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### ON

# "ASSESSING THE TSA CHECKPOINT: THE PRECHECK PROGRAM AND AIRPORT WAIT TIMES"

## **BEFORE THE**

HOUSE COMMITTEE ON HOMELAND SECURITY
SUBCOMMITTEE ON TRANSPORTATION AND PROTECTIVE
SECURITY

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Chairman Katko and Ranking Member Watson Coleman I am pleased to testify today on behalf of the U.S. Travel Association on "Assessing the TSA Checkpoint: The PreCheck Program and Airport Wait Times".

The <u>U.S. Travel Association</u> (U.S. Travel) is the national, non-profit organization representing more than 1,200 member organizations across all sectors of the travel industry that generates \$2.4 trillion in economic output and supports 15.6 million American jobs.

Last week, the U.S. travel community celebrated National Travel and Tourism Week (NTTW), an annual tradition for the U.S. travel community. It's a time when travel and tourism professionals across the country unite to celebrate the value travel holds for our economy, businesses and personal well-being. This year's celebration marked the 35<sup>th</sup> anniversary of the 1983 congressional resolution that established NTTW. We were excited to recognize the enduring ethos of the travel industry: welcoming travelers from all over the world to experience what makes this country the best place to visit.

#### **BACKGROUND**

U.S. Travel has long been concerned that an inefficient, inconsistent, and occasionally invasive screening process would deter legitimate travelers from traveling. Thus, in 2011, the Association concluded a year-long expert-led project to formulate recommendations for travel-enhancing changes to the goals and performance of TSA. Led by former Department of Homeland Security (DHS) Secretary Tom Ridge, Congressman Jim Turner, Sabre CEO Sam Gilliland and American Airlines CEO Robert Crandall, this blue-ribbon panel issued a groundbreaking report, "A Better Way," which made 14 recommendations for reforming TSA, based on the experience of security professionals, input from industry stakeholders, advice from privacy advocates and surveys of travelers. Many of these recommendations were adopted by the agency and others were the focus of congressional oversight and legislation.

In 2016, U.S. Travel urged the new administration and the new Congress to place a renewed focus on refining and enhancing the operations of TSA through the issuance of the report "Transforming Security at Airports: An Update on Progress and a Plan for the Future of Aviation Security," U.S. Travel experts outlined several concrete recommendations for how the TSA can improve its operations and specific to this hearing, the TSA Pre $\sqrt{}$ ® program.

We recognize TSA is crucial not only to our national security, but also to the U.S. economy. U.S. Travel surveys have demonstrated that the public travels less when the system is bogged down by excessive or unpredictable wait times. These real or perceived failures impose an immense cost on the American economy. Research found that travelers would take between two and three more trips per year if TSA hassles could be reduced without compromising security effectiveness—and these additional trips would add \$85 billion in spending and 888,000 more jobs to our economy.

We urge the Trump administration and Congress to place a renewed focus on refining and enhancing the TSA Preè program to increase participation, particularly making enrollment more convenient without sacrificing security. TSA's mission to detect and deter security threats to the busiest aviation system in the world while facilitating the travel of nearly 775 million flyers per year is a complex, expensive and extremely important undertaking. However, an effective TSA is crucial not only to our national security, but also to the U.S. economy.

Unfortunately, TSA continues to struggle with a tumultuous budgetary environment, forcing the agency to regularly navigate a series of fiscal crises amid its usual operational challenges. Notably, TSA suffered a major budgetary setback when the Murray-Ryan 2013 budget deal became law. This law mandated that TSA fee increases be diverted to the General Fund as part of a deficit reduction package, which U.S. Travel opposed. These fees should have been appropriately reinvested into enhancing security measures and creating a first-class travel experience.

As we work with Congress and the Trump administration, U.S. Travel is pleased to offer policy recommendations and our point of view on some of the most pressing issues facing our aviation security system—in particular TSA Pre \( \Pi \)—suggesting reforms that would further improve security and air travel in America, protect traveler privacy and dignity and give the American people the best return on their investment of traveler fees and government dollars.

#### RECOMMENDATIONS

#### **Improve and Grow the TSA Preè**

TSA Preè offers a faster security screening process to pre-vetted domestic and international travelers, alleviating long lines and freeing TSA officers to focus on unknown passengers. Approximately 6.1 million travelers are enrolled in TSA Pre√® and an additional 2 million travelers enjoy TSA Pre√® benefits via their enrollment in the U.S. Customs and Border Protection (CBP) Global Entry program. In the interest of national security and providing a safe, efficient journey for travelers, U.S. Travel strongly advocates for the continued growth of TSA Pre√®. Moving these low-risk flyers quickly through security reduces crowds in airport waiting areas and, more importantly, allows TSA screeners to focus their attention on unknown travelers.

TSA Preè refocuses resources on higher-risk passengers and expedites screening of low-risk, pre-vetted travelers. According to TSA, in April 2018, 92% of TSA Pre√® passengers waited

In 2016, U.S. Travel conducted a study and found that one in five travelers was deterred by the TSA Preè application process. TSA should analyze and develop a process for spontaneous enrollment. Too often, the current requirement for two forms of identification is a significant barrier to travelers enrolling in the program and a modification to only one document would enable TSA to better reach its stated goal of 25 million enrollees. Furthermore, it is time for TSA to stop relying on earned media and start selling TSA Pre√® through a dedicated and methodical marketing campaign.

We are encouraged by private sector initiatives to make it easier to apply for TSA Pre\®, especially through relationships with companies with a large consumer footprint. For example, in April, IDEMIA, the current TSA Pre\® contract holder, announced a <u>partnership</u> with Staples to deploy TSA Pre\® enrollment centers in 50 Staples locations around the country. We also understand that at least 12 credit card programs cover the cost of TSA Pre\®, and five travel loyalty programs allow TSA Pre\® to be paid for via points or similar accumulated activity. National and Enterprise both have loyalty programs. U. S. Travel reimburses its employees for the full cost of both Pre\®, and Global Entry.

#### Reduce the Cost of TSA Pre/®

However, we have been disappointed by the slower corporate adoption of TSA Preè, which may be largely due to the high cost of reimbursement imposed by the strict \$85 enrollment fee. Offering corporations a financial incentive or cost break may help to spark more volume enrollments. In terms of companies, in 2016, Microsoft announced it would reimburse employees for both TSA Pre√® and Global Entry. This decision came after then-DHS Secretary Jeh Johnson and then-Commerce Secretary Penny Pritzker wrote to 100 large U.S. companies requesting assistance in marketing and promoting TSA Pre√®. The fact that very few companies have followed Microsoft's lead may be because the up-front cost of an \$85 enrollment fee, multiplied by hundreds or thousands of employees, is a measurable and significant cost with harder-to-measure returns. Providing quantity discounts to corporate travel managers, especially those who supply applicants to TSA for onsite enrollment, may create more corporate interest.

Additionally, while younger children (12 and under) are allowed to join a parent in the Pre ® lane, older children cannot. The one-time cost of enrolling a family of five may be a significant factor for many families and deter enrollment. We encourage TSA and its partners at the Office of Management and Budget (OMB) to reconsider fee rules for children, offer volume discounts and explore a subscription model for fees that would be paid on an annual basis, not five years at a time.

#### **Improve TSA Preè Lane Management**

U.S. Travel has expressed repeated concerns about TSA's on-again, off-again use of programs like 'managed inclusion' that allow non-Preè individuals into the TSA Pre√® screening lanes. First, such blending of populations confuses the traveling public about the TSA Pre√® program and the value to both the government and the traveler to undergo a program enrollment. Second, allowing TSA employees on the ground discretion to determine passenger risk profiles on the spot is both a security risk and a potential for traveler complaints.

We recognize that arranging security lanes and machines is a complicated process that does not always create the right mix of pre-vetted and normal travelers. However, the continued practice of providing TSA Pre\@ access because security lines are too long is a self-defeating process. U.S. Travel supports the use of passenger screening canines (PSCs), which increases security and efficiency in the general passenger screening process, often with greater accuracy than conventional methods, but if PSCs are going to be used to replace the screening done in the Pre\@ application process, TSA will reduce the known, low-risk travelers who would otherwise enroll in the program.

#### **Expedite the enlistment of third-party prescreening companies**

TSA has faced several road blocks in expanding the number of third-party prescreening companies to sign individuals up for the program. Currently, there is only one third-party prescreening company. It is worth repeating that there is only one third-party vendor that prescreens applicants, markets the program, enrolls applicants and adjudicates their application. This is just not acceptable. There should be multiple companies. This will drive competition, reduce costs and help grow TSA Preè, enrollment.

# Redirect Airline Passenger Fees to Cover the Cost of and Improve TSA Screening Operations

Lastly, but not least, domestic and international travel are key drivers of the U.S. economy, supporting 15.6 million jobs, \$2.4 trillion in economic output and \$258 billion in wages. This growth is positive for the U.S. economy and job creation as a whole, but these increases and persistent funding fluctuations are straining TSA's current staffing resources. It is imperative for TSA to continually strive to develop and deploy strategies that will optimize its current workforce.

The 2013 budget deal (known as "Murray-Ryan") increased TSA fees from \$2.50 per segment to \$5.60, but used the increased federal revenue as a general revenue measure, failing to provide the funds to TSA. Thus, more than one-third of all airline passenger fees collected are being diverted from TSA aviation security screening to the General Fund until FY 2025. As a result, travelers are paying considerably more in user fees but are not receiving the benefits of their fees in terms of better TSA performance, shorter lines or better-trained screeners.

This provision was included in the budget deal as one of many measures designed to meet revenue targets and avert additional worry about a government shutdown or debt limit crisis. Changes to TSA ticket taxes had been proposed numerous times by the Bush, Obama, and Trump administrations but were always rejected by Congress as an inappropriate additional tax on travelers. During this budget negotiation, however, the breadth of the budget package made it possible for negotiators to not only include ticket tax increases, but also to use the additional revenue as an offset for spending outside of DHS or TSA. Over the objection of the travel and aviation industries, the provision became law in early 2014, and became effective in July 2014.

Comparing 2013 to 2017, travelers paid \$2 billion more in fees—\$3.9 billion vs. \$1.9 billion—for the exact same service. This diversion essentially requires travelers to fund aspects of government completely unrelated to TSA's mission—anything from military bands to education funding to flood control.

While we recognize the emergency nature of the Murray-Ryan deficit reduction package, Congress must reverse the ongoing diversion. Revenue raised from aviation security fees should go toward securing travelers, not to deficit reduction. We support solutions to repeal the current requirement that a portion of aviation security service fees be credited as offsetting receipts and deposited into the General Fund of the Treasury. More broadly, we encourage Congress to ensure that security funding is used to improve all aspects of aviation security including, but not limited to, staffing, developing technologies and checkpoint and airport facility enhancements.

Thank you for the opportunity to testify today on behalf of the U.S. travel and tourism industry. For U.S. Travel, nothing matters more than the safety of our nation and travelers. We appreciate your holding this hearing to explore ways to make TSA Preè, more efficient and effective both from a security and facilitation perspective.