

THE TRANSPORTATION SECURITY ADMINISTRATION'S FISCAL YEAR 2017 BUDGET REQUEST

HEARING
BEFORE THE
SUBCOMMITTEE ON
TRANSPORTATION SECURITY
OF THE
COMMITTEE ON HOMELAND SECURITY
HOUSE OF REPRESENTATIVES
ONE HUNDRED FOURTEENTH CONGRESS
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THE TRANSPORTATION SECURITY ADMINISTRATION'S FISCAL YEAR 2017 BUDGET REQUEST

Wednesday, March 2, 2016

U.S. HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON TRANSPORTATION SECURITY,
COMMITTEE ON HOMELAND SECURITY,
Washington, DC.

The subcommittee met, pursuant to call, at 10:04 a.m., in Room 311, Cannon House Office Building, Hon. John Katko [Chairman of the subcommittee] presiding.

Present: Representatives Katko, Carter, Rice, Keating, and Thompson (ex officio).

Mr. KATKO. The Committee on Homeland Security, Subcommittee on Transportation Security, will come to order. The subcommittee is meeting today to determine and examine the fiscal year 2017 budget of the Transportation Security Administration. I now recognize myself for an opening statement.

Terrorists remain committed to attacking the West, and every day these groups are recruiting new soldiers to their cause. As 9/11 fades from the memory of many Americans, it is incumbent upon Congress to look at tragic recent events and recognize just how committed our adversaries remain to attacking us. The harsh reality is that there are formidable new threats to the safety and security of the traveling public, and it is incumbent upon this committee to ensure that the Transportation Security Administration has the resources it needs to protect the American people against those threats and that it spends those resources in an appropriate manner.

At the very beginning of my tenure at Chairman last year, we witnessed a marked increase in the public visibility of access control and employee vetting gaps at airports across the country with the revelation that aviation workers were involved in weapons and drug smuggling, and abusing their access to secure and sterile areas of airports.

Then, in June, we learned of disturbing covert testing results from the Department of Homeland Security's inspector general on the effectiveness of passenger screening checkpoints. Further, we saw tragedy with the downing of a Metrojet flight over the Sinai Peninsula which by most accounts was caused by a bomb likely planted by ISIS.

Finally, we saw a number of threats against aviation and surface transportation systems across the globe due to increased threats

posed by extremists and foreign fighters and the near tragedy aboard a Daallo airlines flight in Somalia.

Today, we look at how the resources requested in the President's budget will mitigate these threats and make TSA a stronger, better organization. Amidst a heightened threat landscape, today's hearing will examine the recent budget request submitted to Congress by the TSA for fiscal year 2017.

This hearing is a critical element of the subcommittee's oversight of the TSA and an important opportunity for Congress to provide feedback and input on the direction the agency is taking.

As the subcommittee with primary jurisdiction over TSA, we have a front row seat to the challenges and obstacles facing the security of our Nation's transportation systems. While I am heartened at a number of important steps taken by the recently appointed administrator of TSA, Admiral Pete Neffenger, our main concern is the sheer size and scope of the challenges facing TSA as an organization amidst a proliferating threat environment.

Because of this, I am eager to learn more about TSA's proposed budget for the upcoming fiscal year and how the agency plans to use its resources efficiently to better secure our transportation sectors.

The reality is that we must never become complacent in our attempt to stay on the cutting edge of threat mitigation. It is particularly incumbent upon this committee to remain steadfast in its oversight of TSA so that the American people can be confident that they can travel safely and securely.

Moreover, I would like to better understand how TSA will continue to enhance its training and intelligence-sharing efforts with its own employees, industry stakeholders, and foreign partners. I am also interested in learning more about developments of TSA's PreCheck program, which is a vital part of advancing risk-based security screening at checkpoints.

TSA has to be right 100 percent of the time and the terrorists only have to be right once. With a challenging and ambitious mission, this subcommittee stands ready to continue helping TSA in their efforts to obtain the necessary resources to keep the traveling public safe from a wide array of threats to their security.

However, we also intend to provide critical oversight of TSA in an effort to avoid instances of waste, fraud, and abuse of taxpayer dollars in the upcoming fiscal year and in years ahead.

[The statement of Chairman Katko follows:]

STATEMENT OF CHAIRMAN JOHN KATKO

MARCH 2, 2016

Terrorists remain committed to attacking the West, and every day these groups are recruiting new soldiers to their cause. As 9/11 fades from the memory of many Americans, it is incumbent upon Congress to look at tragic recent events and recognize just how committed our adversaries remain to attacking us.

The harsh reality is that there are formidable new threats to the safety and security of the traveling public, and it is incumbent upon this committee to ensure that the Transportation Security Administration has the resources it needs to protect the American people against those threats.

At the very beginning of my tenure as Chairman last year, we witnessed a marked increase in the public visibility of access control and employee vetting gaps at airports across the country with the revelations that aviation workers were in-

volved in weapons and drug smuggling and abusing their access to secure and sterile areas of airports.

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Finally, we saw a number of threats against aviation and surface transportation systems across the globe due to increased threats posed by extremists and foreign fighters and a near-tragedy aboard a Daallo airlines flight in Somalia.

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As the subcommittee with primary jurisdiction over TSA, we have a front-row seat to the challenges and obstacles facing the security of our Nation's transportation systems.

While I am heartened at a number of important steps taken by the recently-appointed administrator of TSA, Admiral Pete Neffenger, I remain concerned at the sheer size and scope of the challenges facing TSA as an organization amidst a proliferating threat environment.


Because of this, I am eager to learn more about TSA's proposed budget for the upcoming fiscal year and how the agency plans to use its resources efficiently to better secure our transportation sectors.

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However, we also intend to provide critical oversight of TSA in an effort to avoid instances of waste, fraud, and abuse of taxpayer dollars in the upcoming fiscal year and in years ahead.

 TSA BUDGET AND PLANNING DISCREPENCIES				
	Five Year Plan	FY 2016 Request	Planned FY16 Procurement	FY 2017 Request
AT2 X-Ray	FY16: 0 FY17: 296	0	14	296
Credential Authentication Technology	FY16: 0 FY17: 0	0	1,100	0
Enhanced Metal Detectors	FY16: 897 FY17: 70	897	0	70

Mr. KATKO. With that, I now recognize the Ranking Member of the subcommittee, the gentlewoman from New York, Miss Rice, for any statement she may have.

Miss Rice.

Miss RICE. Thank you, Mr. Chairman.

I would like to thank Chairman Katko for convening this hearing and I want to thank Administrator Neffenger for coming to talk with us about the Transportation Security Administration's budget request for fiscal year 2017.

All of us here today recognize the importance of TSA's mission, and it is imperative that we make sure that TSA has the resources they need to fulfill that mission and that those resources are deployed as effectively as possible.

I have reviewed TSA's budget request and found aspects I agree with and a couple of aspects that I think warrant further examination.

First, I am pleased to see that the TSO basic training will continue at the TSA Academy at the Federal Law Enforcement Training Center's headquarters in Glynco, Georgia. FLETC conducts law enforcement training for more than 90 Federal agencies and thousands of State and local law enforcement agencies, and I think it is important for TSOs to know that they are being trained by the best at the same facility as officers and agents who are directly responsible for maintaining United States National security. I think it reinforces for new TSOs that the job they are training for is equally important to our National security, it is a job that our Government and the American people value, that we rely on, and that we are willing to invest in.

Last year this subcommittee held a hearing to assess the current state of the Federal Air Marshal Service. We learned during that

hearing that FAMS has not had an incoming class since 2011 and their attrition rate has increased. That was troubling to many of us, so I am glad to see that some of those concerns have been resolved and there will be a new FAMS class this year.

Of course, we know that in addition to aviation security, TSA is also responsible for protecting several modes of surface transportation. The United States now sees more than 10 billion passenger trips on mass transit systems each year and nearly 800,000 shipments of hazardous materials every day. We have seen evidence in recent years that ridership on mass transit systems continues to grow even as gas prices decline.

So I was struck by the fact that this budget request seeks only a \$12 million increase in funding for surface transportation. I think the attempted attack on a high-speed train in France last summer served as a reminder to all of us that securing our surface transportation system is just as important as securing our aviation system. The threats are constantly evolving and equally deserving of our full attention.

Following that attempted attack, we held a hearing to evaluate how we are safeguarding our surface transportation systems against evolving terrorist threats, and it was during that hearing that one witness testified that the greatest threat to surface transportation systems is the fact that they are, "wide open," that they are more susceptible to attacks and thus, one would think, more attractive as a target for terrorists.

Another witness stated that reduced grant funding would have a drastic effect on the many transportation systems that rely on these additional funding sources, and yet TSA has not found the need to seek significant funding increases for surface transportation security in this budget request. I know that you will do your best to answer those questions, Administrator Neffenger, and I look forward to hearing that.

I would also like to talk to you about why TSA continues to request funding or has not cut funding for their Behavior Detection Program, which at the time of the 2013 GAO report had cost \$900 million since 2007 and yet has not, to my understanding, been proven totally effective.

I address these concerns, I would like you to address these concerns, given the fact that we are approaching a summer season that we expect to be one of the busiest we have ever seen with some of the longest checkpoint waiting times we have ever seen. So I think that raises a serious question: Why would TSA want to use their resources and manpower on a program that has not yet proven effective?

Also, last week the subcommittee held a roundtable with security manufacturer stakeholders to discuss the budget request, and one thing that emerged from our discussion was that there seem to be discrepancies between TSA's Strategic Five-Year Technology Investment Plan and the fiscal year 2017 budget request. That is another thing I am sure that you are going to address as well, Administrator Neffenger.

Thank you again for coming.

Mr. Chairman, thank you for convening this hearing, and I look forward to a productive dialogue today. I yield back the balance of my time.

[The statement of Ranking Member Rice follows:]

STATEMENT OF RANKING MEMBER KATHLEEN RICE

MARCH 2, 2016

All of us here today recognize the importance of TSA's mission, and it's imperative that we make sure TSA has the resources they need to fulfill that mission and that those resources are deployed as effectively as possible. That said, I've reviewed TSA's budget request, and found aspects I agree with and certain aspects that I think warrant further examination.

First, I'm pleased to see that the TSO Basic Training will continue at the TSA Academy at the Federal Law Enforcement Training Centers (FLETC) headquarters in Glynco, Georgia. FLETC conducts law enforcement training for more than 90 Federal agencies and thousands of State and local law enforcement agencies. And I think it's important for TSOs to know that they are being trained by the best, at the same facility as officers and agents who are directly responsible for maintaining United States National security. I think it reinforces for new TSOs that the job they're training for is equally important to our National security—it's a job that our Government and the American people value, that we rely on, and that we're willing to invest in.

Last year, this subcommittee held a hearing to assess the current state of the Federal Air Marshall Service (FAMS). We learned during that hearing that FAMS has not had an incoming class since 2011, and their attrition rate has increased. That was troubling to many of us, so I'm glad to see that some of those concerns have been resolved, and there will be a new FAMS class this year.

Of course, we know that in addition to aviation security, TSA is also responsible for protecting several modes of surface transportation. The United States now sees more than 10 billion passenger trips on mass transit systems each year, and nearly 800,000 shipments of hazardous materials every day. And we've seen evidence in recent years that ridership on mass transit system continues to grow even as gas prices decline. So I was struck by the fact that this budget request seeks only a \$12 million increase in funding for surface transportation.

I think the attempted attack on a high-speed train in France last summer served as a reminder to all of us that securing our surface transportation systems is just as important as securing our aviation systems. The threats are constantly evolving, and equally deserving of our full attention. Following that attempted attack, we held a hearing to evaluate how we are safeguarding our surface transportation systems against evolving terrorist threats.

During that hearing, one witness testified that the greatest threat to surface transportation systems is the fact that they are "wide open"—that they are more susceptible to attacks, and thus, one would think, more attractive as a target for terrorists. Another witness stated that reduced grant funding would have a drastic effect on the many transportation systems that rely on these additional funding sources—and yet TSA has not found the need to seek significant funding increases for surface transportation security in this budget request. So I would ask Administrator Neffenger to address those concerns.

I would also like to understand why TSA continues to request funding—or has not cut funding—for their behavior detection program, which at the time of the 2013 report had cost \$900 million since 2007. It has yet to be proven effective. In addition to my concerns over the cost and effectiveness of this program, we're approaching a summer season that we expect to be one of the busiest we've ever seen, with some of the longest checkpoint waiting times we've ever seen. So I think that raises a serious question: Why would TSA want to use their resources and manpower on a program that has not proven to be effective, instead of expanding their screening capacity?

Finally, last week the subcommittee held a roundtable with security manufacturer stakeholders to discuss the budget request. One thing that emerged from our discussion was that there seem to be discrepancies between TSA's Strategic 5-Year Technology Investment Plan and the fiscal year 2017 budget request. I look forward to the administrator's explanation of these discrepancies.

Mr. KATKO. Thank you, Miss Rice.

The Chair now recognizes the Ranking Member of the Homeland Security Committee as a whole, the gentleman from Mississippi, Mr. Thompson, for any statement he may have.

Mr. THOMPSON. Thank you, Mr. Chairman, for convening this hearing.

I would also like to welcome Administrator Neffenger for appearing before the subcommittee today.

Mr. Administrator, your leadership and vision at TSA is greatly appreciated. You and I share the goal of moving TSA in a better direction. In your budget request there are areas that are encouraging and show that resources, which seem to shrink year by year, are being allocated to programs and areas where they most needed.

On the other hand, there are areas that are cause for concern. One such area involves the Transportation Security Acquisition Reform Act and your plan for technology acquisition in general. The act, of which I was an original cosponsor, was signed into law in December 2014. It requires TSA to develop and inform biennially a Five-Year Technology Investment Plan that includes justification for acquisitions, as well as performance baseline issues.

The Strategic Plan, which was introduced in August 2015, was lauded by security technology manufacturers as it provided a roadmap for technology priorities of TSA. These stakeholders could then allocate their research and development resources toward projects that align with the mission and intentions of TSA.

This is especially important to small businesses who attempt to compete in this space, who do not have the capital to develop technologies that they believe meet existing needs at TSA, only to have the agency in midstream go in another direction. As a small business, you can understand what that would do for the majority of it.

We were shocked to learn, however, from stakeholders that the budget request did not align with the acquisition schedule contained within the Five-Year Plan. For instance, within the Five-Year Strategic Technology Plan TSA indicates its intention to acquire 897 enhanced metal detectors for checkpoint screening and no intent to purchase boarding pass scanners or credential authentication technology systems.

In the budget request, however, there is no intent to procure the enhanced metal detectors, and that fund will be used to purchase 625 credential authentication technology systems and 175 boarding pass scanners.

Another area of great concern is the staffing levels at our Nation's airports, and I think you are aware that a number of airports have already sounded the alarm that come this summer, unless the modeling is changed, we can expect significant wait times at airports. I am sure you have seen the letter from the Atlanta airport director which I think is kind of where I am coming from.

I want to see how you plan to address that, that is a real problem, because he has some options, and I would prefer those options not be utilized and we can maintain a Federal workforce in its present form.

The Federal Air Marshal system, I am glad that we have a new class underway. With our Ranking Member here, I want you to understand that 5 percent female air marshals is just not enough. I

think we could enhance the recruitment to do that and I look forward to hearing your answer on that.

Mr. Chair, I yield back.

[The statement of Ranking Member Thompson follows:]

STATEMENT OF RANKING MEMBER BENNIE G. THOMPSON

MARCH 2, 2016

Administrator Neffenger, your leadership and vision at TSA are greatly appreciated. You and I share the goal of moving TSA in a better direction. In your budget request, there are areas that are encouraging and show that resources, which seem to shrink year-by-year, are being allocated to programs and areas where they are most needed.

On the other hand, there are areas that are cause for concern. One such area involves the Transportation Security Acquisition Reform Act, and your plan for technology acquisition in general. The Act, of which I was an original cosponsor, was signed into law in December 2014. It requires TSA to develop and inform biennially a 5-year technology investment plan that includes justification for acquisitions, as well as performance baseline requirements.

The strategic plan, which was introduced in August 2015, was lauded by security technology manufacturers, as it provided a road map for the technology priorities of TSA. These stakeholders could then allocate their research and development resources towards projects that aligned with the mission and intentions of TSA.

This is especially important to small businesses who attempt to compete in this space, who do not have the capital to develop technologies that they believe meet an existing need to TSA, only to have the agency go in another direction.

We were shocked to learn from stakeholders that the budget request did not align with the acquisition schedule contained within the 5-year plan. For instance, within the Strategic Five-Year Technology Plan, TSA indicates its intention to acquire 897 enhanced metal detectors for checkpoint screening, and no intent to purchase boarding pass scanners or credential authentication technology systems.

In the budget request, however, there is no intent to procure the enhanced metal detectors, and that funds will be used to purchase 625 credential authentication technology systems, and 175 boarding pass scanners.

Another area of great concern is the staffing levels at our Nation's airports. The Federal Aviation Administration is projecting passenger growth at a rate of 2 percent per year, and this summer is expected to be one of the busiest in recent years. We hear time and again from large airports that have infrastructures capable of housing many security lanes within their checkpoint areas, but due to staffing shortages, they use only a fraction of the lanes.

Recent changes in the standing operating procedures resulting from covert testing have forced TSOs to take steps to ensure that they are performing their jobs as thoroughly as possible. We thank them for being on the front lines in the aviation security effort.

Given the forecast of increased passenger volume, along with underutilized checkpoints, I am concerned that congested screening queues will create additional vulnerabilities.

I look forward to hearing from you today on ways the screening allocation model can achieve greater efficiencies, or other ways in which we might address the issue.

This budget request also contains funds to recruit and train the first Federal Air Marshal Service class since 2011. I also look forward to hearing about how you are working to address diversity issues within the coming FAMS recruitment class and the instances of misconduct that have plagued the agency.

Mr. KATKO. Thank you, Mr. Thompson. I appreciate your interest in the committee and in the oversight of TSA.

All right. Members of the committee are reminded that opening statements may be submitted for the record.

We are pleased to have us with us once again the distinguished witness, Admiral Neffenger, on this important topic. He currently serves as the sixth Administrator of the TSA, where he leads security operations at more than 450 airports within the United States and a workforce of over 50,000 employees.

Prior to joining TSA, Admiral—Administrator Neffenger and Admiral Neffenger, as I like to call him, served as the 29th vice commandant of the U.S. Coast Guard and the Coast Guard's deputy commandant for operations.

The Chair now recognizes Admiral Neffenger to testify.

**STATEMENT OF PETER V. NEFFENGER, ADMINISTRATOR,
TRANSPORTATION SECURITY ADMINISTRATION, U.S. DE-
PARTMENT OF HOMELAND SECURITY**

Mr. NEFFENGER. Good morning, Chairman Katko, Ranking Member Rice, Ranking Member Thompson, and distinguished Members of the subcommittee. Thank you for the opportunity to testify today on behalf of the President's fiscal year 2017 budget, which includes \$7.6 billion for TSA. Thank you also for the support that this committee has provided certainly during the 8 months of my tenure.

This budget provides funding to sustain and strengthen the critical mission of TSA: Protecting the Nation's transportation system and ensuring the freedom of movement of people and commerce. Transportation underpins the entire economic health of this country. We depend upon it, and protecting it is one of the most important services our Government provides the American people.

It is now 8 months since I joined TSA on July 4 of last year, and of the many positive impressions, the most profound is the one I have gleaned from our workforce. TSA's nearly 60,000 security professionals are dedicated to a demanding and challenging mission, and they are our most important resource. They are incredibly patriotic and passionate about our counterterrorism mission, and they will deliver excellence if properly trained, equipped, and led.

This budget is a modest increase over last year and will enable TSA to more fully renew its focus on security effectiveness. It annualizes the investments made in our front-line workforce, our screening technology, and the new TSA Academy, and sets the foundation for the transformation of TSA into the professional counterterrorism and security agency the American people deserve.

I would like to thank this subcommittee for its commitment to our mission and for holding front-line staffing levels steady in the face of dramatic increases in passenger volume and a dynamic threat environment. This budget also enables us to hire air marshals consistent with a risk-based concept of operations, modestly increases our intelligence capability, and invests further in the TSA Academy.

We have made great strides in addressing the challenges faced last summer. To ensure we do not repeat past mistakes, determining root causes of the problems identified has been my utmost concern. Delivered in a Classified report to Congress and this committee in January, we concluded that strong drivers of the problem included a disproportionate focus on efficiency, environmental influences that create stress in the checkpoint operations and gaps in system designs and processes.

I am proud to report that we have refocused on our primary mission. We are restrained our entire workforce, corrected procedures, improved our technology, and analyzed systemic issues. We are emphasizing the values of discipline, competence, and professionalism in resolving every alarm, and I am confident that we have cor-

rected the immediate problems, and I am also confident that TSA is able to deter, detect, and disrupt threats to our aviation system.

TSA will continue to partner with the airlines, with airport operators, and the trade and travel industry to identify solutions that can reduce stress on the checkpoint. We must continue to rightsize and resource TSA appropriately to ensure that we continue to be responsive to the public we serve.

Moving forward, we are guided by a principled approach that is central to successful enterprise leadership. We are intensely focusing on the central unifying purpose of TSA, which is to deliver transportation security. We are aligning our strategic guidance, our operational plans, our measures of effectiveness, system design, and performance evaluations to this core purpose.

The unity of effort that I expect is memorialized in my Administrator's Intent, which I published in January. I have provided copies to this committee. Mission success is built on a shared understanding of objective, unity of purpose, and alignment of values and principles. My Intent articulates those objectives, the approach we will pursue in accomplishing our counterterrorism mission, and the values and principles that define TSA. Simply stated, we will focus on mission, invest in people, and commit to excellence.

Our self-examination also gave us insight into imperatives for change and how we must evolve. We must adapt faster than the enemy, we must invest at the pace of the threat, build resiliency into operations, and do so in a rapidly-growing sector of the American economy.

We are undertaking a series of foundational efforts, including a comprehensive assessment of our acquisition system, building a planning, programming, budgeting, and execution system, developing an enterprise-wide human capital management strategy, reviewing our staffing model to ensure operational focus and agility, and fielding an agency-wide training strategy which includes new officer training, continuing professional education, and leadership training and development.

We are rethinking how we invest in technology, and we are partnering with several airlines and airports to develop and install in the near future a dramatically improved passenger screening environment in a couple of key airports.

Of utmost importance, TSA must remain committed to the values that public service demands, and I have challenged our leaders at every level to commit themselves to selfless and ethical service. As I discover questionable policies or unjustifiable practices, I will fix them. I demand an agency that is values-based and infused from character top to bottom. This is my solemn duty, and it is what the American people expect of their Government and those in whom they entrust their security.

Many profound and important tasks lay ahead for TSA, but I believe we are on a sound trajectory, and I am optimistic about our future. As I have relayed in my Intent, we will focus on mission, invest in our dedicated workforce, and commit to excellence in all that we do.

I thank you for the opportunity to appear before you today, and I look forward to your questions.

[The prepared statement of Mr. Neffenger follows:]

PREPARED STATEMENT OF PETER V. NEFFENGER

MARCH 2, 2016

INTRODUCTION

Good morning Chairman Katko, Ranking Member Rice, and distinguished Members of the committee. Thank you for the opportunity to testify today on behalf of the President's fiscal year 2017 budget, which includes \$7.6 billion for the Transportation Security Administration (TSA).

The fiscal year 2017 budget provides funding to sustain and strengthen the critical mission of TSA—protecting the Nation's transportation system and ensuring the freedom of movement of people and commerce. Transportation, as you know, underpins the entire economic health of this country. We all depend on it, and protecting it is one of the most important services our Government provides the American People.

Created 2 months after 9/11, TSA, and the underlying rationale for its existence remain as compelling today as in 2001. We are challenged by a complex and dynamic threat environment, one in which the global terrorist threat has evolved from a world of terrorist-directed attacks to a world that includes the threat of terrorist-inspired attacks.

In addition to expanding threats with a number of groups with whom to contend, these groups have mastered social media to recruit members, and inspire action against vulnerable and high-profile objectives. Aviation remains a prime target for terrorist groups, as demonstrated with the destruction of Metrojet Flight 9268 above the northern Sinai on October 31, 2015, and most recently on February 2, 2016 during an attack on Daallo Airlines, where explosives detonated during its ascent from Adde International Airport in Mogadishu.

A NATIONAL IMPERATIVE

The security and economic prosperity of the United States depends significantly on the effective and efficient operation of its transportation system. We know terrorists, criminals, and hostile nation-states have long viewed transportation sectors, particularly aviation, as a leading target for attack or exploitation. Thus, our mission remains a National imperative.

Our officers, inspectors, air marshals, canine handlers, and other security professionals here in the United States and around the globe are committed to our mission, and they are our most important resource. While operating in the present, we also must envision the future, seeking new ways to enhance our effectiveness across a diverse transportation enterprise, challenged by a persistent threat.

THE FISCAL YEAR 2017 PRESIDENT'S BUDGET

The fiscal year 2017 budget of \$7.6 billion will allow TSA the opportunity to more fully address the additional requirements identified last year in response to findings from covert testing of screening processes and procedures by the Department of Homeland Security's (DHS) Office of the Inspector General (OIG). Specifically:

- \$3.0 billion to support 42,848 FTE Transportation Security Officers (TSOs), an increase of \$72.1 million and 323 FTE over fiscal year 2016, to ensure effective screening operations while minimizing wait times. This funding will help to ensure that TSA maintains an appropriate staffing level at our checkpoints.
- \$200 million for transportation screening technology, enabling TSA to continue improving the capabilities of its checkpoint screening equipment throughout nearly 430 airports. This amount continues the additional \$15 million provided in fiscal year 2016, and adds another \$5 million for new capabilities to enhance the checkpoint X-ray units, thus increasing the TSOs' ability to find prohibited items in carry-on bags.
- \$116.6 million to provide training for TSA front-line employees, including new basic training initiated in January 2016 at the TSA Academy located at the Federal Law Enforcement Training Center in Glynco, Georgia. To date, 541 new hires have graduated from this program, and TSA will train another 4,835 front-line employees this year. In fiscal year 2017 TSA will complete construction of modular facilities to house this effort, expanding capacity to 7,300 TSOs annually.
- \$83.5 million for TSA's intelligence operations, an increase of \$2.0 million to continue the expansion of intelligence officers in front-line facilities to improve information sharing.

- \$10 million to replace IT infrastructure, including network components and outdated operating systems, that has not only reached its end-of-life, but more critically has become vulnerable to cybersecurity threats.

The fiscal year 2017 budget continues and builds on the investments made in fiscal year 2016. As you understand from your review of last year's budget, fiscal year 2016 was an austere budget year for the agency and on behalf of TSA I would like to thank this committee for its commitment to the DHS transportation security mission.

ADDRESSING IMMEDIATE CHALLENGES

When I took office on July 4, 2015, the disturbing results of covert testing of passenger screening operations conducted by the OIG required immediate attention. Upon learning of these results, Secretary Johnson directed TSA to implement a series of steps constituting a 10-point plan to address the issues raised by the covert testing. These included steps to ensure leadership accountability, improve alarm resolution, increase effectiveness and deterrence, increase threat testing to sharpen officer performance, strengthen operating procedures and technology, and enhance training.

All of the actions directed in the Secretary's 10-point plan are currently under way or have been completed.

As Secretary Johnson has stated, we must continually and comprehensively evaluate and re-evaluate what is best for aviation security. To ensure that we do not repeat past failures, determining root causes of the problems has been our utmost concern. We have concluded that strong drivers of the problem included leadership's focus on efficiency, environmental influences that created stress in checkpoint operations, and gaps in system design and processes. A disproportionate focus on efficiency and speed in screening operations rather than security effectiveness powerfully influenced organizational culture and officer performance. As a result, there was significant pressure to clear passengers quickly at the risk of not resolving alarms properly. Our analysis also revealed that our screeners did not fully understand the capabilities and limitations of the equipment they were using, and several procedures were inadequate to resolve alarms. We have addressed this by continuing the Mission Essentials training initiated in fiscal year 2016 so that our TSOs can more effectively use their equipment as threats evolve.

Systematic solutions to these challenges require a number of steps: A renewed focus on TSA's security mission; revised procedures; investments in technology; realistic and standardized training; a new balance between effectiveness and efficiency; and support for our front-line officers. We must also continue to partner with airlines, airport operators, and the trade and travel industry to reduce the stress on checkpoints. Further, we must right-size and appropriately resource TSA and halt further reductions in officer staffing.

We have refocused TSA on its primary mission, re-trained our entire workforce, corrected certain processes and procedures, improved our technology, and analyzed systemic issues. I am confident that we have corrected the immediate problems revealed by the covert testing. I am also confident that TSA is able to deter, detect, and disrupt threats against our aviation system.

We have renewed our focus on the fundamentals of security by asking our officers and leaders to strike a new balance between security effectiveness and line efficiency while also diligently performing appropriate resolution procedures. Moreover, we have directed our managers and supervisors to support our officers in performing their difficult mission. Moving forward, we are guided by a principled approach, with specific projects already underway to ensure we achieve our mission goals.

We are in the process of ensuring our focus on security effectiveness is well-defined and applied across the entire workforce. We are aligning TSA around this renewed focus on security effectiveness. From late July to early October 2015, we provided new and enhanced training for every officer and leader in our screening workforce, more than 42,000 in total. We have followed the initial effort with a range of initiatives to convey these priorities to leaders and officers, including a statement of the Administrator's Intent, the National Training Plan, and our workforce messaging.

Refocusing on threat mitigation and improving TSO awareness and knowledge of threats will provide a new and acute mission focus. We are emphasizing the value of discipline, competence, and professionalism in resolving every alarm. From my field visits, I can report that our officers are hearing, understanding, and applying this new approach.

TSA will continue to partner with the airlines, airport operators, and the trade and travel industry to identify solutions that can reduce the stress on the checkpoint, and we must right-size and resource TSA appropriately.

ENVIRONMENT AND OBJECTIVES

Our operating environment presents broad National security challenges that require highly-effective security measures now and in the future. We will certainly face new challenges as our adversaries continue to evolve their means to attack. Over the next several years, estimates indicate adversaries will likely use variants of previously-seen tactics, employing improvised explosive devices or firearms, and could even resort to ground-based or in-flight attacks.

Our National strategy for combatting terrorism sets our objective as stopping terrorist groups, hostile nation-states, and criminals before they can threaten or engage in attacks against the United States and its international partners, and TSA's aviation security mission is part of DHS's contribution to achieving this objective.

TSA Risk Methodology

The current environment requires that TSA employ an intelligence-driven, risk-based approach to secure U.S. transportation systems. risk-based security strives to deter, detect, and disrupt attacks on the Nation's transportation systems and critical transportation infrastructure, while facilitating the movement of legitimate travel and commerce. The vast majority of people, goods, and services moving through our transportation systems are legitimate and pose minimal risk. Thus, appropriately managing risk is essential in all areas of security responsibility. To do this, we must understand intelligence, as it drives our comprehension and assessment of that risk. As we make decisions on policy, operations, and countermeasures across TSA, we will apply risk-based methods to use our resources in ways that minimize risk and ensure system resiliency. We cannot do this alone; we must work closely with stakeholders in aviation, rail, transit, highway, and pipeline sectors, as well as our partners in the law enforcement and intelligence community.

To support our risk-based approach, it is critical to continue to grow the population of fully-vetted travelers. At the same time, TSA will continue to apply appropriate measures to address known threats, unknown threats, and low-risk or trusted populations.

Securing the National Aviation Domain

To protect the aviation domain, our strategy nests with the National Strategy for Aviation Security, forming the foundation of TSA's mission. The strategy sets 3 National objectives:

- First, the Nation must use the full range of its assets and capabilities to prevent the aviation sector from being exploited by terrorist groups, hostile nation-states, and criminals to commit acts against the United States, and its people, infrastructure, and other interests;
- Second, the Nation must ensure the safe and efficient use of the Air Domain;
- Third, the Nation must continue to facilitate travel and commerce.

TSA is committed to advancing the following strategic initiatives:

Maintain a strategic, intelligence-driven focus that allows TSA to continuously adapt counterterrorism and security operations to a persistent, evolving threat

We will employ risk-based operations tailored to each environment and transportation mode and will leverage intelligence, technology, the experience of our front-line operators and our private sector and international partners to ensure we employ effective and constantly-evolving systems and capabilities.

Proper application of a risk-based approach requires strong cross-modal domain awareness. TSA must integrate surveillance data, all-source intelligence, law enforcement information, and relevant open-source data from public and private sectors to accomplish this objective. We will pay particular attention to the insider threat. In addition, we will strengthen our capability to conduct deliberate and crisis action operational planning, adjusting to new threats based on mission analysis, intelligence-driven testing of existing systems, and application of proven best practices and principles in the conduct of operations.

Employing historically-proven practices and principles enhances consistency and performance of operations. Common tasks for mission success in screening, inspections, special mission coverage, and other operations should be practiced in realistic conditions and rehearsed frequently under the supervision of qualified and trained supervisors or subject-matter experts. Frequent rehearsals reinforce tactics, muscle memory, and sustain sharpness of perishable skills.

Invest in our workforce to ensure it is mission-ready, expertly-trained, deliberately-developed, and led by mission-focused and value-based leaders

The single greatest strength of TSA is its committed, professional workforce. We must continue to recruit and retain highly capable individuals whose talents and acuties are uniquely tailored to our operating environments. Of particular value are experienced specialists—such as explosives experts, air marshals, and canine handlers—whose capabilities are invaluable to our mission success. For them and for all our employees, we must invest in training and provide a career path for growth and development.

I am committed to creating an environment where employees and leaders can develop, employees have the tools to be successful, and the workforce is motivated by TSA's mission, vision, and strategic imperatives. To provide the most effective transportation security, the workforce must be consistently learning and improving. I will strive to ensure that each of us at TSA headquarters serves and supports all of the officers, inspectors, marshals, employees, and private-sector partners who are on the front lines each and every day and in whom we entrust so much.

My expectations include a strong emphasis on values, performance, customer service, and accountability. The traveling public expects efficient and effective screening and to be treated with dignity and respect, and we must ingrain these principles in agency culture by continually reinforcing this message of dignity and respect in training for our front-line workforce and management alike. I am confident each of the men and women at TSA will achieve my expectations.

The TSA Academy, established at FLETC Glynco in January 2016, offers all new TSO hires a common basic training program and an environment to set foundational culture for TSA. Moreover, this investment will serve to improve performance and morale, foster an environment of growth and development, and develop future leaders.

Pursue advanced capabilities through continuous innovation and adaptation to ensure our agency deters, detects, and disrupts the adversaries of the United States

Central to TSA's mission is deterring a rapidly evolving global terror threat, with persistent adversaries who adapt their methods and plans for attack. Given this dynamic threat landscape, we must employ a strategic, systems-focused approach to ensure we evolve our ability to detect and disrupt the latest threat streams. As our adversaries adapt, so must we.

We will continue to invest in National aviation intelligence systems, transportation sector vetting processes, enhanced explosives detection equipment, and improved checkpoint technologies. We will continue to train and develop our officers on technological and procedural limitations to enhance system knowledge and improve the human-machine interface.

We will make a concerted effort to strategically develop and sustain a strong partnership with the homeland security enterprise industrial base and work with them to deliberately develop and validate capabilities. Every effort will be made to enhance the array of TSA's security capabilities to ensure an increased likelihood of exposure and experience to the traveling public. In the aviation sector, we will pursue a system design that identifies a mission essential level of capability that ensures deterrence as well as effective detection and disruption of items on the prohibited items list.

The success of our core aviation security mission requires a continuous cycle of operational evolution. We will work to develop a system focused on identifying and addressing existing vulnerabilities. The global transportation threat requires TSA to employ a systems-of-systems strategy that will enable us to stay proactively informed and connected to our industry partners.

To field and sustain an integrated requirements and acquisition capability, I am committed to creating an efficient, effective, and dynamic resource planning/deployment process for our agency. TSA is focusing on building an acquisition strategy designed to counter evolving threats while concentrating on prioritizing advanced capabilities that are cutting-edge and adaptive.

IMPERATIVES FOR CHANGE

Our critical examination of our screening operations also gave us valuable insight into imperatives for change—how TSA must evolve to meet the security and customer service challenges ahead.

What do we do next? If we were rebuilding TSA from scratch today, would we do everything the same, or is there a better way, given not only the evolution of the threats we face but also the tremendous pace at which the aviation industry

is growing? Last year alone, passenger growth was approximately 4 percent, nearly twice as much as anticipated.

We have no choice but to explore different and innovative ways of doing business, of delivering the safety and security that is crucial to the operation of our transportation system. We have reached a critical turning point in TSA, both in terms of addressing the problems we have encountered and to begin our investment in a more strategic approach to securing the transportation sector.

TSA AND COUNTERTERRORISM

One of my key objectives is to continue to position TSA as a counterterrorism organization. In pursuing this objective, we have met with key partners from the intelligence community and have repeatedly met with officials from a number of our industry partners including each of the major U.S. airlines, cargo carriers, and the key aviation and transportation sector associations. The transportation security system we are moving toward will require a collaborative, cooperative effort among Government and industry partners.

We have met with our counterparts in other countries for thorough discussions on aviation, surface, and rail security from a global perspective. TSA maintains a strong relationship with the transportation stakeholders in other countries, and a significant part of our engagement has dealt with their concerns, priorities, and opportunities to pursue further collaboration.

RISK-BASED ASSESSMENT

Over the last 4 years, we have made a significant shift to risk-based security procedures. On January 12, 2016, TSA reached 2 million total enrollments for the TSA PreCheck™ Application Program. More than 6 million travelers are enrolled in a DHS trusted traveler program, such as Customs and Border Protection's Global Entry, and are eligible for TSA PreCheck™. TSA is working aggressively to expand the number of enrolled travelers, with the goal over the next 3 years of enrolling 25 million travelers in the TSA PreCheck™ Application Program or a DHS trusted traveler program. This is a 4-fold increase from today. This is an important security component for TSA as it shifts to a model where "low-risk" individuals are either directly enrolled or part of an eligible low-risk population that is known to TSA.

Even more promising in terms of risk-based security procedures is the work we are doing on developing the Dynamic Aviation Risk Management Solution, or DARMS. The objective of DARMS is to unify, quantify, and integrate information across the aviation sector in order to comprehensively assess risk on an individual, on a per flight basis. DARMS will integrate information on passengers, checked baggage and cargo, aircraft operators, and airports and airport perimeters.

This kind of system-side application of risk-based principles will allow greater screening segmentation and a more efficient, effective, and agile reallocation of resources.

Early this year, TSA will finish the initial proof of concept of DARMS for passenger screening. Within the next 1 to 3 years we plan to finish the design and create a prototype that incorporates the complete aviation security ecosystem and which tests and evaluates the approach at a few select airports. And within 4 to 10 years, we plan to gradually introduce DARMS at airports. We look forward to sharing these plans in more detail with Congress.

We have actively worked with industry throughout the process to leverage their knowledge and expertise, solicit their feedback, and refine the approach. TSA is committed to continuing that collaboration and strengthening those partnerships.

TRAINING AND MISSION CAPABILITIES

As mentioned previously, and thanks to help from Congress in our appropriations last year, we started conducting new hire training for TSOs at the TSA Academy. Previously this training was decentralized and conducted at individual airports.

The TSA Academy connects TSA's front-line workforce with other DHS partners and provides a consistent training experience that improves performance and professionalizes the officer workforce. Delivered in a dedicated, high-quality environment conducive to realistic, scenario-based learning, the Academy will help instill a common culture and esprit de corps at the beginning of an officer's career, and enable us to instill core values and raise performance standards across the screening workforce.

The dividends are already apparent. Training in this manner ties the individual to mission. It ties the employee to the larger organization with a critical mission—to something bigger than themselves—and it ties them to a sense of what the oath they took to protect this country really means.

TECHNOLOGY AND ACQUISITION INNOVATION

We also are rethinking how we invest in technology to better ensure that our investments are driven by threat and not by life-cycle.

While we continue to improve detection capabilities on our existing equipment, our investment in new technologies must exceed the speed of the enemies' ability to evolve. Our recently-published Strategic Five-Year Technology Investment Plan for Aviation Security is an example of thoughtful planning toward these ends. Interaction with industry in developing the report was insightful, and we are optimistic that this increased collaboration will prove beneficial.

The Defense Acquisition University is conducting an independent analysis of our acquisition management processes, programs, and organizations to address this challenge, which will inform future adaptations to our acquisition governance. This effort is complete and TSA is reviewing and developing an implementation strategy.

In addition, TSA is partnering with the DHS Science and Technology Directorate (S&T) to further align research and development (R&D) projects to acquisition needs. Improving this critical process will better enable us to identify capability gaps and to coordinate R&D to close those gaps.

The Transportation Security Acquisition Reform Act (Pub. L. 113-245), signed into law in 2014, has helped us by mandating increased transparency and the use of best practices for security technology acquisitions. The law also allows TSA to advance small business contracting goals and expand our partnership with industry and aviation security stakeholders.

TSA is also partnering with S&T and several private entities to develop the potential future of passenger screening models. Future private-public collaboration in curb-to-gate security systems may offer the leap forward in aviation security that can absorb system growth, increase effectiveness, provide operational resiliency, and improve the passenger experience.

STAFFING MODELS AND RIGHT-SIZING TSA

Rightsizing our staffing, training, and equipment needs are critically vital investments, and sets a firm foundation for the continuing evolution of TSA. I appreciated the committee's support and funding for each of these important priorities as part of the Fiscal Year 2016 Consolidated Appropriations Act (Pub. L. 114-113)—and request continued support in our fiscal year 2017 budget. As traveler traffic volume grows, it is crucial we re-examine our assumptions and models for future fiscal years, which is underway now.

We are a smaller organization than we were 4 years ago, with about 6,000 fewer TSOs in the screening workforce. The fact is we cannot build a workforce indefinitely. We have a limited geographic footprint in every airport—some large, some small. Only continuous innovation at the checkpoint will meet the challenges posed by passenger volume growth. Eventually, we will reach capacity, and in some places we already exceed capacity during peak travel periods.

TSA SENIOR LEADERSHIP

Good leadership requires good people who are committed to the mission. Last September, I convened a meeting of TSA's executive leadership. The meeting allowed me to lay out my vision for evolving TSA into the counterterrorism organization our mission demands. The dialogue at this 2-day event was spirited, and we wrapped up with a work list of items that will move our agency forward.

In addition to the range of projects supporting screening operations improvements, we are examining discipline, empowerment of front-line leaders, expanding information sharing, improving training, and exploring ways of consolidating operations and support activities in TSA headquarters. We have also changed the metrics that leadership collects and uses to focus more on effectiveness than efficiency at the checkpoint.

In addition to the standardized training for our front-line employees, I am also committed to continued development of our agency's leaders. I have begun a Leadership Speaker's Series for senior leadership that covers topics such as ethical leadership, leadership in action, and leading effective operations. We will be sending senior leaders to leadership courses to strengthen their skills. Additionally, I have reformed guidelines regarding SES special act awards.

ADMINISTRATOR'S INTENT

Mission success is built on a shared understanding of objectives, unity of purpose, and alignment of values and principles. In January 2016, I published my Administrator's Intent, an effort to articulate those objectives, the approach we will pursue

in accomplishing our essential counterterrorism mission, and the values and principles that define TSA.

Central to our success is a commitment to a common set of values. We will operate with the core values that define us as an agency—integrity, innovation, and team spirit. Building on these, my Intent outlines the principles we care about as an agency.

Simply stated: We will Focus on Mission, Invest in People, and Commit to Excellence.

- *Focus on Mission.*—Since my first day at TSA, I have stressed the importance of putting our mission first. Focusing on our mission helps us prioritize our resources and operations to meet the threat. It also informs how we must invest in our workforce to achieve mission success.
- *Invest in People.*—Our culture, effectiveness, and mission readiness are a direct result of consistent and career-long investment in people and set the foundation for agency success. Our people are our most important resource, and I am committed to ensuring they have the tools and resources to succeed. Value-based leadership, a foundation of training, recruiting, and retaining talent, and appropriate recognition are core elements of our approach.
- *Commit to Excellence.*—Our standard is excellence in all mission areas. We operate in a global environment where the threat remains persistent and evolving. As we pursue our counterterrorism mission, we will relentlessly pursue excellence, through a culture of constant improvement, organizational adaptation, and a disciplined pursuit of professionalism.

Of the many positive impressions from my early tenure as TSA administrator, the most profound is the one I have gleaned from our workforce. They are incredibly patriotic and passionate about our counterterrorism mission and will perform well if properly trained, equipped, and led.

Many profound and important tasks lay ahead for TSA, and we are committed to leading this agency guided by these values and principles. It is a noble mission for which the men and women of TSA are prepared. Thank you for the opportunity to appear before you today. I look forward to your questions.

Mr. KATKO. Thank you, Admiral Neffenger. I appreciate your being here today. I now recognize myself for 5 minutes of questions.

As I have said many times and in many different scenarios, TSA was born out of a tragedy, that being 9/11, and it was an agency that was cobbled together to address deficiencies with respect to airport screening and security at airports in general across this Nation and other areas as well.

It appears to me and it appears to everyone that there are a lot of growing pains within the agency and administration, but it also is apparent that you are the right person for the job. We commend you on the job you have been doing, you have been doing a wonderful job, and there is a lot more you need to do.

With that being said, I want to delve right into some of the questions that I have, because in my old days as a prosecutor, if you didn't ask a question right away, the judge would smack you. So I am not prone to making long statements.

So I am looking up at the screen here. As you see, there are some discrepancies between the planning and what is being requested in the budget and in the Five-Year Plan. The Five-Year Plan was instituted to force TSA to have a blueprint going forward, and part of it was because of procurement issues that they have sustained, and it seems like there are some anomalies here. In no particular order of importance, I would like to kind-of take a look these.

One thing that jumps out to me really is the enhanced metal detectors. They submitted a plan to us in August, the Five-Year Plan, they testified to it in January talking about these things. It is in the 2016 request. Now for the procurement for 2016 there is zero, in 2017 there is only 70. Can you explain that?

Mr. NEFFENGER. Chairman, I had the same question when I saw this, because, as you know, that plan came out as I came on board and was developed. It was developed to, as I understand it, to fiscal year 2014 baseline numbers across the Department. So that is one challenge, is that you are building it to numbers that are in the past.

The basic answer, and it is an answer that makes sense to me, although it is challenging to parse it all out, but the basic answer is that you have got a couple of things going on.

First of all, we took a look at the existing state of metal detectors across the system. As it turns out, they are operating much more efficiently and effectively than we were expected at this stage of their life cycle. Part of that is because they aren't used as often as they were before now that we have AIT machines out there. So one aspect is you have got metal detectors that are operating to standards and they are performing well and we haven't seen the maintenance costs go up.

The second piece at work is the Department is in the process of looking at strategic sourcing across the Department for metal detectors. TSA is not the only component within the Department of Homeland Security that has a demand or a requirement for metal detectors. So we have been asked to take a pause as the Department looks at its strategic sourcing. As that is being worked through, we put a pause on our procurement while we are waiting to see what the Department comes up with.

So that is the general response there.

That said, I think the roadmap and the Technology Investment Plan is sound. It does address the need to identify follow-on procurements for the metal detectors going into the future, and we are working right now with the Department to rebaseline that so we know exactly what we will be purchasing.

Mr. KATKO. I understand the answer, but just preliminary, before I get into what I want to really want follow up with, are these the same metal detectors, these new ones, are they the same technology or are they enhanced, better technology than the ones that currently exist?

Mr. NEFFENGER. It is roughly the same technology. It is a little newer and it might have some more advanced processors in it, but it does the same thing.

Mr. KATKO. Okay.

Mr. NEFFENGER. What we are finding is that we are able to detect to the right standards with the current technology.

Mr. KATKO. So the whole idea of this Five-Year Plan was for you to make some decisions, tell us about them. And it seems like this identifies one of the systemic problems at TSA, and that is, you say one thing and you do another. I am not saying you in particular, but the agency. That is part of the concern that we have, and it is a concern we have had repeatedly from industry. So while their concerns are part of the equation, safety is paramount.

But the concern I have is the agency can't even stick to a Five-Year Plan and give it to Congress because within a few months they are changing it and changing it quite dramatically. Then you look at the credential authentication technology, there is none in

the Five-Year Plan, and all of a sudden out of nowhere comes 1,100 in the 2016 procurement. So can you explain that to me?

Mr. NEFFENGER. I think you are familiar with what that is. That is the ID reader that would replace what is currently done by a travel document checker.

The big challenge with that is that that is a—as you know, we prototyped that in a couple of large airports last summer. The prototype, or the pilot project, went very well, it did exactly what it was supposed to do. But then we had a number of big data breaches in the Federal Government, the OPM being the most egregious. That changed everything with respect to when you plug systems into secure databases.

So we have had to go back, and we are working very closely with the manufacturer, to ensure that it meets the new cybersecurity standards and the cyber vulnerability standards that it has to meet before. I personally believe that this is important that we do. I do not want to plug that into the Secure Flight database, for example, and not be certain that I can monitor whether or not somebody is trying to access it.

So it set us back about 6 months or so on that project because we have to install—there is software that has to be installed on each device to monitor the interactions that are happening. Then there is a card reader that has to be put in for somebody to log into the device.

It is actually on a good track, but as I said, it set us back about 6 months in that procurement, which is why it got pushed into fiscal year 2016 and further.

Mr. KATKO. All right. I appreciate that. When was that decision made to update these credential authentication technology devices? Was it made recently or was it made 6 months ago or—

Mr. NEFFENGER. No, it has been recently, because, as you know, the Department has been working on the approach to take to cyber standards and cyber vulnerability. The Department has what they called cyber sprint, which is a series of near-term measures that have to be taken to ensure that we are doing across the board, both in the Government, as well as in industry, the things we need to do to protect.

We are part of that sprint. This falls right underneath that. So they are very interested in ensuring that systems that we plug into databases that are owned and operated across the Government don't inadvertently make those databases vulnerable.

Mr. KATKO. Last, before I turn my questions over to the Ranking Member, the Five-Year Plan is supposed to mean something, and it was passed because it was a piece of legislation that was meant to force GSA to have a track.

Now, they were just here a month ago and there is no mention of these things. So I would really appreciate it, and I would ask going forward that when people come to testify before Congress and there are major changes in the Five-Year Plan, that they notify us, because that is really important to help us know that we are given proper oversight.

The Five-Year Plan is not something that can be ignored. I would ask that moving forward, that they take the Five-Year Plan with the seriousness with which it was passed into law. Okay?

Mr. NEFFENGER. Yes, sir. If I can add to that, I concur with you completely, and my concern is that we bring you things that make sense and things that we can actually do.

Concurrent with this, one of things I have looked at hard since I have been on board is our current acquisition program across the whole spectrum. All of this is tied to the way in which you analyze missions, set requirements, and then post those requirements in a way that is responsive to the industry and the industry participation.

I asked the Defense Acquisition University to come in shortly after I came on board and said: I want you to take a hard look. DAU, as you know, is an adjunct to the Defense Department that takes an independent, objective look at the way in which Federal agencies procure and acquire.

I asked them to pull the covers off and see whether we are doing things as we should. My suspicion was that we had gaps and we had some places we can improve.

I have just received their report. Not surprisingly, they identified that we had some gaps and some things we could do to improve. It ties directly to our ability to properly forecast and determine where we are going. As I said, I think the Technology Investment Plan is a sound roadmap, but I think we need a better requirements-generation process on the front end.

So what I hope to do is come forward to the committee, once I analyze that report that I got from the Defense Acquisition University, and outline for you where I think we can make some dramatic improvements in the entire approach to acquisition.

Mr. KATKO. Thank you, Admiral.

The Chair now recognizes the Ranking Member for 5 minutes of questioning, Miss Rice.

Miss RICE. Thank you, Mr. Chairman.

Admiral, what is the agency doing to increase the number of people who actually go through the TSA PreCheck application process? Because now that you are doing away with Managed Inclusion, the lines are going up. Now that need to kind of reach-out to the public and increase the number of people who take advantage of the system is even more critical.

Mr. NEFFENGER. Well, thanks for that question. There are a number of things that we are doing, so I will try to just highlight the categories of things.

First is making sure that we have identified all the already vetted and cleared populations that we could bring into the expedited screening program, the PreCheck program. As you know, we have members of the military who hold clearances, we have Members of Congress, members of other Federal agencies. So we have expanded that population to what we think is the reasonable expansion given the extent to which we know people are vetted for security clearances. So that is the first thing that we did.

We have also worked very closely with airlines, with airline associations, with the travel industry to improve their marketing of the availability of PreCheck, and there are a number of airlines that have done a superb job of doing that. So if you have flown on United recently, for example, you will see on their in-flight entertainment systems there will be advertisements for that. We worked

with the existing vendor, which is the vendor that provides services in airports, to expand their opportunities to the extent possible to streamline the enrollment process.

All of that has resulted in a dramatic increase in daily enrollments. So we are about double the daily enrollments this time this year than we saw at this time last year. So we have gone from about 3,200 daily enrollments to about 6,200 daily enrollments. So that has helped considerably. That puts the PreCheck population now at around 2 million people. When you add in those vetted populations, already-vetted populations, and the people who are part of Global Entry, that brings it up to about 9 million people.

Miss RICE. So what number do you want to hit?

Mr. NEFFENGER. We would like to hit 25 million. That is considered to be the key number to dramatically change the way the system operates.

We have also got a request for proposal that closed recently that sought opportunity for other private-sector businesses to enter the enrollment opportunity process. So this would provide a number of different opportunities for private-sector entities to come in, provide enrollment services. TSA always maintains the vetting of the individuals, but this would be a front-end enrollment, verifying their identity, verifying the basic documents and that sort of thing, and then providing us with the names.

That process is going through bid evaluation right now. So we had a pretty robust response to that request for proposal. That is going through bid. Assuming all goes well, given the way in which the acquisition process works, we should be able to award by mid-summer, which means that you could by conceivably before the end of the calendar year have additional opportunities. That would put it out in the retail environment so that you wouldn't have to necessarily go to an airport. You might see it in a kiosk in a local shopping mall or a shopping center or something like that.

So that is part of it. We are also working with and I have been talking to my counterparts within the Department, people who have other Trusted Traveler programs, like CBP, to look to see whether we can conform our Trusted Traveler program with theirs more effectively so that it just becomes easier for people. I am concerned that it is still a little cumbersome to enroll, and it is not always clear, if you are enrolling in one, whether you are getting the other one. So we are looking to combine that, and the Department right now is helping us to manage a little more unified approach.

I think that we are on a good track right now given the limited opportunities that are available. As you know, you can't enroll everywhere, and even if you try to enroll on-line there are some challenges associated with that. But I am encouraged that we are seeing a lot of growth.

I think that people who were getting this through Managed Inclusion and aren't getting it anymore, that has been one of the biggest improvements to our marketing, they want to get back in that line. But it is not growing as fast as I would like to see it grow, which is why I am very interested in seeing if we can get this RFP bid determined soon and start offering more opportunities.

I think 2016 is going to be a challenging year still, but I think in 2017 we could see dramatic improvements assuming that this opportunity presents itself in the way we hope.

Miss RICE. So can you tell us what you are doing to mitigate threats to the surface transportation sector?

Mr. NEFFENGER. As you know, surface is one where we don't have direct security responsibility, but we do set standards and we work very closely with them. I have got about a little over 300 people total that are dedicated to surface transportation across the Nation. They work with about a thousand different corporate entities, and then a few thousand additional public entities that provide everything from school bus services to over-the-road buses, local rail, light rail, metro, passenger rail, and the like.

So there are a couple of aspects that we have. You have an inspection program that works collaboratively with varying entities to set base assessments. There is a series of standards established for what a security program needs to look like. We inspected that, it is a voluntary program, but almost everybody participates. It sets a baseline assessment, and then they hold collaborative work to determine what needs to be done and how to target some of the improvements. There is also an exercise program that is run on a periodic basis to determine their readiness to respond to incidents.

Depending upon the sophistication of the entity, and you have some very sophisticated entities like the New York transit system, with the transit police and so forth, a very robust security program. That is one that you can actually take best practices from and import to other places. Amtrak has a very robust security program and the like.

Miss RICE. The communication between your agency and other agencies is good and everyone understands they need to—

Mr. NEFFENGER. I think so. In my travels, I meet with people in the surface world, and the overwhelming response I have been receiving is that they like the way we have been pushing information out to them. We have a pretty good sharing arrangement for moving intelligence in and out, both sensitive intelligence to the law enforcement agencies, as well as tear sheets for the private sector people that need information.

The upside is that the overall threat environment is still relatively low, but we do modal assessments. I think we provide copies to the committee, but I will make sure you have the latest round of intel assessments that we have done across each of the modes of the surface world. Low doesn't mean no risk, but it means that if you can address what you know to be the key vulnerabilities across the system, that we can watch for developments that may pose a potential problem.

We also work very closely with FEMA to determine the distribution of grants. So we help FEMA evaluate grant proposals or proposals for grant funding. Congress appropriated \$100 million in fiscal year 2016 for surface transportation grants, \$10 million was directly for Amtrak, another \$3 million for over-the-road buses, and then the remaining \$87 million is yet to be determined because those grant proposals are coming in right now.

Miss RICE. So I am way over my time. I just want to end by saying you have got one the toughest jobs. But I appreciate your vision

and your willingness to try to bring this agency up to the standards that we all expect it to be at. I really can't think of anyone better to lead the agency than you, and I am just echoing the Chairman's comments before.

So thank you very much, and I yield back my time.

Mr. KATKO. Thank you, Miss Rice.

I will note with respect to the PreCheck that we had in my airport in Syracuse, they used to have to drive 45 minutes north to Oswego, New York, to the port to get PreCheck, and now we got a kiosk put in the airport, and it is jammed all the time with people signing up. So it is a perfect example of making it convenient for the travelers. It is going to work. I dearly hope we get to the goal you are talking about. But it is a program that should be expanded and it is going great.

The Chair now recognizes the Ranking Member of the Homeland Security Committee, Mr. Thompson, for 5 minutes of questions.

Mr. THOMPSON. Thank you very much, Mr. Chairman. I am glad you had a chart to go with my comments about the procurement plan.

Mr. KATKO. Would you like it back up?

Mr. THOMPSON. No, I just want to reiterate to the administrator that we passed that. That is an intent of Congress for you to you do that. I think you have to get your team to follow the instructions of Congress. That is real important.

The other thing is, you asked for money to do procurements, but I am wondering a small business, how can a small business follow the procurement process and at the end of procurement, because they don't have a bottomless pit of money, what are you going to do to make sure that we don't unnecessarily deny small businesses an opportunity to do business with TSA?

Mr. NEFFENGER. Well, thank you, Mr. Thompson, for the question. As you know, you and I have had this conversation a number of times, I actually am very concerned and I am very interested in getting as much competition and as much small-business involvement as possible. My personal belief is that some of the most innovative and creative work being done, particularly in the area of software and hardware development in the security world, is being done in small businesses.

So there are a couple of things at play here. That Acquisition University study I brought in is directly related to how well you can entice people to participate and how easy the participation is. So that is one piece of it, is to make sure that you have a front-end process that provides the incentive and the research and development incentive on the front end, tied very clearly to clearly stated requirements and capability gaps, and then hold small-business seminars and industry seminars to determine that. So we have done a little bit of that already. I think there is more of that that we need to do.

I am pleased that we have attained nearly all of our small-business participation targets for this last year. I want to set a larger stretch goal for our targets. But I also want to find a way to incentivize more effectively, and we can do that. Actually, the DAU had I think some sound recommendations for how you build that

into the way you do acquisition. So I look forward to providing more a detailed example of that.

But I met recently with a number of small-business representatives, and I also met with the national Security Manufacturers Coalition which included quite a few small businesses. They identified this as a challenge that they have faced with us for some time.

Mr. THOMPSON. So you do understand that probably every Member of Congress is approached by businesses in their district wanting to do business.

Mr. NEFFENGER. Yes, sir.

Mr. THOMPSON. But they always talk about how complicated it is.

Can you provide us the latest small-business statistics——

Mr. NEFFENGER. I will.

Mr. THOMPSON [continuing]. With TSA that you just alluded to?

Mr. NEFFENGER. Yes, sir, I will.

Mr. THOMPSON. I have referenced the FAMS program and that only 5 percent of the FAMS are female. Have you challenged your team to address that problem?

Mr. NEFFENGER. I have. As you know, part of the challenge has been we haven't been able to hire since 2011. So I thank Congress for the opportunity to begin to replace. The average age of FAMS right now is 43, and 30 percent or more will time out on mandatory retirement over the next 5 years. But the fact that we can hire this year gives us an opportunity to address this diversity problem. I know it is Director Rod Allison's No. 1 priority.

So there are a couple of things we are doing. We are marketing it internally in TSA under a "Why not you?" campaign, and we are especially targeting underrepresented groups and women. We think that there is an untapped resource out there that will find its way into this program if they have the opportunity.

It is hard to overestimate how much you lose by not hiring for a period of time. Nobody even thinks about the FAMS anymore and you have no opportunity to address this problem. But we have some targeted recruiting efforts going on right now that are targeting, as I said, underrepresented groups. What I would like to do is provide you with that recruitment plan that we have, and I will send that to the committee so that you have that.

Mr. THOMPSON. Please. I would look forward to it. We will respond accordingly.

Most agencies tend to recruit in the capital region.

Mr. NEFFENGER. This is a Nation-wide recruiting pool.

Mr. THOMPSON. Good, good.

The other thing I talked about was airports having put TSA on notice already about the summer months, the anticipated long lines, and they are asking TSA to look at it and provide some relief. What have you done to address those concerns?

Mr. NEFFENGER. Well, I think we have got a number of projects underway right now and a number of efforts underway. Let me underpin it by saying, we have seen record travel volume over the past couple of years. Atlanta, in particular, the airport that you are referencing, has seen a 14 percent growth in passenger volume just in the past year. That is on top of 10 percent the year before.

So that is a challenge in anybody's book. It is a challenge for the entire system. It is one of the reasons I asked to hold staffing steady to stop the further reduction of the front-line TSOs. As you know, we have come down 5,600 people since 2011 in our front-line staffing. So we have held steady now, and I wanted to hold steady because I knew that the combination of focusing more effectively on our mission and moving people back into standard screening lanes was going to put a lot of pressure on the wait times.

So what are we going to do in the near term? The larger story is we have to get staffing right, and we are in the process of looking very hard right now. Within the next week or 2, I am going to get a number that shows a little bit more effectively what the staff level should be to meet the challenges that we are facing. But in the face of that you have still got to deal with what is going to be a very large travel season.

So in addition to talking to all my—personally, I have spoken with the CEOs of each of the major airlines. I convened a conference call about a week-and-a-half ago of the top 20 airports, the airlines that service those airports, and TSA. These were the operations managers, the people who are responsible for figuring schedules and the like. We are putting in airport by airport at each of the—those 20 airports, by the way, represent about 85 percent of the daily population. So if you can get that right, you will alleviate the problem.

We are looking at any way possible to mitigate collectively to deal with this as a system instead of just a series of hand-offs in the system. So that is the first step, is a true collaborative effort, airport by airport, and looking for any innovative solutions and importing those around. As we learn best practices, we will move it. If we have people who do things really well, then we are going to put teams together that will move from airport to airport to optimize.

The other thing we are doing is I am husbanding as much overtime resource hours as I can right now and pushing those into the summer, and we are front-loading our hiring so that we are hiring as fast as we can and we are pushing people through. We are adding classes to our new TSA Academy. We are running 8 concurrent classes right now, starting every week. We started another 8 classes.

So my goal is to do as much as possible and hire to our staffing levels, our authorized staffing levels, as fast as possible. I hope to get that done before the summer season starts and then deploy those people. We are also targeting it to those airports where we know there to be the biggest challenges.

Mr. THOMPSON. So your testimony is that, now that you are aware of the problems, by summer you will have those problems addressed.

Mr. NEFFENGER. Well, we will address them. I am not saying that we are going to get it perfect across the board, because I think we are still going to have some challenges. But we are addressing those problems across the board. In fact, I am going down to Atlanta next week to meet with the director of the airport and my Federal security director to directly address some of those concerns. I will be bringing a team that will be evaluating how they do it.

So we have done that. We are doing a lot of work at Newark, JFK, Dallas, LAX, and the like.

I think you are going to still see some increased wait times. I had to get better at the primary mission. Part of the problem that we had is we were actually moving people very effectively through the system, but we weren't actually doing our job well. So you had to do the job well, and that increased wait times by definition.

Mr. THOMPSON. Thank you, Mr. Chairman.

Mr. KATKO. Thank you, Mr. Thompson.

The Chair now recognizes the gentleman from Georgia, Mr. Carter.

Mr. CARTER. Thank you, Mr. Chairman.

Thank you, Mr. Neffenger, for being here. I want to continue with the theme specifically for the Hartsfield-Jackson Atlanta International Airport.

Mr. Neffenger, I hold in my hand the letter that has been referred to that was sent to you by the general manager of Hartsfield, Mr. Miguel Southwell. In this letter here, he of course, as you know, expresses concern about the long wait times and actually attributes it to understaffing of the TSA personnel and asks that to be addressed.

Mr. Chairman, without any objection, I would like to have this letter introduced into the record if that is okay.

Mr. KATKO. Without objection, so ordered.

[The information follows:]

LETTER SUBMITTED FOR THE RECORD BY HON. EARL L. "BUDDY" CARTER

FEBRUARY 12, 2016.

Hon. PETER NEFFENGER,

Transportation Security Administration, 601 12th St., Arlington, VA 22202.

DEAR ADMINISTRATOR NEFFENGER: The purpose of this letter is to update you on the status of the passenger screening process and relationship with the TSA at Hartsfield-Jackson Atlanta International Airport (ATL).

I'll begin this letter by saying that in terms of the partnership between the Airport and the TSA, I can confidently say that no closer coordination exists than that between ATL and Atlanta FSD Mary Leftridge Byrd and her team.

There is a cohesive and respectful relationship that helps ensure successful operations. Local TSA is very insightful and always willing to assist. ATL security staff and executive leadership meet almost daily, and formal meetings are scheduled bi-weekly.

However, Hartsfield-Jackson is still plagued by inadequate TSA staffing. ATL struggled with TSA staffing shortfalls in 2015, and the Airport is dreading the outcome of summer 2016. The TSA did execute a 7.5 percent increase in staffing. This increase—while appreciated—was late and inadequate.

We started 2015 woefully understaffed. Through the persistent efforts of FSD Mary Leftridge Byrd, the recognition of the domestic checkpoints as three separate and distinct checkpoints (6 lanes Terminal North, 4 lanes Terminal South and 18 lanes Main Terminal) came, but later in the summer. This was compounded by the fact that in your agency's fiscal year ending September 2015, Atlanta's TSA passenger traffic grew 10 percent over the previous fiscal year. As a result, several times throughout the day from May to October 2015, wait times exceeding 35 minutes were not uncommon. This morning as I write this letter, wait times up to 52 minutes were experienced between 6:00 am and 6:30 am. This is unacceptable as reflected in the customer service surveys of our hub carrier Delta Air Lines.

We fear an even busier summer this year. In the first quarter of your agency's current fiscal year that began Oct. 1, 2015, Atlanta's passenger traffic has jumped 14 percent over the first quarter of the previous fiscal year. And we know of no staffing plans to service this mammoth growth in demand.

We are working hard to do our part. We have been collaborating with the FSD and have launched a joint local campaign to boost the number of pre-check passengers. This includes tapping into the membership of Atlanta's local-area chambers

of commerce to promote the pre-check program amongst their membership, and asking large corporations to follow the City of Atlanta Department of Aviation's lead to promote and fund their traveling-employees' application for Global Entry or TSA Pre-Check Program. We have pushed for, and have been made a part of, the joint program by Airports Council International (ACI World) and the International Air Transport Association (IATA) to join their Smart Security Program, so that we may, in collaboration with TSA and our airline partners, participate and invest in leading-edge technology and process realignments, to facilitate more effective and efficient screening at ATL's security checkpoints.

Even with all of our efforts, however, as the airport's experience demonstrates, things appear to be only getting worse. It is for this reason that we are giving serious consideration to your agency's Screening Partnership Program (SPP), which allows airport operators to apply to have passenger and baggage screening performed by qualified private contractors—essentially privatizing the security screening process. We have been conducting exhaustive research with current SPP airports, weighing both the pros and the cons, and barring the implementation of some transformational technology or a dramatic shift in the staffing allowances in the next 60 days, Hartsfield-Jackson will take steps to launch SPP at the world's most-traveled airport.

It would be my privilege to speak with you more on these issues with the goal of arriving at a solution to boost the effectiveness and efficiency of Atlanta's passenger screening.

Sincerely,

MIGUEL SOUTHWELL.

Mr. CARTER. So, Mr. Neffenger, you are aware of this letter, of course, you are familiar with it.

Mr. NEFFENGER. I am.

Mr. CARTER. Well, in that letter Mr. Southwell actually says if there is not an increase in TSA personnel at the airport, that he will have no other choice but to apply for the Screening Partnership Program.

Now, the Screening Partnership Program, it is my understanding that this committee has been working with you and working with TSA to try to get accurate cost estimates of exactly how much it would cost to implement this program and to run this program at the airports. Is that correct?

Mr. NEFFENGER. That is. As you know, GAO did a study, a recent study, and the general gist of that was the direct cost to TSA versus the additional costs associated—

Mr. CARTER. Okay. But I am not talking about GAO's report right now. I am talking about, are you working with the committee in trying to get cost estimates as to how much it would cost?

Mr. NEFFENGER. Yes, sir, we are.

Mr. CARTER. Okay. So you are working with our committee now on that, and that is very important.

Do you have any idea when that will be submitted, when that will be finished?

Mr. NEFFENGER. To be honest, I think we are done with that now. So I don't think there is any reason why we can't—we have accepted the GAO recommendations. We have changed the way we display those costs. I am required by law to display the direct cost to TSA, but we have added what are called the imputed costs, the things that are outside the TSA budget but include—

Mr. CARTER. Okay. So you have accepted GAO's report that estimated there would be a 17 percent cost savings on this if this were implemented, correct?

Mr. NEFFENGER. Well, what we have done is we have accepted their recommendation that we adjust the way we display costs so

that we include those costs outside our budget but still cost to the Federal Government.

Mr. CARTER. But still there would be a savings realized of about 17 percent.

Mr. NEFFENGER. It actually runs from 2 to 17 percent depending upon which airport they looked at. GAO said it is difficult to draw large conclusions because there is a relatively small sample group. But we have said that—certainly in the first year that is what they say. What they asked us to do was track it over time to see if those savings hold—

Mr. CARTER. Okay. But with this in mind, with the fact that it will save in mind, are you encouraging this program?

Mr. NEFFENGER. If an airport wants to go into the Screening Partnership Program, I have no objection to it. In fact one of the things I asked to do when I first came on board was to streamline that process so that it is transparent, it is available, and it is understood. Just the way in which the procurement runs, it takes about 18 months to go from request to contract award. But remember that the TSA awards a contract on behalf of and they still have to work for the Federal Government.

Mr. CARTER. I understand. Well, again, I didn't get the answer. Yes or no, are you encouraging airports to use these programs?

Mr. NEFFENGER. Yes. Well, I mean, if by encouraging you mean we advertise it, we make it available, we tell people how it works.

Mr. CARTER. Okay. Are you offering any kind of financial incentives to them to use this program?

Mr. NEFFENGER. I don't really have any financial incentives to offer.

Mr. CARTER. Well, if you could save 17 percent, if you could save 17 percent, I mean, even if you offered them just half of that to improve their facilities at their airport, don't you think that would encourage them to use the program?

Mr. NEFFENGER. I am not sure I have the authority to do that. But there may be some ways to incentivize it if we wanted to do so. I think my primary job is to ensure that we provide services at or below the cost that it would provide, the Federal services would be.

Here is what I would say, though. Regardless of the way you do it, the challenges are the same for everybody. Remember it has to be at or below my cost. So—

Mr. CARTER. But GAO has said that this would be below your cost, you would recognize a cost savings for it. It just seems to me like you would offer that incentive, that financial incentive to the airports, I mean, just to help.

Because obviously we have got a serious problem. Listen, I can attest to it, I have recognized it personally. I have to stand in those lines at the Atlanta airport. They are, they are just terribly long, and we have got to have some relief here. Any time we can get the private sector involved, I am all for it.

Mr. NEFFENGER. What I will tell you is that we are seeing roughly the same challenges whether it is a private or Federal. The challenge is caused—it is an arithmetic problem, but primarily you have a lot of people traveling, you have more peak periods than we

have had in the past, and you have a certain level of staffing that you can't get beyond.

Mr. CARTER. I accept that, and I know you do too, which means that we have to try some different things.

Mr. NEFFENGER. That is right.

Mr. CARTER. This is a different thing.

So what I want to know is this specifically: Do you have personnel that are dedicated to this program, that are pushing this program?

Mr. NEFFENGER. I do. I have an entire office that handles the Screening Partnership Program. I have a new person that has come in, started just before I started, and has dramatically changed—I believe dramatically improved the program, made it more apparent, more accessible, more understandable, streamlined, and has—and we respond to anybody who wants to know about it. In fact, I asked them to reach out to Miguel Southwell.

Mr. CARTER. I know you respond to it. My hope is that you are marketing it as well. I mean, I would hope that you are pushing this program. Again, we are looking for any way that we can cut lines, any way that we can save money, and still do it efficiently and do it effectively.

Mr. NEFFENGER. Well, it is a goal that I have as well. There are a couple things. I mentioned in my opening statement that we are also looking at what I think are some very dramatic improvements we can make to the entire development of the screening environment.

It has really about how you process people through more efficiently while still doing an effective job at security. I think there are some things that we can do that we are doing right now that will make a huge difference in that, whether or not you are private or public.

Mr. CARTER. But including pushing this program, which is what I am appealing to you, okay?

Mr. NEFFENGER. Okay.

Mr. CARTER. Thank you, Mr. Chair.

Mr. KATKO. Thank you, Mr. Carter.

The Chair now recognizes the gentleman from Massachusetts, Mr. Keating, for 5 minutes of questions.

Mr. KEATING. Thank you, Mr. Chairman.

Thank you, Administrator.

I just want to focus on something that I realized is an area of resources that are difficult. But you already addressed and are working on the issue of access to data by TSA where there were 73 people that were on the TIDE database on radical sites.

I want to take that a step further. We had a hearing in Boston just this week, and Mr. Mellon was there representing TSA. But on the surface-area issues, which I understand usually it is the local security forces, the local transport forces that deal with that, not TSA employees directly, and they work with FEMA in that regard, but TSA is still responsible for the safety and security in those areas.

One of the things that is a concern on the surface area transport area, if you look at that issue, the 73 people that were identified and TSA didn't have the data, access to the data network with

them, it is even more difficult when you are dealing with local area transport security forces because you are a step removed.

For rail and buses and the people that work around those areas, I have great concerns about the screening of those employees. I will take it even a step deeper than that. There is a GAO report, a September 2013 report, where they were looking at the contracting out, the private contracting out of services. In that GAO report they were talking about those private contractors were doing less training, and I suspect less screening. I really think that is an area of great susceptibility.

Now, I know you are stretched and I know the way you currently operate you are relying on those local transit authorities to do that kind of work. But is there something we can do in terms of oversight? Because I look at vulnerabilities, and on surface area transport security it is so accessible and it is mass transit. But one of the areas we do have control over is screening those workers there that have all this access and access that could be dangerous in the wrong hands.

So could you just comment or at least agree if that is an area of concern, and if it is, maybe look at that area, even with diminished resources, even with the difficulty? I think that is a real area of concern.

Mr. NEFFENDER. Well, I would concur with you. Any time you have a population that you need to trust, you need to have some means of verifying that trust. We directly concern ourselves with that for people who hold transportation workers cards, other credentials associated with those, as well as people in the aviation industry and access. We rely heavily, as you noted, upon State and local law enforcement to do some of that background vetting across the surface modes.

What I will tell you is that it is of concern to us, and what I owe you is a fuller explanation of how we intend to continue to approach that and some of the things that we could potentially do in the future.

Mr. KEATING. Great. I think it is just not an area of concern for safety in terms of terrorist activity. I think it is a real area in terms of basic safety. Because that same GAO report talked about the lack of safety training and it talked about the buses and the equipment, the assets they use not being as safe either. So is there a way for us to do a little more oversight on that?

Mr. NEFFENDER. As you know, DOT covers a lot of that with some of their oversight programs, but I think it implies a stronger linkage perhaps between what is being done in the safety world and what needs to be done in the security world as well.

Mr. KEATING. If that is an area that you could provide the committee some more information on, we would be grateful for that.

Mr. NEFFENDER. Yes, sir, I will.

Mr. KEATING. Thank you for your hands-on approach thus far trying to dig in and deal with these very difficult issues.

Mr. KATKO. Thank you, sir.

Thank you, Mr. Keating.

I just wanted to follow up with one area that hasn't been covered, which I anticipated that it was going to be covered, and that

is the behavior detection officers. Could you tell me, what is the budget for those this year?

Mr. NEFFENGER. The BDO budget this year, I know that we have come down by 15 percent from fiscal year 2015 numbers. So we have reduced it by \$33.6 million. Off the top of my head, I don't have the exact number for that. I know it is a reduction of \$33.6 million over the fiscal year 2015 number.

What I would like to do is talk to you about how I view that program and what I think that program is and can become going into the future.

Mr. KATKO. Yeah. I guess I am looking at it from the—now that Managed Inclusion is kind of going by the wayside, which it should be, I am wondering if, you know, some of those resources might be better allocated towards the high-density airports and trying to get more staffing at those airports.

Mr. NEFFENGER. Well, we are doing that. That is one of the reasons for bringing the numbers down, is to reallocate staffing to other front-line screening.

But if you think about the screening environment in its total sense, there are a lot of things that are going on from the time you enter to the checkpoint queue to the time you exit. There is a successive attention to detail as you come through and kind-of an increasing attention to detail as you are moving through the environment.

There is sort of the general overview of the environment. You need somebody paying attention, some group of people paying attention to the general tenor of the environment. So how are people acting? What does it look like? You need an awareness of the activities in the environment.

Then as you get closer and closer to the actual checkpoint or to the X-ray machine and the walk-through metal detector, the AIT machine, you want some very detailed attention paid to each individual coming through.

So that is the whole idea behind how you layer in things like behavior detection.

I don't like separating out that capability and isolating it. I spent a fair amount of time in Israel earlier this—actually, at the end of last year, because I wanted to look at the way they do behavior detection. So they embed that throughout their whole system. There is greater or lesser use of the behavior detection techniques, depending upon what your role is in the system. But everybody kind-of has an awareness of it.

So we have begun to do that, to actually train behavior awareness to all of the people who work in the checkpoint environment, because if you look at law enforcement agencies around the world, they all use some form of behavior awareness testing and behavior awareness detection.

In fact, the program that we have was built with input from law enforcement agencies like the New York Police Department, the FBI, LAPD, the Israelis, and the like. In fact, the Israelis have come back and given us some advice.

We have also tried to validate that, in fact recently sent a report to Congress, which I think does validate the science behind the be-

havioral indicators. It is not a 100 percent program, not intended to be, it is an indicator, and you look for certain types of behaviors.

But you have got to get the numbers right. What we have done is we brought them in closer to—we have integrated them more effectively into the checkpoint environment. That is why I think you can bring the numbers down. I don't need them wandering around the airport. I need them paying attention to an environment in which you are trying to determine whether anybody at the last minute is trying to get past you and get something into the aircraft.

So I think we are on a good trajectory with behavior detection, I think there is some more adjustment that needs to be done. Again, what I asked was let's hold—we came down by 15 percent in the numbers in the fiscal year 2016 budget. I just want to hold steady as we look at the modifications that we are making to that program, because I think that it all plays into the way you staff more efficiently the checkpoint environment.

I like having people paying attention to the broader crowd, and they make thousands of referrals a year that have resulted in hundreds of arrests, mostly criminal arrests, but the behavioral indicators for criminal activity are the same behavioral indicators for anybody trying to do something bad.

So I am comfortable that it has a sound basis. What I don't know is whether we have got the numbers right yet. As I mentioned to Mr. Thompson, I am very concerned about our ability to address what I know will be a very challenging summer travel season.

Mr. KATKO. A quick question for you. Are they being implemented outside—let me ask a better question. So, I understand it, the BDOs are being implemented just at the checkpoint, not throughout the airport, just at the checkpoint?

Mr. NEFFENGER. There is still some use around—I mean, we still—they serve on VIPR teams, so they are moving around. Again, if you think about it, you are moving around, particularly the VIPR teams that are doing the random inspection of badge personnel. As I think I mentioned before, we have increased that by almost 5-fold, the number of inspections that we are doing within the airport environment. So we have some BDOs on that team, because they are watching behaviors in and around the aircraft and the baggage handling areas and the like. So it is not solely there, but we have focused on the checkpoint with our BDOs for current.

Mr. KATKO. All right. Thank you.

Miss Rice has no further questions, but Mr. Keating may.

So, Mr. Keating, please.

Mr. KEATING. Thank you, Mr. Chairman.

Just a couple of quick questions. No. 1 is the responsibility for staffing the exit lanes, how is that reflected in your 2017 budget request? No. 2, and last, we have talked about perimeter security, and you are going to dig into that issue, you said. Is there any progress thus far to communicate to this committee on that?

Mr. KATKO. I will note for the record that Mr. Keating's record is now still intact to mention perimeter security at every hearing.

Mr. KEATING. Thank you, Mr. Chairman. I am glad you are keeping track, and I hope you are not alone in keeping track of this issue.

Mr. KATKO. That is right.

Mr. KEATING. Because it dates back to the 9/11 Commission Report.

If we could on perimeter security, see what actions you might have taken so far, and also what plans you have going forward in that respect. Those are the two points I wanted to make.

Mr. NEFFENGER. On exit lanes, we are staffing to the lanes that we are required by law to staff to. As you know, Congress passed a law that said you must continue to maintain exit lane staffing. So I don't have the exact number, but this budget reflects the requirement to continue to staff those exit lanes.

We are also working with various airports to look at exit lane technology. Technological solutions to exit lane management takes the human out of the equation, one-way doors and that sort of thing.

Mr. KEATING. We saw some of that in a field hearing in Syracuse.

Mr. NEFFENGER. There is some promising stuff out there. Not all of it is cheap, but there are some good solutions out there, and we are looking at trying to get those approved and on a list that could be used.

With respect to perimeter security, there is actually a lot going on right now. I hope you will be pleased with what we are doing. I pay attention to it, not just because you ask me questions about, but because it is a real concern.

As you know, last year, this was before I came on board, but in the wake of the incident in Atlanta and some follow-on, the Secretary had asked the Aviation Security Advisory Committee to take a look at specifically insider threat and perimeter security. They came out with, among other things, some recommendations with respect to that.

TSA, again, had put out a requirement to do some work with respect to reducing access points and the like. Personally, I wasn't comfortable with both the nature of that request as well as the response that we got. I mean, there was some good work done, it is not to suggest that people didn't take it seriously, but it wasn't really well-defined.

So over the past 2 months, and then ending at the end of this month, we are looking airport by airport across all the Federal airports in the country. I put out a very detailed vulnerability assessment requirement.

So our FSDs, working with the airport directors and then the airlines and employers in there, their requirement, among other things, is to identify every single access point, airport by airport, the purpose of the access point, the people who use that access point, and what the nature of the access is, what does it allow to have happen, in addition to identifying the number of employees that have badged access, who the employers for those employees are, and what the nature of their badged access is.

Because I wanted to get a better understanding of what access means. I have heard people tell me: Well, you can't get below a certain number. But yet, that number will be significantly higher than a similar-sized airport that says: I can get to a lower number.

So I didn't, to be honest, I didn't feel like I had enough information to actually answer your question effectively, or to answer this committee's question.

Those reports are starting to come in now. We should have all of those by the end of this month. We will have to evaluate them. My goal is to, first of all, get a better understanding, airport by airport, of what it looks like, what are we talking about in terms of access points—

Mr. KEATING. Are you just doing this within the context of the vulnerability assessment request? Because that has dropped from 17 percent of airports to 13 percent, down to, like, 3 percent of airports.

Mr. NEFFENGER. No, no, this is the entire system.

Mr. KEATING. Good. Thank you.

Mr. NEFFENGER. This is all 450-plus Federalized airports. So this is every single airport that we have responsibility for.

Mr. KEATING. Thank you.

Mr. NEFFENGER. So that is going to take some time to compile that, but my intent is to provide that report. It will probably be a Classified report, but we will provide it to the committee, and then we can have a discussion about now what do we do and what does it mean, in terms of how you manage that going forward.

I suspect we will learn some good things and we will learn some things that are disturbing in that. But it will give us a much clearer picture. I just didn't think I had a clear picture, and the only way to get it is to actually go out and draw the picture airport by airport.

Mr. KEATING. That is great. You said you would do that, and you are doing it. I appreciate that.

I yield back.

Mr. KATKO. Thank you, Mr. Keating.

Do you have any more questions? You all set?

I would like to thank Administrator Neffenger for his thoughtful testimony, very helpful.

Members of the committee may have some additional questions for the witness, and we will ask you to respond to those in writing. The hearing record will be held open for 10 days.

Without objection, the subcommittee stands adjourned.

[Whereupon, at 11:11 a.m., the subcommittee was adjourned.]

APPENDIX

QUESTIONS FROM HONORABLE JOHN KATKO FOR PETER V. NEFFENGER

Question 1a. As you may know, TSA—as part of DHS—has special acquisition authority to use “other transactions” agreements, or OTAs. It is my understanding that these types of agreements are generally used for research and development purposes—they do not substitute for open and competitive contracts, for example.

Can you describe how TSA has used these OTAs?

Also, can you tell me if your on-going acquisition and procurement review is, or anticipates, reviewing how OTAs are used, and how they should be used, by TSA?

Answer. The Department of Homeland Security’s other transaction authority (OTA) is delegated by Congress and primarily covers research and development and prototype activities. However, the *Aviation and Transportation Security Act* (ATSA, Pub. L. 107–71, November 19, 2001) provides the Transportation Security Administration (TSA) with a different authority for use of OTAs where a conventional competitive procurement would not be able to achieve the functions of the program. TSA primarily utilizes OTAs for the following programs/projects:

- *Inline Checked Baggage Inspection Systems (CBIS).*—Currently, TSA’s primary use of OTAs is for the design and construction of inline CBIS. The OTA establishes a funding cost share percentage with the airport authority, defines the roles and responsibilities of TSA and the airport, and serves as the contract vehicle to fund the airport’s allowable project costs. The airport uses established contracting processes to award contractors to perform necessary structural, electrical, and mechanical work necessary to support the installation of the checked baggage screening equipment.
- *Advanced Surveillance Program.*—TSA utilizes OTAs to support transportation authorities’ expansion of closed circuit television surveillance systems. These systems enable the ability to observe and detect people and property moving through the security screening process and facilities.
- *Law Enforcement.*—TSA also utilizes OTAs to fund the costs of local law enforcement officers who provide security services to TSA.
- *Canine program.*—TSA utilizes OTAs to fund local and State participants who provide law enforcement officers to serve as dog handlers at airports, mass transit systems, maritime, and other facilities.
- *Parking and Janitorial Services.*—TSA utilizes OTAs to fund airport janitorial services and airport parking for transportation security officers. These services are typically contracted directly by the airport.

TSA has an existing and active policy to conduct quarterly sample reviews of prior quarter contract actions to include OTAs.

Question 2a. A number of concerning threat streams and attacks, such as the MetroJet incident, demonstrate that the international-inbound risk to aviation remains concerning. The budget does not appear to show any major investments or initiatives in stemming the overseas threat, and ascertaining the resources devoted to TSA’s Office of Global Strategies has been difficult.

What is TSA doing to ensure that international inbound aviation is secure from terror attacks?

Answer. The threat to international civil aviation is evolving; therefore, it is more important than ever that the Transportation Security Administration (TSA) focus on the fundamentals of aviation security internationally. To mitigate this threat, TSA assesses security at international airports, analyzes the aviation security attack scenarios posing the greatest risk, and develops mitigation plans to address the highest-priority areas. This mitigation depends on intelligence information, embracing innovation in technology, processes and training; and sharing information and best practices with our international partners.

TSA is integrated into the intelligence community to ensure the availability of the latest threat information, particularly with regard to overseas threats. Threat infor-

mation is briefed to the TSA administrator and senior staff daily, and it is used to inform TSA's policies with regard to international engagement, inspections, assessments, and mitigation efforts.

TSA is required by law to assess foreign airports and inspect foreign air carriers that fly into the United States, along with U.S. aircraft operators. TSA conducts these assessments at approximately 280 Last Point of Departure airports, and in fiscal year 2015, TSA conducted 289 air carrier inspection visits and 146 foreign airport assessments. Additionally, TSA has the authority to issue Security Directives (SDs) and Emergency Amendments (EAs) to foreign and U.S. air carriers operating from those airports to add additional security requirements that further mitigate threat. Through SDs and EAs, TSA is able to enhance the overall security posture by requiring airports and/or air carriers to elevate the level of security to address both specific threats and general areas of concern in the regions of the world with terrorist activity.

TSA's Secure Flight program conducts passenger watch list-matching for more than 270 U.S. and foreign air carriers with flights into, out of, within, and over the United States, as well as covered U.S. flights between 2 international points, to identify individuals who may pose a threat to aviation or National security, and designate them for enhanced screening or prohibit them from boarding an aircraft, as appropriate. All international inbound passengers are vetted through Secure Flight. Through a collaborative partnership with CBP, TSA is able to implement risk-based, intelligence-driven, scenario rules in the Automated Targeting System-Passenger to identify additional international travelers and designate them as requiring enhanced screening. These rules are based upon potential terrorist travel patterns and current threats.

In 2015, TSA identified a number of known or suspected terrorists who attempted to travel on commercial aircraft, and who represented the highest threat to transportation, some of whom were identified as potential foreign fighters. In these instances, TSA took action to address the threat, which included, as appropriate, denial of boarding to prevent overseas travel to participate in foreign fighting or to conduct other nefarious activities.

To address potential insider threats, all foreign air carriers and U.S. aircraft operators flying to/within/over the United States are required to submit their Master Crew Lists to TSA for vetting against the watch lists. When directed by TSA, air carriers and aircraft operators must remove any crewmember from their Master Crew List.

Question 2b. In what ways is TSA working with foreign partners, such as the European Union?

Answer. TSA collaborates closely with foreign partners, including foreign governments, foreign air carriers, foreign all-cargo air carriers, international organizations, as well as foreign airport authorities. TSA maintains close relationships internationally through our network of Transportation Security Administration Representatives (TSARs), International Industry Representatives, and TSA inspectors. TSA also coordinates with a robust network of foreign partners through bilateral, multi-lateral and industry organizations, such as the International Civil Aviation Organization (ICAO), International Air Transport Association (IATA), Airports Council International (ACI), QUAD, and G7 groups. TSA serves as the lead U.S. Government agency on matters of aviation security within ICAO and represents the United States on the Aviation Security Panel of Experts (AVSEC Panel) and in its various working groups.

As an example of TSA's close collaboration with foreign partners, TSA and the European Union Directorate General for Mobility and Transport participate in a bi-annual U.S.—European Union Transportation Security Cooperation Group designed to align key aviation security policy initiatives, while also ensuring close coordination on operational objectives. Amongst other achievements, notable successes include mutual recognition of National cargo security programs; continued work to align explosive detection standards; and the sharing of best practices on the screening of non-metallics.

Additionally, TSA assists foreign governments in resolving outstanding security vulnerabilities identified through TSA's airport assessment program by providing assistance in the form of training, technical assistance, on-the-spot remediation, and other forms of direct engagement.

Question 3a. The committee understands that, for the first time, the front-line workforce has been provided with more detailed intelligence information concerning threats to transportation security.

Do you believe this has helped Transportation Security Officers (TSO) understand the importance of being effective and focused in detecting threat items?

Answer. The Transportation Security Administration (TSA) believes providing the front-line workforce with more consistent and detailed intelligence information concerning threats to transportation security enhances the front-line workforce's understanding of the importance of being effective and remaining focused in detecting threat items. The screening system is composed of three parts: Technology, processes, and people. Understanding the threat, appreciating the limitations of the technology, and recognizing the importance of procedures enhances the overall ability of the workforce to detect threat items. As a result, Transportation Security Officers (TSO) receive the intelligence portion of the Mission Essentials and Threat Mitigation training on a quarterly basis. This training is regularly updated to focus on new tactics, such as the way terrorists hid explosive devices in innocuous items to bomb the Metrojet flight in Egypt and the Daallo flight in Somalia.

Question 3b. How does TSA intend to continue providing such information to the workforce? Will briefings occur on a regular basis?

Answer. TSA will continue to update and deliver Mission Essentials training on a quarterly basis, while also providing ad-hoc intelligence briefings on emergent threat issues. Emergent threat concerns are also conveyed to the workforce via the weekly National Shift Brief, a communications mechanism used by TSA front-line supervisory staff to provide information directly to the front-line workforce at the beginning of a shift. In addition, in fiscal year 2017, TSA will incorporate a baseline intelligence briefing into the curriculum at basic training for all incoming TSOs. The main tenets to be presented include the current threat, threat groups, and tactics used by said groups.

Question 4. This committee has previously held hearings on the cumbersome and difficult process that companies are having when having their technologies tested by TSA. While some of this also lies in the hands of the DHS Science and Technology Directorate, how are you working to lower the barrier for entry for small business with security solutions to today's threats?

Answer. The Transportation Security Administration (TSA) has met its small business goals and continues to seek additional opportunities to increase small business participation. TSA is focused on diversifying the industrial base and providing small businesses with access to environments and integration into screening systems that have not been historically available. TSA is pursuing 3 initiatives that should increase competition for all businesses:

- *Third-Party Testing.*—TSA has observed challenges with transportation security equipment passing qualification testing and operational testing, resulting in delayed acquisition processes and increased test and evaluation costs. TSA is working to address these challenges by developing a Third-Party Test Program, which is intended to streamline the acquisition process by requiring vendors to provide more mature systems in response to procurement opportunities. Third-Party Testing will identify standardized testing criteria, testing requirements, and standardized test scenario templates for transportation security equipment. TSA anticipates that this will make the testing process more accessible and transparent for all vendors, including small businesses. Small businesses could also become authorized third-party testers.
- *Open Architecture.*—TSA has identified the need to shift to an open architecture for capability development. As part of this open architecture concept, TSA is moving to a "systems-of-systems" perspective, which integrates technology, data, and processes within and across airports. Establishing an open architecture will result in a higher level of interoperability and allow for the acquisitions, repair, and upgrade of individual components, thereby increasing competition and potentially creating new business opportunities for small business. The fiscal year 2017 President's budget request calls for \$5 million for this purpose.
- *Innovation Lanes.*—TSA is pursuing the establishment of innovation lanes at various airports. An innovation lane would be a partnership with manufacturers and industry to demonstrate emerging capabilities in an airport environment. This program would provide an opportunity for businesses, including small firms, to gather data in an operational environment, which will better enable vendors to understand the screening process and also inform the evolution of screening technology.

Question 5. The homeland is facing new and growing threats from ISIL-affiliated extremists and home-grown extremists targeting critical infrastructure, such as transportation. However, the committee is concerned that TSA does not have an adequate means of proliferating threat information to its regulated partners. While the budget request does include additional resources for the Transportation Security Operations Center, how will those resources be used to better inform the traveling public and transportation partners?

Answer. In the 2017 budget, the Transportation Security Operations Center (TSOC) has requested a cost of living increase. This increase, and other resources that support the TSOC, enable operations to continue.

The TSOC provides numerous reports—real-time, daily, weekly, and monthly—to over 700 recipients. These reports are sent to representatives from the Transportation Security Administration's Office of Public Affairs and Office of Security Policy and Industry Engagement for their pertinent use with regulated partners.

The TSOC is constantly analyzing security-related events and threats to align its reporting with evolving information. In the last 12 months, TSOC has created new reports, overhauled existing reports, and improved reporting efficiency.

Additionally, in the last 6 months, TSOC evaluated its ability to produce timely effective reporting and written communications. This evaluation revealed an opportunity to improve in this area by recruiting professional writers to add to the TSOC skill sets. Within TSOC's approved staffing levels, and once vacancies occurred 4 watch officer positions (positions that historically prepared written products) were converted to writer/editor positions. These skills add to the TSOC professionals a cadre specifically capable of better designing, preparing, and transmitting information related to transportation security events.

In addition, other Transportation Security Administration (TSA) offices also provide threat information to TSA's regulated partners. TSA's Office of Intelligence and Analysis (OIA), has produced 50 products so far in fiscal year 2016 (22 Unclassified, 28 Classified), which we shared through email, web postings, or personal engagements. In fiscal year 2016, OIA has already conducted more than 400 unique engagements with transportation stakeholders; these numbers include more than 100 engagements each with our aviation and mass transit partners, more than 90 with freight rail, 37 with highway, 36 with pipeline, and 57 cyber threat engagements across all modes. In fiscal year 2016 OIA begins an expansion of its Field Intelligence Officer (FIOs) program by about 20 percent, from 68 to 81, and is expected to be fully implemented in fiscal year 2017. FIOs support Federal Security Directors at airports across the United States and routinely interact with other airport officials, passenger and cargo airlines, and other local transportation stakeholders to provide relevant threat and intelligence information. In fiscal year 2017 OIA will continue efforts to enhance information sharing through infrastructure enhancements as well as targeted information-sharing improvement initiatives.

Question 6. Approximately 1 year ago, the Aviation Security Advisory Committee submitted a much-needed report on mitigating the insider threat to aviation security with 28 recommendations. What is the status on TSA's action regarding those recommendations and addressing the insider threat, which is now more concerning than ever?

Answer. As of March 23, 2016, 12 of the 28 Aviation Security Advisory Council (ASAC) recommendations have been completed. All remaining recommendations are being actively addressed and are on schedule for completion. Two of the most significant and major projects are the "Rap Back" program for recurrent criminal history records checks, and the establishment of a National database of employees who have had airport and/or aircraft operator-issued badges revoked. In response to both the Office of Inspector General and the ASAC recommendations, the Transportation Security Administration (TSA) has been working with the Federal Bureau of Investigation to initiate a proof of concept for the Rap Back program that is planned to begin in late spring 2016. Once completed, the program will continually assess the criminal history of aviation workers, and notify TSA with any changes in status. In addition, TSA has established a working group with industry partners to explore options to establish a National database of aviation workers who have had badges revoked. Areas of review will cover policy, operational processes, technical modifications, and possible clearinghouse to support the effort. An implementation plan is set for completion by June 2016.

Question 7. The fiscal year 2017 budget request includes plans to update and install new in-line baggage screening systems at several airports across the country. Is TSA working to further improve these systems' technical capabilities and is there a way of making checked baggage more risk-based, rather than a one-size-fits-all approach?

Answer. The Transportation Security Administration (TSA) continues to procure, install, and integrate new technologies and capabilities into in-line baggage screening systems to meet evolving security requirements and enhance the effectiveness and efficiency of screening equipment at airports Nation-wide. TSA collaborates with the Department of Homeland Security's Science and Technology Directorate and industry to pursue enhanced system capabilities, such as expanded threat detection capabilities, higher detection rates, lower false alarm rates, higher throughput rates, and reduced life-cycle costs. These capabilities will result in improved ef-

fectiveness and efficiency of airport screening operations in the checked baggage environment.

TSA is evaluating the integration of risk-based security capabilities into checked baggage screening systems. Newly-developed explosives detection systems possess the capability of storing multiple threat detection algorithms and dynamically switching between algorithms during live operations. TSA is collaborating with airports and industry to determine the applicability and effectiveness of this capability.

Also, in July 2015, TSA published the Planning Guidelines and Design Standards (PGDS) for Checked Baggage Inspection Systems Version 5. TSA collaborated with industry in the development of these guidelines, which outline performance and risk-based design requirements, lessons learned, and best practices for designing a checked baggage inspection system.

Question 8. Recently, the committee was informed that TSA does not plan to share its updated cost estimate information for the Screening Partnership Program until June 30, 2016. Unfortunately, this directly contradicts the testimony Administrator Neffenger provided our committee at the budget hearing on March 2, and the testimony provided by Ms. Dorgham at our November 17, 2015 hearing. In response to Rep. Rogers asking when updated cost estimates would be available, Ms. Dorgham said that they would be provided in their next semi-annual report in mid-2016. When asked by Chairman Katko if we would have cost estimates within 6 months, Ms. Dorgham said “that’s correct.” At the budget hearing on March 2, when asked by Rep. Carter about providing SPP cost estimates to the committee, Administrator Neffenger, replied, “To be honest, I think we are with that now.” Providing the committee with accurate cost estimates is essential to our ability to conduct proper oversight, and have a clearer understanding of the impact of this program. Please detail for the committee why TSA is no longer able to honor the commitment it made in its previous testimony.

Answer. The Transportation Security Administration (TSA) agrees that providing the committee with accurate cost estimates is essential. As a result, TSA is currently conducting a thorough internal review of the cost comparisons to ensure that they conform to the best practices of the Government Accountability Office and that Congress receives the most accurate information possible.

In the November 17, 2015, hearing, Ms. Dorgham stated that TSA had already begun making changes to the cost methodology and would provide the first cost comparisons in TSA’s next semi-annual report to Congress. Although TSA was not directed to provide a semi-annual report with the passage of the *Fiscal Year 2016 Department of Homeland Security Appropriations Act* in December, TSA still remains committed to providing its Screening Partnership Program cost comparisons to Congress within the same time frame. TSA is on track to provide the cost comparison to Congress as planned in June 2016.

