Airports Varied; TSA Recently Developed a Mechanism to Monitor Private versus Federal Screener Performance

In our December 2012 report, we analyzed screener performance data for four measures and found that there were differences in performance between SPP and non-SPP airports, and those differences could not be exclusively attributed to the use of either federal or private screeners. The four measures we selected to compare screener performance at SPP and non-SPP airports were Threat Image Projection (TIP) detection rates; recertification pass rates; Aviation Security Assessment Program (ASAP) test results; and Presence, Advisement, Communication, and Execution (PACE) evaluation results (see table 1). For each of these four measures, we compared the performance of each of the 16 airports then participating in the SPP with the average performance for each airport's category (X, I, II, III, or IV), as well as the national performance averages for all airports for fiscal years 2009 through 2011.<sup>13</sup>

**Table 1: Performance Measures Used to Compare Screener Performance at Screening Partnership Program (SPP) and Non-SPP Airports, December 2012**

Performance measure	Description
Threat Image Projection (TIP) detection rates	TIPs are fictional threat images (guns, knives, improvised explosive devices, etc.) superimposed onto carry-on baggage as it passes through the X-ray machine. While screening carry-on baggage, screeners identify that a potential threat has been spotted by selecting a "threat" button. If the identified image is a TIP, the X-ray machine informs the screener that the threat was fictional. Otherwise, a screener will search the bag, as the threat object may be real.
Recertification pass rates	In order to maintain their certification to screen passengers and baggage, all screeners (at both SPP and non-SPP airports) must pass several recertification tests on an annual basis. These tests include assessments of threat detection skills on carry-on and checked baggage X-ray machines as well as role-playing scenarios to assess other job functions, such as physical bag searches, pat-downs, and screening passengers with disabilities.
Aviation Security Assessment Program (ASAP) tests results	ASAP tests are covert performance assessments conducted at both screening checkpoints and checked baggage screening areas. Tests are implemented locally by unrecognizable role players who attempt to pass standard test items, such as knives, guns, or simulated improvised explosive devices, through the screening checkpoints or checked baggage screening areas.

<sup>13</sup>Additional information on these performance measures and how we selected them can be found in our December 2012 report. See [GAO-13-208](#).

Performance measure	Description
Presence, Advisement, Communication, and Execution (PACE) evaluations	PACE evaluations are used to assess screener performance on various elements that may affect security and a passenger's overall traveling experience. PACE evaluators visit a checkpoint covertly and assess the screening personnel on a variety of elements, such as whether the officers provide comprehensive instruction and engage passengers in a calm and respectful manner when screening. Because PACE evaluations began as a baseline assessment program in fiscal year 2011 and had been implemented only at category X, I, and II airports, our analysis for this measure was limited to the 6 SPP airports in those categories during fiscal year 2011. <sup>a</sup>

Source: GAO analysis of TSA information. | [GAO-14-787T](#)

<sup>a</sup>The 6 category X, I, and II SPP airports in fiscal year 2011 are San Francisco International Airport (X), Kansas City International Airport (I), Greater Rochester International Airport (I), Key West International Airport (II), Joe Foss Field (II), and Jackson Hole Airport (II).

As we reported in December 2012, on the basis of our analyses, we found that, generally, screeners at certain SPP airports performed slightly above the airport category and national averages for some measures, while others performed slightly below. For example, at SPP airports, screeners performed above their respective airport category averages for recertification pass rates in the majority of instances, while at the majority of SPP airports that took PACE evaluations in 2011, screeners performed below their airport category averages.<sup>14</sup> For TIP detection rates, screeners at SPP airports performed above their respective airport category averages in about half of the instances. However, we also reported in December 2012 that the differences we observed in private and federal screener performance cannot be entirely attributed to the type of screeners at an airport, because, according to TSA officials and other subject matter experts, many factors, some of which cannot be controlled for, affect screener performance. These factors include, but are not limited to, checkpoint layout, airline schedules, seasonal changes in travel volume, and type of traveler.

We also reported in December 2012 that TSA collects data on several other performance measures but, for various reasons, the data cannot be used to compare private and federal screener performance for the purposes of our review. For example, passenger wait time data could not be used because we found that TSA's policy for collecting wait times changed during the time period of our analyses and that these data were

<sup>14</sup>For recertification pass rates, the term "instance" means performance by an airport during a particular year or fiscal year, while for TIP detection rates, the term means performance by an airport during a particular fiscal year for a specific type of screening machine.

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not collected in a consistent manner across all airports.<sup>15</sup> We also considered reviewing human capital measures such as attrition, absenteeism, and injury rates, but did not analyze these data because TSA's Office of Human Capital does not collect these data for SPP airports. We reported that while the contractors collect and report this information to the SPP PMO, TSA does not validate the accuracy of the self-reported data nor does it require contractors to use the same human capital measures as TSA, and accordingly, differences may exist in how the metrics are defined and how the data are collected. Therefore, we found that TSA could not guarantee that a comparison of SPP and non-SPP airports on these human capital metrics would be an equal comparison.

Moreover, in December 2012, we found that while TSA monitored screener performance at all airports, the agency did not monitor private screener performance separately from federal screener performance or conduct regular reviews comparing the performance of SPP and non-SPP airports. Beginning in April 2012, TSA introduced a new set of performance measures to assess screener performance at all airports (both SPP and non-SPP) in its Office of Security Operations Executive Scorecard (the Scorecard). Officials told us at the time of our December 2012 review that they provided the Scorecard to FSDs every 2 weeks to assist the FSDs with tracking performance against stated goals and with determining how performance of the airports under their jurisdiction compared with national averages.<sup>16</sup> According to TSA, the 10 measures used in the Scorecard were selected based on input from FSDs and regional directors on the performance measures that most adequately

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<sup>15</sup>TSA's policy for measuring wait time changed in March 2010. Instead of collecting precise wait times every hour, TSA began only recording instances in which the wait time was more than 20 or 30 minutes. Further, through our site visits conducted for the December 2012 report, we learned that TSA collects airports' wait time data in different ways. For example, at some airports TSA calculates the wait time from the end of the queue until the passenger reaches the travel document checker podium; at other airports, TSA calculates the time from the end of the line until the passenger passes through the walkthrough metal detector or the Advanced Imaging Technology. See [GAO-13-208](#).

<sup>16</sup>Although FSDs provide day-to-day operational direction for security operations at the airports within their jurisdiction, including those participating in the SPP, FSDs have responsibility for overall security at SPP airports but do not have direct control over workforce management. Rather, the SPP contractor is contractually obligated to effectively and efficiently manage its screening workforce.

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reflected screener and airport performance.<sup>17</sup> Performance measures in the Scorecard included the TIP detection rate and the number of negative and positive customer contacts made to the TSA Contact Center through e-mails or phone calls per 100,000 passengers screened, among others.<sup>18</sup>

We also reported in December 2012 that TSA had conducted or commissioned prior reports comparing the cost and performance of SPP and non-SPP airports. For example, in 2004 and 2007, TSA commissioned reports prepared by private consultants, while in 2008 the agency issued its own report comparing the performance of SPP and non-SPP airports.<sup>19</sup> Generally, these reports found that SPP airports performed at a level equal to or better than non-SPP airports. However, TSA officials stated at the time that they did not plan to conduct similar analyses in the future, and instead, they were using across-the-board mechanisms of both private and federal screeners, such as the Scorecard, to assess screener performance across all commercial airports.

We found that In addition to using the Scorecard, TSA conducted monthly contractor performance management reviews (PMR) at each SPP airport to assess the contractor's performance against the standards set in each SPP contract. The PMRs included 10 performance measures, including some of the same measures included in the Scorecard, such as TIP detection rates and recertification pass rates, for which TSA establishes acceptable quality levels of performance. Failure to meet the acceptable

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<sup>17</sup>Prior to the Scorecard, from 2006 through April 2012, FSDs used three performance measures in the Management Objective Report (MOR) to assess screener and airport performance. The MOR included three measures that assessed screener performance, including TIP detection rates, Advanced Imaging Technology checkpoint utilization, and layered security effectiveness. For more on these performance measures, see [GAO-13-208](#).

<sup>18</sup>The TSA Contact Center handles these customer contacts for all of TSA, not only those related to passenger and baggage screening. For more on the Scorecard performance measures, see [GAO-13-208](#).

<sup>19</sup>Bearing Point, Inc, *Private Screening Operations Performance Evaluation Report* (Apr. 16, 2004); Catapult Consultants, LLC, *Private Screening Operations: Business Case Analysis, Transportation Security Administration, Screening Partnership Program* (Arlington: Virginia: Dec.14, 2007); and TSA, *A Report on SPP Airport Cost and Performance Analysis and Comparison to Business Case Analysis Finding* (Arlington, Virginia: Feb. 1, 2008).

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quality levels of performance could result in corrective actions or termination of the contract.

However, in December 2012, we found that the Scorecard and PMR did not provide a complete picture of screener performance at SPP airports because, while both mechanisms provided a snapshot of private screener performance at each SPP airport, this information was not summarized for the SPP as a whole or across years, which made it difficult to identify changes in performance. Further, neither the Scorecard nor the PMR provided information on performance in prior years or controlled for variables that TSA officials explained to us were important when comparing private and federal screener performance, such as the type of X-ray machine used for TIP detection rates. We concluded that monitoring private screener performance in comparison with federal screener performance was consistent with the statutory requirement that TSA enter into a contract with a private screening company only if the Administrator determines and certifies to Congress that the level of screening services and protection provided at an airport under a contract will be equal to or greater than the level that would be provided at the airport by federal government personnel.<sup>20</sup> Therefore, we recommended that TSA develop a mechanism to regularly monitor private versus federal screener performance, which would better position the agency to know whether the level of screening services and protection provided at SPP airports continues to be equal to or greater than the level provided at non-SPP airports.

TSA concurred with the recommendation, and has taken actions to address it. Specifically, in January 2013, TSA issued its first SPP Annual Report. The report highlights the accomplishments of the SPP during fiscal year 2012 and provides an overview and discussion of private versus federal screener cost and performance. The report also describes the criteria TSA used to select certain performance measures and reasons why other measures were not selected for its comparison of private and federal screener performance. The report compares the performance of SPP airports with the average performance of airports in their respective category, as well as the average performance for all airports, for three performance measures: TIP detection rates,

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<sup>20</sup>See 49 U.S.C. § 44920(d) (providing further that private screening companies must be owned and controlled by a citizen of the United States, subject to a waiver of this requirement by the TSA Administrator in certain circumstances).

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recertification pass rates, and PACE evaluation results. Further, in September 2013, the TSA Assistant Administrator for Security Operations signed an operations directive that provides internal guidance for preparing the SPP Annual Report, including the requirement that the SPP PMO must annually verify that the level of screening services and protection provided at SPP airports is equal to or greater than the level that would be provided by federal screeners. We believe that these actions address the intent of our recommendation and should better position TSA to determine whether the level of screening services and protection provided at SPP airports continues to be equal to or greater than the level provided at non-SPP airports. Further, these actions could also assist TSA in identifying performance changes that could lead to improvements in the program and inform decision making regarding potential expansion of the SPP.

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## TSA Continues to Address Limitations in the Methodology for Comparing the Costs of SPP and Non-SPP Screening Services

TSA has faced challenges in accurately comparing the costs of screening services at SPP and non-SPP airports. In 2007, TSA estimated that SPP airports would cost about 17 percent more to operate than airports using federal screeners. In our January 2009 report we noted strengths in the methodology's design, but also identified seven limitations in TSA's methodology that could affect the accuracy and reliability of cost comparisons, and its usefulness in informing future management decisions.<sup>21</sup> We recommended that if TSA planned to rely on its comparison of cost and performance of SPP and non-SPP airports for future decision making, the agency should update its analysis to address the limitations we identified. TSA generally concurred with our findings and recommendation. In March 2011, TSA provided us with an update on

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<sup>21</sup>TSA's study design (1) did not consider the impact of overlapping administrative personnel on the costs of SPP airports; (2) underestimated costs to the government for non-SPP airports by not including all costs associated with providing passenger and baggage screening services; (3) included more uncertainty in the cost estimates for non-SPP airports than for SPP airports, but did not account explicitly for uncertainty, or analyze or report the effect of uncertainty in its estimates; (4) 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 or analyze the costs associated with a particular level of performance; (5) was based on data from a single fiscal year (2007) with uncertainty in how representative the costs for a single year may be; (6) did not ensure that cost data collected were reliable and did not prepare documentation of its costing methodology called for in federal accounting standards; (7) and did not document key assumptions and methods used in sufficient detail to justify the reasonableness of costs. See [GAO-09-27R](#).

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the status of its efforts to address the limitations we cited in our report, as well as a revised comparison of costs for screening operations at SPP and non-SPP airports. This revised cost comparison generally addressed three of the seven limitations and provided TSA with a more reasonable basis for comparing the screening cost at SPP and non-SPP airports. In the update, TSA estimated that SPP airports would cost 3 percent more to operate in 2011 than airports using federal screeners. In March 2011, we found that TSA had also taken actions that partially addressed the four remaining limitations related to cost, but needed to take additional actions or provide additional documentation. In July 2014, TSA officials stated they are continuing to make additional changes to the cost estimation methodology and we are continuing to monitor TSA's progress in this area through ongoing work.

Chairman Hudson, Ranking Member Richmond, and members of the subcommittee, this completes my prepared statement. I would be happy to respond to any questions you may have at this time.

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## GAO Contact and Staff Acknowledgments

For questions about this statement, please contact Jennifer Grover at (202) 512-7141 or [GroverJ@gao.gov](mailto:GroverJ@gao.gov). Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this statement. Individuals making key contributions to this statement include Glenn Davis (Assistant Director), Charles Bausell, Kevin Heinz, Susan Hsu, Tyler Kent, Stanley Kostyla, and Thomas Lombardi. Key contributors for the previous work that this testimony is based on are listed in the products.

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