



U.S. TRAVEL
ASSOCIATION

TESTIMONY FOR THE RECORD

OF

ROGER DOW, PRESIDENT AND CEO OF THE U.S. TRAVEL ASSOCIATION

ON

“TEN YEARS AFTER 9/11: THE NEXT WAVE IN AVIATION SECURITY”

BEFORE THE

**SENATE COMMITTEE ON HOMELAND SECURITY AND GOVERNMENTAL
AFFAIRS**

NOVEMBER 2, 2011

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Chairman Lieberman, Ranking Member Collins and Members of the Senate Committee on Homeland Security and Governmental Affairs: I am pleased to offer testimony on behalf of the U.S. Travel Association (U.S. Travel).

I also want to thank you for your leadership of this Committee and for the dedication you have demonstrated over the years working in a bipartisan fashion to ensure the nation remains safe from future terrorist attacks while also understanding the need for effective travel facilitation. Chairman Lieberman, we will miss you in retirement, and thank you for your service in the Senate for so many years.

The U.S. Travel Association is the national, non-profit organization representing all sectors of America's \$1.8 trillion dollar travel industry. U.S. Travel's mission is to increase travel to and within the United States.

As you all know, travel is a powerful engine of growth and economic development. For example, travel directly employs more than 62,000 people in Connecticut, contributes \$8.8 billion dollars annually to the Connecticut economy and generates more than \$1.4 billion dollars in state and local tax revenues. Similarly, travel directly employs more than 30,000 people in Maine, contributes more than \$2.7 billion dollars to the state's economy and generates nearly \$334 million dollars in state and local tax receipts. In every state and county across America, travel helps pay the salaries of police, firefighters and teachers without creating new demand for those public services. Travel industry investments, such as airports, hotels and convention centers, attract additional private-sector investments that, together, sustain communities and help them grow.

While the topic of aviation security is often discussed in the context of terrorism, personal privacy or technology – less attention is paid to the economic damage inflicted by the current inefficiencies in the passenger screening process. For the travel community – which supports rural and urban communities alike – inefficiencies in the aviation security screening process impose a staggering cost on the economy, hampering job creation and economic growth. And the data suggests that the problem is getting worse.

A 2008 survey of air travelers who took one or more flights in the previous year found that one in four respondents (28 percent) avoided at least one trip because of the hassles of air travel, which include aviation congestion and passenger screening. That loss of travel translates into a \$26.5 billion dollar loss to the U.S. economy, including \$9.4 billion to airlines, \$5.6 billion to hotels, \$3.1 billion to restaurants and \$4.2 billion in federal, state and local tax revenue.

Compare that \$26 billion dollar loss to a 2010 survey conducted by Consensus Research, which found that American travelers would take an additional two to three flights per year if the hassles in security screening were eliminated. These additional flights would add nearly \$85 billion in consumer spending and support 900,000 American jobs.

The budgetary costs of TSA are also ballooning at a time when we are looking for ways to be more fiscally responsible and air travel is expanding. Since 2004, TSA's overall budget has increased by 68 percent. During the same time period, passenger levels have remained almost the same – with 618 million air passengers in 2004 and 623 million air passengers in 2010. This current trend cannot be maintained as TSA is spending more money each year to screen the same amount of passengers. And the problem will only get worse. The FAA now predicts that in 10 years (by the year 2021) there will be 1 billion U.S. air travelers per year.

Beyond the numbers is the empirical evidence. Most of you fly every week. You can see for yourselves the friction and inefficiencies in the system.

I want to talk to you today about what reforms can be made to the aviation security system to help stimulate the economy. The current system has reduced threats and helped to ensure passenger safety; but it is inefficient, and “the hassle factor” for travelers is at an all-time high.

We know there is a better way. And to start – we must rid ourselves of the Hobson's choice that we cannot have security and traveler facilitation simultaneously.

That is why in 2009 U.S. Travel convened a blue ribbon panel of bipartisan, aviation security and industry experts – including former Secretary of Homeland Security Tom Ridge, former Congressman Jim Turner, and Sam Gilliland, CEO of Sabre Holdings – to review the U.S. air travel security system and recommend reforms for creating a more efficient, secure and traveler-focused system. After a year of discussions and over 20 meetings, U.S. Travel issued a report, “A Better Way: Building a World Class System for Aviation Security,” which presents a comprehensive review of aviation security and takes account of the traveler's point of view.

The report lays out a comprehensive checklist of 14 recommendations that give Congress and TSA a roadmap for aviation security reform that will maintain security while improving passenger facilitation.

While each of the blue ribbon panel's recommendations is important, I would like to focus today on three of the panel's key recommendations: 1) creating a risk-based trusted traveler program; 2) steps to decrease the number of carry-on bags; and 3) reconstitution of the Aviation Security Advisory Committee.

First, the top recommendation of the blue ribbon panel was that Congress and TSA must work together to create a broad, risk-based trusted traveler program.

The need for this program is clear. The current “one-size-fits-all” screening process at America's airports does not meet the needs of the traveling public. Travelers have no input or choices. In our view, a trusted traveler program would allow travelers to opt-in and voluntarily provide background information, and qualify for predictable, expedited screening as long as they meet certain criteria to establish their low-risk nature.

The blue ribbon panel recommended three elements of a trusted traveler program that utilize a risk-management approach. These elements are: 1) a secure and accessible enrollment and re-verification process that encourages a large number of enrollees; 2) dedicated screening lanes for trusted travelers and a confirmation process at the airport that ensures only enrollees are utilizing these lanes; and 3) a screening process that provides efficiency, security benefits, and an acceptable level of predictability. We strongly believe all three elements are achievable.

Not long after the release of our report, our team met with Administrator Pistole's team at TSA to discuss this proposal and get their feedback. During that meeting, we learned of several initiatives that were underway to reform TSA into a more risk-based and intelligence driven organization. To the credit of Administrator Pistole and the leadership team at TSA, one of the central reforms was to create a risk-based screening program. I applaud him for his leadership and vision in undertaking this effort and for launching the PreCheck pilot program. I also applaud you and others in Congress for also taking an interest in this critical issue and hope to work with you as you begin to oversee the implementation of TSA's efforts.

As Administrator Pistole mentioned, TSA recently began a pilot program called PreCheck with the goal of providing expedited screening for passengers willing to volunteer more personal information. PreCheck is currently being run at four airports and passengers can enroll in the program by being a member of a Customs and Border Protection's (CBP) trusted traveler program or by sharing personal information contained in Delta or American frequent flyer accounts.

As TSA examines how to expand the program, we believe the agency and Congress should take into account several key issues:

- Allow for broad enrollment into the program;
- Provide dedicated PreCheck screening lanes at major U.S. airports; and
- Develop a screening process that creates efficiencies, improves security, and provides a predictable time for enrollees to move thru screening, even if the actual screening procedures vary to provide a needed degree of randomness.

First, in order for PreCheck to succeed, it must maintain security while allowing enough travelers to enroll to make the standard security screening line shorter and more efficient for travelers not participating in the program. We believe this will require TSA to allow travelers to aggregate their frequent flyer miles across multiple airlines, so that more travelers can meet the minimum threshold of miles to join PreCheck. We believe this will also require TSA to expand enrollment opportunities beyond frequent flyer programs and CBP trusted travelers. TSA should examine using commercial data, criminal history, or Registered Traveler providers as other means of enrolling passengers in PreCheck. In addition, TSA should seek to enroll existing populations of low-risk travelers into PreCheck, including persons with Top Secret clearances, Security Identification Display Area (SIDA) badges or Transportation Worker Identification Credential (TWIC) cards.

Second, as the PreCheck program grows, TSA should provide dedicated screening lanes for all PreCheck enrollees. TSA – in consultation with airports and airlines – should determine where PreCheck screening lanes will be available and base these decisions on efficiency and security.

Third, Administrator Pistole has stated on a number of occasions that PreCheck enrollees will be randomly selected for additional screening, instead of the expedited screening. This is a sensible and prudent security measure. However, if PreCheck enrollees are selected for additional screening during a high percentage of their trips, they will still be forced to arrive at the airport well in advance of their flight in order to plan for the likelihood of increased wait times. In that scenario, PreCheck passengers would likely see the program as providing little efficiency benefit. Therefore, TSA should seek to use enrollment criteria that provides the best indication of risk and allows PreCheck enrollees with predictable wait times in the screening process - even if the actual screening procedures vary to provide a needed degree of randomness.

The U.S. Travel Association looks forward to working with TSA and Congress to ensure the growth and success of the PreCheck program.

I would now like to turn to the second key recommendation of the blue ribbon panel – Congress and TSA must find ways to encourage fewer carry-on bags. The recent trend of most airlines charging separate fees for every checked bag has resulted in airline passengers “carrying on” substantially more baggage per person. The increase volume of carryon baggage is causing significant checkpoint congestion, negatively impacting security, and causing significant strains on TSA personnel and resources.

The numbers speak for themselves. The New York Times recently reported that TSA screened an estimated 59 million more carryon bags in 2010 than in 2009.¹ TSA also estimates that carry-on bags processed at the checkpoints will have increased by about 87 million from FY 2010 through FY 2011 and continue to increase by about 29 million more in FY 2012.

The blue ribbon panel proposed to deal with this problem by requiring that airlines include one checked bag as part of the base fare of an airline ticket. This would give passengers the option to check a bag that the security checkpoints are not overwhelmed by continued increases in carryon luggage. It is important to note that under the panel’s recommendation, passengers would not be entitled to a free checked bag. Airlines would be able to cover the costs of checking one bag in the base fare of the ticket and set that price to whatever level they desire.

A 2011 survey conducted Equation Research found that travelers would likely change their behavior if such a proposal was enacted. The survey showed that two-thirds of travelers would be willing to carry on one less item if it meant being able to check one item at no extra fee.

¹ <http://www.nytimes.com/2011/03/29/business/29bags.html>

The last recommendation of the blue ribbon panel that I will highlight today is the need for TSA to reinstate the Aviation Security Advisory Committee (ASAC) to consistently engage a broad group of stakeholders when crafting aviation security policy. For almost two decades, the Federal Aviation Administration (FAA) and then TSA operated the ASAC, which engaged a wide array of interested stakeholders in a dialogue on aviation security issues and policies. The ASAC members took the time to consider and learn difficult and technological issues, and made meaningful recommendations to the federal government. Unfortunately, since 2006, TSA has not convened a meeting of the ASAC, thereby cutting off a valuable tool for TSA to engage the travel industry and a broad range of stakeholders.

In July 2011, TSA announced that it would reconstitute the ASAC and the travel industry is anxiously waiting to hear if a representative from the industry will be appointed to that committee. Congress can also play an important role in this process by codifying the ASAC's structure and mandate. By requiring that a broad group of stakeholders – including the travel industry – be represented on the ASAC, Congress can help ensure that TSA is making informed policy decisions that maintain security while better facilitating passengers and commerce. For far too long the voice of the travel industry and the traveler have not been “at the table” in the construction of aviation security policy. That is why the reconstitution of the ASAC is so important and why it is equally important that you have invited the travel industry to participate in this hearing today.

It is my hope that Congress and TSA will consider these and other recommendations provided by the blue ribbon panel. The ideas contained in the report do not constitute the last word in aviation security policy, but they are intended to spark the conversation for reform. I am pleased to be provided the opportunity to share them with you today and appreciate hearing your feedback.

I believe that as we continue identify ways to keep our nation safe from those intent on doing our country harm, we must define success not only by measurements of security, but also by measurements of efficiency and customer satisfaction. From PreCheck, to standard screening procedures, to employee training, TSA must measure and seek to improve customer satisfaction levels across all of its programs. Only then can TSA fulfill its dual mandate to protect our transportation systems and facilitate the movement of people and commerce.

In sum, while the security of America's air travel system and the safety of the passengers who use that system must remain everyone's overriding concern, it is possible to make the system more efficient and more convenient for travelers. This will be a win-win for American economy and the traveling public.

I thank Chairman Lieberman, Ranking Member Collins, and all Members of the Committee on Homeland Security and Governmental Affairs for holding this important hearing. And I thank you for the opportunity to testify before you today. I would be happy to answer any questions you might have.

