Statement of

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and

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Good afternoon Chairman Issa, Chairman Mica, Ranking Member Cummings, Ranking Member Rahall, and distinguished Members of the Committees. Thank you for the opportunity to testify before you today about Transportation Security Administration (TSA) security equipment and technology.

As originally intended in the Aviation and Transportation Security Act (ATSA) (Pub.L. No. 107-71, 115 Stat. 597), enacted more than a decade ago, TSA remains vigilant in ensuring the security of people and commerce flowing through our Nation's vast transportation networks. TSA employs risk-based, intelligence-driven operations to prevent terrorist attacks and to reduce the vulnerability of the Nation's transportation system to terrorism. Our goal at all times is to maximize transportation security to stay ahead of evolving terrorist threats while protecting privacy and civil liberties and facilitating the flow of legitimate travel and commerce. TSA's measures create a multi-layered and unpredictable system of transportation security that substantially mitigates risk. Moreover, to remain ahead of those who seek to do us harm, we continue to evolve our security approach by examining the procedures and technologies we use, how specific security procedures are carried out, and how screening is conducted.

TSA occupies the front lines of the Nation's transportation security responsibilities. These responsibilities include security screening of passengers and baggage at 450 airports in the United States that facilitate air travel for 1.8 million people per day; vetting more than 14 million passengers and over 13 million transportation workers against the terrorist watch list each week; and conducting security regulation compliance inspections and enforcement activities at airports, for domestic and foreign air carriers, and for air cargo screening operations throughout the United States and at last point of departure locations internationally.

TSA is also committed to improving the effectiveness of security in the most cost-effective manner possible. Through advancements in technology and workforce efficiency, TSA has been able to accommodate the increased workload that has accompanied the current practice of many airlines to charge fees for all checked baggage; the restrictions on liquids, aerosols and gels that we implemented to counter a known terrorist threat; and the screening required for the significant increase in the number of laptops carried by passengers. By employing smarter security practices in developing and deploying our people, processes, and technologies, we are delivering more effective security in a more efficient manner. Additionally we will continue to make improvements to ensure the security of the traveling public and the Nation's transportation system.

Adopting a Risk-Based Security Strategy

TSA is developing processes for enhanced use of intelligence and other information to enable more risk-based security (RBS) in all facets of transportation, including passenger screening, air cargo, and surface transportation. The concept of RBS demonstrates a progression of the work TSA has been doing throughout its first decade of service to the American people. Risk is inherent in virtually everything we do; our objective is to mitigate risk to the greatest extent possible while at the same time balancing the need to protect interests in privacy, civil rights and civil liberties, cost containment, and the free flow of commerce. In the passenger screening context, RBS allows our dedicated Transportation Security Officers (TSOs) to focus more attention on those travelers we believe are more likely to pose a risk to our transportation network – including those on the Federal government's integrated terrorist watchlist – while providing expedited screening, and hopefully a better travel experience, to those we believe pose

less risk. TSA incorporates random and unpredictable security measures throughout the airport; as a result, no individual is guaranteed expedited screening so as to retain a certain element of randomness to prevent terrorists from gaming the system.

TSA is moving away from a one-size-fits-all security model to providing security tailored to the traveler or cargo. Two key enablers – technology and intelligence – are allowing TSA to adopt the RBS model.

TSA Pre✓™ Program

TSA Pre✓™ is perhaps our most widely known risk-based security enhancement. Since first piloting this idea last fall, the program has been expanded to 14 U.S. airports, making it possible for qualified passengers flying from these airports to experience expedited security screening at airport checkpoints. Over one million passengers have had the benefits of expedited screening, and the feedback we have received is consistently positive.

Under TSA Pre✓™, individuals who are members of the U.S. Customs and Border Protection (CBP) Trusted Traveler programs, or who volunteer information about themselves to certain airline frequent flyer programs prior to flying, are eligible for expedited screening at checkpoints. By changing procedures for those travelers we know more about, through information they voluntarily provide, and combining that information with our multi-layered system of aviation security, TSA can better focus our resources on higher-risk and unknown passengers. This new screening concept holds great potential to strengthen security while significantly enhancing passengers' travel experience.

TSA Pre✓™ has also been extended to active duty service members at Ronald Reagan Washington National Airport (DCA). Eligible service members include U.S. Armed Forces service members including reservist and National Guard members, who possess a valid Common Access Card (CAC) and are traveling out of DCA. TSA Pre✓™ passengers are pre-screened by TSA each time they fly through participating airports. If the indicator embedded in their boarding pass reflects eligibility for expedited screening for a particular flight, the passenger is able to use the TSA Pre✓™ lane. Currently, eligible participants include certain frequent flyers

from American Airlines, Delta Air Lines, and Alaska Airlines as well as U.S. Citizen members of CBP's Trusted Traveler programs who are flying domestically on participating airlines.

TSA is actively working with other major air carriers such as United Airlines, US Airways, Jet Blue, and Hawaiian Airlines, to expand both the number of participating airlines and the number of airports where expedited screening through TSA Pre✓™ is provided. In February 2012, Secretary Napolitano and TSA Administrator Pistole announced the goal to have TSA Pre✓™ rolled out and operating at 35 of the busiest domestic airports by the end of 2012.

TSA Pre✓™ travelers are able to divest fewer items, which may include leaving on their shoes, jacket, and light outerwear, and may enjoy other modifications to the standard screening process. As always, TSA will continue to incorporate random and unpredictable security measures throughout the security process. At no point are TSA Pre✓™ travelers guaranteed expedited screening.

An Active Acquisition and Deployment Program

To fulfill its security responsibilities for deploying and operating state-of-the-art security technology at over 450 airports across the Nation, TSA must be able to rapidly deploy technology to respond to changing threat information, or to have equipment ready to deploy when airport facilities are changed to accommodate the equipment. In addition, TSA must have the ability to stand up operations in locations affected by natural disasters and other crises. These factors and others require that the agency have a steady inventory of technology available to deploy to continue to strengthen aviation security.

After technology is tested, TSA must fulfill a number of requirements prior to deploying any machines in an airport setting. For example, TSA must estimate the amount of equipment it needs and the likely schedule for deploying that equipment at busy, crowded airports. These factors are coupled with the manufacturing schedules of the companies that produce this state-of-the-art equipment. These factors generally lead TSA to procure equipment ahead of deployment so that the equipment is immediately available when the airport is ready. To store transportation security equipment prior to deployment, TSA leases three warehouses in Texas. In the past two years, TSA has reduced the annual cost for its warehouse lease and operations by $4.1 million

dollars (from $7.6 million annually in 2009, to $3.5 million in 2011) by working directly with warehouse owners and awarding the warehouse operations contract to a Service-Disabled Veteran-Owned Small Business. TSA plans to further reduce its warehouse related expenses in the near future.

Nearly 80 percent of the screening equipment procured by TSA has been stored in warehouses for less than a year. By way of example, most of the explosive trace detection machines in our warehouse are scheduled to be deployed in the current fiscal year. The reported gross value of equipment at the warehouse as of February 29, 2012, is approximately $185 million. This figure includes technology that is already scheduled for deployment, but is being held until the assigned airport is ready.

Conclusion

As we review and evaluate the effectiveness of TSA's aviation security enhancements, we must always be cognizant of the fact that these enhancements are only as good as the people who operate staff and manage them. As we strive to continue strengthening transportation security and improving, whenever possible, the overall travel experience for all Americans, we must always remember that our success is defined in the final analysis by our people. Whether it is for business or for pleasure, the freedom to travel from place to place is fundamental to our way of life, and to do so securely is a goal to which everyone at TSA is fully committed. Thank you for the opportunity to appear before you today. I will be happy to address any questions you may have.

David R. Nicholson

Assistant Administrator for Finance and Administration and Chief Financial Officer

In March 2005, David Nicholson became the Assistant Administrator for Finance and Administration and Chief Financial Officer of the Transportation Security Administration. He is responsible for financial operations and administrative services supporting national transportation security, including operations at more than 450 airports. He also oversees TSA's compliance with the Federal Managers' Financial Integrity Act and planning, formulating, defending and executing the agency's $6.3 billion annual budget.

For the two years before coming to TSA, Nicholson served as the Resource Director for the Under Secretary of Border and Transportation Security, Department of Homeland Security, where he coordinated operational support requirements and planning of TSA, U.S. Customs and Border Protection, U.S. Customs and Immigrations Enforcement, and the Federal Law Enforcement Training Center. In that capacity he coordinated activities of the agencies' chief financial officers, chief information officers, chief human capital officers, chief procurement officers and chief administrative services officers.

Nicholson worked in the private sector from 2001 to 2003 as Chief Strategic Analyst with Soza & Company, Ltd., providing services in information technology and human resources transformation and project implementation.

From 1973 to 2001, Nicholson served in the U.S. Coast Guard, attaining the rank of Rear Admiral, spending most of his time in field operations in the Pacific, Bering Sea, Caribbean, East Coast of the U.S., and northwest Atlantic. He commanded three cutters and served as the Squadron Commander for joint U.S. and international operations enforcing United Nation's resolutions on Haiti. He ended his Coast Guard career as Resource Director in charge of strategic and performance planning and budget.

In addition to earning a Bachelor of Science degree in Ocean Engineering from the U.S. Coast Guard Academy, Nicholson holds a Master of Public Administration from Harvard University and a Master of Science in National Security Strategy from the National Defense University.