

**Statement of John S. Pistole, Administrator
Transportation Security Administration
U.S. Department of Homeland Security
Before the
United States House of Representatives
Committee on Appropriations Subcommittee on Homeland Security
March 25, 2014**

Good morning, Chairman Carter, Ranking Member Price, and distinguished Members of the Subcommittee. Thank you for the opportunity to appear before you today to discuss the President's Fiscal Year (FY) 2015 Budget Request for the Transportation Security Administration (TSA). The 2015 Budget Request of \$7.3 billion in total budget authority supports TSA's ongoing efforts to apply risk-based security principles across all operations while also capturing some of the savings that result from these improvements.

TSA's mission is to protect the Nation's transportation systems, including aviation, mass transit, rail, highway, and pipeline, to ensure freedom of movement for people and commerce. Each year TSA screens approximately 640 million domestic and international aviation passengers and 1.5 billion checked and carry-on bags. TSA also manages the security of an inter-related, multi-modal, transportation network encompassing 751 million passengers traveling on buses each year, more than 10 billion passenger trips on mass transit per year, 24 million students daily on school buses traveling more than four million miles annually, nearly 800,000 shipments of hazardous materials transported every day (95 percent by truck), more than 168,000 miles of railroad track, 3.9 million miles of roads, 604,000 bridges each spanning over 20 feet, 366 highway tunnels each over 100 meters in length, and nearly 2.6 million miles of pipeline. To fulfill this vital mission, TSA employs a layered approach to security through a well-trained frontline workforce, state-of-the-art technologies, intelligence analysis and information sharing, behavior detection techniques, explosives detection canine teams, Federal Air Marshals (FAMS), and regulatory enforcement. This multi-layered approach helps to ensure the security of the traveling public and the Nation's transportation systems.

I would like to thank the Subcommittee members for your strong support of several key initiatives we have undertaken to achieve our goal of continuing to evolve into a high-performing, intelligence-driven, counterterrorism agency that applies risk-based principles to deliver the most cost effective security in the most efficient manner. I am especially grateful for your support for our Risk-Based Security initiatives which are transforming TSA's operations. TSA's Risk-Based Security (RBS) initiatives in aviation passenger screening have enhanced security, achieved savings, and improved the passenger experience. I ask for your support for the President's FY 2015 Budget Request for TSA to allow us to continue to expand our RBS programs as we transition to a smaller, more capable agency balancing our investments in people, processes, and technology.

Since its creation, TSA has continuously refined and evolved our security approach by examining the procedures and technologies we use, while ensuring the freedom of movement of people and commerce. TSA's mission performance and ability to achieve its shared goals and

responsibilities of security is enhanced by the expectations for every TSA employee: hard work, professionalism, and integrity.

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. In an effort to continue to strengthen security and move away from a one-size-fits-all approach to passenger screening, TSA began implementing a series of RBS initiatives in 2011. Since then, TSA has continued expansion of risk-based security efforts by adding new programs and expanding existing intelligence and information screening to identify lower risk passengers. As you know, I set an internal goal of having 25% of travelers receive expedited physical screening by the end of calendar year 2013 and then 50% by the end of 2014. These goals were intended to spur development and expansion of risk-based security within the passenger screening context. As a result, over 35 million travelers have received TSA Pre✓™ expedited screening and up to 35 percent of passengers experience expedited screening each day. The vision of risk-based security is to increase overall aviation system security by focusing on high-risk and unknown passengers while expediting known or trusted travelers. TSA is continuing to augment intelligence and information screening to identify lower risk passengers that may receive expedited screening.

The TSA Pre✓™ program is a key RBS initiative that allows us to expedite security screening at aviation checkpoints for low-risk passengers. As you know, passengers may qualify for the TSA Pre✓™ program as a frequent flyer with their airline, through a Department of Homeland Security Trusted Traveler program such as TSA's Pre✓™ Enrollment or Global Entry, or as a member of the U.S. Armed Forces. Additionally, TSA uses real-time and intelligence based methods, such as Managed Inclusion and Secure Flight Risk Assessments to identify additional passengers eligible for TSA Pre✓™ screening. To accommodate TSA's expansion of program eligibility to a greater number of low-risk passengers, TSA has taken the following actions: expanded the number of airports participating in TSA Pre✓™ from the initial 40 to 117 airports; increased the number of expedited screening lanes from 46 to 600, with each lane providing the capability for doubling hourly throughput; and increased the number of U.S. airlines participating in TSA Pre✓™ from six to nine in FY 2013, with plans of continued expansion as airlines are ready. Today, TSA provides expedited screening to over 35% of the traveling public.

In an effort to expand the TSA Pre✓™ eligible population, TSA began the TSA Pre✓™ Application Program in December of 2013. This fee-based program allows TSA to extend expedited screening access to passengers who have voluntarily provided basic personal identifiable information, submitted to a background check, and been approved by TSA. As of February 27, 2014, more than 71,000 individuals have applied for the TSA Pre✓™ Application Program, and TSA receives an average of approximately 2,700 applications a day. By the end of April, we expect to have more than 300 application centers available nationwide, to help facilitate enrollment in this popular program.

TSA is applying the principles of RBS to other elements of transportation security where more efficient targeting of resources using robust intelligence and analysis will maintain and

even increase our security posture. The FY15 Budget request reflects risk analysis and prioritization in areas such as screening operations, FAMS deployment, Visible Intermodal Prevention and Response (VIPR) teams, and Federal Flight Deck Officers (FFDO).

Budget Highlights

TSA's FY 2015 Budget request of \$7.3 billion reflects a total gross discretionary decrease of \$59.4 million, or less than one percent, and 2,034 Full Time Equivalent (FTE) positions from FY 2014. While proposing an overall reduction in funding through targeted reductions and efficiencies, TSA has prioritized key operations by continuing to support RBS initiatives, enhancing air cargo and canine operations, investing in Secure Flight system requirements, funding HSPD-12 credentialing for enhanced security, and continuing the recapitalization of aging electronic baggage screening systems. The request also accommodates government-wide adjustments such as a one percent pay increase and increased retirement costs.

The fees TSA collects from passengers and airlines have remained largely the same since 2002, while the agency's costs have grown. TSA's budget request includes two proposals to increase aviation security offsetting revenue collections by \$615 million in FY 2015 through increasing the Aviation Passenger Security Fee and continuing to collect the Air Carrier Fee. The passenger fee proposal adjusts the fee from \$5.60 per one-way trip to \$6.00 per one-way trip, generating an additional \$195 million in offsetting collections. This proposal builds on the fee adjustment enacted in the *Bipartisan Budget Act* last December and mirrors previous Budget proposals. Similar to previous proposals, beginning in FY 2016, the Passenger Fee would increase 50 cents each year until it reaches \$7.50 in FY 2018. The majority of the increased fee revenue would be available to offset TSA's costs while a portion of it will be used to help fund the President's Opportunity, Growth, and Security Initiative. The Air Carrier Fee, which has been in place since 2002 is proposed for reinstatement at \$420 million for FY 2015, the same level it has been since FY 2010. If the proposal is not enacted, the Air Carrier Fee will be repealed on October 1, 2014, eliminating a significant source of revenue for TSA. These proposals will further align the cost of passenger security operations to the direct beneficiaries of these security services and provide TSA greater financial flexibility to satisfy aviation security costs.

TSA also requests budget realignments to gain operational and management efficiencies. These include consolidating canine operations in the Aviation Security appropriation and Visible Intermodal Prevention and Response (VIPR) operations in the Surface Transportation Security appropriation, while retaining the multimodal mission of those teams, so that they can be better deployed based on risk. In addition, TSA proposes realigning the funding for FAMS under the Aviation Security appropriation, to better reflect TSA's organization and management structure and enable the Agency to more rapidly apply its law enforcement and related resources to meet emerging threats. Finally, TSA also proposes to realign resources for intelligence activities from the Transportation Security Support appropriation to the Intelligence and Vetting appropriation (formerly known as Transportation Threat Assessment and Credentialing). This realignment will enable TSA to combine the intelligence and vetting functions to inform daily operations and enhance mission effectiveness.

Risk Based Security Efficiencies

The FY 2015 Budget reflects TSA's continued focus on maturing into a high-performing counterterrorism organization that applies intelligence-driven, RBS principles across all operations.

TSA's budget request includes a reduction of \$100 million and 1,441 FTE from the Transportation Security Officer (TSO) workforce, and associated support costs, as a result of savings related to RBS. Since the agency's inception, TSA has significantly mitigated terrorist threats through a multi-layered approach to security. RBS principles will assist TSA in providing the most effective security in the most efficient manner. For example, TSA Pre✓™ enables known and trusted passengers to more quickly move through the checkpoint, increasing the efficiency of both standard and TSA Pre✓™ security lanes. TSA anticipates that incorporating RBS principles into its operations will result in a smaller more capable workforce to implement new initiatives necessary to achieve our goals. In addition to checkpoint-related RBS savings, the Budget includes a \$22 million in savings from a reduction of 387 TSO FTE, resulting from efficiencies gained from prior year investments in optimal electronic baggage screening systems.

Reduced Playbook Operations

TSA's budget request includes a reduction of \$20 million and 302 FTE from the screener workforce and associated support costs, as a result of reducing TSA Playbook operations. Playbook, part of the various security layers operating at our Nation's airports, serves to mitigate both passenger and insider threats using a range of proven tactics, techniques and procedures which added unpredictability and flexibility to security initiatives. This reduction reflects efficiencies gained through the implementation of RBS which will allow TSA to reduce the resources devoted to Playbook, while maintaining the layer of security with a more targeted focus on risk.

Exit Lane Funding

The *Bipartisan Budget Act* also requires TSA to continue staffing those airport exit lanes it staffed as of December 1, 2013. The requirement for TSA to meet exit lane access control responsibilities at selected airports is accommodated in the FY 2015 request at a cost of \$93 million, which was previously planned as a recurring annual savings. At two-thirds of the Nation's airports, airport operators control access at exit lane access control by using technology or personnel. Staffing of exit lanes for access control remains a function that does not require personnel qualified and trained as screener personnel. TSA is assessing options for realizing efficiencies and appropriately satisfying access control functions.

Screening Partnership Program (SPP)

Since 2012, TSA has received applications from six additional airports to join the SPP, and approved all within the statutorily mandated 120 day period. Requests for Proposal have been released for all of these airports, with awards expected during the remainder of FY 2014,

provided that the criteria set forth in law are met. TSA recently awarded a new screening services contract for Kansas City International Airport, and will be re-competing four more current SPP airports in FY 2014. These new contracts will reflect efficiencies realized from RBS, similar to those from the federalized workforce, and are designed to ensure that contractor costs meet TSA security standards without detrimentally affecting cost efficiency.

Federal Air Marshal Service

TSA's budget request includes a reduction of \$19.5 million to the FAMS program from FY 2014. This reduction reflects efficiencies and program changes that leverage other aviation security system enhancements, allowing for more targeted mission deployments focused on higher risk flights. As part of that effort, TSA has evaluated the field structure of FAMS regional offices, and will be relocating operations in several locations to reduce our field offices from 26 to 20, and more advantageously position personnel to cover flights that require the presence of an armed marshal.

TSA analyzed flight schedules, airline industry projections, travel trends, risk, intelligence, vulnerability, and other factors to determine future office staffing levels and work locations and was geared to increasing the overall effectiveness of risk-based operations. The primary mission of FAMS is linked to commercial aviation and maintaining a risk-based deployment strategy requires that we locate field resources closer to airports that service high-risk routes with high-risk aircraft. This realignment will maximize the effectiveness of FAMs, support personnel, and available budgetary resources by enhancing the ability of the organization to schedule FAMs on missions of the highest criticality. Additionally, the realignment will realize long term savings by reducing overhead costs.

Visible Intermodal Prevention and Response Teams (VIPR)

TSA's Budget includes a reduction of \$15.2 million to the VIPR program from FY 2014. This initiative reduces the number of teams from 37 to 33, and will result in less than a five percent reduction in VIPR missions, which ensure a readiness capability to immediately deploy to augment local multi-modal security operations nationwide or respond to specific requirements and emerging intelligence. VIPR missions also serve as a deterrent to transportation threats. The reduction in VIPR teams will support a shift of 65 Inspector FTE to dedicated inspection duties and security oversight operations and save \$10.9 million.

Federal Flight Deck Officer (FFDO) Program

TSA's budget request includes a reduction of \$4.9 million and three FTE to the FFDO program from FY 2014. This reduction reflects efficiencies to be gained with the implementation of an Inactive Reserve Force, the consolidation of requalification facilities, and the elimination of unfilled program management vacancies.

Transportation Worker Identification Credential (TWIC)

TSA is well on the way to implementing the requirement from the 2012 U.S. Coast Guard Reauthorization Act to reduce the number of visits necessary to obtain a TWIC card. Traditionally, those needing a TWIC to gain unescorted access to regulated ports have had to make two visits to an enrollment center – one to make the application, and the second to pick up the card and load their biometrics. Currently TSA is operating two pilots, called OneVisit, to test procedures and processes for mailing TWIC cards to applicants in Alaska and in certain locations in Michigan. Nationwide implementation is planned in the third quarter of FY 2014, when TSA's Technology Infrastructure Modernization (TIM) program, the updated credentialing system, achieves initial operating capability, allowing an automation of the OneVisit process. TSA would like to thank the Subcommittee for its continued support of TIM.

Explosives Detection Systems (EDS)

TSA's request includes an increase of \$10 million for the base restoration of the EDS Procurement and Installation Program Project Activity from FY 2014. Approximately \$7 million will allow TSA to continue software upgrades needed to reduce security vulnerabilities by enhancing detection capabilities for homemade explosives and reducing false alarm rates for approximately 400 Medium-speed Explosives Detection System (MSEDS) units located at 28 Category X and I airports. In addition, \$3 million will support the purchase and installation of two MSEDS units in support of recapitalization efforts.

Large Aircraft & Private Charter Passenger Screening Program

The *FY 2004 Intelligence Reform and Terrorism Prevention Act* mandates that DHS make advanced passenger prescreening available to both charter and aircraft greater than 12,500 pounds flying into, out of, or within the United States. The FY 2015 request of \$12.7 million funds the hardware and software necessary to meet critical Secure Flight system requirements and to handle the anticipated 11 million additional passengers who will be covered, adding a significant layer to TSA's aviation security operations. So that TSA can make the appropriate modifications to the Secure Flight system, processes and procedures to vet these populations, funding for this initiative is required at least six months prior to the effective date of the forthcoming General Aviation Security rule, of which the Supplemental Notice of Proposed Rulemaking is anticipated to be published within the next year, and the Final Rule expeditiously thereafter.

Mr. Chairman, thank you again for this opportunity to discuss the President's 2015 budget request for TSA. I look forward to our continued work together and would be pleased to respond to your questions.

John S. Pistole

Administrator, TSA



John S. Pistole was confirmed as the Transportation Security Administration's fifth administrator in July 2010. As TSA administrator, he oversees management of a 60,000-strong workforce, the security operations of more than 450 federalized airports throughout the United States, the federal air marshal service, and security for highways, railroads, ports, mass transit systems and pipelines.

Under his leadership, TSA continues to grow as a risk-based, intelligence-driven counterterrorism agency dedicated to protecting the U.S. transportation systems.

Pistole came to TSA as a 26-year veteran of the FBI with extensive national security and counterterrorism experience. After the tragic events of September 11, 2001, he was in charge of the FBI's greatly expanded counterterrorism program, eventually becoming the FBI's executive assistant director for counterterrorism and counterintelligence. In 2004, Pistole was named deputy director for the FBI.

Pistole has led or been involved in several high profile investigations, including the attempted car bombing in Times Square on May 1, 2010; the December 25, 2009, attempted attack on Northwest Flight 253; the plot against New York City subways in 2009; the 2006 UK liquid explosives plot; and the May 2003 suicide bombings of three housing compounds in Riyadh, Saudi Arabia, in which 35 people died, including nine Americans.

Pistole began his career as a special agent with the FBI in 1983, serving in the Minneapolis and New York divisions before his promotion to supervisor in the organized crime section at FBI headquarters in Washington, D.C. In 1999, as assistant special agent in charge in Boston, he helped lead investigation and recovery efforts for the Egypt Air Flight 990 crash off the coast of Rhode Island.

In 2007, Pistole received the Edward H. Levi Award for Outstanding Professionalism and Exemplary Integrity. He is a recipient of the 2005 Presidential Rank Award for Distinguished Executive.

Pistole practiced law for two years prior to joining the FBI. He is a graduate of Anderson University (Indiana) and Indiana University School of Law - Indianapolis. He is married and has two daughters.