THE PROMISE OF REGISTERED TRAVELER PART I and II

HEARING

BEFORE THE

SUBCOMMITTEE ON ECONOMIC SECURITY, INFRASTRUCTURE PROTECTION, AND CYBERSECURITY

OF THE

COMMITTEE ON HOMELAND SECURITY HOUSE OF REPRESENTATIVES

ONE HUNDRED NINTH CONGRESS

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THURSDAY, JUNE 16, 2005

FOR THE RECORD

THE PROMISE OF REGISTERED TRAVELER PART I

Thursday, June 9, 2005

HOUSE OF REPRESENTATIVES,
COMMITTEE ON HOMELAND SECURITY,
SUBCOMMITTEE ON ECONOMIC SECURITY,
INFRASTRUCTURE PROTECTION, AND CYBERSECURITY,
Washington, DC.

The subcommittee met, pursuant to call, at 11:05 a.m., in Room 2318, Rayburn House Office Building, Hon. Daniel Lungren [chairman of the subcommittee] presiding.

Present: Representatives Lungren, Linder, Rogers, Dicks, DeFazio, Jackson-Lee, and Thompson.

Mr. LUNGREN. [Presiding.] The Committee on Homeland Security Subcommittee on Economic Security, Infrastructure Protection and Cybersecurity will come to order.

The subcommittee is meeting today to receive testimony on the Registered Traveler Program being implemented by the Transportation Security Administration, TSA. The purpose of the hearing is to examine whether the Registered Traveler Program is living up to its promise of enhancing security and improving efficiency in screening operations at airport checkpoints.

I would like to welcome everybody today to this hearing.

The Registered Traveler Program is an important initiative, which, when fully implemented, I believe, should improve both the effectiveness and efficiency of the TSA airport security screening process. Registered Traveler will allow travelers who undergo background checks and submit themselves to biometric verification to go through expedited security screening procedures.

Unfortunately, however, this program does not appear to have progressed as Congress had intended. I, along with many other members of Congress, continue to be frustrated by this lack of apparent progress with the Registered Traveler Program.

Congress imagined that this program would be an additional layer of voluntary screening and that, as a result, it would reduce the number of unknown individuals, alleviate much of the need for secondary screening and other checkpoint inconveniences and indignities and, most importantly, permit TSA resources to focus on the small percentage of travelers who are not frequent travelers and who do not voluntary submit adequate information to confirm identity.

Sadly, as it is currently structured, the program may not provide any of the originally envisioned operational benefits to TSA, the

airlines or the traveling public. Instead, it appears that we may have in our midst a program of questionable benefit.

Today, we will hear from the perspectives of industry observers, outside experts and current program participants on problems of the current system and ways it could be made more effective. We will have a follow-up hearing next week with the Department of Homeland Security to discuss the issues raised here today.

With that, I would like to thank our witnesses for appearing before us today. I look forward to hearing your perspectives on the Registered Traveler Program, and now I would recognize the ranking member of the full committee, Mr. Thompson of Mississippi, for any comments he might like to make.

PREPARED OPENING STATEMENT OF THE HONORABLE DANIEL E. LUNGREN

JUNE 9, 2005

[Call hearing to order]

I would like to welcome everyone today to a hearing of the Committee on Homeland Security Subcommittee on Economic Security, Infrastructure Protection, and Cybersecurity. This morning, we will focus on the Transportation Security Administration's (TSA) Registered Traveler program.

The Registered Traveler (RT) program is an important initiative, which, when fully implemented, should improve both the effectiveness and efficiency of the TSA airport security screening process.

RT will allow travelers who undergo background checks and submit themselves to biometric verification to go through expedited security screening procedures.

Unfortunately, this program has not progressed as Congress had intended.

I, along with many other Members of Congress, continue to be frustrated by the lack of apparent progress with the Registered Traveler program.

Congress imagined the RT program as an additional layer of voluntary screening that would reduce the number of unknown individuals, alleviate much of the need for secondary screening and other checkpoint inconveniences and indignities, and ? most importantly ? permit TSA resources to focus on the small percentage of travelers who are not frequent travelers and who do not voluntarily submit adequate information to confirm identity.

Sadly, as it is currently structured, RT may not provide any of the originally envisioned operational benefits to TSA, the airlines, or the traveling public.

Instead, TSA has created a program of questionable benefit.

Today we will hear the perspectives of industry observers, outside experts, and current program participants on problems with the current system and ways it can be made more effective.

We will have a follow up hearing next week with the Department of Homeland Security to discuss the issues raised here today.

With that, I would like to thank our witnesses for appearing before us today. I look forward to hearing your perspectives on the Registered Traveler program.

I now recognize the Ranking Member of the Subcommittee, Ms. Sanchez.

Mr. THOMPSON. Thank you, Mr. Chairman. Thank you very much, Mr. Chairman.

Like you, I look forward to the testimony of the panelists, and I look forward also to learning more about the Registered Traveler Program.

Whichever airport I find myself in, I pretty much hear the same thing from my fellow travelers, "There has to be a better, more efficient way to process passengers at the checkpoints." I, too, share their frustrations. I actually bought a special pair of shoes that the salesman told me were checkpoint friendly. I cannot say that they have been all too friendly to me. If you have ever gone out of National Airport, the first thing they tell you is take your shoes off, and, if you have had the frustration of asking why the policy exists, you get the extra check for asking the question.

So maybe biometrics is the answer. I am not sure. But I look forward to it and the public will demand, that we come up with something. I am interested in the civil liberties aspect of whatever we do.

We are now understanding that more and more people are traveling than they did before 9/11. What are we doing to move people along? What are we doing from a temporary standpoint of personnel, a number of issues that we tend to look at, Mr. Chair, but not really force the agency and others involved to do what they need to do so that the public is not inconvenienced, but they also are kept safe?

So I look forward to the testimony, and I yield back the balance of the time.

Mr. LUNGREN. I thank the gentleman for his comments. I want the gentleman to reflect the gentleman used the expression "fellow traveler," and I did not.

Other members of the committee are reminded that opening statements may be submitted for the record.

PREPARED OPENING STATEMENT OF THE HONORABLE CHRISTOPHER COX, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF CALIFORNIA, AND CHAIRMAN, HOMELAND SECURITY COMMITTEE

JUNE 9, 2005

Thank you Mr. Chairman.

I am a strong supporter of the Registered Traveler concept. This program should be key to the Transportation Security Administration's efforts to return efficiency to airport security screening and minimize long waits at security checkpoints.

Congress intended for TSA to use Registered Traveler as a risk management tool, whereby TSA could improve overall security by decreasing the pool of unknown travelers and focusing security resources on higher-risk passengers. It should be the first step towards applying a more rational process to screening air travelers. By some estimates, the eight million frequent flyers, roughly, 10 percent of all travelers, account for nearly half of all passenger trips, which means half of all checkpoint screening. This fact suggests that an optimally functioning, voluntary Registered Traveler program could enhance security, save money, improve efficiency, and reduce passenger frustration and inconvenience.

Today's hearing will focus on whether the Registered Traveler Program is living up to the promise envisaged in the Aviation and Transportation Security Act. From reports to the Committee so far, the answer to this question appears to be a resounding "no".

The current TSA pilots have been so limited and constricted in nature that they have provided few, if any, benefits to Registered Travelers—I know, because I am one of them—and have not even begun to really test the visionary potential of such a program. I was pleased to learn about the new structure for the most recent pilot program in Orlando—which will harness the capabilities of the private sector to provide a more flexible and innovative approach to registered travel—and I look forward to hearing testimony today from Orlando and other program participants and experts on how we can quickly and securely expand Registered Traveler programs.

Certainly, TSA needs to leverage the security gains from other DHS and Federal credentialing or security screening programs and apply them to Registered Traveler. It should take immediate action to include in Registered Traveler other categories of air travelers that have undergone an extensive background check or security clearance process (such as airline pilots, flight attendants, and government and military employees), which could safely expand this program to the point where it could produce real benefits to airports and airlines, and to the American taxpayer.

Despite the difficulties faced so far, the concept behind Registered Traveler is quite simple—individuals who voluntarily submit personal background information, including biometric samples, successfully undergo security background checks, and who travel frequently without incident or raising any concerns should not be treated as though they were a potential terrorist in waiting. There should be streamlined security screening process at airport checkpoints and separate lanes for such trav-

elers, in order to expedite their travel and reduce backlogs at the other checkpoints as well.

Of course, there is some risk in this approach, but there is risk in our current approach, too. And the alternative is to continue to engage in an irrational and costly screening system that drains resources and attention from greater risks.

Registered Traveler offers a step towards the kind of policy that TSA should be adopting—one that moves more and more blocks of travelers out of extensive checkpoint screening through the use of advance credentialing and biometric identification. If implemented as envisioned by Congress, Registered Traveler would enable TSA to focus on the fraction of travelers who are genuinely of interest.

I would like to thank the witnesses for appearing today, and I look forward to hearing your perspective on this vital program and how we can work together to improve it.

Mr. LUNGREN. We are pleased to have an expert panel of witnesses before us today on the important topic. Let me please remind the witnesses that their entire written statements will appear in the record, and we ask that you would strive to limit your oral testimony to the 5-minute time period allotted.

The Chair would now recognize Mr. C. Stewart Verdery, Jr., principal, Mehlman Vogel Castagnetti, Inc., to testify.

Sir?

STATEMENT OF C. STEWART VERDERY, JR., PRINCIPAL, MEHLMAN VOGEL CASTAGNETTI, INC.

Mr. VERDERY. Chairman Lungren and Ranking Member Thompson and members of the committee, I thank you for the opportunity to return to your committee to discuss the future of the Registered Traveler Program.

I am currently a principal at the consulting firm Mehlman Vogel Castagnetti. I am also an adjunct fellow at the Center for Strategic and International Studies.

As you know, I served as assistant secretary for border and transportation security policy and planning until my resignation from the Department of Homeland Security in March of this year. In that capacity, I was responsible for policy development for immigration and visas, cargo security, law enforcement, as well as transportation security that was normally handled in the field by TSA and Customs and Border Protection and other BTS agencies.

Before discussing the specific topic of today's hearing, I would be remiss if I did not thank the committee for its excellent and extremely important efforts to support the department during my tenure.

As Secretary Chertoff has discussed eloquently in recent months, the essential nature of homeland security is risk management. In nearly every area where the government has assumed the lead role in protecting the public from the possibility of a terrorist incident, our programs reflect a degree of risk management.

In areas such as the vetting of foreign nationals for entry to our country, inspection of cargo, distribution of preparedness funds, many other areas, risk management, for better or for worse, is the best and only way to focus our immense, but ultimately limited resources on how to reduce the terrorist threat.

However, for the prescreening and physical screening of aviation passengers, the government has not yet deployed an effective set of programs demonstrating a similar system of risk management. Anyone who has watched an elderly grandmother, a young child or

the business road warrior who flies the same route every week go through the same checkpoint process as the rest of us can recognize this fact.

Now the fledgling RT pilots that were mentioned underway should not be evaluated as a precursor to what a full-fledged program should look like. They were baby steps to ascertain public interest and develop operational experience with the use of biometrics in a busy airport setting. The pilots have been largely well managed and have met expectations, but nobody should be surprised if we are somewhat underwhelmed by a series of small and stovepipe pilots.

I may be an atypical participant, but, since I was enrolled at Reagan Airport in RT and I have this card, I have flown about 50 times around the country, and I have used RT once, and that, unfortunately, is the fact when you have these small number of pilots.

However, I am confident we are nearing a time when DHS, in partnership with the private sector and the traveling public, should be able to deploy new programs to bring a true measure of risk assessment to passenger screening. Indeed, the prior leadership of BTS was designing the expansion of RT, and that effort has now been folded under the larger departmental second-stage review underway at DHS.

As an introductory point, it is not wise to review RT without considering how it should and could work in conjunction with the Secure Flight passenger prescreening program under development at DHS and the existing CAPPS program administered by air carriers.

Secure Flight is designed to collect passenger name record information from air carriers about travelers to allow the government to take over the function of administering and enforcing the no-fly and terrorist watch lists.

In addition, at least part of the existing CAPPS program that determines who is selected for secondary screening is likely to remain in place. Under this system, air carriers evaluate characteristics about the way tickets were purchased to differentiate between normal and elevated risk passengers.

So, via Secure Flight and CAPPS, TSA and air carriers will be receiving small but important amounts of passenger information, things like name and date of birth and address, that could be utilized in various ways to conduct risk management, and it is crucial to remember that the information collection and vetting mechanisms we will employ that are key should be complementary with CAPPS and Secure Flight.

Now, in my view, the ideal end state for RT would be an effective public-private partnership between the federal government, air carriers, airport authorities, contractors and profit-motivated program managers. Under no circumstances would I advise policymakers to attempt to execute a wholly federalized program or to hand over complete responsibility for RT to any private-sector entity.

Instead, the private sector should be allowed to generate a variety of options to present the travelers to attract them initially to a home airport program with approved participants granted RT privileges at any and all TSA checkpoints that are operational in any other location. Such a model will allow the government to real-

ize enhanced efficiencies at the checkpoint, freeing up screener resources to focus on less-known individuals, and will provide travelers willing to provide personal information with an improved airport and checkpoint experience and allow airports and air carriers and their partners opportunities to offer innovative and profit-based solutions.

My written testimony details recommendations about these end-state principles, and I will just summarize a couple of them here.

The government should provide the underlying decision as to the existence of derogatory information that would disqualify interested program participants from any expedited security procedure.

Applicants would provide a full slate of 10 fingerprints to be run against the Terrorist Screening Center, IDENT and IAFIS.

Populations being vetted by DHS for other purposes, such as HAZMAT drivers or International Registered Travelers or with current security clearances, should be also offered a chance to participate in RT.

DHS should maintain a common database of RT enrollees to ensure that as enrollees in one location are cleared for participation, they are cross-enrolled in other locations.

While amenities of an RT Program such as free parking or non-security measures may be attractive add-ons to the program, at its core, RT is and should be a security program and must reflect that principle at the checkpoint.

Thus, TSA should be required to review the specific security measures taken at the checkpoint and ascertain which can be eliminated for RT participants, and some of these are things with jackets and shoes and how laptops are treated and how you present your documents and how they deal with minors and other people that might be traveling with you.

Without demonstrable changes at the checkpoint to facilitate the transit of vetted individuals, RT will not succeed.

Launching RT generally and operations related to particular airports and air carriers will require significant amounts of marketing and other activities that are better handled by the private sector. As has been demonstrated by the interest in Orlando that we will hear about later, there is no shortage of models to attract particular participants.

For some flyers whose principal airport suffers from screening delays, merely offering the checkpoint procedure may be enough. In others, it may take the checkpoint changes plus airport or airline amenities.

One sensitive issue relates to how participants are confirmed at the checkpoint. I envision a baseline procedure where RT participants should provide a single print to a fingerprint reader to assure a one-to-one match against the enrolled participant. The Smart Cards, including biometric, biographic information, may be useful to speed up that match, but only a real-time check of the individual's fingerprint can satisfy the one-to-many check that we need, and US–VISIT has provided an excellent real-world case study as to the feasibility of real-time use of biometrics.

The cost of development and deploying RT should be borne across several sectors. Participants should pay a one-time base application fee to cover the cost to the government of their security review. Ad-

ditional amounts should be added to reflect the non-security amenities offered by particular RT providers.

In conclusion, RT is a program that shows great, but unfulfilled promise. With proper oversight and direction from DHS, the private sector should be unleashed to satisfy air travelers begging for a smarter approach to security.

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

[The statement of Mr. Verdery follows:]

PREPARED STATEMENT OF C. STEWART VERDERY, JR.

INTRODUCTION

Chairman Lungren and Ranking Member Sanchez, I thank you for the opportunity to return to your committee to discuss the future of the Registered Traveler (RT) program. I am currently a principal at the consulting firm Mehlman Vogel Castagnetti, Inc. I also serve as an Adjunct Fellow at the Center for Strategic and International Studies, although the views in this testimony are my own and do not represent CSIS which does not take policy positions.

As you know, following confirmation by the Senate in 2003, I served as Assistant Secretary for Border and Transportation Security Policy and Planning until my resignation from the Department of Homeland Security in March of this year. In this capacity, I was responsible for policy development within the Border and Transportation Security Directorate, reporting to Under Secretary Asa Hutchinson and Secretary Tom Ridge. BTS was created to coordinate policy development and operational activities in the fields of immigration and visas, transportation security, law enforcement, and cargo security which largely were carried out in the field by BTS agencies—U.S. Customs and Border Protection, U.S. Immigration and Customs Enforcement, and the Transportation Security Administration.

Before discussing the specific topics which are the subject of this important hearing, I would be remiss if I did not thank this Committee for its extremely important efforts to support DHS during my tenure at the Department. Among other accomplishments in this regard were the intelligence reform bill enacted last year, which included significant sections on border and transportation security, and day-to-day oversight of our activities which helped focus our priorities and responsiveness to the American people.

As a last introductory point, to the extent that legitimate analysis finds fault with the transportation security measures implemented by DHS over the past two years, I accept my share of responsibility for those shortcomings. I am proud of the efforts the first leadership of the Department under Secretary Ridge. I strongly believe our initiatives have reduced the vulnerability of our country to terrorist attacks, but I also recognize that the country is still at the front end of a lengthy effort to craft policies and develop operational capabilities before we might be able to declare victory in this fight.

BACKGROUND

As Secretary Chertoff has discussed eloquently in recent months, the essential nature of homeland security is risk management. In remarks to the George Washington University Homeland Security Policy Institute on March 16, the Secretary said: "[W]e need to adopt a risk-based approach in both our operations and our philosophy. Risk management is fundamental to managing the threat, while retaining our quality of life and living in freedom. Risk management must guide our decision-making as we examine how we can best organize to prevent, respond and recover from an attack."

Thus in nearly every area where the government has assumed a lead role in protecting the public from the possibility of a terrorist incident, our programs reflect a degree of risk management. In areas such as vetting of foreign nationals for entry to our county, for inspections of cargo, for distribution of preparedness funds, for development of next generation tools of anti-terrorism devices and services, and many others, risk management, for better or for worse, is the best way to focus our immense, but ultimately limited, resources on how to reduce the terrorist threat.

However, for the prescreening and physical screening of aviation passengers, the government has not yet deployed an effective set of programs demonstrating a similar system of risk management. Anybody who has flown in the past several years

and watched an elderly grandmother, young child, or the business "road warrior" who flies the same route every week undergo the same checkpoint procedure as the rest of us can recognize that we have not found a truly effective way to conduct risk management at the checkpoint.

Following the tragic events of September 11, 2001, the Congress passed the Aviation and Transportation Security Act (ATSA) government which created the Transportation Security Administration and the new regime of federalized aviation security measures. This Act and subsequent statutory and regulatory mandates have established the legal framework which requires aviation passengers to undergo a series of prescreening and physical screening measures to identify potential terrorists and other persons who might threaten the safety of an aircraft or fellow passengers and to detect objects that might be utilized to endanger the aircraft or passengers or turn the aircraft itself into a weapon.

Congress also realized that appropriate risk management suggested that TSA be allowed to develop innovative programs such as RT to fulfill both the security and facilitation missions of the agency. Thus TSA launched a series of five RT pilots in 2004, each with a single air carrier partnering with a single airport, with small numbers of enrollees selected for invitation by the air carrier from their frequent flyer membership lists. While the pilots have proved popular with the small number of enrollees, they have not yet blossomed into the more comprehensive program that the traveling public desires and that DHS should pursue. This result is largely due to the facts that even for enrollees the availability of RT is restricted to only a handful of gates at a particular airport and that the pilots were not interoperable.

This result is not to point a finger at TSA or the vendors selected by TSA to assist the pilots as they have managed the program with a very small appropriation and under direction from DHS and BTS not to expand the pilots until a broader and cohesive program could be formulated. As the review process was underway last fall and winter, DHS was developing the proposed Screening Coordination and Operations office unveiled in the fiscal year 06 budget which would take ownership of RT. The process was further complicated by a necessary coordination with a proposed international RT pilot operating between the Netherlands and the United States. Finally, the transition in DHS leadership this winter, followed by Secretary Chertoff's valuable Second Stage Review, has halted further deployments until policy and structural decisions are made. It is worth noting that the existing pilots have provided valuable lessons about the public's interest in RT and the use of biometrics.

However, we are nearing a time when DHS, in partnership with the private sector and the traveling public, should be able to deploy new programs to bring a true measure of risk management to passenger screening.

INTERACTION WITH SECURE FLIGHT

While the subject of this hearing is the Registered Traveler program, it is not possible or wise to review RT without considering how RT should work in conjunction with the Secure Flight passenger prescreening program under development at DHS and the existing CAPPS program administered by air carriers. Secure Flight is the final version of the prescreening program formerly known as CAPPS II. Secure Flight is designed to collect passenger name record (PNR) information from air carriers about air travelers before boarding. The primary mission of the program is to have the government, via TSA, take over the mission of comparing passenger information against appropriate "no-fly" and terrorist watchlists to ensure that such individuals are detected and not allowed to board aircraft or to ensure they undergo enhanced physical security checks in secondary processing. As part of the proposal, TSA has announced plans to test the viability of comparing passenger data to commercial data sources to resolve "false positive" hits arising from the no-fly and watchlist review. In prior versions of CAPPS II, TSA had proposed to compare available intelligence about threats to passenger information to develop a "risk" score for each passenger to help steer screening resources to "unknown" travelers.

Meanwhile at least part of the existing CAPPS system to determine who is selected for secondary screening likely will remain in place. Under this system, air carriers evaluate characteristics about the way tickets were purchased to differentiate between normal and elevated risk passengers. While I anticipate that the classified criteria currently utilized in CAPPS will be reviewed and amended as Secure Flight becomes operational, it is important to remember that the information reviewed is solely based on the characteristics of the ticket transaction, not the individual purchasing the ticket.

The key point of this discussion for this hearing is that via Secure Flight and CAPPS, TSA and air carriers will be receiving small but important amounts of pas-

senger information—name, date of birth, address, etc—that can be utilized in various ways to conduct risk assessment. Under the currently announced implementation plan for Secure Flight, that information will only be utilized for the task of finding matches on the "no-fly" and terrorist watchlists and thus will be not used for any broader purpose. However, as the government looks at how to deploy RT, it is crucial to remember that the information collection and vetting mechanisms it employs may be duplicative in part with the existing CAPPS and proposed Secure Flight programs.

REGISTERED TRAVELER: PROPOSED END STATE

The ideal end state for Registered Traveler would be an effective public-private partnership between the federal government, air carriers, airport authorities, contractors, and profit-motivated program managers. Under no circumstances would I advise policymakers to attempt to execute either a wholly federalized program or to hand over complete responsibility to RT to any private sector entity or set of companies. Instead, the private sector should be allowed to generate a variety of options to present to travelers to attract them initially to a "home" airport program, with approved participants granted RT privileges at the TSA checkpoint in any other domestic RT location. Such a model will allow the government to realize enhanced efficiencies at the checkpoint, freeing up screener resources to focus on less known, less vetted travelers, will provide travelers willing to provide personal information with an improved airport and checkpoint experience, and allow airports, air carriers and their partners opportunities to offer innovative, profit-based solutions.

I recommend that an end state RT program operate under the following principals:

Government Decides Eligibility

The government's primary responsibility is to identify terrorists or others who should be denied access to flights or be subjected to enhanced physical scrutiny. The government, led by the TSC, maintains the database of terrorist lookout information and must provide the underlying decision as to the existence of derogatory information that should disqualify interested program participants from any expedited and streamlined security procedure. Applicants should provide a full slate of ten fingerprints so that DHS can screen applicants against names in the Terrorist Screening Center's Terrorist Screening Database (TSDB), DHS' IDENT system, and DOJ's IAFIS system and can screen applicants' biometrics against IDENT and IAFIS. Applicants should be refused whose biometric or biographic information indicate any indicia of connection to terrorism, prior felony conviction, or pending indictment or warrant for a felony. However, due to the small differential in screening procedures applied to RT enrollees compared to non-enrollees, enrollment in a RT program should normally not require an interview with a TSA or other DHS official.

DHS should maintain a common database of RT enrollees to ensure that as enrollees from one location are cleared for participation, they are cross enrolled in other RT locations. Such a common database will also allow continual revetting of participants as new terrorist watchlist and criminal database information is added.

In addition, because DHS will be privy to any disqualifying information about a particular applicant, redress procedures akin to those currently offered by TSA to the general public related to the "no-fly" list should be offered to those who feel they were rejected for entry into RT by DHS. While participation in RT should be considered a privilege, not a right, American citizens deserve an opportunity to have law enforcement officials review potentially incorrect "false positives" before their ability to receive government benefits such as RT is jeopardized.

Within DHS, I strongly support the creation of the proposed Screening Coordination & Operations Office which was designed by the Administration to harmonize how screening and vetting programs within the department are developed and operated. This office should be the focal point for the following RT responsibilities:

* Promulgation of standards for eligibility for RT (i.e. what constitutes disqualifying information or prior criminal activity);
* Promulgation of standards for cross-enrollment of other vetted persons into RT;
* Management of enrollee database;
* Point of contact for private sector partners (airlines, airports, marketers, consortiums);
* Entrance point for applicant information and DHS portion of fees collected from applicants; and
* Interface with TSC to determine applicant eligibility.

Government Offers Reduced Screening

While amenities of a RT program such as free parking or non-security measures may be attractive add-ons to the program, at its core RT is a security program and must reflect that principle at the checkpoint. Thus, TSA should be required to review the specific security measures taken at the checkpoint and ascertain which can be eliminated for RT participants. The list of specific security measures which should be reviewed include: removal of jackets and shoes; treatment of electronic devices such as laptops; presentation of identification documents and boarding passes; the ability to be rescreened following an initial alarm; and the treatment of accompanied minors and other reduced risk populations. Without demonstrable changes at the checkpoint to facilitate the transit of vetted individuals and to shift the screening burden to less known travelers, RT will not succeed. Moreover, in an environment where the checkpoint procedure has not changed, the government should not be involved with the provision of non-security amenities to travelers.

Government Offers SAFETY Act Coverage

For obvious reasons, it is absolutely critical that DHS quickly provide SAFETY Act coverage to any qualified RT program and its partners. So long as TSA controls the physical checkpoint and handles the vetting of enrollees, private sector entities should bear no risk for their participation in RT.

Marketing and Non-Security Aspects Should Be Handled by the Private Sector

Launching RT generally and operations related to particular airports and air carriers will require significant amounts of marketing, advertising, branding and other activities that are better handled by the private sector. The government should not be in the business of deciding how potential applicants are to be approached or what non-security benefits are to be offered to participants. As has been demonstrated by the creativity of the private sector in responding to interest by the Orlando Airport to launch a privately-run RT pilot, including the teams headed by Verified Identity Pass and Lockheed Martin and by EDS and Unisys, there should be no shortage of models to attract potential participants. For some flyers whose principal airport suffers from routinely long screening delays, merely offering a streamlined checkpoint process may be sufficient to attract interest. For others, it may take the checkpoint changes plus an easier passage from one's arrival at the airport to the checkpoint including preferred or free parking or other airport amenities. For others, receiving perks from air carriers in areas such as preferred counter procedures, expedited baggage handling, access to lounges, or flight amenities such as upgrades or in-flight services may be attractive to add to the checkpoint improvements. It is entirely possible an entire menu of RT classes might develop with varying non-security amenities, but always built on the premise that a vetted individual can receive an enhanced checkpoint experience at any participating RT airport.

Domestic RT Should be Linked to International RT

The same reasons that make domestic RT programs a smart idea apply in the international realm as well. U.S. Customs and Border Protection appropriately has been developing registered or trusted traveler programs for travel between the U.S. and Mexico, Canada, and Europe. While the overlay of the government's responsibility to screen incoming foreign visitors as to their eligibility to enter the U.S. adds additional dimensions to such programs, enrollees in any international RT program should be cross-enrolled in all domestic RT sites as well. Such a program to facilitate travel by international visitors may go a long way to dispelling the "Fortress America" perception that has developed unfortunately in many quarters of the globe. It will be especially important to harmonize CBP and TSA operations at major international gateway airports. DHS will need to provide a smooth travel and security experience for U.S. citizens and foreign visitors who are enrolled in the international RT and thus domestic RT program as they transition through U.S. customs and immigration processing onto a domestic flight.

Effective Use of Biometrics

While a ten-print collection is appropriate for the application stage, RT participants appearing at the checkpoint should provide a single print to a fingerprint reader to ensure a one-to-one match against the enrolled participant. While program cards including biometric and biographic information may be useful for the other aspects of the RT program, including demonstrating that participants should be allowed access to designated lanes, the best one-to-one match should come directly from the individual at the checkpoint. US–VISIT has provided an excellent real world case study as to the feasibility of real-time use of biometrics and that model should be replicated if possible in RT. To the extent that operational testing indicates that a backup biometric is necessary to positively identify travelers, an iris

or hand geometry biometric may be useful. I do not support a system based on a non-fingerprint biometric as a baseline biometric for the simple reason that our criminal and terrorist databases are fingerprint-based.

Airport Connectivity Is Required

One of two major weaknesses of TSA's current RT program is a lack of real-time connectivity to the checkpoint to ensure that the latest terrorist and criminal information can be compared against participants. Building out connectivity to the checkpoint is an ongoing TSA priority and would provide assurances that the most accurate information is available to find enrollees who have been identified after enrollment as posing a threat. The US–VISIT system has demonstrated the value of this connectivity to our CBP ports of entry and a corollary system needs to be implemented by TSA. If such connectivity is not feasible at the time that RT is otherwise ready for deployment, manual updates to checkpoint kiosks may be sufficient as an interim measure.

Shared Costs

The costs of developing and deploying RT should be borne across several sectors. Participants should pay a one-time base application fee to cover the costs to the government for their security review, probably in the $50 range. Additional amounts may added to the fee to reflect non-security amenities offered by particular RT providers. Fees should be collected by each "host" airport or their designee with appropriate amounts remitted to DHS for their expenses and other revenues distributed as negotiated among partners in each venture. In addition, for airports where checkpoint delays are a continual problem and where new lane construction is logistically feasible, private sector partners should be encouraged to use such fee revenues to build such designated lanes and/or to pay for dedicated TSA screeners.

Linkage to Other Vetting Programs

DHS is operating a number of additional vetting programs, including hazardous material truck drivers, airport workers, and the TWIC program for other transportation workers. In addition, numerous government employees and contractors undergo vigorous security vetting as part of their clearances for access to sensitive facilities and/or information. In an effort to allow TSA to prioritize its screening attention against lesser known individuals, RT should be designed to allow individuals who have passed an equivalent measure of security review the opportunity to participate in RT.

CONCLUSION

In conclusion, the Registered Traveler program continues to show great but unfilled promise. With proper oversight and direction from DHS based on risk management at the checkpoint, the private sector should be unleashed to provide air travelers begging for a smarter approach to security a range of options that meet the particular conditions at their airport. As is the case with all aspects of aviation security since September 11, 2001, both the burden and benefits of RT must be shared by the government, the private sector entities operating our complex aviation systems, and air travelers themselves.

I congratulate the Committee and Subcommittee for its continued cooperation with and oversight of DHS and its component agencies. I thank you for the opportunity to appear before you today and look forward to your questions.

Mr. LUNGREN. Thank you much, Mr. Verdery.

The Chair would now recognize Mr. William Connors, the executive director of the National Business Travel Association, for 5 minutes.

STATEMENT OF WILLIAM CONNORS, EXECUTIVE DIRECTOR, NATIONAL BUSINESS TRAVEL ASSOCIATION

Mr. CONNORS. Good morning, Mr. Chairman, Ranking Member Thompson, distinguished members of the subcommittee.

Mr. Chairman, let me open by bringing you greetings from our chapter in Sacramento. I spoke to the leadership of the Sacramento Business Travel Association yesterday, and they wanted me to convey their support for the Registered Traveler Program and also personal greetings to you, sir.

Ladies and gentlemen, my name is Bill Connors, and I am the executive director and CLO of the National Business Travel Association. I come here representing the world's largest association of corporate travel managers and travel buyers.

Our 2,500 members annually purchase more than $170 billion worth of travel services for their corporations. They purchase and manage the travel for a majority of the Fortune 1,000 companies in this country, and, therefore, indirectly represent 10s of millions of frequent business travelers.

We are pleased that this subcommittee saw NBTA as an important contributor to this discussion on the Registered Traveler Program. For the past 3 years, we have been strong proponents of the program, and I thank you for including NBTA in this hearing.

We have submitted our official testimony for the record, but I would like to add some personal observations, if I may.

I am here not only as the spokesman for the National Business Travel Association, but also as a registered user of the system myself. I am a Registered Traveler here at Reagan National Airport, just like Stewart, and I would like to add I am a satisfied customer when I can, indeed, use the program.

NBTA has participated in the launches of the pilot program at airports in Minneapolis, Boston and here at Reagan National. NBTA strongly supports the extension of the Registered Traveler Program far beyond the current limited pilot project.

I would like to make seven quick points, if I might.

Number one, NBTA has supported and will continue to support the expansion of the RT program, as long as it remains an opt-in program and as long as it has dedicated security lines for participants and, finally, as long as safety and security concerns are first and foremost.

Number two, although wait times at airports have improved, the hassle factor is still part of the business traveler's vocabulary. Forty-eight percent of our members still report that security hassles at airports are hurting the U.S. business travel climate and negatively impacting the healthy conduct of commerce in this country.

Number three, in another NBTA study, 14.8 million business travelers reported that they would participate in a paid Registered Traveler Program. So there is, indeed, a demand for this product.

Number four, our members indicate that corporations continue to increase their use of charter aircraft and corporate jets largely to avoid commercial travel hassles.

Number five, providing dedicated lines for frequent business travelers will ease congestion in lines for all business travelers.

Number six, NBTA is not opposed to efforts by the private sector to provide Registered Traveler services, like those being planned in Orlando, providing federal authorities oversee and sanction such programs.

And, finally, number seven, NBTA would advocate that a private-sector advisory board be established to gather input on all issues related to travel security and travel facilitation, and we would be eager and willing participants in such an initiative.

With that, Mr. Chairman, the National Business Travel Association applauds this subcommittee for bringing this issue to the peo-

ple. Further, we applaud the members of the Department of Homeland Security and TSA for making our transportation system the safest and most convenient in the world.

Thank you, Mr. Chairman.

Thank you, members.

[The statement of Mr. Connors follows:]

PREPARED STATEMENT OF BILL CONNORS

Good morning Mr. Chairman and Members of the Subcommittee, I am honored to testify before you today. I appreciate the opportunity to present the views and concerns of the customer at today's very important hearing on the Registered Traveler Program. My name is Bill Connors, and I am the Executive Director & COO of the National Business Travel Association (NBTA).

The National Business Travel Association is the authoritative voice of the business travel community, representing more than 2,500 corporate travel managers and travel service providers who collectively manage and direct more than $170 billion of expenditures within the business travel industry, primarily for *Fortune 1000* companies.

NBTA believes in strong, effective travel security that does not place unnecessary burdens on travelers. We believe that there are technological possibilities that would allow the more than 6 million frequent business travelers a more rapid screening process. As such, we have been a strong supporter of the Registered Traveler concept for over three years.

NBTA has participated in the Registered Traveler openings at airports in Minneapolis, Boston and Washington, DC. In addition, I, myself, am a member of the Registered Traveler pilot program here at Reagan National Airport.

We are currently experiencing a return of business travel to levels seen in 2000. The dip in business travel began with the downturn in the economy, and it was exacerbated by the terrorist attacks of September 11, 2001 and other world events. The business travel slump continued into 2003, with security concerns and the "hassle factor" having negative impacts, along with economic conditions. We saw the beginnings of a recovery in 2003 and into 2004, and that recovery continues today.

Concerns about safety/security, and the impact of security procedures on travel have changed booking patterns. For example, more companies are using corporate jets and charters than ever before. That trend continues today, for most companies, time and value issues are second only to safety concerns. In 2002, 26% of companies were using corporate jets and charters. In 2004, that number had grown to 33%, and a recent NBTA online poll indicates that trend continues.

In another NBTA survey conducted in 2004, 48% of members stated that the security hassle at airports is a factor that is hurting the U.S. business travel climate. In another survey done jointly between NBTA and the Travel Industry Association released early in 2005, 53% of members stated that they would like to participate in a pay Registered Traveler program.

It is therefore no surprise that business travelers and corporate travel managers are strong supporters of programs like Registered Traveler, which would speed the process at airports, and offer voluntary participation. Travel security can be both effective and efficient. Providing business travelers the option of strong, expedited screening will help make our businesses, our economy and our country even stronger.

As I stated previously, NBTA has supported the Registered Traveler Program since the pilot program was rolled out, and we applaud the Department of Homeland Security, the Transportation Security Administration, and all of the airlines and airports involved in the Registered Traveler Pilot Program for their efforts to improve the security screening process. NBTA would also strongly encourage those who are responsible for managing this program to make it permanent and nationally available.

NBTA is encouraged by expansion of the program to include a private sector option. The Known Passenger Program in Orlando will offer the first large-scale test of the Registered Traveler concept. If successful we encourage TSA to offer similar programs to travelers around the country as soon as possible, if the program proves to expedite the screening process while ensuring the security of the entire system.

As a member of the Registered Traveler Pilot program here at Reagan National Airport, I can tell you from experience that the program is currently a welcome opportunity for registered users here in DC. Having used the system on several occasions myself here at Reagan airport, I have been a satisfied customer. It is hard to say how the program here at DCA has performed with limited participation, but

based on my experiences, we would be happy to see the program expanded dramatically.

I would like all of you to know, from the perspective of someone who hears from the business travel community daily, and is responsible for bringing their views to you here today, that it has been a good beginning. Now I would urge you, as quickly and efficiently as possible, to build on that foundation to enable every airport around the county to offer this service to its frequent travelers.

It's time we allowed all and frequent travelers who wish to participate in the Registered Traveler Program to do so. We need to safely facilitate the healthy conduct of commerce in this county, which only serves to make our economy stronger, and our nation more secure.

Thank you again for giving me the opportunity to come before you today and provide the views of the business travelers, corporate travel managers and travel service providers. The National Business Travel Association would be more than willing to serve in an advisory capacity on any and all issues related to passenger screening and the Registered Traveler Program. On a broader level, NBTA would recommend the establishment of an advisory group to liaise with all government agencies working to make our transportation system as efficient and safe as possible.

Thank you.

Mr. LUNGREN. Thank you, Mr. Connors.

The Chair would now recognize Mr. Jim Harper, director of information policy studies at the CATO Institute.

STATEMENT OF JIM HARPER, DIRECTOR OF INFORMATION POLICY STUDIES, THE CATO INSTITUTE

Mr. HARPER. Thank you, Chairman Lungren, Ranking Member Thompson, members of the subcommittee.

I am pleased to be here to share my views with you about the Registered Traveler Program. I think you have a wide variety of important perspectives, and I appreciate being one of them today.

At the CATO Institute, I study information policy, things like privacy, identification, surveillance, from a civil liberties and limited government perspective, and I have looked at Registered Traveler from that angle.

From that perspective, it summarizes like this: The long delays and uncertainty at airports amount to a substantial tax on travelers' time when they seek to move about within the country. Registered Traveler seeks to lower the tax on their time using personal information. That is travelers spend personal information, spend privacy in order to get back their wasted time.

Now consumers often give up privacy in exchange for convenience, so it is not a drop-dead proposal for that reason, but giving up privacy to government is a lot more consequential than giving up privacy to a private actor.

There are a number of civil liberties concerns with Registered Traveler that I want to return to, but, first, I want to try to be a nice guy and pick out a feature of the Orlando version of Registered Traveler that I find fairly attractive.

Orlando is slated to use a private company to manage the program and particularly to issue biometric cards. A privately issued identification card, I think, is a big deal because companies like Verified Identity Pass, which will issue the biometric card in Orlando, issue privacy policies, and these privacy policies are not just nice statements. These privacy policies are contracts, and they are subject to law.

The Verified Identity Pass privacy policy says in particular—their contract says—that they will get rid of travel information

within 24 to 48 hours and maintain it only at the airport during that time.

That is an important anti-surveillance feature that I think is one we need to understand and look at because the homogeneous identification systems that are growing in this country, uniform identification systems, like the state-issued driver's license, in the future digital age are more and more going to be a surveillance tool, useful both to the public sector and the private sector.

So the use of a privately issued identification card is a step towards an essential heterogeneous identification system in the United States, and I think it is very important to have that kind of thing to preserve the freedom and civil liberties that we all enjoy.

Now picking out this one good element of Registered Traveler will certainly raise hackles among my friends in the privacy advocate community, so let me be clear that privately issued IDs are not a panacea, they do not solve all the civil liberties concerns with Registered Traveler or with data collection in general, and Registered Traveler does have a number of substantial concerns that go with it.

One is the inequity of using the Transportation Security Agency to help segregate travelers, the general public from preferred travelers who sign up for the Registered Traveler Program. I think it is unseemly at least to have government authorities dividing people up along these lines.

Under its current iteration, the Registered Traveler Program offers users no redress whatsoever. There is no due process, no responsibility for fairness. There may be redress procedures in the future, but they need to be robust.

Privacy Act protections do not apply to Registered Traveler at the current time. These are some of the few insufficient protections that Americans have when governments collect information about them. That should be resolved.

Most importantly, I think, the voluntariness of the Registered Traveler Program cannot be guaranteed—cannot be guaranteed— because none of us know the future, and a government program under some unfortunate circumstance in the future could be expanded quite quickly into a mandatory program.

Now everybody is searching for common sense, of course. Let me put forward some common sense so strong that it hurts. The fundamental problem that brings about these civil liberties concerns is the provision of federal law enforcement to a private industry, to the private air transportation industry.

I understand completely the emotional and political justification for having federal authorities serve as security guards for airlines, but this is a massive in-kind subsidy that may not bring us the best possible security.

For more than 30 years, responsibility for airline security has been mixed between the government and the private sector. In fact, it was on September 11, 1970, that President Richard Nixon announced a large expansion of federal involvement in air security based on hijackings in the Middle East.

Unclear lines of authority tend to degrade results, and we should ask if it is really best to have so-called public-private partnerships

responsible for security where the accountable parties are never certain.

To summarize, I think the Registered Traveler Program is a little bit like putting a strawberry on liver and onions. It is meant well, we are working to improve it, but it does not make the overall package welcome. Registered Traveler is not something I would sign up for and it is not something I would recommend, but I certainly appreciate the effort to improve our Transportation Security System.

Thank you.

[The statement of Mr. Harper follows:]

PREPARED STATEMENT OF JIM HARPER

Chairman Lungren, Ranking Member Sanchez, and Members of the Subcommittee—

Thank you for examining the Registered Traveler program through today's hearing. I appreciate the opportunity to share my views with you.

I am Director of Information Policy Studies at The Cato Institute. The Cato Institute promotes fundamental American principles of limited government, individual liberty, free markets, and peace. The Jeffersonian philosophy that animates Cato is often called "libertarianism" or "market liberalism." It combines an appreciation for entrepreneurship, the market process, and lower taxes with strict respect for civil liberties, and skepticism about the benefits of both the welfare state and foreign military adventurism.

At Cato, I study, write, and speak about the difficult challenges of adapting law and policy to the unique problems of the Information Age. My areas of study include privacy, data security, identification, surveillance, and cybersecurity, as well as intellectual property, telecommunications, and Internet governance.

I am also the Editor of *Privacilla.org,* a Web-based think-tank devoted exclusively to privacy. On the Privacilla site, there are hundreds of pages of material about privacy, including book reviews and discussions of privacy fundamentals, privacy from government, and topics such as online privacy, financial privacy, and medical privacy.

Recently, I was appointed by the Secretary of the Department of Homeland Security to serve as a member of the Department's Data Privacy and Integrity Advisory Committee. This group is constituted to advise the Secretary and the DHS Chief Privacy Officer on programmatic, policy, operational, administrative, and technological issues within DHS that affect individual privacy, as well as data integrity, data interoperability and other privacy-related issues.

The Privacy Advisory Committee will have its second meeting in Boston next week. We are only beginning our work and deliberations so nothing in my testimony, oral or written, reflects the views of the Privacy Advisory Committee or any other member of the Committee. I am confident, however, that the Privacy Advisory Committee appreciates the attention being paid us by Members of Congress. Mr. Thompson, the Ranking Member of the full Homeland Security Committee and an *ex-officio* Member of this Subcommittee, was good enough to come speak to our first meeting in early April, as did Mr. Cannon of Utah, who serves on the Judiciary and Government Reform Committees.

I am currently writing a book on identification called IDENTITY CRISIS: HOW IDENTIFICATION IS OVERUSED AND MISUNDERSTOOD. IT IS SLATED FOR PUBLICATION EARLY NEXT YEAR AND WILL ADDRESS MANY OF THE ISSUES IN CURRENT AIRLINE SECURITY PROGRAMS ON AT LEAST A THEORETICAL LEVEL.

In my testimony below, I have first done what I can to highlight the good elements of the Registered Traveler program. I have many reservations about Registered Traveler, which I address second. My deep misgivings about the entire system that Registered Traveler tries to fix come last, but please consider these equally as carefully. Their position at the end of my testimony should not suggest that they are my least important contribution. Indeed, they are probably the most important.

Though I am highly concerned with, and critical of, our current approach to airline security, I acknowledge without reservation that the people working on these policies at the Department of Homeland Security and the Transportation Security Administration do so in good faith, with the best interests of our country, its people, and our tradition of freedom in their hearts.

Registered Traveler Summarized

Like the beneficent motives of the people at DHS and TSA, there is no doubt about the good intentions behind the Registered Traveler program. Some relief from the uncertainty and delay for travelers at airports is certainly in order. Anything that will restore our air transportation system to better functioning is a welcome effort.

Registered Traveler amounts to the following "deal" for air travelers: If you submit information to the government and pass a background investigation (also paying a fee in some cases), you will be given slightly less inspection, on average, at airport checkpoints. Registered Travelers will generally have their own lines at checkpoints and will not be subject to random secondary screening and other security measures in place for the general population.

Stated in different terms, the program works like this: Airport checkpoints now amount to a tax on travelers' in two ways: in travelers' time and in their privacy/anonymity. Users of Registered Traveler will pay a privacy/anonymity fee by handing information over to the government (the fee, paid in lost privacy, is higher than the tax, because more personal information is used), and a cash fee in some cases. In return, less of their time will be taxed away through waiting in lines at airports.[1]

People often trade privacy for convenience which is why some estimates of American travelers' participation are relatively high. Though there are many reasons for concern, there are interesting potential benefits from a version of Registered Traveler slated to begin soon in Orlando, Florida.

The Innovative Orlando Version: Privately Issued Identification

The Orlando version of Registered Traveler includes what I think is a fascinating and welcome innovation: the use of a privately issued identification card. The Greater Orlando Airport Authority has entered into an agreement with a private identification card issuer called Verified Identity Pass, Inc. This company will market, issue, and operate Orlando's Registered Traveler card under the brand name "Clear."

Clear will collect information from applicants for Registered Traveler, including fingerprints and iris images. These are highly accurate biometric identifiers that machines can read fairly well today. It will forward applicants' personal information to the TSA so that the TSA can investigate the applicants. (As discussed below, conditioning travel on government investigation is not OK, but my focus in this section is what is good in Registered Traveler.) Once the applicant has been approved by the TSA, the Clear card can be used to access airport concourses.

At the airport, the Clear member will place the card in a reader and allow his or her finger or iris to be scanned. The scan will be compared to the biometric information embedded in the card using an algorithm designed for matching these biometrics. Meanwhile, a unique identifier on the card will be compared to a database of members' identifiers. If the card information matches the person carrying it, and if the card identifier is on the list of approved cards, the Clear member will continue through the expedited Registered Traveler line.

Privately Issued Identification Cards are Good

Reading the privacy policy on the Verified Identity Pass Web site illustrates why privately issued identification is superior. It is for a reason that might be surprising: because the Verified Identity Pass privacy policy is a *contract*. It gives Clear members enforceable legal rights and it gives potential applicants information that they can rely on when deciding whether to use it. A private identification issuer like the Clear program submits itself to enforceable contractual terms and commits itself to future actions consistent with its contract.

Neither of these things is true of government privacy policies or the Privacy Act notices published routinely in the *Federal Register*. Privacy Act notices can be changed merely by a new publication. Congress and Federal agencies can change the privacy commitments they have made, denying recourse to citizens, because these government entities are law*makers* not law subjects.

A program like the Orlando Registered Traveler, operated as it is by a private identification card issuer, can be much more protective of privacy than a government operated program, about which future privacy consequences cannot be predicted. And, as I discuss below, the Clear program is more protective of travel information than the government programs we have seen.

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[1] The plans of Verified Identity Pass, Inc., at the Orlando, Florida, airport are discussed in detail below. According to the Washington Post, the company expects to have 3.3 million customers for its "Clear" Registered Traveler identification card within six years at annual memberships fees of $100. This estimate holds that far in excess of 330 million dollars worth of consumer time each year is wasted by the wait times and uncertainty of wait times at airports.

For years, the American Association of Motor Vehicle Administrators has been trying to build the role of Departments of Motor Vehicles in American life and commerce. They are among a small few who seem to recognize that identification is an important and useful economic and social tool. AAMVA and the DMV bureaucrats they represent are seeking to use the power of government to perpetuate the happenstance—the mere historical accident—that the most common and recognized identification services are provided by governments. It does not have to be this way, and it should not be this way.

Uniform Identification Systems Are Bad

In my forthcoming book, I summarize and build on the work of many scholars and advocates who have shown that uniform identification systems have significant negative consequences for important interests that Americans cherish, both as citizens and as consumers.

Uniform identification systems enable surveillance by both public and private entities. They are a tool that undermines the privacy and obscurity people enjoy every day. That is, governments use uniform identification to watch and record the movements and actions of citizens, often contrary to their interests. Likewise, companies and marketers watch and study consumers. This is usually done for the purpose of improving customer service, product design, marketing, and so on, but many people object to it. They are free to do so and would be better able to prevent such monitoring if there were more choice among different identification systems.

Exacerbating the problem, the existence of uniform identification systems makes it easier for more institutions to demand identification than otherwise would. Most consumers accede to requests for identification when they check into hotels, enter buildings, and so on because it is easier to do so than to ask why or to refuse. For this reason, identification is becoming overused. It is often not actually necessary or useful for a transaction, but it gets added for marginal-to-nonexistent security reasons, or to create the impression of security. This kind of identification allows further surveillance. All private surveillance creates data that, in the current legal environment, government authorities may readily seize.

Uniform identification systems expose consumers and citizens to significant dangers. Our national identifier, the Social Security Number, and traditional second identifiers like the mother's maiden name are used too often by too many institutions. This makes identity fraud easier and more profitable. It means that a fraud on one identification system can multiply and by used in many systems, including security systems. If each institution used distinct identification mechanisms, identity fraud would drop in number and in both cost and consequence. (This measure is not without costs itself, of course.)

Likewise, uniform identification systems expose citizens to the risk of official confiscation. Currently, access to more and more goods, services, and infrastructure is being made contingent on showing a single identification, the driver'S license. With this trend, there is an increasing risk that authorities may—legally or illegally—take away identification documents, effectively depriving people of their ability to function in society.

Most totalitarian governments in history have used uniform identification systems as a powerful administrative tool. Totalitarianism does not arise because of uniform identification, but uniform identification systems help totalitarian governments be that way. We are better off, and our freedom stands on stronger footing, if we have heterogeneous identification systems, including things like the Clear identification card.

Privately issued identification cards like the Clear card slated for use in Orlando will help create the heterogeneous identification system that we need in the United States. Though not entirely sufficient—not by a long shot—diversity of identification systems is one bulwark of liberty that will pay Americans enormous dividends in freedom and autonomy during the rapidly advancing digital age.

Private identification systems can put people, as both consumers and citizens, in a better position to control information about themselves. The alternative is massive, uncontrolled information sharing and data pooling that empowers governments and corporations over individuals.

Clear Under the Microscope

I have sung the praises of private identification cards like Clear, noting particularly that they are subject to law rather than the whim of lawmakers. This does not mean they are flawless. Along with some particular benefits, there are potential drawbacks to the Clear identification system, particularly in its interaction with the TSA program.

Foremost, the Clear system appears designed for resistance to surveillance of travelers' movements. This is an attractive feature, laid out in the privacy policy as a firm contract with members. Specifically, Verified Identity Pass tells us:

> For purposes of real-time maintenance and customer support (e.g., if your card doesn't work, we need to be able to run tests to understand why), we will maintain "log files" of entrances to local venues. However, we keep such records only at that location, we purge these records automatically every 24–48 hours, and we have designed our network so that neither Verified ID nor its subcontractors, including Lockheed Martin Corporation, can track and record Members' activities from location to location.

Assuming the Clear system works as stated—and if it does not Verified Identity Pass is on the hook for deceiving its customers—this is a tremendous anti-surveillance feature that has never been seen in government operated programs.

To the extent they revealed information in their Privacy Act notices, programs like CAPPS II and Secure Flight have been ambiguous about how long they would maintain information about Americans' travels in their records. Indeed, the Privacy Act notice for the Registered Traveler pilot, covering TSA's portion of the program, says that data will be retained "in accordance with a schedule to be approved by the National Archives and Records Administration." This is both perfectly ambiguous and subject to change by a subsequent *Federal Register* notice, whether or not participants in Registered Traveler might object.

Clear's contractual promise to use a surveillance-resistant data destruction policy is a major improvement over the alternatives we have seen so far.

Clear's system is not unambiguously good. I note that they collect and store digital images of applicants' fingerprints and irises, apparently passing those on to the TSA as well. The data used to compare a Clear member with biometric data on a Clear card is not an image of the biometric itself but a sort of mathematical *description* of the biometric. Keeping a copy of fingerprint and iris images themselves may expose Clear members to future high-tech iterations of identity fraud if Verified Identity Pass' systems or TSA's systems are hacked or otherwise compromised. There is no obvious rationale for saving images of these biometrics or for sharing copies with the TSA.

Another concern is an apparent conflict between different sections of the Verified Identity Pass privacy policy. In section 5, it says it will comply with valid subpoenas, court orders, or other legal processes that require sharing of Member information with others. This suggests, without stating clearly enough, that it will share information only in these cases. In section 8(C), the policy says that Verified Identity Pass will share information "[i]f the government asks us" in cases when a member is removed from TSA's list of approved Registered Travelers. Loose wording in these two sections combine to create flimsy privacy protections against government entities for users of the Clear card.

Of greatest concern, of course, Clear passes identity and background information to the TSA, which is subject to none of the obligations in the Clear privacy policy. This problem arises from, and inheres in, government-provided security programs, discussed in detail below.

It is not for me to decide whether Clear provides adequate privacy-protective terms to prospective members. Privacy advocates, a watchdog press, the exposure brought by this Subcommittee's hearing, and many other actors and events will shape whether this product meets with the acceptance of consumers. Happily, though, these questions will be decided in a marketplace, where consumers have choices, as opposed to a government process where they do not.

Next, I will discuss how this marketplace can be improved.

Avoid Picking Winners and Losers

Too often with government programs and regulations, winners and losers are chosen through superior lobbying or luck rather than the merits of how well they serve consumers. In at least two respects, Registered Traveler, and the Orlando version of it, can be improved so that competition forces providers to serve consumers better.

Below, I will discuss the relatively large expense of Registered Traveler and Clear cards, particularly for people who travel rarely. This could create the impression of inequity—a class system—that carries the apparent approval and backing of the TSA. I have written above about concerns with the privacy terms offered by Verified Identity Pass to Clear users, though they are generally good. Competition can both lower the price and broaden the appeal of Registered Traveler, and potentially improve the privacy protections in private identification systems like Clear.

Registered Traveler should operate using uniform, neutral, and published (though, of course, secure) standards and protocols for biometric algorithms and for

communication between cards and readers. This would enable other identification card issuers to enter the market, competing to serve Orlando customers and travelers at other airports as they come into the program. Uniform standards and protocols would also allow the identification cards used for Registered Traveler to be used in other settings such as office buildings.

Under the monopoly granted by the Orlando airport authority, Verified Identity Pass appears positioned to collect a relative windfall of $80 to $100 per customer per year, according to reports and the company's Web site, just for issuing the Clear card. (Some of this may go to the TSA to pay for investigations.) In the face of competition among identification card issuers, the price to the Orlando air traveler could drop quickly. Competitive identification card issuers would also likely pick at each others' privacy and anti-surveillance offerings and try to cater better to consumers' concerns, to the extent the TSA's terms allow them to do so.

Imagining further what might happen in a competitive environment, airlines might offer branded Registered Traveler cards to their customers for free to build loyalty. They may group cards with other concierge services for their best travelers. This is fine for private companies to do, though not for the government to affiliate itself with (as discussed below). Other card issuers may seek the low end of the market and offer Registered Traveler cards as inexpensively as possible to the occasional vacation traveler.

There is a wide array of possibilities and I cannot predict how the market for identification services would take shape. None of these beneficial practices would overcome the deep flaws in the current government-provided air security system discussed below. The background investigations done by the TSA could and should also be competitively provided based on full permission from travelers. But, so long as this system exists, there are potential benefits to consumers and to society as a whole from a private identification market. These benefits should be harvested.

Likewise, if it expands Registered Traveler, TSA should offer the programs to airports based on neutral standards rather than superior lobbying and relationships. It should expand into markets rather than airports, so that one airport in a market is not given competitive advantage over another.

People often confuse free-market advocacy like mine with pro-business advocacy. In fact, unhampered markets are very tough on businesses because they force businesses into sharp competition with one another to serve consumers. Subjecting the identification business to competition will help ensure that it is attractive to consumers and oriented to serve their interests, including privacy. Doing whatever is possible to prevent distortion of competition among airports should also be a goal of Registered Traveler.

Registered Traveler has some merits—in particular, the use of a privately issued identification card. It has plenty of demerits that must be considered as well.

Problems with Registered Traveler

Having sought the good from Registered Traveler, I now turn to the bad. There a variety of problems that attach to the program, some of which have been alluded to above. It is difficult to intermingle the government and private sector as closely as Registered Traveler does. In the final sections of my testimony I argue against that entire approach. What follows here is a discussion of several issues that arise from that policy as it manifests itself in Registered Traveler.

Inequity

Users of the Registered Traveler system to date have been invitees of the airlines and regular business travelers much more than average or occasional flyers. It appears that Registered Traveler will ultimately be funded by fees, and the version of Registered Traveler being adopted in Orlando will be based on an $80 annual fee. In light of the fees and inconvenience of joining the program, Registered Traveler will probably not be used by occasional travelers and travelers of limited means. Thus, Registered Traveler will have all the hallmarks of a benefit reserved for the wealthy.

It is discomforting that TSA agents will be actively involved in, and associated with, segregating "preferred" passengers from everybody else in the flying public. Airlines should be free to segment their customers, of course, and business travelers are certainly a valuable segment, but Registered Traveler appears likely to put the government's imprimatur on these divisions.

According to the Washington Post, Verified Identity Pass, the company that will be providing Clear cards for Orlando, will share 29% of the revenue with the airport authority and as much as 22.5% in succeeding years, as well as 2.5% of Clear's future nationwide revenue. This puts the airport authority in a position to benefit from moving travelers from the regular line into Registered Traveler.

The easiest way to do this is to maintain consistent long lines for non–Registered Travelers. Eliminating wait times and uncertainty for the general public would reduce the attraction of the Registered Traveler program and the airport could lose Clear revenues by doing so.

At the least, the Orlando airport's incentive structure will be clouded by this arrangement. The incentives created by the arrangement between Clear and the Orlando airport authority may exacerbate long lines and the sense of inequity created by the Registered Traveler program, a sense that will be inextricably linked to the TSA and U.S. government.

If airline security were handled by airlines themselves, of course, this problem would disappear. Some airlines specifically target the business segment and others target the low-fare traveler. Each could customize their security programs to meet the tastes and demands of their customers.

Fairness, Due Process, and Privacy

According to the Privacy Impact Assessment for the Registered Traveler program's pilot phase, applicants for the Registered Traveler program who are denied will not be given the opportunity to appeal or have other redress. As the program expands, a significant number of people may be unable to participate in Registered Traveler.

If the system goes forward without a full-fledged redress procedure, this will be at least unfair to many people. When government action affects property or important liberty interests, this triggers the requirements of the constitution's Due Process clause. Given the long-recognized liberty interest in travel, it is likely that denying people the right to participate in the Registered Traveler program without appeal or redress will violate Due Process. Attempting to participate in the program, but being denied, may mark a traveler for future difficulties when he or she attempts to fly.

This would be equally true in the Orlando version of the program, in which a private company would collect personal information from applicants, forward it to the government for the investigation, and deny an application based on the government findings. The interposition of a private company does not affect the constitutionality or fairness of denying applications without recourse.

There are many other interests that Registered Traveler denies to volunteers. Indeed, in a Federal Register notice published just yesterday, TSA exempted the system from many protections of the Privacy Act, including the right to an accounting of disclosures, the right to access one's records, and the requirement that information in a traveler's file be relevant and necessary to the TSA's statutory purpose.

Volunteers for the Registered Traveler program may be seeking better treatment at airports, but they may end up getting substantially worse treatment by their government.

Voluntariness

Speaking of volunteering, the Registered Traveler brochure on the Transportation Security Administration's Web site calls participation in the program "completely voluntary." This is true at the present time, of course, and nobody intends for Registered Traveler to be mandatory—just like no one intended the Social Security Number to be used for identification.

No one can predict the future and no one—lawmaker, bureaucrat, or seer—can say for certain that the Registered Traveler program would never become mandatory. Indeed, there is good reason to object to the program in its entirety simply because it builds a traveler surveillance infrastructure and conditions people to accept government investigation as a prerequisite for traveling within the United States. After some future attack on the United States with significant loss of life, Registered Traveler may quickly be extended in any number of directions and made mandatory—without regard to its real utility in terrorism prevention.

In addition to the possibility that registration might be mandated directly in the future, the "voluntariness" of Registered Traveler can be eroded by maintaining consistently bad, slow service in the non–Registered Traveler lines at airports. As discussed above, the Orlando airport will have mixed incentives under its arrangement with Verified Identity Pass. Were airports and the Transportation Security Administration to continually maintain sub-standard service in the standard passenger lanes, Registered Traveler could remain voluntary in the technical since while becoming practically mandatory if a traveler actually wants to get somewhere on an airplane.

The risk that Registered Traveler could become mandatory is grave.

Registered Traveler has some merits that I have featured above. A number of problems with the program exist. They are rooted in the provision of air security

to the airlines by the government. This premise is a deep and fundamental flaw that I have reserved to the latter part of my testimony.

Providing Government Security Services to Private Industry is Error

Though I have done my best, the Registered Traveler program can not be discussed in isolation. The program is intimately bound up with the provision of government security services to the airline industry, at taxpayer expense. It is also premised on the existence of government checkpoints that condition Americans' access to travel, an important and long-recognized liberty interest. To travel by airplane today, one must submit to seizure and search by government officials and one must show identification to government officials as well.

Though there are plenty of emotional and political justifications for it, there is no principled security-based or economic rationale for it. Putting government in the private security business opens the door to substantial incursions on civil liberties, which are occurring at airports daily.

The instinct to bring the full weight of the government into securing air travel is understandable. Attacks on air transportation have often had political motivations. The first recorded attack, in May 1930, saw Peruvian revolutionaries seizing a Pan American mail plane with the aim of dropping propaganda leaflets over Lima.

Hijackings and other terrorist acts often spur knee-jerk, and often wasteful or misdirected, responses. In that sense, terrorists often succeed at injuring their targets even when the direct effects of their actions may be small.

Because it is so important to understand this, I have attached to my testimony an article from the Fall, 2004 issue of *Regulation* magazine called "A False Sense of Insecurity?" In it, Ohio State University national security expert John Mueller shows that leadership in the fight against terror involves informing the public of the real risks from terrorist acts rather than just catering to public fears.

The rash of hijackings to and from Cuba in the late 1960's had obvious political motivations and consequences. A spate of eight hijackings in January 1969 brought the Federal Aviation Administration into the air security business with the creation of the Task Force on the Deterrence of Air Piracy. The Task Force developed a hijacker "profile" to be used along with magnetometers to screen passengers.

In the first few days of September 1970, two American planes, a Swiss plane, and a British plane were hijacked and destroyed with explosives on the ground in Jordan and Cairo. The perpetrators in the Popular Front for the Liberation of Palestine had an obvious political motive. They elicited a super-prompt response in the United States which was very unlikely to have been carefully calculated for optimal terrorism suppression. On September 11, 1970, just days after these bombings, President Richard Nixon rushed out a comprehensive anti-hijacking program that included a Federal marshal program. Since then, the Federal Government has had its hand in airline security, mandating various security practices and supplying guards at taxpayer expense to commercial passenger airlines.

The attacks of September 11, 2001—thirty-one years to the day from President Nixon's move to bring the government into commercial air security—horrified all Americans and filled us with anger and dread. Congress reacted to the provocation with natural protectiveness. The Aviation and Transportation Security Act, signed into law a little more than two months after the attacks, increased the government's role in airline security even further.

This politically appealing response was not necessarily the best. Had the lines of authority for transportation security never been blurred by Federal Government involvement, the al-Qa'ida killers planning the 9/11 attacks might have faced a heterogeneous and unpredictable security system operated by multiple airlines, each one motivated by the fact that their continuing operations relied on keeping their passengers safe and secure.

This is not to say that airlines with full responsibility for security would have had perfect anti-terror records or even would have defeated the 9/11 plot. The weaponization of planes—a destructive technique not seen since the kamikaze attacks by Japanese forces in World War II—was a risk that no institution, public or private, seems to have considered. At best, though, the responsibility for airline security was mixed on 9/11. Unclear responsibility tends to degrade results.

The situation got worse with the airline bail-out, creation of the victims' compensation fund, and creation of the Transportation Security Agency. These steps have contributed to "moral hazard" (in the lexicon of insurance economics) around terrorism prevention: Decision-makers in the companies that control most of America's important infrastructure have seen that *failing* to protect themselves from terrorist threats may result in substantial immediate subsidies, release from liability, and an ongoing government subsidy of their security operations. The fate that the

airlines "suffered" after 9/11 was a substantial infusion of various kinds of corporate welfare.

Airport Checkpoints and Identification Requirements Are Suspect

With good intentions and for good reasons, the Registered Traveler program seeks to overcome flaws in the Transportation Security Administration's screening program. But it addresses only a narrow part of one flaw: the substantial time delay for travelers. There are many others.

Foremost, TSA screening areas are government checkpoints that may be unconstitutional and that are certainly defective policy. When government officials stop and inspect citizens and their belongings, these are Fourth Amendment searches and seizures which, according to the terms of that Amendment, must be reasonable.

Two lines of Supreme Court cases are relevant. In one line (*Terry v. Ohio*), authorities have some level of suspicion about particular people that they have stopped. This is clearly not applicable to TSA checkpoints at which government officials stop and search everyone. The other line addresses checkpoints—in which everyone passing through a particular area is seized, if briefly, based on no particular suspicion whatsoever.

The most recent case, *Indianapolis v. Edmond* (2000), struck down a checkpoint set up for general law enforcement purposes. The Supreme Court specifically declined to decide whether its decision applied to airports or government buildings.

The future case that addresses checkpoints at long-distance transportation centers will have high stakes on both sides if it squarely addresses whether exercising the liberty to travel can be conditioned by government officials on submitting to search and seizure. If suspicionless searches and seizures at airports are reasonable under the Fourth Amendment because of the substantial danger to the public involved, this limitless rationale will validate checkpoints wherever some gross crime could or does occur: shopping malls, tunnels, factories, subways and so on. This is a roadmap for terrorists who wish to sap our economic strength and the vitality of our free people.

Overlaying these issues is the question of government-mandated identification at checkpoints. The recent *Hiibel* case which validated the requirement that someone tell an officer his or her name tracks to the *Terry v. Ohio* Fourth Amendment cases because the subject in that case was under suspicion. Suspicionless identification requirements have not been tested in the courts. A prominent case called *Gilmore v. Gonzales* pending in the Ninth Circuit may reveal what law or regulation, if any, actually requires the showing of identification at TSA checkpoints, and whether such a law is constitutional.

The constitutional questions about checkpoints and government-mandated identification underscore important policy questions that deserve careful, rational consideration. The Fourth Amendment is a constitutional rule, but also a sensible policy guideline. Searching the 99.99% of Americans who are 110% in support of the United States against the terrorists may be a waste of resources and time. These resources might be better devoted to far more selective and particularized searching, developing human intelligence, following leads, and tracking down genuine suspects of crime, terrorism, and related conspiracies.

The theory of identification-based security has significant flaws. People tend to believe that knowing who a person is reduces that person as a threat. This is true in normal life because in normal life people who are known can be held accountable. Terrorists are not accountable, however. They are willing to die. Capturing the identity of all who would board an airplane does nothing to thwart committed terrorists. Checking identification may prop up the mistaken feeling the general public has of being safer sitting next to someone who the government has "checked out." It is disrespectful folly to deceive the American people this way.

Checking identification for the purpose of comparing air travelers to lists of suspects or no-flyers is also deeply flawed and unlikely to interdict committed terrorist groups. An MIT study called "Carnival Booth: An Algorithm for Defeating the Computer–Assisted Passenger Screening System," has shown that terrorists can defeat screening programs. By traveling multiple times before carrying out an attack, terrorists can determine whether or not they are subject to special screening. Those who are not subject to screening can be assigned to act. Again, this brittle security policy provides a roadmap to terrorists.

If terror suspects are known, watch lists are analogous to placing wanted posters in Post Offices—*and then waiting for the criminals to go to the Post Office.* True terror suspects should be sought out, investigated, arrested, and prosecuted. Non-suspects should be free to travel.

Identification can have some role in suppressing the risks of terrorist attacks. There is probably a close, but imperfect inverse correlation between "depth" in the

community—children, family, ownership, liberal education, etc.—and propensity to terrorism. Identification and investigation can reveal such background, but people have consistently rejected the background checks envisioned for CAPPS II and Secure Flight. Background checking should be a consensual service, provided by airports and airlines. Because the correlation is imperfect, of course, securing infrastructure against tools and methods of attack will always be needed. Searching for weapons or bombs should probably remain a part of the security practice in commercial aviation for the indefinite future.

This all presumes that weaponization of a plane remains a risk. It does not. Hardened cockpit doors have driven that risk down substantially. In fact, that risk was virtually eliminated by 9:57 a.m. on the morning of September 11, 2001. That was the time that the passengers on United 93 attacked the cockpit. They realized that the airline security system had failed them and cooperating with the hijackers would not save them. Indeed, it would take the lives of others. These passengers at least ensured that their flight would not be used as a giant bomb like the others. No joy comes from recounting this event, but it does illustrate the better result when security is provided by interested parties with a real stake in the outcome.

To do airline security best, it should be done by the airlines themselves, in ways that they find to best protect their, and their passengers', interests. They are the ones who have something on the line. In case that is a subject of doubt: no air carrier is insurable post-9/11, and thus no air carrier is operable, if it does not take precautions fully sufficient for the risks to passenger aviation we all now recognize.

Likewise, in a fully private system, every major investigative news operation would be poring over airline security and sneaking dangerous items onto planes so that they could report on airlines' failings. The threat this publicity would bring to passenger levels and revenues would put airlines in a security frenzy. Airline security would be better and more creatively tested by the nation's enterprising reporters under a private system than it is today in the monolithic government systems we are limping along with. The strongest tools our society has to fight terror are still lying on the ground, unused.

Airlines are not subject to constitutional limitations like the Fourth Amendment. Were airline security restored to private hands, the airlines could condition travel on search, identification, or whatever other measure they thought would protect their airplanes and passengers. They would implement these security practices in ways that nest with and balance passenger comfort and privacy, good customer service, profitability and all the other interests that businesses must serve in order to survive. Each passenger, informed by our watchdog press, could choose the airline which he or she believed to be most secure.

Despite my deep reservations about the current stance of airline security, I have endeavored to constructively highlight what is good and bad about the Registered Traveler program. The emergence of a privately issued identification system, subject to contractual obligations that protect privacy and resist travel surveillance, is a welcome innovation. Whether it will appeal to the public is an open question that has many facets. And whether Registered Traveler will or should survive is another question. Probably, it should go away as airlines retake responsibility for a security role that is properly theirs.

RISK

*How does the risk of terrorism measure up
against everyday dangers?*

A False Sense of Insecurity?

BY JOHN MUELLER
Ohio State University

ETERMINING HOW TO RESPOND TO the terrorist challenge has become a major public policy issue in the United States over the last three years. It has been discussed endlessly, many lives have been changed, a couple of wars have been waged, and huge sums of money have been spent — often after little contemplation — to deal with the problem.

Throughout all this, there is a perspective on terrorism that has been very substantially ignored. It can be summarized, somewhat crudely, as follows:

- Assessed in broad but reasonable context, terrorism generally does not do much damage.

- The costs of terrorism very often are the result of hasty, ill-considered, and overwrought reactions.

A sensible policy approach to the problem might be to stress that any damage terrorists are able to accomplish likely can be absorbed, however grimly. While judicious protective and policing measures are sensible, extensive fear and anxiety over what may at base prove to be a rather limited problem are misplaced, unjustified, and counterproductive.

TERRORISM'S DAMAGE

For all the attention it evokes, terrorism actually causes rather little damage and the likelihood that any individual will become a victim in most places is microscopic. Those adept at hyperbole like to proclaim that we live in "the age of terror." However, while obviously deeply tragic for those

directly involved, the number of people worldwide who die as a result of international terrorism is generally only a few hundred a year, tiny compared to the numbers who die in most civil wars or from automobile accidents. In fact, in almost all years, the total number of people worldwide who die at the hands of international terrorists anywhere in the world is not much more than the number who drown in bathtubs in the United States.

Until 2001, far fewer Americans were killed in any grouping of years by all forms of international terrorism than were killed by lightning, and almost none of those terrorist deaths occurred within the United States itself. Even with the September 11 attacks included in the count, the number of Americans killed by international terrorism since the late 1960s (which is when the State Department began counting) is about the same as the number of Americans killed over the same period by lightning, accident-causing deer, or severe allergic reaction to peanuts.

Some of this is definitional. When terrorism becomes really extensive, we generally no longer call it terrorism, but war. But Americans seem to be concerned mainly about random terror, not sustained warfare. Moreover, even using an expansive definition of terrorism and including domestic terrorism in the mix, it is likely that far fewer people were killed by terrorists in the entire world over the last 100 years than died in any number of unnoticed civil wars during the century.

Obviously, this condition could change if international terrorists are able to assemble sufficient weaponry or devise new tactics to kill masses of people, and if they come to do so routinely. That, of course, is the central fear. As during the Cold War, commentators are adept at spinning out elaborate doomsday and worst-case scenarios. However, although not impossible, it would take massive efforts and even more stupendous luck for terrorists regularly to visit substantial destruction upon the United States.

HISTORICAL RECORD It should be kept in mind that September 11 continues to stand out as an extreme event. Until then, and since then, no more than 329 people have ever been killed in a single terrorist attack (in a 1985 Air India explosion). And extreme events often remain exactly that — aberrations, rather than harbingers.

A bomb planted in a piece of checked luggage was responsible for the explosion that caused a Pan Am jet to crash into Lockerbie, Scotland in 1988, killing 270 people. Since that time, hundreds of billions of pieces of luggage have been transported on American carriers and none have exploded to down an aircraft. (And millions of passengers who checked bags at hotels and retrieved them before heading to the airport have routinely lied to airline agents when answering the obligatory question about whether their luggage had at all times been in their possession.) This does not mean that one should cease worrying about luggage on airlines, but it does suggest that extreme events do not necessarily assure repetition any more than Timothy McVeigh's Oklahoma City bombing of 1995 has.

Since its alarming release of poison gas in the Tokyo subway in 1995, the apocalyptic group Aum Shinrikyo appears to have abandoned the terrorism business and its example has

sequent punishment. And terrorism likely will never go away completely; it has always existed and presumably always will.

A central issue, however, is whether such spectacularly destructive terrorist acts will become commonplace. Although there have been many deadly terrorist incidents in the world since 2001, all (thus far, at least) have relied on conventional methods and have not remotely challenged September 11 quantitatively. If, as some purported experts repeatedly claim, chemical and biological attacks are so easy and attractive to terrorists, it is impressive that none have so far been used in Israel (where four times as many people die from automobile accidents as from terrorism). Actually, it is somewhat strange that so much emphasis has been put on the dangers of high-tech weapons in the first place. Some of that anxiety may come from the post-September 11 anthrax scare, even though that event killed only a few people. The bombings of September 11, by contrast, were remarkably low-tech and could have happened long ago; both skyscrapers and airplanes have been around for a century now.

RESPONDING TO TERRORISM

Frantz Fanon, the 20th century revolutionary, contended that "the aim of terrorism is to terrify." If that is so, terrorists can be

> Terrorists can be defeated simply by not
> becoming terrified — that is, anything that enhances
> fear effectively gives in to them.

not been followed. Some sort of terrorist inoculated Tylenol capsules with cyanide in 1982, killing seven people. However, that frightening and much-publicized event (it generated 125,000 stories in the print media alone and cost the manufacturer more than $1 billion) failed to inspire much in the way of imitation.

I do not want to suggest that all extreme events prove to be the last in their line, of course. At its time, the "Great War" of 1914–18 was the worst war of its type, yet an even more destructive one followed. Moreover, while Aum Shinrikyo may be under control, Al Qaeda and like-minded terrorist groups are unlikely to die out any time soon: September 11 marked, after all, their second attempt to destroy the World Trade Center.

Much of the current alarm is generated from the knowledge that many of today's terrorists simply want to kill, and kill more or less randomly, for revenge or as an act of what they take to be war. At one time, it was probably safe to conclude that terrorism was committed principally for specific political demands or as a form of political expression. In the oft-repeated observation of terrorism expert Brian Jenkins, "Terrorists want a lot of people watching, not a lot of people dead." Moreover, the suicidal nature of many attacks, while not new, can be very unsettling because the would-be perpetrator cannot be deterred by the threat of sub-

defeated simply by not becoming terrified — that is, anything that enhances fear effectively gives in to them.

The shock and tragedy of September 11 does demand a focused and dedicated program to confront international terrorism and to attempt to prevent a repeat. But it seems sensible to suggest that part of this reaction should include an effort by politicians, officials, and the media to inform the public reasonably and realistically about the terrorist context instead of playing into the hands of terrorists by frightening the public. What is needed, as one statistician suggests, is some sort of convincing, coherent, informed, and nuanced answer to a central question: "How worried should I be?" Instead, the message the nation has received so far is, as a Homeland Security official put (or caricatured) it, "Be scared; be very, very scared — but go on with your lives." Such messages have led many people to develop what Leif Wenar of the University of Sheffield has aptly labeled "a false sense of insecurity."

HYPERBOLIC OVERREACTION For example, there is at present a great and understandable concern about what would happen if terrorists were to shoot down an American airliner or two, perhaps with shoulder-fired missiles. Obviously, that would be a major tragedy. But the ensuing public reaction to it, many fear, could come close to destroying the industry.

Accordingly, it would seem to be reasonable for those in charge of our safety to inform the public about how many airliners would have to crash before flying becomes as dangerous as driving the same distance in an automobile. It turns out that someone has made that calculation: University of Michigan transportation researchers Michael Sivak and Michael Flannagan, in an article last year in *American Scientist*, wrote that they determined there would have to be one set of September 11 crashes a month for the risks to balance out. More generally, they calculate that an American's chance of being killed in one nonstop airline flight is about one in 13 million (even taking the September 11 crashes into account). To reach that same level of risk when driving on America's safest roads — rural interstate highways — one would have to travel a mere 11.2 miles.

Or there ought to be at least some discussion of the almost completely unaddressed but patently obvious observation that, in the words of risk analyst David Banks, "It seems impossible that the United States will ever again experience takeovers of commercial flights that are then turned into weapons — no pilot will relinquish control, and passengers will fight." The scheme worked in 2001 because the hijackers had the element of surprise working for them; previous airline hijackings had mostly been fairly harmless as hijackers generally landed the planes someplace and released the passengers. The passengers and crew on the fourth plane on September 11 had fragmentary knowledge about what had occurred earlier that day and they prevented the plane from reaching its target. Similar responses are likely for future attempted hijackings. Nonetheless, notes Banks, "enormous resources are being invested to prevent this remote contingency." There is a distinction, he argues, "between realistic reactions to plausible threats and hyperbolic overreaction to improbable contingencies."

Moreover, any problems caused by radiological, chemical, or perhaps biological weapons are likely to stem far more from the fear and panic they may cause than from the weapons themselves. While a "dirty bomb" might raise radiation 25 percent over background levels in an area and therefore into a range the Environmental Protection Agency considers undesirable, there ought to be some discussion about whether that really constitutes "contamination" or much of a danger at all, given the somewhat arbitrary and exceedingly cautious levels declared to be acceptable by the EPA. The potential use of such bombs apparently formed the main concern during the Orange Alert at the end of 2003. Because the bombs simply raise radiation levels somewhat above normal background levels in a small area, a common recommendation from nuclear scientists and engineers is that those exposed should calmly walk away. But this bit of advice has not been advanced prominently by those in charge. Effectively, therefore, they encourage panic. As one nuclear engineer points out, "If you keep telling them you expect them to panic, they will oblige you. And that's what we're doing."

POOR RESULTS For their part, biological and chemical weapons have not proven to be great killers. Although the basic science

about them has been well known for a century at least, both kinds of weapons are notoriously difficult to create, control, and focus (and even more so for nuclear weapons).

To this point in history, biological weapons have killed almost no one. And the notion that large numbers of people would perish if a small number of chemical weapons were to be set off is highly questionable. Although they can be hugely lethal when released in gas chambers, their effectiveness as weapons has been unimpressive. In World War I, for example, chemical weapons caused less than one percent of the total combat deaths; on average, it took a ton of gas to produce one fatality. In the conclusion to the official British history of the war, chemical weapons are relegated to a footnote that asserts that gas "made war uncomfortable...to no purpose." A 1993 analysis by the Office of Technology Assessment finds that a terrorist would have to deliver a full ton of Sarin nerve gas perfectly and under absolutely ideal conditions over a heavily populated area to cause between 3,000 and 8,000 deaths — something that would require the near-simultaneous detonation of dozens, even hundreds, of weapons. Under slightly less ideal circumstances — if there were a moderate wind or if the sun were out, for example — the death rate would be only one-tenth as great. The 1995 chemical attack launched in Tokyo by the well-funded Aum Shinrikyo (attempted only after several efforts to use biological weaponry had failed completely) managed to kill only 12 people.

Thus far at least, terrorism is a rather rare and — in appropriate, comparative context — not a very destructive phenomenon. However, the enormous sums of money being spent to deal with the threat have in part been diverted from other, possibly more worthy, endeavors. The annual budget for the Department of Homeland Security, for example, now tops $30 billion, while state and local governments spend additional billions. Some of that money doubtless would have been spent on similar ventures under earlier budgets, and much of it likely has wider benefits than simply securing the country against a rather limited threat. But much of it, as well, has very likely been pulled away from more beneficial uses.

Accordingly, three key issues, set out by risk analyst Howard Kunreuther, require careful discussion but do not seem ever to get it:

- How much should we be willing to pay for a small reduction in probabilities that are already extremely low?

- How much should we be willing to pay for actions that are primarily reassuring but do little to change the actual risk?

- How can measures such as strengthening the public health system, which provide much broader benefits than those against terrorism, get the attention they deserve?

As Banks puts it, "If terrorists force us to redirect resources away from sensible programs and future growth in order to pursue unachievable but politically popular levels of domes-

tic security, then they have won an important victory that mortgages our future." For instance, measures that delay airline passengers by half an hour could cost the economy $15 billion a year, calculates economist Roger Congleton.

HYSTERIA

Filmmaker Michael Moore happened to note on CBS' popular 60 Minutes last year that "the chances of any of us dying in a terrorist incident is very, very, very small." His interviewer, Bob Simon, promptly admonished, "But no one sees the world like that." Both statements, remarkably, are true — the first only a bit more so than the second.

It would seem to be reasonable for someone in authority to try to rectify this absurdity. In Kunreuther's words, "More attention needs to be devoted to giving people perspective on the remote likelihood of the terrible consequences they imagine." That would seem to be at least as important as boosting the sale of duct tape, issuing repeated and costly color-coded alerts based on vague and unspecific intelligence, and warning people to beware of Greeks bearing almanacs.

What we need is more pronouncements like the one in a recent book by Sen. John McCain (R-Ariz.): "Get on the damn elevator! Fly on the damn plane! Calculate the odds of being harmed by a terrorist! It's still about as likely as being swept out to sea by a tidal wave. Suck it up, for crying out loud. You're almost certainly going to be okay. And in the unlikely event you're not, do you really want to spend your last days cowering behind plastic sheets and duct tape? That's not a life worth living, is it?"

But admonitions like that are exceedingly rare, almost nonexistent. What we mostly get is fearmongering, some of it bordering on hysteria. Some prominent commentators, like David Gergen, argue that the United States has become "vulnerable," even "fragile." Others, like Sen. Richard Lugar (R-Ind.), are given to proclaiming that terrorists armed with weapons of mass destruction present an "existential" threat to the United States or even, in columnist Charles Krauthammer's view, to "civilization." A best-selling book by an anonymous CIA official assures us that our "survival" is at stake.

The cosmic alarmism reached a kind of official pinnacle during last winter's Orange Alert. At the time, Homeland Security czar Tom Ridge declared that "America is a country that will not be bent by terror. America is a country that will not be broken by fear." Meanwhile, however, Gen. Richard Myers, chairman of the Joint Chiefs of Staff, was telling a television audience that if terrorists were able to engineer a catastrophic event that killed 10,000 people, they would successfully "do away with our way of life." The sudden deaths of that many Americans — although representing less than four-thousandths of one percent of the population — would indeed be horrifying and tragic, but the only way it could "do away with our way of life" would be if we did that to ourselves in reaction.

All societies are "vulnerable" to tiny bands of suicidal fanatics in the sense that it is impossible to prevent every terrorist act. But the United States is hardly "vulnerable" in the sense that it can be expunged by dramatic acts of terrorist destruction, even extreme ones. In fact, the country can readily, if grimly, overcome that kind of damage — as it overcomes some 40,000

deaths each year from automobile accidents. As RAND's Bruce Hoffman put it, "Unfortunately, terrorism is just another fact of modern life. It's something we have to live with."

POLITICIANS AND THE MEDIA

A problem with getting coherent thinking on the risk of terrorism is that reporters and politicians find extreme and alarmist possibilities so much more appealing than discussions of broader context, much less of statistical reality. That is, although hysteria and alarmism rarely make much sense, politicians and the media are often naturally drawn to them.

There is no reason to suspect that President Bush's concern about terrorism is anything but genuine. However, his approval rating did receive the greatest boost for any president in history in September 2001, and it would be politically unnatural for him not to notice. His chief political adviser, Karl Rove, declared last year that the "war" against terrorism will be central to Bush's reelection campaign. The Democrats, scurrying to keep up, have stumbled all over each other with plans to expend even more of the federal budget on the terrorist threat, such as it is, than President Bush.

This process is hardly new. The preoccupation of the media and of Jimmy Carter's presidency with the hostages taken by Iran in 1979 to the exclusion of almost everything else may look foolish in retrospect, as Carter's secretary of state, Cyrus Vance, conceded in his memoirs. But it doubtless appeared to be good politics at the time — Carter's dismal approval rating soared when the hostages were seized. Similarly, in the 1980s the Reagan administration became fixated on a handful of American hostages held by terrorists in Lebanon. At the time, Reagan's normally judicious secretary of state, George Shultz, was screaming that we needed desperately to blast somebody somewhere "on a moment's notice" — even without adequate evidence — in order to avoid looking like the indecisive "Hamlet of nations." He apparently preferred the King Lear approach. Normally, however, only lunatics and children rail at storms; sensible people invest in umbrellas and lightning rods.

Since September 11, the American public has been treated to endless yammering about terrorism in the media. Politicians may believe that, given the public concern on the issue, they will lose votes if they appear insensitively to be downplaying the dangers of terrorism (though this fear does not seem to have infected Sen. McCain). However, the media like to tout that they are devoted to presenting fair and balanced coverage of important public issues. I may have missed it, but I have never heard anyone in the media stress that in every year except 2001, only a few hundred people in the entire world have died as a result of international terrorism.

As often noted, the media appear to have a congenital incapacity for dealing with issues of risk and comparative probabilities — except, of course, in the sports and financial sections. But even in their amazingly rare efforts to try, the issue — one that would seem to be absolutely central to any rounded discussion of terrorism and terrorism policy — never goes very far. For example, in 2001 the *Washington Post* published an article by a University of Wisconsin economist

that attempted quantitatively to point out how much safer it was to travel by air than by automobile, even under the heightened atmosphere of concern inspired by the September 11 attacks. He reports that the article generated a couple of media inquiries, but nothing more. Gregg Easterbrook's cover story in the October 7, 2002, *New Republic* forcefully argued that biological and chemical weapons are hardly capable of creating "mass destruction," a perspective relevant not only to terrorism but also to the drive for war against Iraq that was going on at the time. The *New York Times* asked him to fashion the article into an op-ed piece, but that was the only interest the article generated in the media.

In addition, it should be pointed out that the response to September 11 has created a vast and often well-funded terrorism industry. Its members would be nearly out of business if terrorism were to be back-burnered, and accordingly they have every competitive incentive (and they are nothing if not competitive) to conclude that it is their civic duty to keep the pot boiling.

Moreover, there is more reputational danger in underplaying risks than in exaggerating them. People routinely ridicule futurist H.G. Wells' prediction that the conflict beginning in 1914 would be "the war that will end war," but not his equally confident declaration at the end of World War II that "the end of everything we call life is close at hand." Disproved doomsayers can always claim that caution induced by their warnings prevented the predicted calamity from occurring. (Call this the Y2K effect.) Disproved Pollyannas have no such convenient refuge.

The challenge, thus, is a difficult one. But it still seems sensible to suggest that officials and the press at least once in a while ought to assess probabilities and put them in some sort of context rather than simply to stress extreme possibilities so much and so exclusively.

KNOW YOUR AUDIENCE It is easy to blame politicians and the media for the distorted and context-free condition under which terrorism is so often discussed. In many respects, however, that circumstance arises not so much from their own proclivities, but rather from those of their customers. Hysteria and alarmism often sell.

The record with respect to fear about crime, for example, suggests that efforts to deal responsibly with the risks of terrorism will prove difficult. Fear of crime rose notably in the mid-1990s, even as statistics were showing crime to be in pronounced decline. When David Dinkins, running for re-election as mayor of New York, pointed to such numbers, he was accused by A. M. Rosenthal of the *New York Times* of hiding behind "trivializing statistics" that "are supposed to convince us that crime is going down." New Yorkers did eventually come to feel safer from crime, but that was probably less because crime rates actually declined than because of atmospherics as graffiti, panhandlers, aggressive windshield washers, and the homeless were banished or hidden from view. So it may have made sense in the months after the September 11 attacks to have armed reservists parading around in airports. It is not clear how they prevented terrorist attacks, and pulling them from

productive jobs hardly helped the economy. But if they provided people with a sense of security, their presence may have been worth it.

In the end, it is not clear how one can deal with the public's often irrational — or at least erratic — fears about remote dangers. Some people say they prefer comparatively dangerous forms of transportation like the private passenger automobile (the cause of over 3 million American deaths during the 20th century) to safe ones like commercial airliners because they feel they have more "control." But they seem to feel no fear on buses and trains — which actually are more dangerous than airliners — even without having that sense of control and even though derailing a speeding train or crashing a speeding bus is likely to be much easier for a terrorist than downing an airliner. And people tend to be more alarmed by dramatic fatalities — which the September 11 crashes certainly provided — than by ones that cumulate statistically. Thus, the 3,000 deaths of September 11 inspire far more grief and fear than the 100,000 deaths from auto accidents that have taken place since then. In some respects, fear of terror may be something like playing the lottery except in reverse: the chances of winning the lottery or of dying from terrorism may be microscopic, but for monumental events that are, or seem, random, one can irrelevantly conclude that one's chances are just as good, or bad, as those of anyone else.

The communication of risk, then, is no easy task. Risk analyst Paul Slovic points out that people tend greatly to overestimate the chances of dramatic or sensational causes of death, that realistically informing people about risks sometimes only makes them more frightened, that strong beliefs in this area are very difficult to modify, that a new sort of calamity tends to be taken as harbinger of future mishaps, that a disaster tends to increase fears not only about that kind of danger but of all kinds, and that people, even professionals, are susceptible to the way risks are expressed — far less likely, for example, to choose radiation therapy if told the chances of death are 32 percent rather than that the chances of survival are 68 percent.

But risk assessment and communication should at least be part of the policy discussion over terrorism, something that may well prove to be a far smaller danger than is popularly portrayed. The constant, unnuanced stoking of fear by politicians and the media is costly, enervating, potentially counterproductive, and unjustified by the facts.

CONCLUSION

The policy perspective toward terrorism I suggest may not be more valid than other ones, and no one knows, of course, how the problem will play out in future years. However, the policy advanced here seems to me a sound and sensible one, and for there to be a really coherent policy discussion, it should be part of the mix.

Deep concern about extreme events is not necessarily unreasonable or harmful. Thus, efforts to confront terrorism and reduce its incidence and destructiveness are justified. But hysteria is hardly warranted. As always, there are uncertainties and risks out there, and plenty of dangers and threats. But none are existential. The sky, as it happens, is unlikely to fall anytime soon. ◼

Mr. LUNGREN. Thank you, Mr. Harper.

The Chair now recognizes Ms. Bridgette Goersch, the director of security at the Greater Orlando Aviation Authority.

STATEMENT OF BRIGITTE GOERSCH, DIRECTOR OF SECURITY, GREATER ORLANDO AVIATION AUTHORITY

Ms. GOERSCH. Chairman Lungren, Ranking Member Thompson and distinguished members of the House Committee on Homeland Security Subcommittee on Economic Security, Infrastructure Protection and Cybersecurity, the Greater Orlando Aviation Authority—the authority—greatly appreciates the opportunity to submit testimony on the promise of Registered Traveler. We respectfully appreciate your subcommittee's interest and support of the Registered Traveler Program.

Orlando National Airport operated by the Greater Orlando Aviation Authority is the fourth largest origin and destination airport in the United States, with a commitment to excellence and customer service, as Florida's busiest airport with over 31 million passengers annually. Orlando was recognized recently by J.D. Powers and Associates as the number one airport for customer service in North America and number two in the world behind Hong Kong.

We are honored to have been approached by the Transportation Security Administration, TSA, to initiate a pilot program exploring the feasibility of a private-sector Registered Traveler concept. This program will provide convenient, efficient and speedy access to the security screening process for Registered Travelers. It is distinguished from TSA's Registered Traveler Pilot Programs currently in place at five airports across the country in that it divides responsibility for implementation between the airport and TSA.

Under the program, TSA has responsibility for standards, security and screening oversight for all aspects of the program. The airport's responsibilities incorporate the concept of private-sector partnership to market, operate and maintain the program consistent with TSA guidelines. The program is funded and sustained by the private-sector users. The benefits of the program are improved throughput at the checkpoint and a predictable travel time schedule for passengers, allowing TSA to focus their resources.

After completing a memorandum of understanding with the Transportation Security Administration, the authority initiated a request for a proposal process to select a service provider partner. The board selected the Verified Identity Pass–Lockheed Martin team on June 1, 2005.

We anticipate beginning enrollments for Registered Traveler Program participants by the end of June with actual operations beginning mid–July. The pilot program is to operate at Orlando for a period of 6 to 12 months. It is the intent to seek TSA approval to extend the pilot project into a permanent nationwide program with ability to use at many of our country's airports.

The design of the Registered Traveler Program at Orlando embodies three principles: enhance security, encourage commerce and, three, protect the privacy of passengers' information. A key feature of the Orlando Registered Traveler Program is that it will be open to all travelers on all air carriers departing Orlando International Airport.

A check-in kiosk will be located at our security checkpoints for Registered Travelers to present their card for biometric verification and expedited access to security screening. The card will be a Smart Card with an embedded computer chip allowing the storage of information, and I have a card here for each of you to share with you today.

In order to enroll, an applicant submits two forms of U.S. government-issued identification, provides personal and biometric information in the form of fingerprints and iris scans, and consents to a government security threat assessment. Successful applicants will be issued their official enrollment card by mail.

A unique feature of using biometric identifiers in this program is that the card can only be used by the Registered Traveler as fingerprints and irises are unique to each individual. The key elements to success of the Registered Traveler Program are focused on privacy concerns and demonstration of real benefits.

Our service provider found in initial surveys that the number one concern of passengers as it related to Registered Traveler is privacy. We have taken an aggressive approach in partnership with our service provider to emphasize the protection of information.

The aviation community is very supportive of the Registered Traveler Program, if real benefits can be demonstrated. These real benefits include use at multiple airports, dedicated lines for security screening and certain exemptions for additional security screening.

In addition, this program could be a venue to accelerate the operational testing of new technologies at Registered Traveler lanes, adding real benefits while improving security processes.

By expediting the passengers' screening process for those enrolled in the program, it should help ease possible congestion at the security checkpoints for all travelers. We respectfully request your support and look forward to exploring and integrating these concepts with TSA at Orlando International Airport.

In closing, we remain steadfast in our commitment and purpose to assist our nation in its mission to protect our borders and homeland while enabling safe, efficient and timely movement of passengers and commerce. Travel is one of our most important freedoms. The ability for all citizens to travel safely and efficiently is all of our responsibility.

The Registered Traveler Program reinforces Orlando International Airport's commitment to excellence in customer service. I, as a representative of the authority, want to express my gratitude for the opportunity to present this testimony to your subcommittee today. We look forward to working with you in building the Registered Traveler Program to benefit the traveling public, and I would be happy to answer any questions you have.

[The statement of Mr. Goersch follows:]

PREPARED STATEMENT OF BRIGITTE RIVERA GOERSCH

Chairman Lungren and distinguished members of the House Committee on Homeland Security, Subcommittee on Economic Security, Infrastructure Protection, and Cybersecurity:

The Greater Orlando Aviation Authority ("the Authority") greatly appreciates the opportunity to submit written testimony on "The Promise of Registered Traveler." The Authority remains a steadfast partner in ensuring the highest standards of

public safety and security of our homeland and deeply appreciates the leadership and efforts put forth by you and your Subcommittee to advance this mission.

The Authority respectfully appreciates your Subcommittee's interest and support of the Registered Traveler Program.

I. Registered Traveler Private Sector Program Background

Orlando International Airport, operated by the Greater Orlando Aviation Authority, is the 4th largest origin and destination airport in the United States with a commitment to excellence in customer service as Florida's busiest airport with over 31.1 million passengers in 2004. Orlando was recently recognized by J.D. Powers and Associates as the number one airport for customer service in North America and number two in the world behind Hong Kong. We are honored to have been approached by the Transportation Security Administration (TSA) to initiate a pilot program exploring the feasibility of a private sector registered traveler concept.

This program will provide convenient, efficient, and speedy access to the security screening process for registered travelers. It is distinguished from TSA's Registered Traveler pilot programs, currently in place at five airports across the country, in that it divides responsibility for implementation between the airport and TSA. Under the program, TSA has responsibility for standards, security, and screening oversight for all aspects of the program, including the completion of security threat assessments and control of checkpoint operations. The airport's responsibilities incorporate the concept of the private sector partner to design, construct, market, operate and maintain the program, consistent with TSA guidelines. The program is funded and sustained by the private sector users. The benefit of the program, as capacity returns to the airways, is improved throughput at the checkpoint, for passengers a predictable travel time schedule, and allowing TSA to focus resources.

In February 2005, the Authority executed a Memorandum of Understanding with the TSA. The Authority initiated a request for proposal process to select a Service Provider partner. The Authority Board approved the selection of the Verified Identity Pass, Inc./Lockheed Martin Team on June 1, 2005. We anticipate beginning enrollments for Registered Traveler program participants by the end of June with actual operations beginning mid July. The pilot program is to be operated at Orlando International for a period of six to twelve months. It is the intent to seek TSA approval to extend the pilot project into a permanent nationwide program with ability to use at many of our airports.

II. The Program at Orlando International Airport

The design of the Registered Traveler Program embodies three principles: 1. Enhance security; 2. Encourage commerce, and 3. Protect the privacy of passengers information. The components of the program are security assessment, enhanced technology using biometric identifiers, faster throughput at the checkpoint and ultimately, customer satisfaction.

A key feature of the Orlando Registered Traveler Program is that it will be open to all travelers on all air carriers departing Orlando International Airport. A check-in kiosk will be located at our security checkpoints for Registered Travelers to present their card for biometric verification and expedited access to security screening. The card will be a "smart" card with an embedded computer chip allowing the storage of information. In order to enroll, an applicant submits two forms of U.S. government issued identification, provides personal and biometric information in the form of fingerprints and iris scans and consents to a government security threat assessment. Successful applicants will be issued their official enrollment card by mail. A unique feature of using biometric identifiers in this program is that the card can only be used by the Registered Traveler as fingerprints and iris' are unique to each individual.

III. Challenges of the Private Sector Registered Traveler Program

The key elements to success of the Registered Traveler Program are focused on privacy concerns and demonstration of real benefits. Our service provider found in initial surveys that the number one concern of passengers, as it related to Registered Traveler, is privacy. We have taken an aggressive approach in partnership with our service provider to emphasize the protection of information.

The aviation community is very supportive of the Registered Traveler Program, if real benefits can be demonstrated. These real benefits include use at multiple airports, dedicated lines for security screening, certain exemptions for additional security screening, such as allowing coats and shoes to remain on and laptops to stay in carry-on luggage. In addition, this program could be a venue to accelerate the operational testing of new technologies at Registered Travelers lanes, adding real benefits while improving security processes. By expediting the passenger screening process for those enrolled in the program, it should help to ease possible congestion

at the security checkpoint for all travelers. We respectfully request your support and look forward to exploring and integrating these concepts with TSA at Orlando International Airport.

IV. Closing

Orlando International Airport remains steadfast in its commitment and purpose to assist our nation in its mission to protect our borders and homeland while enabling safe, efficient and timely movement of passengers and commerce. The Registered Traveler Program reinforces Orlando International Airport's commitment to excellence in customer service.

Travel is one of our most important freedoms. The ability for all citizens to travel safely and efficiently is all of our responsibility. The Registered Traveler Program facilitates that right through the enhancement of security, the encouragement of commerce and the protection of passengers privacy.

I, as a representative of the Authority, want to express my gratitude for the opportunity to present this testimony to your Subcommittee. We look forward to working with you in building the Registered Traveler Program to benefit the traveling public.

Mr. LUNGREN. Thank you very much for your testimony.

The Chair will now recognize Mr. Robert Isom, the senior vice president for customer service at Northwest Airlines.

STATEMENT OF ROBERT ISOM, SENIOR VICE PRESIDENT FOR CUSTOMER SERVICE, NORTHWEST AIRLINES, INC.

Mr. ISOM. Chairman Lungren, Ranking Member Thompson and distinguished members of the subcommittee, thank you for the opportunity to present today.

My name is Robert Isom. I am senior vice president for customer service at Northwest Airlines.

Northwest has long been an advocate for the Registered Traveler concept. So, today, it is with some disappointment that I have to say that we have some real concerns about the state of the program, and we question whether the program should even be continued.

The key objective of the Registered Traveler Program as originally envisioned was to find a way to provide the necessary level of security for our passengers, while simultaneously trying to make the passenger security checkpoint screening process as simple and quick as possible for as many passengers as possible.

Working with both Congress and the administration, Northwest believed the Registered Traveler Program would produce net benefits for everyone. Passengers would enjoy quicker movement from curbside to the gate; the TSA would be able to allocate its screener personnel and equipment and financial resources more efficiently, concentrating more heavily on the areas of potential greater risk; and carriers like Northwest would benefit from our passengers being able to go through airport screening faster, resulting in an improved travel experience.

Of course, Northwest's assessment of the cost and benefits of the Registered Traveler Program were based on two important assumptions: first, that this program would be run by the U.S. government; and, second, that travelers who committed to the program, paid their processing fees and successfully passed the background checks would receive some benefit in exchange as they went through the airport checkpoints at each airport.

Both of these assumptions are called into question today. It has been proposed that the role of the U.S. government in this security endeavor be diminished and that the Registered Traveler Program

be operated going forward as a form of public and private partnership, with a very large portion of the program and funding decisions being made by private companies rather than the government.

The private companies are seeking to turn the security program into a for-profit business opportunity. Meanwhile, there are currently no screening benefits provided to the Registered Travelers, though we understand that TSA still is actively pursuing this.

Northwest is particularly concerned by some of the proposals that have been made on how Registered Traveler might attract travelers into the program by offering them ancillary services, rather than simply providing a more efficient checkpoint experience.

For example, it has been proposed that prospective Registered Travelers be enticed with offers of new airport lounge areas, new valet parking services, new preferred automobile parking areas, new discounts at airport stores and restaurants, new tie-ins with products offered by financial services companies, discounted magazine subscriptions.

Northwest believes that it would be a mistake to let the Registered Traveler Security Program be transformed into a club membership organization like this.

The purpose of these enticements, we are told, is to convince travelers to sign up for the program, and at least one private company has proposed that fees for joining the Registered Traveler Program to get these benefits be started at $80 and moved up to $100 over the next couple of years, with any background check fees to be charged by the TSA added on top of those amounts.

Northwest believes it would be a mistake to allow vendors proposing these ancillary benefits and services to skew public policy debate on this matter by offering substantial financial paybacks to airports and others that agree to retain their services.

The Greater Orlando Aviation Authority, for example, just last week accepted the proposal of a vender team that promises to give the authority a cut of between 18 percent and 29 percent of Registered Travelers' enrollment fees depending on how the fee is calculated and, on top of that, 2–1/2 percent of all revenues received from other airports.

The vendors propose to do all of this while also offering revenue shares to credit card companies, trade associations and other affinity groups. The traveler, on the other hand, does not receive any benefit in terms of screening. There are no new security lines. The travelers will still have to remove shoes, laptops from their bags, coats and so on.

This sort of financial model for the Registered Traveler Program is unacceptable. Registered Traveler was supposed to be a program that enhances domestic homeland security. Northwest is still committed to the original purpose behind the Registered Traveler Program, but this program is and must remain a security program. The program must generate real benefits on its own rather than rely on the sale of ancillary benefits to entice travelers to register.

If the Registered Traveler Program does not remain a security program or is not financially sustainable on its own, it should be discontinued so the U.S. government's resources can be redirected to other important efforts to facilitate passenger movement through

airport screening lanes as well as to enhance the overall quality of security provided to our passengers.

Thank you again for the opportunity to present our views to the subcommittee. I would be happy to answer any questions you might have.

[The statement of Mr. Isom follows:]

PREPARED STATEMENT OF ROBERT D. ISOM

Chairman Lungren, Ranking Member Sanchez, and distinguished members of the Subcommittee, thank you for the opportunity to testify here today. My name is Robert Isom, and I am Senior Vice President for Customer Service at Northwest Airlines.

Northwest Airlines has long been an advocate for the Registered Traveler concept. So today, it is with some disappointment that I have to say we have some real concerns about the current state of the program, and we question whether the program should even be continued.

The key objective of the Registered Traveler program, as originally envisioned, was to find a way to provide the necessary level of security for our passengers while simultaneously trying to make the passenger security checkpoint screening process as simple and quick as possible for as many passengers as possible. Working both with Congress and the Administration, Northwest believed that the Registered Traveler program would produce net benefits for everyone. Passengers would enjoy quicker movement from curbside to their gate. The Transportation Security Administration would be able to allocate its screener personnel, equipment, and financial resources more efficiently, concentrating more heavily on the areas of potentially greater risk, and carriers like Northwest would benefit from our passengers being able to go through airport screening faster, resulting in an improved travel experience.

Of course, Northwest's assessment of the costs and benefits of the Registered Traveler program were based on two important assumptions. First, that this security program would be run by the U.S. Government. And second, that the travelers who committed to the program, paid their processing fees, and successfully passed the background check process would receive some benefit in exchange, as they went through the checkpoints at each airport.

Both of these assumptions are called into question today.

It has been proposed that the role of the U.S. Government in this security endeavor be diminished and that the Registered Traveler program be operated going forward as a form of public-private partnership, with a very large portion of the program and funding decisions being made by private companies rather than the Government. The private companies are seeking to turn this security program into a for-profit business opportunity. Meanwhile, there are currently no screening benefits provided to the registered travelers, though we understand TSA is still actively pursuing this.

Northwest is particularly concerned by some of the proposals that have been made on how Registered Traveler might attract travelers into the program by offering them ancillary services, rather than simply providing a more efficient airport checkpoint screening experience. For example, it has been proposed that prospective registered travelers be enticed with offers of:

• New airport lounge areas.
• New valet parking services.
• New preferred automobile parking areas.
• New discounts at airport stores and restaurants.
• New tie-ins with products offered by financial services companies.
• Discounted magazine subscriptions.

The purpose of these enticements, we are told, is to convince travelers to sign up for the program. And at least one private company has proposed that fees for joining the Registered Traveler program to get these benefits be started at $80 and moved up to $100 over the next two years, with any background check fees to be charged by TSA being added on top of these amounts.

Northwest believes that it would be a mistake to let the Registered Traveler security program be transformed into a club membership organization like this.

Northwest also believes that it would be a mistake to allow the vendors proposing these sorts of ancillary services to skew the public policy debate on this matter by offering substantial financial paybacks to the airports and others that agree to retain their services. The Greater Orlando Aviation Authority, for example, just last

week accepted the proposal of a vendor team that promises to give the Authority a cut of:

- 23–29% of the registered travelers' enrollment fees (depending on how the fee is calculated) for the first 30,000 who register at Orlando. And 18–22.5% of the enrollment fees for subsequent enrollees there.
- 2.5% for all enrollment and renewal revenues that the vendors receive from registered travelers at airports other than Orlando.

And the vendors propose to do all of this, while also offering revenue shares to credit card companies, trade associations, and other affinity groups that can be persuaded to solicit their members and customers to join Orlando's registered traveler program! The traveler on the other hand does not receive a benefit in terms of screening. There are no new security lines, so as more people sign up, the registered traveler line is just as long as the non-registered traveler line. There is no change in procedure while going through the line that we are aware of. Travelers will still have to remove shoes, laptops, coats, etc.

This sort of financial model for the Registered Traveler program is unacceptable. Registered Traveler was supposed to be a program that enhances domestic homeland security.

Northwest Airlines is still committed to the original purpose behind the Registered Traveler program. But this program is, and must remain, a security program. The program also must generate real benefits on its own rather than rely on the sale of ancillary benefits to entice travelers to register. If the Registered Traveler program does not remain a security program or is not financially sustainable on its own, it should be discontinued so the U.S. Government's resources can be redirected to other important efforts to facilitate passenger movement through airport screening lanes, as well as to enhance the overall quality of security provided to our passengers.

Thank you again for the opportunity to present Northwest's views to your Subcommittee. I would be happy to answer any questions that you might have.

Mr. LUNGREN. I thank you very much.

And I thank all the witnesses on the panel for their testimony.

At this time, I will recognize myself for 5 minutes to start the questioning, following which members will be recognized in their order of appearance at the time that we started.

Mr. Connors, you heard Mr. Isom talk about some of the suggested perks that would be provided to travelers. It strikes me, as one who is a frequent traveler, that I do not care about all that stuff. All I want to do is move through.

I want security, obviously. This program hopefully will enhance security, but, if all it did was maintain the level of security we had, but actually provided a more rapid movement through for all, as you suggest would happen if you had this program for some, I would be pleased.

From the surveys you have from your organization, does it appear that is what people are looking for? Are they looking for all these perks?

Mr. CONNORS. That is exactly what they are looking for, Mr. Chairman, and, if you look at our organization, our organization represents big corporations, and one of the considerations when they send their travelers out on the road is: Are our travelers, are my employees going to be productive?

If they can save an hour or a half an hour in an airport and do not have to show up at that airport two hours in advance and perhaps if they are in this program only show up 30 minutes in advance, then that is productivity for the corporation, that is productivity for that person who is on the road.

So, yes, I think the number one concern of our members and the members that they represent, the actual travelers, is getting through that checkpoint quickly.

Mr. LUNGREN. Mr. Isom, you were describing perks that were being identified by certain vendors who were proposing to do this?

Mr. ISOM. Yes.

Mr. LUNGREN. Ms. Goersch, is that what is contemplated at Orlando?

Ms. GOERSCH. Not at this time. There are no additional features contemplated in the program other than expedited security screening process.

Mr. LUNGREN. Mr. Verdery, I realize you no longer represent TSA, so I am not going to try to hold you to where they are now, but, hopefully, you can give us some guidance.

You mentioned that there ought to be several different programs you thought that could work in concert to assist in this, and yet you keep referring to the CAPPS program. When I ask TSA, "Why does a 2-year-old granddaughter of mine get a secondary search?" they say, "Well, that is part of the old program."

When I say, "How come members of Congress who, by the very nature of our job, often change our purchases and we purchase through an organization that is obviously identified as selling to members of Congress, get secondary searches?" I am not asking us to be treated specially.

What I am trying to say is does that make any sense whatsoever? When you ask this question, the answer is, "Well, that is part of CAPPS." You just have to realize until we do something else, it is going to continue to be.

Is CAPPS something that is sort of hermetically sealed such that no changes can be made until such time as, you know, we break the seal?

Mr. VERDERY. No, CAPPS, again, is different than CAPPS II, which was the old prescreening program that has now been morphed into Secure Flight. CAPPS is still running, run by the carriers, and it has criteria—I believe they are technically classified, but they are well known in many cases—that put people in secondary screening.

They have been changed, and my understanding is that they will undergo a thorough review with probably lots of changes as Secure Flight is unveiled and begins operations, but that parts of CAPPS will continue to exist.

Mr. LUNGREN. Okay. Now you suggest that we need a private-public partnership, and I usually like that, but every time I have had a question about why there has been a screw-up, TSA says it is the airline's fault, and, when I go to the airlines, they say it is TSA's fault. That is the public-private partnership I see right now.

Mr. VERDERY. Well, that is the whole point of Secure Flight, is to pull the job of matching travelers against watch lists, get it off the airlines' backs and bring it into the government sphere and have TSA do it, and that is under development. The regulations are being developed as we speak.

This program, as you probably know, has a long kind of tortured past, but it is being rolled out this year.

Mr. LUNGREN. I am worried about the tortured present and future.

Mr. VERDERY. Well, I strongly believe Secure Flight will work and will hopefully minimize those kinds of horror stories that you

mentioned, but it requires passengers turning over information to TSA so they can do that scrub.

Mr. LUNGREN. Maybe you can explain this to me. When I have asked TSA why children, who are obviously under 12 years old, are being taken out for secondary search, they tell me that the orders to the airlines are that if it comes up on a ticket for secondary search and the airline sees it is somebody who is under 12, they are supposed to remove secondary search.

They say, well, they do not do that, and my observation is, if you are a TSA employee or supervisor right there at the check stand and you see someone in a diaper that is about, you know, 25 pounds, no more than 25 pounds, it might occur to you that that person is under 12.

Even though the airline has not told you that that person is under 12, what is wrong with changing the program to suggest that we allow TSA people to exercise discretion and say, "You know, I think that person is under 12. Even though the airline did not tell me not to secondarily search him, we are not going to secondarily search him."

Is there something in the regulations that prohibits that?

Mr. VERDERY. I am not sure, Mr. Chairman. I believe that there is flexibility given to these FSDs at each airport to have discretion given to their screeners to deal with those kinds of situations with kids and the like.

Mr. LUNGREN. Okay.

Mr. VERDERY. I do not believe that it is kind of an ironclad rule that they have to search everyone who is marked for secondary because of the way their ticket was purchased.

Mr. LUNGREN. Okay. I mean, I am not taking it out on you. It is just that I am going to keep asking this question until I finally get an answer. We will worry about the business traveler. I am also worried about the families that are traveling and making it so onerous for families to travel that they are going to give up on traveling or we make it just an unfavorable experience.

The gentleman from Mississippi, Mr. Thompson, is recognized for 5 minutes.

Mr. THOMPSON. Thank you very much, Mr. Chairman.

I would like to follow the comment made by Mr. Isom, on whether or not the Registered Traveler Program is really going to benefit the traveling public. If, in fact, I get in this fast lane and I still have to take my shoes off and a lot of these other things, what is the benefit?

Mr. ISOM. That is the same question that we are asking. When we are dealing with a limited pool of resources, not in terms of just screeners at the airport, but also in terms of airport real estate and this positioning of screening lanes.

If we were to dedicate lanes to a select set at the detriment of the vast majority of people that need to transit, we do, in fact, run into problems with getting people through screening, unless there were some enhancements, like not having to take out laptops, not having to take off shoes, not having to take off overcoats where we could see the benefit as well.

Unfortunately, though, even in our test program in Minneapolis where we have been pioneering that, those benefits are not there.

So the program is simply just an access lane that is used by a very low number of people and simply offers access to a lane where you still go through all security provisions.

Mr. THOMPSON. Now, as I understand the program in the pilot, it is only geared toward certain airlines and not everybody. So, if I am traveling Continental, I have to still go through all of the hoops. Am I correct?

Mr. ISOM. That is the case. In Minneapolis, our pilot program covers about 2,300 customers. It involves one checkpoint, and it is Northwest passengers.

Mr. THOMPSON. Thank you.

Now the other point that I am concerned about is whether or not the cost of this program. How much of it would Northwest, to your knowledge, be willing to pick up at this point?

Mr. ISOM. In terms of creating a Registered Traveler Program?

Mr. THOMPSON. Yes.

Mr. ISOM. None, especially as designed currently. It offers no benefit to our passengers, does not improve our operations in the least. We do not perceive that it provides a tangible security benefit, and, for that reason, we are very opposed to paying for it and as well having anyone else establish means by which to extract revenue or dollars from our flying customers.

Mr. THOMPSON. Okay. Thank you very much.

Mr. Harper, from the standpoint that we have had a lot of problems lately with identity theft, do you see this potentially either from that aspect or a civil liberties aspect that this is Registered Traveler Program could very well create some problems for us?

Mr. HARPER. One of the concerns I expressed in my written testimony is that in the Orlando program—and I assume in other iterations of RT—a biometric image is collected by both the vender and transferred to the TSA, saved by the TSA.

The biometric image may be very valuable in the future as an identifier, and having an image of it is not good practice. The comparisons are made using algorithms. Those are mathematical descriptions of the thumbprint or the iris, and that is okay to save because you cannot reconstruct a thumbprint from an algorithm. That is a concern, a futuristic concern, but an important one.

I do think, though, that the use of heterogeneous identification systems will ultimately be the solution to the identify fraud problem. Identity fraud is premised on the fact that there are just a few important identifiers in use today. The Social Security number is the most important one. It is very useful economically to have that. It is just equally useful for criminals to use it.

So using a variety of different identification systems will overall in the long run suppress the amount of identity fraud. It is a difficult crime to tackle, obviously.

Mr. THOMPSON. I yield back.

Mr. LUNGREN. The gentleman yields back.

The gentleman from Alabama, Mr. Rogers, is recognized for 5 minutes.

Mr. ROGERS. Thank you, Mr. Chairman.

I would like to ask Ms. Goersch. You heard Mr. Isom's description of the Registered Traveler Program. Is that an accurate description of your experience in Orlando?

Ms. GOERSCH. Well, the program has not started yet. In reference to benefits?

Mr. ROGERS. Well, the benefits. Yes.

Ms. GOERSCH. The Registered Traveler will have, we are envisioning, an expedited screening process, a lane that is eventually going to be a dedicated lane for the passengers to go through.

We also agree that there need to be real benefits added to that in the form of some of the security screening processes that are alleviated, for example, the laptops out of the bags. Those things need to be added. The surveys have said over and over again these are things that the passengers want in order to grow this program and to facilitate this program.

Currently, one of the things our service provider is offering on the privacy issue is absolutely huge. That is one of the other biggest concerns. Real benefits and privacy are what the passengers want to see to be part of this program.

What we are going to do in Orlando is offer an identity theft warranty, and what that means is that if somebody as being part of this Registered Traveler Program is a victim of identity theft that they will be made whole by the service provider, and we think that is really large, the issue of templates versus the biometric information.

The sample card that you have, you will see where the gold area is. That is where the computer chip is going to be. On that card, the only things that are going to be stored are an identifier of who you are in the system, a picture of you—a digital picture—and a template. That biometric will be stored in a template, not in its original form.

Social Security numbers are currently the leading way of identity theft today, and the Social Security numbers will not be kept in the system. We have to collect Social Security numbers only to give to TSA for the security threat assessment part. Social Security numbers are eliminated after that.

Passengers' movements are not tracked. Social Security numbers are eliminated, very limited information on the cards, only templates that are unique to you and can only be identified with you.

So let's say a card gets lost. Someone is not going to be able to extract and become you or get information off the card to become you, Mr. Rogers. It is worthless, and a new card could be issued with the template information and just the number to identify and reference the individual.

Mr. ROGERS. Trust me. I know becoming me would become worthless. I believe that.

Mr. Connors, do you agree with the assessment Mr. Isom offered?

Mr. CONNORS. I have to be careful, Congressman. Northwest Airlines is a good member of NBTA.

[Laughter.]

I agree with what Mr. Isom said about conceptually Northwest being in favor of this program, as long as it provides real benefits to the users, and we agree with that. As long as you are actually saving time, getting through and making it more convenient, we agree with it 100 percent.

Mr. ROGERS. His indication was he does not see that happening, and that is what I wanted to talk about.

Mr. CONNORS. Well, I can talk to you as a user here at Reagan National, and I have used the system in the pilot program, and it has been a great timesaver for me.

Mr. ROGERS. What have you been the benefits that you have realized?

Mr. CONNORS. Well, I can give you a specific example. I was on a flight on American Airlines, and there was a security line about 50 people long, and I went right to the Registered Traveler booth, put my finger on the scanner, and—poof—walked right through. Now I do not avoid the magnetometer. I still have to go through that, but I went to the head of the line, so to say.

Mr. ROGERS. Did you have to take your shoes off still, take your coat off?

Mr. CONNORS. Correct. Correct.

Mr. ROGERS. It was just a shorter line.

Mr. CONNORS. Yes. But our issue with the current test program is the fact that there is only a handful of people in it. Now I think it is only 10, 12 people that could pass through there a day at Reagan Airport.

Mr. ROGERS. So, if a lot of people participated in that, we would have the same problem in that line that we have in every other line.

Mr. CONNORS. Well, again, for the good of the order, you are taking people out of that main line and putting them into this other line that hopefully will expedite things. You do not have to go through the background checks and all that sort of thing.

Mr. ROGERS. Yes, yes.

Mr. Isom, did you want to say something?

Mr. ISOM. Just real quick, you know, I can speak specifically about the Minneapolis test, and that was a program, again, that was designed for 2,300 customers—only 2,300—one single dedicated checkpoint line. On any given day, you know, the average number of those customers traveling ranges between 100 and 300, a lot of capacity dedicated for one specified group, and, of course, there was very seldom line waits.

But to expand that, you will be drastically cutting into the checkpoint capacity of the vast majority of customers that travel through Minneapolis or any other airport, and that is the primary benefit today, is the line wait, and we understand that, we like that, but you cannot duplicate it across the entire system.

Mr. ROGERS. Do any of you see any benefit other than a shorter line?

Mr. VERDERY. Well, Congressman, essentially, there are three ways to get to the same goal. If the goal is to speed people through who have gone through some vetting, there are three ways essentially to do that.

You can either speed up the actual physical check, you know, at the magnetometer, what happens there, which is key, as I mentioned.

The second is to have some type of dedicated lane and/or additional screeners. I mean, you could have these private-sector pilots paying for screeners, federally trained, federally hired, but paid for off budget.

The third is kind of the way that it works now, that essentially you go through the same process, but you go to the head line.

I mean, that is the three ways to do this, all of them or a combination. Different ones may work in different places.

Mr. ROGERS. Okay.

Thank you, Mr. Chairman.

Mr. LUNGREN. The gentleman from Washington, Mr. Dicks, is recognized for 5 minutes.

Mr. DICKS. Basically, you are saying that not all of the airports are going to have this program. Is that right? I mean, it would have to be universal if it is going to be effective, right? And that is going to cost a lot of money, I would think, as well. Who pays for this?

Mr. ISOM. Congressman, may I respond?

Mr. DICKS. Yes.

Mr. ISOM. You know, when you speak of "It is not universal," it really is a problem. Take an airport like Kansas City, okay, where there are three separate terminals, and, actually, the security checkpoint checking is done at every single gate. It would be impossible to have a Registered Traveler line and also a normal passenger line for screening purposes. It would be very difficult.

In response, Mr. Chairman, to a question you asked earlier, how will it be paid for, the models that we have seen have solely been reliant on ancillary services, and I can speak to discussions with Mascorp and also discussions with Verified ID who approached Northwest as well to sponsor a program for one of our two major hub airports, Minneapolis and Detroit. Certainly, in those proposals, it was a way to get additional revenues for non-core services and certainly services that did not pertain to security.

Mr. DICKS. But you are saying there that the companies would pay for it themselves and get money back from the fee that is paid by the participants. So it would be self-sustaining where it was existent?

Yes, Ms. Goersch?

Ms. GOERSCH. The TSA currently has the five Registered Traveler Program pilots that they have initiated which are about 2,000 people at each airport with one air carrier, and that is funded by the TSA. That is a federally funded pilot program.

This is the first self-funded, in other words private-sector, partnership where it is funded by the private sector. TSA does not pay for any part of this program. In fact, they make sure that we say that any monies that are collected are not to go to TSA. These are self-sustained programs. So it is paid by the users.

This is the first program that TSA has authorized as a private-sector pilot program. So it is the first airport TSA has said, "Okay. We are going to try this at one airport." So TSA is going to be the one who authorizes the expansion of the program to other airports.

Mr. DICKS. Thank you.

Thank you, Mr. Chairman.

Mr. LUNGREN. Mr. Linder is recognized for 5 minutes.

Mr. LINDER. Thank you, Mr. Chairman.

Mr. Connors, you went through a background check?

Mr. CONNORS. Yes, sir.

Mr. LINDER. And you get a thumbprint through the speedy line?

Mr. CONNORS. Yes, sir.

Mr. LINDER. Does that mean they assume you are probably a pretty honest guy and you are not going to bomb the airplane?

Mr. CONNORS. I hope so.

Mr. LINDER. Then why do you have to take off your shoes?

Mr. CONNORS. Well, that is a good question, sir, and my understanding is as these programs roll themselves out, whether they are public, private, that perhaps there will be technologies where we will not have to take off our shoes.

Again, I think it is up to you as lawmakers to make the decisions. Again, our association is no different than anybody else. We have people in our association who are very concerned about privacy issues and who would never be part of this program in a million years, but we have probably a majority of our folks who say, "I will do anything to get in this program. I will give you background. I will give you a lock of my hair. I will give you DNA samples. I will do whatever it takes to save a couple of minutes at that airport."

So the voluntary nature of this is really the key to its success, I think, and, if it is successful and if people are willing to pay for it—and we think people will be willing to pay for it—perhaps there will be ancillary benefits thereafter.

Mr. LINDER. If that is the case then, Mr. Isom, let me ask you this. Why are you so offended that somebody wants to make a profit?

Mr. ISOM. It is a profit on security, and security, in our opinion, is something that is certainly a basic right of everyone. To the extent that we can speed customers up, that is fantastic, we love that idea, but not to the extent that there is an artificial mechanism for a private entity to use security to profit.

Mr. LINDER. Only the people who volunteer for it.

Mr. ISOM. Only people who volunteer for it, but, if the mechanism is in the airport and you can regulate how long lines are, for instance, making a very short Registered Traveler line at the expense of all other lines, in doing that almost setting the dial to how much revenue you want to bring in, how much discomfort you want to put other customers through, that is where the problem comes in.

Mr. LINDER. Mr. Verdery, why do we care what the name is of the person on the airplane?

Mr. VERDERY. Why do we care what the name is?

Mr. LINDER. Yes.

Mr. VERDERY. Well, you want to do a check and see if they are on the no-fly or terrorist watch list.

Mr. LINDER. Do you think they are going to come in with their own identification?

Mr. VERDERY. Well, they very well could. There are many folks that, you know, do not know that we have good intelligence on them.

Mr. LINDER. Many people do not know, but do you think the terrorists know?

Mr. VERDERY. Some of them probably do, and some do not. That is the point of the layered system, and that is why they are trying

many different mechanisms. Again, this is a layered system of security, and this is only one part of it.

Mr. LINDER. But we cannot profile?

Mr. VERDERY. Well, the CAPPS system is a profiling system in a sense. It depends what you mean by that, but it does profile based on ticket characteristics.

Mr. LINDER. But not on personal characteristics?

Mr. VERDERY. It does not. It is based on how you bought the ticket largely.

Mr. LINDER. Why are we always looking for things when we should be looking for people?

Mr. VERDERY. Well, again, I am not here to defend the department that I do not work for anymore, as much as I enjoyed my time and think we did a good job, but, I mean, when I was there, there were a number of programs being developed to try to get more names into watch lists and like-to-finds to build out systems that would allow you to target resources.

Mr. LINDER. If you think for a moment a terrorist is going to get on there without a fake ID and disclose himself to the public and be caught, I think you are nuts!

You wanted to comment, Mr. Harper?

Mr. HARPER. I did, Mr. Linder, in response to your question, why would a Registered Traveler have to take off their shoes. That goes to the weakness of identity-based security, the study at MIT called the Carnival Booth because it is "Step right up. Step right up."

A terrorist cell runs all of its people through the travel lanes, especially Registered Traveler because it is a little bit faster and easier, and they figure out who is not being selected for screening. That is the group that they send forward when they want to actually act.

Identity-based security seems stronger, but it is quite brittle. It is very breakable. You have to have a perfect system in order for it to work. So the better approach is not to identify people, take their names. If you are going to do that, it needs to be perfect and it cannot be.

The thing to do is to look for tools and methods of attack, screen for weapons, screen for residues, that kind of thing. That is going to be the only real solution.

The faith we have put in everybody has to be identified, it fits with ordinary life because in ordinary transactions, the fact that we know who somebody is makes them accountable to us a little bit. We can track them down again. We can call the cops if we need to. It's not true in the case of terrorism. That is why they were so astoundingly successful on 9/11.

Mr. LINDER. What bothers me most about this country is we are always fighting the last war, spending the vast majority of our money on airlines when 10 times as many people travel on trains and more people have been killed on trains. It is almost as though this Department of Homeland Security has become a wholly-owned subsidiary of the airline industry. There is no proportionality whatever to it.

Thank you, Mr. Chairman.

Mr. LUNGREN. The gentleman from Oregon, Mr. DeFazio?

Mr. DEFAZIO. Thank you, Mr. Chairman.

Mr. Connors, I think you are familiar with this statistic. It is a fairly small percentage of people take a large number of flights. Can you give me that number?

Mr. CONNORS. Well, I cannot give it to you specifically, Congressman, but I know about 18 percent of all travel is frequent business travel. I do not have that number.

Mr. DEFAZIO. The number I have seen in the past has been somewhere between 6 percent and 7 percent take nearly a quarter of the flights, and that is our target group here, as I understand it.

I do not know how much you travel, Mr. Isom, and, granted, it is a really lame program the way it has been implemented by TSA. I go an extra hour early for very early flights at National because sometimes the lines are half the length of the terminal.

I have seen one person use the Registered Traveler Program, and they went to the front of the line. They did not have to stand in line an hour, and they did not have to go there an extra hour early. That is an incredible benefit, the predictability of that is an unbelievable benefit, and I would pay a lot of money for that!

But, since I do not fly American out of National, I cannot do it. I fly United or America West or Delta out of National, so I am not eligible for the program.

I mean, the way it has been implemented is unbelievably lame, so I do not think you have a good sample to judge it on, and, to me, it is pretty simple. Business travelers want predictability. You are going to get more predictability.

If we can take a small percentage of the people who take a large number of the flights and divert them from the passenger flow, then the TSA can spend all of their time going over the people who fly infrequently, your grandchildren, and those people who they see are potential threats because they are not registered.

I would not be quite as de minimis about the potential of it. I mean, as run so far, it is useful. We are piloting a technology that is in commercial use. It is used in nuclear plants. It is used at military bases. It is used by some corporations.

But we have to do pilots and test out this technology and see how it might work before we can move forward. It has been unbelievably frustrating to me that we have not been able to just implement a national program.

Mr. ISOM. Congressman, I could not agree with you any more in terms of the benefits that we want to offer. Our customers tell us exactly the same thing, okay. However, we do not see any efficiencies in the way the program is structured. We have not heard anything about any improvement.

The only thing that we have heard about is how this new program for this select group in the same system will be funded, and, ultimately, we view that as yet another tax on the airline business. Our customers that now have to pay to receive security screening, okay, through the very entities that, you know, in the past, whether it be clubs or whether it be retail shops that have paid part of the bill of the airport. And now we are setting up this special club in which an outside vendor, a third party now, can take a skim off the top, and that is a problem.

Mr. DEFAZIO. I share your concern about that. In particular, if it starts to become some sort of amenity card with amenities I do not want, then we are going to have to regulate the private vendors and say, "Look, you are going to have to give basic service."

Business travelers who just want to get to the front of the security line do not want to pay for the club membership over here because they already belong to the Red Carpet Club or they already belong to, you know, whatever. I mean, there is all that.

So there is, I think, a potential problem, and, if the government refuses to adequately fund the program, put in enough screeners, expedite the process. The Appropriations Committee has acted totally arbitrarily to restrict the number of screeners, if we are looking at some sort of private-sector emollient to that, it is going to have to be regulated pretty closely because I do not think a lot of your business travelers are really interested in all that ancillary junk, right?

They want to get to the front of the line. They want to get through the airport. That is all they care about. They can take care of themselves.

Mr. VERDERY. Right.

Mr. CONNORS. I think the marketplace will take care of certain issues that I know Congressman Rogers raised, that if you just move everybody out of one line and go to the other line, you are not going to save any time.

But my hunch is that the marketplace will take care of that. If the line got so long that it is not worth me paying 100 bucks anymore, I am not going to pay 100 bucks. The same thing happens with airport lounges right now. If they become overcrowded, they are going to jack up the price a bit.

So I think the marketplace will take care of some of the issues that I think you raised, Congressman.

Mr. DEFAZIO. Yes. Or it may need to be better run by the government.

Just on the basic issues that Mr. Harper raised, you know, I am in some agreement there. If we had better technology, a lot of this problem would go away, and, if we were screening for actual threats, as opposed to non-threats, a lot of the problem would go away, I mean, if we had technologies in place that can detect explosives, expedite people through.

Look at just the primitive X-rays they are using. I am sure you have been there. They say, "Can I take your bag and put it back through?" Yes. That means you have to have a screener dedicated to walking the bag back to the beginning, interrupting the flow, putting it on, the person looking at it, turning it in a different dimension because they do not have a machine like we have right downstairs here that can look at the bag in different dimensions because we have not paid for it.

So, I think you are right. Ultimately, we want to have a system where we can move everybody through quickly, and we can go after the real threats on those people, but I still think, at that point, there will still be a place in a voluntary system for Registered Travelers.

Mr. HARPER. True, but I think the weakness of Registered Traveler, like the weakness of most government programs that use per-

sonal information, is that the terms of the deal can change arbitrarily. Federal Register Privacy Act notices can be changed with the new issuance of a Privacy Act notice. That is something that does not occur in the private sector. You folks, good intentions notwithstanding, can change the law that affects what happens with data about travelers any time you want. Under duress, no doubt that can happen.

Mr. DEFAZIO. Yes, but the private sector has had some problems. I mean, I think ChoicePoint had a little problem with people's data recently.

Mr. HARPER. I did not hear about that one.

[Laughter.]

Mr. DEFAZIO. Yes. So I am not quite as confident as you are. Personally, there are times when I am more comfortable with the government having the personal information.

Mr. LUNGREN. I would just like to ask a question of the entire panel, and that is my sense is that, right now, since it is a pilot project and not too many people use it, the main benefit is you get to go to the front of the line. If we had an expanded program where you would have lines of some significance, it may lose its utility.

So the question would be: Could they possibly allow you not to take your shoes off, to have your coat on the rack, those sorts of things? Based on your unique perspectives, each of you, would you see a fundamental problem with the TSA allowing that to happen?

We are going to ask TSA that, too, but I am talking about from your perspectives right now, would you see a fundamental problem with that being part of it?

In other words, there is enhanced security protection given by virtue of the identity. I know it is not 100 percent, but our machines are not 100 percent either. Does that calculus goes into the fact that we, therefore, let these people do these other things, maybe not have to take their shoes off, maybe keep their coats on, that sort of thing?

Mr. Verdery?

Mr. VERDERY. Mr. Chairman, in my testimony, I talked about exactly those things of trying to ratchet back the security, and, again, you think of each little point as you go through there, and they need to look at each single one and see which one of those could be essentially dialed back or turned off.

There may be particular ones due to specific threat intelligence at a particular time you would not want to do, but I think, in the main, if you think of all the little things that happen at the checkpoint, some of those could be ratcheted back for people that we have a good sense of security about.

Again, it should not just be people who, you know, want to enroll at a private thing. It should be the people who have already gone through some other vetting by the government—HAZMAT drivers, security, federal workers who have security clearances. We ought to get as many people off of the haystack as we can and into the quicker process.

Mr. LUNGREN. Mr. Connors?

Mr. CONNORS. Well, Stewart mentioned the haystack, and, if you look at the current system, you have a huge haystack of multiple

people going through the system, and, therefore, it is like looking for a needle in a haystack.

If you can vet out a significant number of those people and put them in a quicker line—again, those are regulatory issues, whether or not you wear your coat and take your shoes off—I would think, just having gone through the vetting system myself of enrolling in this program where they ask you all sorts of questions, where your last five addresses were, personal interview, actual photo, iris scan, at least with those protections, you would actually be enhancing security a little bit and allowing the TSA to concentrate on a smaller haystack of people who are unknown.

Mr. LUNGREN. Mr. Harper?

Mr. HARPER. Can people keep their shoes on and their coats on? You can do that. But recognize the risk that you adopt when you do that. It has to do with how well the machines can scan under those circumstances, and you make the program that much more attractive to somebody who wants to do harm.

The way to do real identity-based security is to do deep, deep background checks into people, know everything about them, where were they educated, what do they think about stuff, how many kids do they have.

Mr. LUNGREN. Right, but we are not going to do that. You know that.

Mr. HARPER. That is exactly right. We are not going there. Total information awareness is premised on that. CAPPS II tried to do that and just completely created it on a privacy basis. So you actually cannot rely on identity-based security. People do not trust the government.

Mr. LUNGREN. But if you are going to have a pilot who is going to take over the aircraft, which seems to me to be a far more dangerous weapon than if the pilot is bringing a fingernail clipper on or even a knife on, does it make sense to have that pilot remove his shoes or his coat and so forth? Then, after he does, you put him behind the aircraft with all that amount of fuel. I mean, that, to me, is just dumb. Maybe I am wrong.

Ms. Goersch?

Ms. GOERSCH. Passengers have told us that this is what they want as a real benefit. If you take the time to register, give all this background information, private information, they want to see some real benefits come out of it. So, yes, I think that is something that the passengers definitely want and can be done if TSA allows it.

Additionally, this may be a venue to, on these Registered Traveler lanes, look at new technologies as you are looking at not just using identity, but integrating your technologies as new ones evolve that are more efficient. Maybe these are the lanes to bring those new and to showcase and to try those out.

Mr. LUNGREN. Maybe part of the money that would be required for you to pay to participate in the program would go towards the development or the purchase of some of these machines such that they would be used earlier rather than later.

Ms. GOERSCH. I think some of those concepts are definitely worth exploring.

Mr. LUNGREN. Mr. Isom?

Mr. Isom. Mr. Chairman, in terms of overall security, we will continue to work in conjunction with the TSA to try to figure out what is best and most appropriate.

If the question is in regard to efficiency of processing customers and speed at which you can transit, by all means, the continuous running of X-ray belts, reducing the amount of secondary screening, clearing selectees, not having to take PCs out of bags, not having to take off coats, not having to take off shoes, all those will absolutely improve the efficiency of processing customers. All those are essential to putting together an effective Registered Traveler Program.

Mr. Lungren. Thank you very much.

Mr. Thompson, any further questions?

Mr. Thompson. Yes, Mr. Chairman.

Mr. Connors, you went through the Registered Traveler Program according to your testimony. How long did it take you to get approved?

Mr. Connors. I want to say about 4 weeks.

Mr. Thompson. About 4 weeks. Okay.

Ms. Goersch, if we bring this program on line in July in Orlando, do you have any idea how long it is going to take to get someone cleared?

Ms. Goersch. We have asked TSA that question. They have told us 8 to 10 days to get the security threat assessment back from TSA, and then we need to issue the card, which will take, let's say, a week, so it would be 2 to 3 weeks.

Mr. Thompson. So we have gone from 4 weeks to 2 weeks.

Mr. Connors. I was in the very first initial pilot program. So glad to hear that it is more efficient.

Mr. Thompson. You have about 50 carriers operating out of your airport. Am I correct?

Ms. Goersch. Yes, sir.

Mr. Thompson. You are going to have about 30,000 people who come under the program?

Ms. Goersch. TSA has initially limited us to 30,000 for this year.

Mr. Thompson. So how do you plan to pick them?

Ms. Goersch. They have authorized another 30,000 for next year, and we are hoping to expand the program. If we need more, we were told to come back and ask them for an increase.

Mr. Thompson. So have you picked the 30,000 for this year?

Ms. Goersch. We have not started enrollment yet. It is on the 21st.

Mr. Thompson. Is it voluntary?

Ms. Goersch. It is a voluntary program, yes, sir. It is a voluntary program, so we are hoping to capture all 30,000 this year.

Mr. Thompson. They will pay a fee, and that fee will afford them the opportunity to get in the fast lane?

Ms. Goersch. That is correct.

Mr. Thompson. How many terminals do you have?

Ms. Goersch. We have two security checkpoints. Four airsides, but two security checkpoints.

Mr. Dicks. Would the gentleman yield?

Mr. Thompson. Yes.

Mr. DICKS. Would you have a Registered Traveler Program in each of the security checkpoints?

Ms. GOERSCH. That is correct. Each security checkpoint will have a Registered Traveler kiosk where you check in, where you present either your iris scan or your fingerprint.

Mr. DICKS. So that would cover all 50 airlines? So everybody would be in the program?

Ms. GOERSCH. That is correct. The unique thing about this pilot program is it is on all carriers, so all passengers can participate, not just limited to Northwest.

Mr. DICKS. Even Mr. DeFazio could get on this one, right?

[Laughter.]

Ms. GOERSCH. You are welcome in Orlando, Mr. DeFazio.

Mr. DICKS. Thank you.

Mr. THOMPSON. Mr. Isom, can give me your experience with getting people into the program if the carrier did not participate in that?

Mr. ISOM. All right. We did participate in that program. We offered incentives to sign up customers, and we focused on our most recent business travelers, not only because they would see the benefit, but also because they are frequent travelers, they know how to approach a security checkpoint, they know what they should have on their person and what they should not, and having that select group has actually been very beneficial. If we were to continue a Registered Traveler Program, we would look to our frequent travelers again, but it required some enticement with mileage in our frequent flyer program to encourage them to sign up.

Mr. LUNGREN. Mr. Dicks?

Mr. DICKS. If 4 million people enter the program as some have projected, does TSA have the capacity to do background checks on 4 million people?

Mr. Verdery, do you want to take a crack at that?

Mr. VERDERY. The number is not the hard part. Running a name-based and fingerprint-based check is not time consuming. The dilemma is when you have a name hit. It could be a false positive.

You know, if Fred Smith applies and there is a Fred Smith on the watch list, do you bother to figure out if it is the same guy or do you just say no? I think most Americans would want you to do a little due diligence and find out if it is the same guy. It is probably not, but you want to check.

Those kind of background investigations take time. If you are just going to do the first scrub, though, it is very quick and running those names is not hard. It costs money. I mean, TSA is going to have to be compensated, and this has to be a fee-based system at some point with TSA being paid to run those checks. They do cost money.

Mr. DICKS. So that would be part of the membership cost, I mean, being a RT?

Mr. VERDERY. Under most theories, yes. Yes.

Mr. DICKS. You know, there has been mentioned here there is a cap of 45,000 airport screeners. Does TSA have the screener capacity to operate designated lanes for these 4 million people? Obvi-

ously, they would be coming out of the total, but do you think they can handle that, Mr. Isom?

Mr. ISOM. Yes. I think I can speak to that just from experience at Memphis and Minneapolis and Detroit and all the other airports that we operate at in the United States, over 180, and, by and large, we run into issues in almost every airport that we serve, because of restrictions to the throughput and capacity of overall screening.

I would venture a guess that there are very few airports that would tell you that they have line waits that are always, you know, below 5 minutes, and, in fact, at many airports in the United States, we still have lines on a regular basis far exceed 20 and 30 minutes.

Part of the problem that goes with that, if we were to invest in another program that does not offer any kind of increase in efficiency, is it will take up real estate that would have otherwise been used and then again exacerbate the problem we are having at other airports.

Mr. DICKS. So it actually could make the situation worse in some cases?

Mr. ISOM. Potentially.

Mr. DICKS. Thank you, Mr. Chairman.

Mr. LUNGREN. Peter, do you have something?

Mr. DEFAZIO. Ms. Goersch, I guess we have a problem. We had Mr. Linder extolling the virtues of the free market, but it is not a free market when you choose a monopoly vendor and the monopoly vendor then charges whatever they want.

How is this fee going to be set, their profitability going to be set, and your take going to be set, since you are getting a percentage of it?

I am a little concerned here that when we choose a monopoly vendor, and even if we expanded it beyond your airport it is not likely TSA is going to want to have to administer contracts with some kind of secure system with a whole bunch of different vendors who are actually driving market prices.

So can you tell me how this fee is going to be set because I understand people are going to have to pay for the background check and then pay for the card?

Ms. GOERSCH. That is correct. Competition is very good. It is a good thing.

Mr. DEFAZIO. But it is not competition because it is a monopoly vendor chosen by you and you get a percent of their take! How is that competition?

Ms. GOERSCH. This is the first pilot program, the first airport. It is the starting point.

Mr. DEFAZIO. Right, but how is the fee going to be set at your airport?

Ms. GOERSCH. The service fee is set at $79.95.

Mr. DEFAZIO. How was that determined?

Ms. GOERSCH. It was determined by a market survey and analysis done.

Mr. DEFAZIO. That is what people would pay, but, I mean, how does that relate to the cost, the profitability or your take? You figured out people will pay that much, so that is great. So you are

extracting what would be called the maximum rent from these people in a monopoly system because they want to get to the front of the line. Does that relate to the cost of the program?

Ms. GOERSCH. I understand. As the program expands to other airports, we anticipate that there would be a market that is created for not just one vendor, or service provider, but others to enter into this. The key is that TSA has to set the standards of how it operates from airport to airport so many others can participate and not just one vendor.

Mr. DEFAZIO. But if you are going to have interoperability and multiple vendors, enough to establish a free market, I am not sure how that is going to work.

Mr. Harper, did you want to say something?

Mr. HARPER. When I first saw the system, I looked at it and I said, "Rent seeker. Rent seeker. Rent seeker," riding on top of this government program, the inefficiencies created by this government security to extract money. Based on the estimates that Verified Identity Pass put forward, they are planning to extract $330 million per year out of inefficiency created by this security system.

My solution, which made me more content with the problem, is neutral standards put forward by the TSA for the readers, the cards, the algorithms, the biometrics. Then anyone can enter into the card business and knock what I think looks like a windfall profit down to size. Ideally, you get a lot of card issuers in there, and the amount of money the user pays is just a hair above the actual cost of providing the service.

Mr. VERDERY. Congressman, can I just jump in for just one second?

I mean, I think the absolute key thing is that it is great if you have vendors out there, whether they are operating in a single location or lots of locations, but, from the enrollees' perspective, it has to work everywhere.

That is where TSA or, actually, even better the new screening and coordination office, which I think should really run this, in DHS would allow cross-enrollment across all the pilots, so it would work anywhere you go. Otherwise, I think the public is going to be confused, and it will not make any sense.

Mr. DEFAZIO. Thank you, Mr. Chairman.

Mr. LUNGREN. Okay. I thank the witnesses for their valuable testimony and the members for their questions.

The members of the committee may have some additional questions for the witnesses, and we will ask you to respond to them in writing if we would send them to you. The hearing record will be held open for 10 days.

We, once again, thank the members of the committee and our witnesses, and the committee stands adjourned.

[Whereupon, at 12:26 p.m., the subcommittee was adjourned.]

THE PROMISE OF REGISTERED TRAVELER PART II

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Thursday, June 16, 2005

HOUSE OF REPRESENTATIVES,
COMMITTEE ON HOMELAND SECURITY,
SUBCOMMITTEE ON ECONOMIC SECURITY,
INFRASTRUCTURE PROTECTION, AND CYBERSECURITY,
Washington, DC.

The subcommittee met, pursuant to call, at 1:00 p.m., in Room 210, Cannon House Office Building, Hon. Dan Lungren [chairman of the subcommittee] presiding.

Present: Representatives Lungren, Linder, Rogers, Pearce, Sanchez, Dicks, DeFazio and Thompson (Ex Officio). ???

Mr. LUNGREN. The Committee on Homeland Security Subcommittee on Economic Security Infrastructure Protection and Cybersecurity will come to order.

The subcommittee is meeting today to hear further testimony on the Registered Traveler Program. Before I say something about that, I would just like to say that 16.5 years ago, I left the House of Representatives as someone who had profound respect for this institution and the Members in it. That has not diminished in any way, shape or form.

After 9/11 decided to come back to this institution. I came with the idea that I would work on a bipartisan basis with all Members to solve the challenges that are before us and, as Chairman of this subcommittee, I intend to treat Members with full respect and give them all opportunity to ask questions and participate in the process.

Yesterday, when we had a meeting scheduled for 2 o'clock, bells rang at 1:55 calling us over to the floor, and I made decision that we would go over to the floor and come back as quickly as possible for Members to vote.

When we did come back, I exercised my discretion to allow the ranking member to come back rather than start it precipitously, which I thought was the appropriate thing to do, I was then called to go over to the floor to debate other issues. Every effort was made to try and make sure that Members had full opportunity to ask questions as we will continue to do.

We had unusual circumstances yesterday with a series of votes at 2 o'clock, which caused us not to convene until 3 o'clock. We then had a series of votes at 5, and also an invitation to attend an event at the White House for all Members of Congress, Republican and Democrat, including their families It was my sincere desire

that Members fully participate but also have the opportunity to enjoy their families at the White House.

That was our effort yesterday. And that will continue to be our effort, granting Members full opportunity to ask questions, including several rounds of questions. We will continue to proceed that way. I would hope that we could continue to work in a bipartisan basis in that way, showing respect for one another.

PREPARED STATEMENT OF THE HONORABLE DANIEL E. LUNGREN

JUNE 16, 2005

[Call hearing to order]

I would like to welcome everyone to our second hearing on the Registered Traveler Program. Last week, we heard from Registered Traveler's stakeholders and outside experts as to how the program may be made more effective. This afternoon, we will hear the Transportation Security Administration's (TSA) perspective on these ideas, and its plan for improving and expanding Registered Traveler.

Congress envisioned the Registered Traveler (RT) program to be an important risk management initiative, which, if implemented correctly, would improve the effectiveness and efficiency of the airport security screening process, while reducing threats to aviation security.

Congress originally envisioned the RT program as an additional layer of voluntary screening that would reduce the number of unknown individuals, alleviate much of the need for secondary screening and other checkpoint inconveniences and indignities, and—most importantly—permit TSA resources to focus on the small percentage of travelers who are not frequent travelers and who do not voluntarily submit adequate information to confirm identity.

Unfortunately, the Registered Traveler program has not progressed to become the effective passenger screening and resource allocation tool that Congress had intended.

As it is currently structured, RT may not provide any real operational benefits to TSA, the airlines, or the traveling public.

Last week, we heard from stakeholders and commentators about the concerns with the current pilot programs and problems that may loom ahead.

Chief among those concerns were the lack of any measurable benefits for program participants and interoperability of the system.

Today, we will hear from a senior Transportation Security Administration official regarding the Registered Traveler program's current and future status.

In particular, I would like to discuss how TSA will address the concerns raised by industry stakeholders.

I thank our witness for appearing before us today and now recognize, the Ranking Member of the Subcommittee, Ms. Sanchez.

Mr. DICKS. Mr. Chairman, I want to just say that I want to commend you for having these hearings. I think it is very important that we have these hearings. And I know there was a misunderstanding yesterday on the part of one Member. But I just want you to know, that at least from my perspective, I think having those hearings is very important, and I encourage you to keep it up.

Mr. LUNGREN. I thank the gentleman. I should just inform the Members that we are probably scheduled to have votes on floor in about 30 to 40 minutes. So we will proceed until that time, then we will have a series of votes on the floor, and then come back, if necessary.

So with that, I would like to welcome everyone to our second hearing on the Registered Traveler Program. Last week, we heard from registered traveler stakeholders and outside experts as to how the program may be made more effective from their standpoint.

This afternoon, we will hear the TSA's perspective on these ideas and its plans for improving and expanding Registered Traveler. Congress envisioned the Registered Traveler Program to be an im-

portant risk management initiative which, if implemented correctly, would improve the effectiveness and efficiency of the airport security screening process while reducing threats to aviation security.

Congress originally envisioned the RT program as an additional layer of voluntary screening that would reduce the number of unknown individuals, hopefully alleviate much of the need for secondary screening and other checkpoint inconveniences and indignities and, most importantly, permit TSA resources to focus on the small percentage of travelers who are not frequent travelers and who do not voluntarily submit adequate information to confirm identity.

Unfortunately, in the view of some, including myself, the Registered Traveler Program has not progressed to become the effective passenger screening and resource allocation tool that Congress had intended.

As it is currently structured, it may not provide any real operational benefits to TSA, the airlines or the traveling public. Last week, we had the opportunity to hear from stakeholders and commentators about concerns with the current pilot programs and problems that may loom ahead.

Chief among those concerns were the lack of any measurable benefits for program participants or interoperability of the system. In the first instance some were suggesting that if in fact you had a full program, there would be no benefit, because while you would go into one line, it would not make it any faster than the other lines that were available. As for the interoperability of the system, it is a system that one must have access to at more than one or several airports and more than one of the airlines.

Today, we will hear from a senior Transportation Security Administration official regarding the Registered Traveler Program's current and future status. In particular, I would like to discuss how TSA will address the concerns raised by the industry stakeholders. We certainly thank our witness for appearing before us today.

I would recognize now for any time she may consume, the ranking member of the subcommittee, Ms. Sanchez.

Ms. SANCHEZ. Thank you, Mr. Chairman. And, again, I would like to say, just about yesterday, that you and I have been able to agree on most things, and I appreciate yesterday when I was a little tardy coming back from the House floor on votes and you waiting for my arrival before you began. I know that most of the afternoon you were on the House floor, and Mr. Cox was able to chair the committee for you.

And I just want to again to thank you for the fact that you have been working with us and that we are doing many more hearings than we certainly did in the last couple of years that I was on the Select Committee, even though we asked for those hearings over and over. It is about time we got to work. I am just glad that we are doing this together.

This past week, this subcommittee heard testimony on the Registered Traveler Program from a wide group of stakeholders. Unfortunately, I was detained in another hearing and was unable to make it to that hearing. But I am sure, as I was told by some of

my colleagues, that they painted the picture that Registered Traveler is not all it was promised to be.

And as a frequent flyer myself, I have a special interest in this program. Three years ago, back when the program was first being discussed, the promise of a Registered Traveler Program was that any American who submitted to TSA's known traveler program could clear airport security checkpoints faster.

So the interest in this program, believe me, is still high. It is high by people like me who use airports all of the time, and it is high by many of our business travelers, in particular because the business of America is business. And we do it face to face. I think it is incredibly important that we get this program done the correct way in order to ease the pain of this for our business travelers.

But that is not the reason why we should be interested in it. In particular, we should be interested because we have limited resources. We have a lot of people to check through at the airport, and we should devote those limited resources to people who are real potential problems for us, and that is why we were so interested in making this program work.

So far, it has only got about 10,000 travelers that are able to participate. There are 1,300 United frequent flyers that participate at LAX who have the benefit of being processed at a separate designated lane. They go to kiosks where, once their biometric cards are matched against their iris and fingerprint scans, they are waved over to a special security line.

But they still go through the same screening as everybody else. They still have to take off their shoes, their coats, their laptops, their computer bags. The process for them is a little bit quicker, but we are still spending a lot of resources on going through these people.

And unfortunately, when they come back to LAX, they do not have the same privilege at whatever airport they have gone to, to try to get back to LAX. So I think we need to, I am hoping you are going to tell me we have really thought this out and that we are really going towards a program that in particular helps us to eliminate or to move faster those people that do not have an associated risk with them, quite frankly, and allows us to use our limited resources on those people that we really need to check out.

When I look at a report that the USA Today published that Registered Travelers at Orlando, the new program that you are putting in, will not only be provided expedited processing but incentives, like preferred parking and access to special lounges, I mean, those add-on programs are not a security program. And I don't think that is a business that TSA, and we should be in.

We need to talk about how we move people through so that we can concentrate our real resources on those people who mean to do the system harm. So I am anxious to hear how the program is, from your standpoint, moving along, and I thank you for being before us today.

Mr. LUNGREN. I thank the gentlelady.

And the chair now recognizes the ranking member of the full committee, the gentleman from Mississippi, Mr. Thompson, for any statement he may have.

Mr. THOMPSON. Thank you very much, Mr. Chairman, and ranking member.

And I want to welcome our witness here today. I appreciate you being here at this time of transition for TSA. I understand that TSA is in between administrators right now.

Unfortunately, for the country and this committee, transition at TSA seems to be the rule and not the exception. And, in fact, Mr. Hawley will be the fourth TSA administrator in just over 3 years. Those of us who serve on the committee are not surprised that the Registered Traveler Program has not lived up to its expectations.

Without consistent leadership and an active strategic vision, there is little hope that the promise of Registered Traveler will ever be realized. Congress directed TSA in 2001 to create a known traveler program; 4 years later, TSA has only managed to do a 10,000 participant pilot. Why has TSA failed to get very far on Registered Traveler? Were there technology limitations? Is it that TSA lacks the budgetary resources to get the job done? Or is it that TSA lacks the vision and leadership to get the program deployed?

These are questions that Congress and the American flying public deserve to have answered. I, like so many of my colleagues in Congress, am on airplanes every week. On days I fly home to Mississippi or back to Washington, I spend a good portion of my time in airports standing in line waiting to be screened. Unfortunately, we do not have Registered Traveler at Jackson, Mississippi, nor do I fly American Airlines out of Reagan National, so I don't have the benefit of the Registered Traveler Program that is being experimented with at National.

But I have talked to some people, and they said, well, it is good, but it is an experiment. What happens if all of us belonged to the Registered Traveler Program? The ranking member talked about Orlando. I think that is something that we look forward to studying. With that many individuals going through the airport, we just might have long lines with Registered Travelers.

As I understand it, you still have to take your shoes off and do a lot of other things that you have to under the other programs. So I just wonder what happens under that? So I look forward to the testimony that we are here for this afternoon. And I look forward to some of those questions being answered. Thank you, Mr. Chairman.

Mr. LUNGREN. I thank you. The other Members of the committee are reminded that opening statements may be submitted for the record. We are pleased to have a distinguished witness before us today on this important topic.

PREPARED OPENING STATEMENT OF THE HONORABLE CHRISTOPHER COX

JUNE 16, 2005

Thank you, Mr. Chairman.

It has been three and a half years since Congress directed the Transportation Security Administration to develop a registered traveler program.

I have been a strong supporter of the Registered Traveler (RT) concept since the beginning. In fact, I volunteered to take part in the pilot program at Reagan Washington National.

The Registered Traveler program should be the cornerstone of TSA's effort to improve airport screening and minimize long waits at security checkpoints. Congress intended for TSA to use RT, as the program is known, as a risk management tool,

whereby TSA could improve overall security by decreasing the pool of unknown travelers and focusing security resources on higher-risk passengers. Unfortunately, that has not been the case.

Today's hearing continues our oversight into whether the Registered Traveler program, as operated by TSA, is living up to the promise envisaged in the Aviation and Transportation Security Act. From reports to the Committee so far, including last week's hearing, the answer to this question appears to be a resounding "No."

I am deeply disappointed by the current pilot programs. They have been so limited and constricted that they provide no benefits to TSA and few, if any, measurable benefits to the Registered Travelers in terms of expedited screening and reduced security procedures.

We should note that TSA routinely uses background checks as a layer of security and, in some cases , as the only layer of security for other purposes. A background check can get you unescorted—and often unscreened—access to the aircraft, the ramp, and other sensitive areas of the airport. With a background check, you can drive a tanker full of chlorine gas into a heavily populated area. With a background check, an alien can come into the United States and learn to pilot an aircraft. So why isn't a background check sufficient for a Registered Traveler to keep his shoes on?

Despite the difficulties faced thus far, the concept behind Registered Traveler is quite simple and sound—individuals who voluntarily submit personal background information, including biometric samples, successfully undergo security background checks, and who travel frequently without incident or raising any concerns should not be treated as though they were a potential terrorist. TSA should be able to streamline the security screening process for these fully-vetted individuals.

Frequent flyers represent roughly 10 percent of all travelers and account for nearly half of all passenger trips. This fact suggests that an optimally functioning, voluntary Registered Traveler program could enhance security, save money, improve efficiency, and reduce frustration and inconvenience for all passengers by permitting TSA to focus its resources where they belong—on unknown or suspicious travelers.

I would like to thank Mr. Blank for appearing today. I look forward to hearing TSA's perspective on this vital program and how we can work together to improve it.

Mr. LUNGREN. It is now my pleasure to recognize Mr. Thomas Blank, the acting deputy director of the TSA at the Department of Homeland Security to testify.

And, Mr. Blank, your written testimony will be put in the record in its entirety. And you may proceed as you wish.

STATEMENT OF THOMAS BLANK

Mr. BLANK. Thank you, Chairman Lungren, Congresswoman Sanchez, Members of the subcommittee, thank you for the opportunity to speak with you on our domestic Registered Traveler Program.

The RT Program now being tested in five and soon to be six pilots should prove to be an important part of our layered system of systems approach to aviation security.

The mission of the RT Program is to expedite travel for those who qualify to participate while enhancing aviation security. RT provides TSA with valuable information to conduct threat assessments and verify traveler identity enabling TSA to concentrate its resources more effectively.

Participating travelers voluntarily provide personal information that serves as the basis of security assessments and biometric data which are used for identity verification. When approved participants travel from their host airports, their identity and participating status is confirmed at RT kiosks located near the security checkpoint.

They then go through normal security screening at the checkpoint, but unless they alarm the screening equipment, they are not

subjected to additional screening. Because RT travelers are largely exempt from selectee screening and have access to dedicated or designated security lines and lanes, they move through the checkpoint screening system more quickly than the general public.

TSA is successfully operating five RT pilots in partnership with four airlines and with the management assistance of two private contractors. Beginning in the summer of 2004, pilots were rolled out in Minneapolis St.—Paul, Los Angeles, Houston, Boston, and Washington, D.C.

We have extended all five pilots through September 2005 to allow further operational analysis. The pilot programs were structured specifically to test different operational and technological configurations, and so were not intended to be interoperable. In developing the biometric component of the RT pilot program, TSA incorporated the use of dual biometrics, fingerprint and iris, using both current and emerging biometric standards.

The use of advanced commercial off-the-shelf (COTS) technology for gathering and authenticating biometrics and biographical information has allowed the program to avoid delays in launching the pilots.

TSA has been able to concentrate its energies on testing different configurations of COTS systems and various operational models, assessing the results and compiling best practices.

TSA understands that the traveler's ability to take advantages of the benefits of the program at any RT-capable airport is critical for the program's success. TSA is fully engaged with its vendors on creating interoperability at all five original RT pilot airports in the current second phase of the pilot. We anticipate demonstrating interoperability by the end of Fiscal Year 2005.

We are now building upon the experiences of the five Federal pilots and exploring whether to incorporate greater private-sector participation. Development of the Private Sector Known Traveler Pilot, in partnership with the Greater Orlando Aviation Authority (GOAA) at Orlando International Airport, began in September 2004, and we anticipate it will become operational this summer.

In this pilot, the GOAA and its contracted entities will be responsible for procurement and operational and marketing functions consistent with TSA guidelines. However, all essential security functions will be performed by TSA. The operational aspects of the Orlando pilot are designed to be similar to the five federally- run RT pilots so that Orlando may eventually become interoperable with the existing RT pilot sites if the model proves replicable and sustainable for nationwide rollout, and if that is the direction of the Department of Homeland Security when final policy decisions are made later this year.

We want to ensure that RT can achieve the necessary interoperability, scalability, privacy protection, data transmission and storage, and public-private sector partnerships to fulfill RT's objectives of enhancing customer service and achieving greater efficiencies in screening at airport security checkpoints.

A fully operational program would be expected to be self-sustaining through the generation of fees from the voluntary participants. In addition to the pilots I have already discussed, we are very close to approving several new RT sites that will operate

under a public-private partnership model. A schedule for the roll out of these sites will be finalized by the end of Fiscal Year 2005.

We are also preparing an options package for consideration by the DHS leadership regarding easing some security measures for RT participants. Possible elements might include RT participants' exemption from requirements to remove jackets, coats, and shoes, and to have to take computers out of their cases.

Ultimately, TSA's primary mission is to secure our Nation's transportation networks. The Registered Traveler Program offers an enhanced travel experience for travelers who wish to participate with no compromise of security.

This concludes my oral statement. I will be pleased to take any questions you may have.

[The statement of Mr. Blank follows:]

PREPARED STATEMENT OF TOM BLANK

Chairman Lungren, Congresswoman Sanchez, and members of the Subcommittee. Thank you for this opportunity to speak with you on our domestic Registered Traveler (RT) Program. The Transportation Security Administration's (TSA) mission—to protect the Nation's transportation systems to ensure the freedom of movement for people and commerce—continues to be a vital one, nearly four years after the tragic events of 9/11 that motivated TSA's creation. As you know, since its inception TSA has relied upon a layered "system-of-systems" approach to aviation security, because no single security layer can be guaranteed to be 100% effective.

The RT Program should prove to be an important part of our layered system-of-systems. The Aviation and Transportation Security Act (ATSA), P.L. 107–71 directed TSA to explore options for expedited travel at airports. The mission of the RT Program, now being tested in five pilots, is to expedite travel for those who qualify to participate while enhancing aviation security.

The Registered Traveler Concept and Benefits

The RT Program is a security program that provides customer service benefits, while enhancing aviation security. The program provides TSA with valuable information to conduct threat assessments and verify identity, and enables it to concentrate its resources more effectively, while offering qualified applicants an expedited travel experience. To participate, applicants provide personal information which will serve as the basis of a security assessment. That assessment includes a name-based check against Federal government watch lists and databases of outstanding wants and warrants. Applicants also provide biometric data (fingerprints and iris data) which are used for identity verification. When an approved participant travels from his host airport, his identity and status under the program is confirmed at RT kiosks located near the security checkpoint.

While approved participants experience expedited security screening, they still go through normal security screening at the checkpoint. However, unless they alarm the screening equipment, they are not selected for additional screening. Because RT travelers are largely exempt from selectee screening and have access to dedicated or designated security lines and lanes, they move through the checkpoint screening system more quickly than the general public. Additional benefits to participants, including exemption from requirements to remove shoes and jackets and to take computers out of their cases, will be considered in the future. The decision on whether to include these or other benefits will, of course, be security based.

The RT Program enhances security by allowing TSA to concentrate resources where they will be most effective. Essentially, because RT Program participants are "known," that is they have already undergone a security threat assessment and biometrically verify their identities every time they fly, TSA can focus enhanced screening at the airport on "unknown" individuals. Reducing the population of "unknown" travelers enhances security by allowing a greater correlation between resource allotment and passengers who are more likely to potentially pose a threat.

Furthermore, less time spent on "known" low risk travelers frees resources to process the general public more rapidly, creating a secondary benefit in terms of easing checkpoint congestion. Thus, Registered Traveler should strengthen both security and customer service at the Nation's airports. A more efficient screening should benefit not only Registered Travelers directly but also the traveling public as a whole.

And, overall, TSA is committed to protecting the privacy interests of travelers. The respect for these interests infuses all our decision-making, including determinations of how we collect personal data and how that data is stored. I would like to emphasize that that the RT Program is and will be wholly voluntary and eventually will be funded through fees to participate in the program—only those who wish to take advantage of the program will be required to provide personal data. Participation in the program is in no way required as a condition of travel.

Five Federal Pilot Programs

TSA, in partnership with Northwest, United, Continental, and American Airlines, and with management assistance of private contractors, Unisys and EDS, is currently successfully operating five Registered Traveler pilots. Beginning in the summer of 2004, the pilots were rolled out in Minneapolis-St. Paul (MSP), Los Angeles (LAX), Houston Intercontinental (IAH), Boston (BOS), and Washington, D.C. (DCA). Each pilot has enrolled roughly 2,000 participants. The pilots were designed to be consistent with the objectives they sought to test. Due to the variances of systems being tested at each airport, re-enrollment of the pilot populations was deemed likely once the end solution was determined. The total number of enrollees of approximately 10,000 "very frequent" fliers was selected in order to minimize any inconveniences (i.e., time, cost, and confusion) necessitated by more sizeable re-enrollment population. While originally planned to be 90-day pilots, we have extended all five pilots through September 2005 to allow further operational analysis.

The RT Pilot Program introduces the use of biometric technology and a voluntary security assessment process for the U.S. domestic traveling population. In developing the biometric component of the RT Pilot Program, TSA incorporated the use of dual biometrics (fingerprint and iris). In establishing the pilots, TSA incorporated current and emerging biometric standards. The use of advanced commercial-off-the-shelf (COTS) technology for gathering and authenticating biometrics and biographical information has allowed the program to avoid unwarranted delays in launching the pilots. Consequently, the agency has been able to concentrate its energies on testing different configurations of COTS systems and various operational models, assessing the results, and compiling best practices.

The efficacy of the pilot programs, in terms of effect on both security and service, is being analyzed this summer. This analysis will include a metrics analysis examining enrollment, checkpoint operations, overall operations, biometrics, call centers/customer service, security assessments, systems integration, and use of tokens/cards.

The pilot programs were structured specifically to test different operational and technological configurations; therefore they are not interoperable. As a result, we learned a key lesson. COTS technologies are not necessarily interoperable—even if they fully comply to the same Federal standards. TSA is working with the pilots' vendors to create a replicable path to interoperability at the pilot airport sites. While this process requires more time than it would to require vendors to use a set of specific products, TSA believes that our approach will achieve interoperability without sacrificing the potential for technological innovations.

Ultimately, TSA understands that the traveler's ability to take advantages of the benefits of the program at all RT-capable airports is critical for the program's success. TSA is fully engaged with its vendors on creating interoperability at all five original RT pilot airports in the current second phase of the pilot. We hope to demonstrate interoperability by the end of FY 2005.

In conjunction with the RT pilots, we are operating Registered Armed Law Enforcement Officer (LEO) "proof of concept" pilots in Los Angeles and Washington, D.C. These pilots began in the fall of 2004; the Intelligence Reform and Terrorism Prevention Act of 2004 subsequently mandated the establishment of a travel credential for armed LEOs that incorporates biometric identifier technology. Although this program is not identical to the RT Program, we are able to successfully share the program elements and assets that are common to each.

Public-Private Sector Pilot Program

The five current pilots have successfully proven the operational feasibility of the RT concept, processes, and technologies in a practical environment. We are now building upon the experiences of these pilots and exploring whether to incorporate greater private sector participation, by launching the Private Sector Known Traveler (PSKT) pilot. Development of this pilot in partnership with the Greater Orlando Aviation Authority (GOAA) at Orlando International Airport (MCO), began in September 2004, and we anticipate it will become operational this summer.

Although the PSKT Pilot will be privately administered at the airport, TSA will remain in control of all of the security aspects of the program. The airport authority and its contracted entities will be responsible for procurement, and operational and

marketing functions, consistent with TSA guidelines. They will advertise the program, enroll participants and incorporate the mechanics of the biometrics (cards, kiosks, etc.), and maintain staffing at the PSKT line and kiosk. However, all essential security functions will be performed by TSA, including defining policies and operational and technical standards for all aspects of the pilot; conducting the security assessments and adjudications for all enrollees; maintain checkpoint operations at the PSKT lane; and overseeing PSKT pilot performance and compliance.

TSA is exploring the private sector partnership portion because it has potential to offer many benefits over a purely Federal model. The private sector is able to offer greater flexibility in meeting customer expectations and has a financial incentive to do so. It can allow more rapid expansion due to its ability to provide rapid decisions on capital investment. Finally, it is often able to operate much more closely to the local market than a centrally managed system.

The operational aspects of the PSKT pilot are designed to be similar to the five federally-run RT pilots, so that Orlando may eventually become interoperable with the existing RT pilot sites. TSA is closely monitoring the progress and performance of this public-private sector sub-pilot to determine if it will provide a replicable and sustainable model for a nationwide rollout, should the Department choose to move in this direction.

The Next Steps

TSA is currently in the process of analyzing the data from the pilot airports (and PSKT data when available) to incorporate best practices into future plans regarding Registered Traveler. In cooperation with stakeholders and other agencies in DHS, TSA is developing solutions to facilitate full-scale implementation of the program. These efforts seek to ensure that RT can achieve the necessary interoperability, scalability, privacy protection, data transmission and storage, and public-private sector partnerships to fulfill RT's symbiotic objectives of enhancing customer service and achieving greater efficiencies in screening at airport security checkpoints. If the program becomes fully operational it is envisioned as becoming self-sustaining through the generation of fees from participants.

Relationship to Other Department of Homeland Security (DHS) Initiatives

Our focus with respect to the RT program, of necessity, is on the continued refinement of a fully operational domestic program. However, we continue to work with other DHS components to determine where systems, equipment and database sharing might be feasible, with a view toward potential future integration with various international travel facilitation programs managed by Customs and Border Protection (CBP) and the U.S. VISIT Program.

Conclusion

Ultimately, TSA's primary mission is to secure our Nation's transportation systems. The RT Program offers an enhanced travel experience for travelers who wish to participate. But, there is no compromise on security.

In 2005, TSA has pursued several avenues to further refine and enhance the Registered Traveler Program. TSA has been gathering and analyzing data from the five federally run pilots to ensure an accurate and secure solution that is accessible to the U.S. domestic traveling population. TSA has developed and will shortly deploy the PSKT subpilot at Orlando International Airport to test the functionality of a private sector partnership model and conduct market analysis with a larger population. The program is undertaking the preparatory work needed to meet all regulatory requirements necessary to implement the Department's and Congress's decision about the future of Registered Traveler. Finally, in partnership with other vetting programs, TSA has been developing a scalable infrastructure for data screening and vetting to provide the capacity to allow program expansion, if approved.

Thank you for the opportunity to provide this information. TSA looks forward to working with the Subcommittee as we continue our efforts to strengthen homeland security. I will be pleased to answer any questions you may have.

Mr. LUNGREN. Thank you very much, Mr. Blank. I appreciate it. I will start off the questions with 5 minutes.

And I mean this seriously, but, I just mentioned a conversation I had with my dad. He would have said, "we rolled across Normandy and we defeated Germany in less time than it has taken to do five pilot programs on the Registered Traveler Program."

What I am trying to say is, why has it taken so long? It is not the volume that you would have to deal with? We certainly have enough passengers to work through over a period of time. Has

there been a lack of attention, a lack of direction? Has there been a fear on the part of TSA that this is something imposed by the Congress that you would rather not do? Or is it an integral part of your approach to trying to deal with the problem of security without unduly affecting the efficiency and effectiveness of the traveling public?

Mr. BLANK. TSA and DHS support, fully support, the Registered Traveler Program. We have proceeded as we have because, as you know, TSA in ATSA was given an awful lot of priorities, and for the first 2 years of our existence, we were pretty much subject to the three deadlines for the program, the baggage checks and nationalizing the checkpoints and so forth.

The Registered Traveler Program is in ATSA as something that we are authorized do, but not required to do. It is in a section of the law where we are authorized to do things, but we are not required to do them. So it did not rise to the level of a vital program.

But we did begin, in 2004, in April of 2004, to conceive the pilots and to get them rolled out last summer. And what we have been doing during this period of time is building an infrastructure, which is not a plug-and-play infrastructure. In other words, if we are going to have a gateway whereby we can receive biometrics from airports all across the country, it takes some time, from a technology perspective, to be able to build that gateway.

Likewise, if we are going to be able to properly maintain the biometric and other data that we get in our transportation vetting platform, it takes some time to get that organized and to develop it from a technological perspective. And so we have been consumed with doing that.

We now have the infrastructure to be able to run a Registered Traveler Program, and it is scalable. And we know it works. We just got our evaluation from BearingPoint this week, and we are beginning to see their assessment of the various technologies and so forth.

We are at a point where we are beginning to get the data to give the DHS leadership so that they can make informed policy decisions on a variety of matters. We should be able to present to you the precise path ahead and answer the questions by the end of the fiscal year.

Mr. LUNGREN. By the end of the fiscal year?

Mr. BLANK. Yes, sir.

Mr. LUNGREN. You mentioned two things as the purposes of a Registered Traveler Program. One is to expedite the process; the other is to enhance security. There are some that have suggested that by expediting the process, we run necessarily into a contradiction with enhancing the security. And that is, even though we have all of this background information on these people, even though we have identified them as lower risk, that this would not allow us to give them any benefit at the time that they actually go through by some lesser standard of check.

But yet you state in your testimony that TSA is considering the provision of additional benefits, quote, "including the exemption from the requirements to remove shoes and jackets and to take computers out of their cases," to RT participants.

I take it from that, you do not find a necessary contradiction between those two aims, in that at least you are seriously considering the possibility that a true benefit would be that one would not have to take coats off, one would not perhaps have to take shoes off or computers out of their cases.

Mr. BLANK. Those are critical policy decisions that we will be working on with the DHS leadership. Both the Secretary and Deputy Secretary are fully engaged and supportive of RT, and we are working with them to come to the necessary conclusions about the kind of benefits that we would see.

We are at a place in our domestic civil aviation system where we are seeing increasing passenger loads. We are seeing new passenger terminals come on line. We are seeing increased demands for TSA security services. As we rely more on RT and expanding the Registered Traveler Program, that will allow us to pay less attention, to those known passengers and focus more attention with the resource base that we have out there, on the unknown passengers. That would become a very real benefit both to security and to convenience.

Mr. LUNGREN. I thank the gentleman.

The gentlewoman from California is recognized for 5 minutes.

Ms. SANCHEZ. Thank you, Mr. Chairman. Mr. Blank, I guess I want to start off by asking you the question, if we had—if we were able to put in a program that really worked, I mean, worked from all of our viewpoints—because the Business Travel Coalition recently did a survey where business travelers said they would be willing to pay a little bit more or pay some fee or something if they could have easier access to get through the airport, et cetera.

But I am very concerned about this issue that the Chairman brought up with respect to, why would we not have them take off their coats, take off their shoes, et cetera? I guess I am trying to figure out, what does the Department really think an expedited traveler looks like?

Because, I mean, I am a congresswoman. You would think that I could sign up for this travel program. I still think it would be a good thing if you really thought that people hide bombs in their shoes or what have you, or you got a bad computer, why would you think you would exempt even somebody like me because, you know, I could get mad some day and maybe go crazy and bring something on?

Mr. BLANK. Well, Congresswoman, I indicated that we were going to consider that. Now, it may be that, in the context of that consideration, looking at the threats that the leaders of the Department may come out and say, we are not comfortable in doing that.

But if we are not able to do that, then there may be some reason to question whether the Registered Traveler Program has a real value. I might also say that one of the reasons that we have brought this along at the pace that we have is the fact that TSA has been able to maintain pretty reasonable wait times across the system and received pretty high customer service marks, meaning that the idea of being able to offer only a short line there hasn't been a great pressure to do that.

But you are right on the policy decision. That is absolutely critical. And we do not think we could make the decision without some

experience in handling these people and doing the background checks, and rerunning them periodically. In other words, if you are a Registered Traveler, periodically we are going to see if you have done something that would cause us to question your security viability. We will rerun that. Until we get some experience with all of that, we were not comfortable in making these policy decisions about what lesser security measures are acceptable.

Ms. SANCHEZ. When do you think we may have some policy changes of that type coming out of the Department?

Mr. BLANK. The end of the fiscal year is when we have committed to providing a clear path forward with a policy decision. We are now at the point where we have the infrastructure built, the gateway; the platform is there, and it is scalable. It can handle 30,000 people now in Orlando, 30,000 more in 2006, and we can begin to do incrementally more as we get the program opened up.

Ms. SANCHEZ. I have two other really quick questions. One is, what do you have planned after Orlando so far, given one policy or the other? And, secondly, you know, when I go to the airport, there is the special line, but when I go, which is usually to take the red eye, the special line is closed.

So I might be a Registered Traveler, but I end up being in the long line. Do you not keep it open 24 hours at these places? Is there a limited amount? I mean, how are you working that?

Mr. BLANK. There are operational differences in each of the five pilots. Are you talking about Los Angeles?

Ms. SANCHEZ. Yes.

Mr. BLANK. I can get you the precise times that the lanes are open. But it is not a 24-hour service. We are too limited in the available resources to make it 24 hours.

Ms. SANCHEZ. Okay. And then plans for after Orlando.

Mr. BLANK. There are a couple of things. We, first of all, have to see how this private-sector pilot works. We have a Federal program at five now. We are going to do a partnership, and we have to see how we feel about that.

The Members of the subcommittee have raised some questions about that already. And we want to see how that works out. Then we have got to get the five and possibly the sixth one interoperable. That is not a small thing. Most people who use biometrics do not want more than controlled access at an office building or some other limited application that does not require inter-operability.

And then we would like to be able to examine the feasibility of going to a couple of other airports over the next several months with some additional pilot programming.

Ms. SANCHEZ. Thank you.

Mr. LUNGREN. Mr. Linder.

Mr. LINDER. Thank you, Mr. Chairman.

Last week we had testimony from an individual who is part of the Registered Traveler Program here in Washington at Reagan Airport. And he said he puts his thumbprint or fingerprint in the kiosk and then walks in a line and takes his coat off and takes his computer out of the case and goes through the normal screening. Is that still the case?

Mr. BLANK. He would—it is. But he would not be subjected to secondary screening unless he alarmed.

Mr. LINDER. What is the point—.

Mr. BLANK. Well, the point—.

Mr. LINDER. What is he gaining over going through a regular line?

Mr. BLANK. Well, for purposes of the pilot program, he is gaining about 4 to 5 minutes in line time, according to the results that we are getting. That is the benefit for right now.

Mr. LINDER. When you do the background check, do you find out whether this is an honest guy and not a bad actor? Is that what it is all about?

Mr. BLANK. We do a name-based background check. And I would consider classified exactly what would disqualify somebody, but we would be pleased to provide that information to the subcommittee outside of the public setting. But we are looking for ties to terrorism.

Mr. LINDER. If you clear the background check, you think the guy might still get on the airline and blow it up?

Mr. BLANK. Well, we would have less concern about that, which is why we would not have that individual going through secondary screening unless there was an alarm for purposes of the pilot program.

Mr. LINDER. We spend about one-fifth—one-eighth of the entire budget of the Department on airlines; that was for 690 million passengers in 2004.

We spend one-forty-fifth of it on rail that had 9 billion passengers. Where is your sense of proportion here?

Mr. BLANK. I don't think that, when we look at what we put into rail, that we can count just Federal dollars. I think that for TSA's part, our role is risk mitigation, vulnerability assessment, planning, information exchange, and intelligence analysis. That does not necessarily cost a lot of money.

But, if I take that information and I give it to the operations center at the American Association of Railroads or the Union Pacific Corporation Operations Center, they use it to give to their private police force to provide track security; I am leveraging it.

So I think that you have to look at a lot of other private and local police at the State level, and what that costs you, so you can get a picture of what resources we are really putting into that.

Mr. LINDER. If a terrorist was going to make a trip on an airline, do you think he would come in with his recognizable identification, or do you think he would get a fake ID?

Mr. BLANK. Well, we do not know. That is why—.

Mr. LINDER. What do you think?

Mr. BLANK. What do I think?

Mr. LINDER. Yes.

Mr. BLANK. I think that we have a system of layered security, because there are some of those layers out there that can be penetrated; that is why we are not doing one thing. So I wouldn't rely on identification that gets printed. And that is why I would not rely on just a background check. It is why we have hardened cockpits, pilots with guns, Federal Air Marshals, and the like.

Mr. LINDER. So do you not think that those, the hardened doors, the pilots with guns, Federal marshals, do you not think they would be able to stop any airplane from hitting a building again,

not to mention the passengers who would stop it as they did in Pennsylvania?

Mr. BLANK. Well, I think it is better to be safe than sorry. I think that we have a good solid line of defense for the cockpit. I think we have dropped down the likelihood, but we always say that security is a filter, not a guarantee.

And I am not prepared to tell you that a hardened cockpit door and some of those other things alone are a guarantee that a bad thing will never happen again.

Mr. LINDER. Nor is there a guarantee that somebody won't put a bomb in the cargo and blow up the plane. You do not even look for that, do you?

Mr. BLANK. Yes, we do. The electronic baggage screening is looking specifically for explosive devices in checked baggage.

Mr. LINDER. What percentage of the cargo is screened?

Mr. BLANK. Well, again, you are asking me for some numbers that are classified, that I would be happy to give you.

Mr. LINDER. Why is that classified?

Mr. BLANK. Because we do not want to let any bad guys know the amounts. But we would be happy to give it to you. I will tell you this, that as of the middle of the next month, the amount that is physically inspected will be tripled over what it was at the beginning of the year.

Mr. LINDER. You mentioned you are getting high customer service—.

Mr. DICKS. Will you yield? Is that cargo or baggage? Can you give us an either/or on that?

Mr. BLANK. 100 percent of all checked baggage is screened electronically using explosive detection system equipment or explosive trace equipment.

But the cargo that is carried in the belly of a passenger aircraft is screened by the Known Shipper Program, and then a percent of that is also physically screened. When we have resources in the airports at non-peak times, we do use our screeners and our EDS equipment to provide additional electronic screening.

Mr. DICKS. Thank you for yielding.

Mr. LINDER. One point, Mr. Chairman.

You mentioned you get high customer service remarks. I would like to meet that person.

Mr. BLANK. Okay. I will provide you with the BearingPoint study results, sir.

Mr. LUNGREN. The gentleman, Mr. Dicks, from Washington is recognized.

Mr. DICKS. You know, in your statement, you say in your written statement, Mr. Blank says, if the program becomes fully operational.

If? Now, that tells me you are not yet sure. I think that is reasonable based on what we heard. I am not sure this is worth doing, frankly. I know it would be helpful to Members of Congress and other people and a lot of my friends. But is there some doubt about going forward with this?

Mr. BLANK. There is no doubt that it will go forward. The question and the caveat I am getting at is how quickly it will go forward, how quickly it will expand, and how quickly will it ramp up.

That has to do with a couple of things. One, I am not prepared to tell you whether we will commit to a Federal program model or a public-private partnership model.

That policy decision has a great deal to do with how quickly the program expands. I also am not prepared to tell you precisely what the resource level is that we are able to put toward it. I need to get a rulemaking completed and put in place before we can collect fees.

So there are a couple of questions that we have to get to before I can tell you or give you a solid feel for how quickly we are going to go from where we are now to fully operational.

Mr. DICKS. At some airports today that are not part of the pilot, they are letting frequent flyers for particular airlines go through a special lane. Are you aware of that?

Mr. BLANK. I am. And that is according to policy of TSA in this sense. TSA's responsibility begins at the checkpoint. The line belongs to the airline, and that person that is checking ID and your boarding pass ahead of the line is an airline contractor that we require to be there to do that function.

Where airlines have determined that they want to have a special line available for their frequent flyers, we permit them to do that within reason in some places.

Mr. DICKS. Now, that may be an alternative. Could not that be an alternative strategy to dealing with this issue?

Mr. BLANK. Well, if we look just on the customer service side, sir, yes. But what we are trying to get to here is that a Registered Traveler program has a real security value, because if we can pay less attention to these people, we can do a more thorough job for people that are not known.

Mr. DICKS. But you still have the same level of security checking them, the RTs, as you do with the regular person, which I am not necessarily against.

Mr. LUNGREN. The one point that you did make, though, is that they are taken out of automatic secondary screening.

Mr. BLANK. That is correct.

Mr. LUNGREN. So if their name pops up under the other program we have, where they would go to secondary screening, they bought the ticket late, they are one way and so forth, they would not have the automatic. That is the only thing that I see that is different right now.

Mr. DICKS. I appreciate you making the point.

Now, let me go to the hard realities of all of this. What is the limit that we have on the number of screeners now, 45,000? What is the number?

Mr. BLANK. Well, the number is 45,000 FTEs. That is a dollar number. But it is a hard limit. It is not a body count; it is a dollar number.

Mr. DICKS. Now, if we have that hard limit, and we go ahead with the Registered Traveler Program, are we not just going to make the line that the average citizen has to go through longer? Because, we do not have the resources to add additional people if necessary to put this thing in place.

Mr. BLANK. Well, first of all—.

Mr. DICKS. Do you guys support this 45,000 limit?

Mr. BLANK. We have just in this year hired up to that number. This is the first fiscal year that we have had that amount deployed. What we are seeing across the system, with that amount deployed, is very favorable wait time numbers across the system.

Now, are we concerned about the summer when we are going to see load factors go up? Yes, we are concerned about that. We are working closely with the airlines and airports to figure out what it is that we are going to do about that. We have concerns, because of the 4 to 6 percent growth that we are seeing in passenger loads right now, and what the impacts on customer service will be as we see that growth.

But it is something we will have to look at and deal with accordingly.

Mr. LUNGREN. The gentleman's time has expired.

Mr. Pearce, the gentleman from New Mexico, is recognized for 5 minutes.

Mr. PEARCE. Thank you, Mr. Chairman.

As one of the holders of the Registered Traveler Program, I would hope that you continue to do it, because I can see the benefit for me. I fail to see the benefit for TSA. How many random checks, as a percent, do you impose in the system?

Mr. BLANK. Once again, that is a classified number, which I will be happy to give you.

Mr. PEARCE. It is very small.

Mr. BLANK. It is very small.

Mr. PEARCE. That is the only benefit. So you take the number of Registered Travelers, and multiply times a very, very small percent, that is the benefit.

What is the cost of the Registered Traveler Program right now? What does it cost?

Mr. BLANK. By the end of the fiscal year, we will have spent $17 million.

Mr. PEARCE. So you get $17 million, and you then figure the benefit, one small percent, classified, times the number of Registered Travelers. So if there are 1,000 Registered Travelers, and you save 1 percent, you saved the amount of secondary screening time for 10 people basically, which, if secondary screening is 2 minutes, you save about 20 minutes for $17 million. As you expand it, you can see the geometric progression because I go through.

By the way, your testimony needs to be changed. It is not from a host airport; it is from the host terminal.

Mr. BLANK. Yes, sir.

Mr. PEARCE. I can only depart from one terminal through the Registered Traveler Program. None of the other airlines participate.

You have mentioned that your wait times are becoming more favorable. Do you have a measure of employee time that is not spent screening?

Mr. BLANK. I don't have it at my fingertips. I suppose that we can provide it.

Mr. PEARCE. My point is, if you continue to hire enough people, you can get your absolute wait time down to zero, but you could also have people standing around. And that is the complaint I get from airline employees. And they will show me, they will see I am

a Member of Congress because we are met at the gates, and they will say, look over there. I am making $7, and I work my heart out all day long. They are making $16, and they are standing over there all day long never turning a tap.

So if you are not measuring the amount of productive time, it is just another flabby government bureaucracy at play.

Mr. BLANK. Well, here is what I can say. After having 2 to 3 solid years experience with a new function, we recognize that there are some airports that are not properly staffed. Some are understaffed, and some are overstaffed. We have begun a process that will continue through the summer to reallocate that workforce, so that it will be properly utilized and be at the right airport at the right place at the right time.

Mr. PEARCE. Do you have any estimates, Mr. Blank, about the cost of the Registered Traveler Program if you do the geometric expansion that you say is capable?

Mr. BLANK. Well, let me put it this way. First of all, let me address the $17 million. The $17 million will not be recurring costs. In other words, we built some infrastructure for this program. We have built a capability to collect biometrics. We have put the privacy protections in place. We have allocated space on a platform. So those will not recur. What we expect is that the cost of doing a background check, which will remain in Federal hands, will be someplace between $30 and $50 to get the background check completed.

So it will make a big difference as to whether we choose a Federal program model or whether we choose a private-sector program model. If the Orlando model is how this goes forward, we will be able to go literally to a million or more people.

If we choose the more expensive, the Federal program model, it will be considerably less than that.

Mr. PEARCE. Any idea of the recurring cost per person? $30 to $50 for a background check. How much for the day-to-day operational components? Any ideas on that?

Mr. BLANK. Again, if it is the private-sector model, that would be upfront. I would have to do a little math, but I could get you that number, because we have the experience with the pilots as to precisely what that upfront cost is.

Mr. PEARCE. Again, it is important to measure the benefit. And the only benefit I see for the TSA is the number of random checks multiplied times the number of people who are in the Registered Traveler Program multiplied times the time that the random checks take, approximately 2 to 3 minutes. And you wind up with a large expenditure and a very small benefit. Thank you, Mr. Chairman.

Mr. LUNGREN. Thank you.

The gentleman from Oregon, Mr. DeFazio.

Mr. DEFAZIO. Thank you, Mr. Chairman.

Mr. Blank, on the—you know, you talk about the cost comparison between Federal and private-sector programs. I do not quite understand. I mean, I understand there is an appropriations process, and then there are capital costs which could be cranked into the fees.

Why couldn't you have a Federal program that would be self-financing? We estimate—we have the surveys. We know approxi-

mately how many frequent flyer travelers there are, business travelers, how many people would register at a reasonable amount.

The Federal Government could figure that all out and figure out what they would need to charge to recoup the upfront investment costs and the costs of the program, just the same way the private sector is going to do. That is one question.

The second question is, how are you going to deal with—and I asked this question last week—the monopoly characteristics? Orlando is a sweet deal for the airport; they get a cut. You get a private company that has got a monopoly, and they are charging the calculated fee, which was determined not by the cost of the program or the benefits of the program but by how much the market would bear. They did a market survey and figured out people would pay $79.95 to get to jump the line.

Now, that is a heck of a way to run the system which is basically a security system, but it is also a system which hopefully will initiate a return of business travelers to the airlines and away from this flood toward private jets and all of that that we are having, which are continuing to hurt the industry, because I want to maintain a robust national industry.

How would this expand beyond Orlando? Or are we going to give a nationwide unregulated monopoly to one company? Are you going to have multiple entrants? If you have multiple entrants, how are you going to control that and supervise that? Wouldn't it be quite expensive for the agency, if you have 50 private vendors who are issuing 50 different cards, but they are interoperable? You have got to supervise them and make sure that none of them are owned by al-Qa'ida.

You make it sound like the private sector can do this and expand to a million just like that. So one company is given a nationwide monopoly? Is that how it would work? No bidding. How are you going to set the fees? I mean, market survey or real costs, rate of return on investment, all of that stuff?

Mr. BLANK. First, with regard to your comments about the Federal program, you are correct. We could do that. And I should clarify, to acknowledge, that your point is quite right.

The issues you articulated so very well are precisely what is on our plate right now, to figure out and determine the answers to that between now and the end of the fiscal year. There are not simple questions or simple answers. And we had a lot of unexpected things happen in the pilot program and in how it developed in the front end in Orlando.

But, we did not want to interfere with how the private sector might want to bring a product to the marketplace. But what I would say is, remember that it is a pilot program. It is not our intent to urge that it be replicated across the country, and certainly, we have an interest in the American public being provided a fair and reasonably-priced Registered Traveler program.

If the private sector is to be involved, we would recognize the private sector is entitled to make a profit and wouldn't oppose that. But there is no Registered Traveler Program that is going to work without a TSA partnership, because they could not get the background check. If the natural forces of competition do not keep it in line, or if somebody is going to defraud the public or make some

sort of obscene profit, we would always have the capability to shut that down simply by not recognizing that particular vendor's card, biometric, and not by providing them any further background checks.

Mr. DEFAZIO. Orlando gets a cut. It is a sweet deal for them. They get $700,000 up front. They are going to get a percentage of every card sold at $79.95, not $80, and you so there would not be a perverse incentive, I think, the airport is also involved in the decision to have the special line.

As far as I know, at Portland International, it was the airport working with the airline vendors who determined they could have a special line for the frequent flyers, which is as good as Registered Traveler for me. When I go to Portland, I can go to the front of the line. At my home airport, I can't.

So if I was the airport, I would say, hey, close that down, we don't get a cut of the frequent flyer program from United, but we are going to get a cut on the Registered Traveler, get those people to the back of the line and make them pay $79.95 or $109.82 for the card.

Mr. BLANK. We have to think that through very, very carefully. And the point is well made.

Mr. LUNGREN. The gentleman's time has expired.

Mr. Thompson, the gentleman from Mississippi, is recognized for 5 minutes.

Mr. THOMPSON. Thank you very much, Mr. Chairman.

Mr. Blank, I understand the layered security comments earlier and what TSA is doing, and why you are doing things with frequent travelers.

But all individuals are still being screened. Can you just tell me why we screen everybody except the people who are cleaning the planes?

Mr. BLANK. I am sorry? Why we are screening everyone that comes through the checkpoint?

Mr. THOMPSON. Right.

Mr. BLANK. ATSA requires us to.

Mr. THOMPSON. To screen them?

Mr. BLANK. To screen them.

Mr. THOMPSON. Why do we not screen the people who clean the plane?

Mr. BLANK. All airline and all airport workers, again, because of requirements in ATSA, have been subject to background checks, very thorough background checks, name-based and criminal history records. So we feel that we can have a higher degree of confidence in those people because they have been subjected to that background check.

Mr. DEFAZIO. Those are just name-based checks?

Mr. BLANK. For a Registered Travel they are name-based checks. I believe, Congressman, that the airline and airport workers—

Mr. DEFAZIO. Now, some airports are doing fingerprint checks. Others are doing name-based checks. It is not consistent.

Mr. THOMPSON. Well, thank you, Mr. DeFazio. I appreciate it. But my point is, am I screened or checked each time I go to a plane, or is it just one check?

Mr. BLANK. No, you are not. If you are an airline employee, some airline employees are screened every time they go to the aircraft. And those would be pilots and flight crews. Others that have responsibilities on the AOA, the Aircraft Operations Area, for purposes of practicality have been background-checked, and we allow them to access the aircraft based upon their job needs.

Mr. THOMPSON. Well, let me ask it another way. We screen Registered Travelers. We screen and check pilots and people who fly for the first time. But the workers do not get screened.

Mr. BLANK. That is correct, sir.

Mr. THOMPSON. You do not see that as a vulnerability?

Mr. BLANK. We will continue to review our requirements in terms of the threats that we see that are present. We are trying to find a balance between security and keeping the aviation system operating. That inherently means that we have to accept some degree of risk.

And when you think of the expense, and when you think of the personnel that are necessary, if we were to require a physical screening at every perimeter access point on an airport or every security identification area door, it is our view that, with the background check, that that is a reasonable risk to accept.

Mr. THOMPSON. Well, if I am not mistaken, and the record will reflect it, are we not picking up—is not ICE picking up people who perform those jobs for various illegal situations?

Mr. BLANK. Along with ICE and other agencies, we would constantly be double-checking whether or not an individual is truthful about his or her immigration status. Another thing that we have done—

Mr. THOMPSON. Excuse me. So if I am not truthful, then you do not stop me from working at the beginning?

Mr. BLANK. We may—it is not a perfect system. We may not be able to positively determine that you have lied in your employment application.

Mr. THOMPSON. Well, you said, we do these background checks. I would assume that you would not employ someone before the background check is completed.

Mr. BLANK. For TSA's purposes, we will employ someone for a short period of time on a name-based check until the fingerprint background check is completed.

Individuals that are airline and airport employees have the name-based check and, in many instances, also have the fingerprint check before they are allowed access to secure areas.

Mr. THOMPSON. So in other words, I can go to work, and then if my background does not check out, I lose my job?

Mr. BLANK. That could potentially happen. Yes, sir.

Mr. THOMPSON. But in the interim, I am working?

Mr. BLANK. Yes, sir.

Mr. THOMPSON. I yield back.

Mr. LUNGREN. If I can follow-up on that. We talked about how TSA does background checks on airport workers as the standard for granting unescorted access to some sensitive areas of the airport.

TSA subjects Registered Travelers to background checks and has their identities verified through biometrics. And yet they have to

go through the full screening right now. What are the differences, if you can tell us, if this is not classified, between the extensiveness of the background checks on the airport workers versus the Registered Travelers? Because it suggests that you do far more background checks on the workers than you do the travelers, therefore you grant them this access.

Mr. BLANK. We have to between now and the end of the fiscal year bring our policies into alignment. I would say that our policies with regard to background checks, screening levels, and security measures should be viewed in the context of a pilot program and not in what we will require when we go fully operational with this. We have Secretary and Deputy Secretary input to say—and it is a very real question—these individuals had a background check, they don't get screened, but the registered travelers do. And we would say, well, that is something we have look at. We have to make some sense out of that. But we haven't done it in the pilot phase.

Mr. LUNGREN. Let me get it clear in my own mind. For Registered Traveler, you do not get the registration. You do not actually qualify for Registered Traveler until your background has been completed, correct?

Mr. BLANK. That is correct. For purposes of the pilot, we are doing a name-base check only. That can happen very quickly. Another policy decision we are going to have to make is, if we are to grant less security measures at the checkpoint, will we require a registered traveler to also be subjected to a 10-fingerprint-base criminal history record check.

Mr. LUNGREN. You haven't made that determination yet?

Mr. BLANK. No, sir.

Mr. LUNGREN. And it would be a 10-print background check?

Mr. BLANK. If we decide to require it, it would in all likelihood be a 10-print.

Mr. LUNGREN. If you are going to use this for a model for other programs, it would be my suggestion that you do go to a 10-print, because that would be the most effective one and the ones most compatible with background checks that would allow us to utilize other databases, including foreign databases if we ever needed that. I would hope that we would look at that very, very seriously. Gentlelady from California is further recognized for further questions.

Ms. SANCHEZ. Okay. I am trying to understand who has access to the plane. So you are telling me that if I am a—if I purchased a first class ticket and I didn't have an SSS on it—whatever the symbol is for pulling me over to secondary check—I can go through the, say, United first class premier line or what have you, which by the way I believe is the same line for registered travelers to get expedited—given if that line is open—if that line is open during the time that I happen to be at the airport. So I can either be a first class ticket holder, I can be a registered traveler, if it happens to be a program that is in there and I go through that line; otherwise I sit in the normal line, but we all get checked in the same way when we go through the security. The only thing I am going to get as a registered traveler is not have a secondary check on me; is that correct?

Mr. BLANK. That is correct, for the pilot program, yes, ma'am.

Ms. SANCHEZ. If I am a worker that is putting meals on the plane or what have you, I get a background check. I may be hired before the background check is completed. I am hired by the airline, so it is not a TSA program and I have an ID. And when I come to the airport to work for the day, do I pass through any type of security screen that says this is me?

Mr. BLANK. When you come you have a credential which you must display. You are subjected to being confronted by other employees and ground security supervisors that are employees of the airlines. It is called challenge procedures. They are required to do this. But when you come to work, you will pass through a door that we regulate as part of the airport security program. It will have some sort of security on it. In some airports it is a biometric. At other airports it will be a swipe card. So you will come through a security door. Some are observed by cameras. And you will come in and perform your responsibilities as a baggage screener or a baggage handler or what have you.

Ms. SANCHEZ. It is a possibility that I could get a job at the airline without my background being completely checked out, start to work, have a card, a swipe card or what have you, go in through—not have a metal detector or anything so I could be possibly bringing a gun through this screen door or this security door that you have, because you didn't tell me that you have a checkpoint like you do with the flyers.

Mr. BLANK. Right. I want to make sure that I am precisely accurate on this, Congresswoman. And I want to verify this, because I am not certain as I sit here whether the airline and airport workers can access the secured identification area before the full background check is completed.

Ms. SANCHEZ. But I certainly can go through whatever the security point is, and isn't necessarily checking to see if I am carrying a gun for the day?

Mr. BLANK. That is correct. Now let me tell you what we have done.

Ms. SANCHEZ. The pilots have to go through the normal process.

Mr. BLANK. The flight crew.

Ms. SANCHEZ. We have postal workers. There is a saying, he went postal. The same thing could happen with an airline person who goes through the day with a gun strapped to their leg and what have you, and we don't have that screening for them.

Mr. BLANK. Two things. Number one, I testified earlier that security is a filter and not a guarantee. We are not ever going to take the risk down to 100 percent until we put the airplanes on the ground. Now, what we can do—and Congressman DeFazio was very instrumental in this—we can and have greatly reduced the number of access points. We have closed a lot of doors. What we can do is make sure that the security forces that we have in place—whether those be LEOs that are on patrol there, and they are required to do that: whether it is airline security officers, and they are required to do that: on challenge procedures and so forth—that we concentrate them on just the bare minimum number of access points at a particular airport so that it can maintain proper functioning.

Ms. SANCHEZ. I understand. And I think it is a good idea that we have limited access, and this is not the registered travel program, but this is just because I am interested in this other subject, but what you are really telling me is I can be somebody—this system is assuming that if you are an employee of the airport or the airline that doesn't go through the checkpoints but goes through this other door, that because I have had a security background, I am going to have less of a security check when I come to work than anybody else, where, in fact, as an employee, I may not have had my background checked yet. That is a possibility, right?

Mr. BLANK. That is what I want to verify.

Ms. SANCHEZ. That is not the subject of this congressional hearing, but it is an interesting fact that I have just heard.

Mr. LUNGREN. Lady's time has expired. The gentleman from Georgia, Mr. Linder, is recognized for 5 minutes.

Mr. LINDER. If a person goes through one of these portals at some airport where the swipe card is used instead of a thumbprint or a fingerprint, does that swipe card show up on some monitor the face of that person who is holding it?

Mr. BLANK. That is one of the technologies we have tested as far as the pilot is concerned. That occurs at a number of the airports, but not at every one. So we have that capability.

Mr. LINDER. Is there somewhere that the swipe card is used and it doesn't show a picture?

Mr. BLANK. Yes.

Mr. LINDER. What is the point?

Mr. BLANK. Well, because we have biometric data. The picture is a higher and better degree of security, but you don't often fool the fingerprint biometric. It pretty much identifies you every time.

Mr. LINDER. I thought you said that some places the fingerprint is used, and other places just a swipe card is used.

Mr. BLANK. I am sorry. I thought we were back to the registered traveler program. There are some airports that have access to secured areas that use a swipe card. We are about ready—but some airports have not gone to the biometric technology. Most will, because they have the concern that standards haven't been published. We will have standards published to assist these airports, and moving to biometrics within the next several months. That is a requirement of the intel reform bill.

Mr. LINDER. You mentioned a BearingPoint study that just recently has been done. There is another Bearing Point study that I would like you to refer to. It was studying Kansas City screening operation which is privately run—one of the five pilots in this country that are privately run. And my recollection is that the Bearing Point study said that the privately run TSA screening operation with TSA's regulations, but privately run hiring and overseeing staff, saved $8 million that year in Kansas City versus the cost of government running it. Is that true?

Mr. BLANK. I am familiar with that BearingPoint study, but I am not familiar with that finding. I would be pleased to check and come back to the committee.

Mr. LINDER. Please.

Mr. LUNGREN. Would the gentleman yield? I have been informed we have eight votes on the floor. So I would be predisposed not to

come back, but we will keep going for a few minutes if that is the pleasure of the committee.

Mr. LINDER. I have two more comments on the Bearing Point study. Is it still the case that you have on any given day 17 percent of your screeners that just don't show up for work?

Mr. BLANK. I don't believe that is correct, but I am not familiar with that statistic.

Mr. LINDER. Is it still the case you have about a 28 percent annual turnover?

Mr. BLANK. That is not correct. It is about 23 percent annualized. That is the same as the Ritz Carlton Hotel chain, for example.

Mr. LUNGREN. That is the first comparison I have heard of TSA to the Ritz Carlton.

Mr. Dicks is recognized.

Mr. DICKS. When is the decision going to be made about this registered traveler? You say by the end of the next fiscal year?

Mr. BLANK. Yes.

Mr. DICKS. And the decision will be whether we go nationwide or how we are going to ramp it up?

Mr. BLANK. How we are going to ramp it up, what is the role of the private sector, how will we achieve interoperability, what will you have to submit, 10 prints plus a name check, and whether less security measures would be acceptable.

Mr. DICKS. By the way, on the fingerprints there is no doubt in my mind, having heard a lot of testimony in this committee that the 10 prints are much more reliable than the two prints we use for U.S. VISIT, which I think was a terrible tragic mistake. But what are you going to do on that? Are you going to use 10 prints?

Mr. BLANK. I think it is entirely likely that we will. That is a decision that belongs to my bosses to make, but I think it is highly likely we will.

Mr. LUNGREN. Will the gentleman yield? I think you will find support on both sides of the aisle on that.

Mr. DICKS. I think the case here is overwhelming. We made a big mistake on U.S. VISIT. Even though we did let them know ahead of time that this was mistake, they still went ahead and did it, which I think we will have to pay for and change. I yield back.

I just say to Mr. Pearce, one other benefit of this is the short line. That, to me, for all the guys way back, and you are up there right quick, I think that is benefit.

Mr. LUNGREN. Gentleman from New Mexico, Mr. Pearce, is recognized.

Mr. PEARCE. Absolutely. That is the reason I said please keep it in effect. But if everyone has a registered traveler—and I think something like 80 percent of the travelers are frequent fliers and so they would probably be registered travelers—now the lines are going to be just as long for the registered traveler program.

Mr. DEFAZIO. It is 8 percent of the people take 25 percent of the flights. So it is a large percentage of people who are infrequent travelers.

Mr. PEARCE. My question, I suspect if you are going to implement something the first of the year, Mr. Blank, you probably have estimates of what the costs would be to implement that nationwide.

We have discussed the cost of the pilot program. What are the costs of the full program?

Mr. BLANK. It is going to be run by fees. Our 2006 request is for 422.5 million in fees. We expect to have some carryover money to sustain the program in 2006. And if we use the private sector model, and we are at that fee level, we could potentially get up to a million registered travelers.

Mr. PEARCE. If you have a million travelers and 22.05 million in fees, what is—how many airports will you be taking care of?

Mr. BLANK. We have to figure that out between now and the end of the fiscal year. But I would say we would very likely concentrate on category X and category 1 airports where we have most of the passengers and where we would have most of the strains on resources.

Mr. PEARCE. Mr. Blank, the number of airports you would guess would be how many?

Mr. BLANK. Eighty.

Mr. PEARCE. Eighty airports. Okay. Thank you, Mr. Chairman.

Mr. LUNGREN. Mr. DeFazio is recognized for 2 minutes.

Mr. DEFAZIO. Hopefully in establishing the registration process, however, you won't restrict it to people who are resident and originating in those airports, as the current program I described last week, where, although I fly out of the same terminal that has a registered traveler device at National, I can't use it because I wasn't on that airline at that airport. I am just a 180,000-mile-a-year guy with other airlines. Hopefully you will accommodate a wider perspective.

At London Heathrow, their philosophy was, as I was being very vigorously frisked as a Member of Congress with a member of Parliament being vigorously frisked, every time we went in and out of security. They make no exceptions. They go through everybody's toolbox and go through everything that goes in or out of the secure area of the airport. I said, well, why would you do that? They said, Yeah, but a guy got in trouble, got blackmailed or whatever else, and he is smuggling something in today. So situations change. They don't consider the one layer or the background check.

On background checks, my understanding is that at San Francisco they fingerprint everybody. Other airports, they just take your name, you work for this catering company, the catering company clears you by name check only and no prints at all. That, it seems to me, should be consistent among airports and should be something more meaningful and not just a name check, but a name check where the fingerprints are associated with the criminal and other databases, and that is not being done.

Mr. BLANK. I would like to come back to the committee on that, because I am not fully familiar with the regulations.

Mr. DEFAZIO. I think there is some discretion that is given. We need to distinguish here. You get a name and you don't know that that is that person. I tried to explain that to another representative at TSA. But she never got the idea that someone could have her name and clear it through a background check and it may not be her. The point is that associating at least with employees' fingerprints, you might find you can still fake the name, but you may be in the databases for other purposes. That still isn't foolproof, be-

cause without doing a real FBI background check, we don't know that you are that person or have been that person at those residences, et cetera, et cetera. So thank you.

Mr. LUNGREN. I thank the gentleman. We would like to thank Mr. Blank for your valuable testimony and the Members for their questions. The members of the committee may have additional questions for you and we would ask you to respond to these in writing. The hearing record will be held open for 10 days.

And, without objection, the committee stands adjourned.

[Whereupon, at 2:15 p.m., the subcommittee was adjourned.]

U.S. HOUSE OF REPRESENTATIVES,
COMMITTEE ON HOMELAND SECURITY,
SUBCOMMITTEE ON ECONOMIC SECURITY,
INFRASTRUCTURE PROTECTION, AND CYBERSECURITY,
Washington DC, June 23, 2005

Re: June 9 Testimony: The Promise of Registered Traveler

To Whom it May Concern:

I appreciated the opportunity to share my views with the Committee at the June 9 hearing entitled "The Promise of Registered Traveler."

Since that time, allegations have surfaced that the Transportation Security Administration has collected and maintained extensive personal information about airline passengers for testing of the Secure Flight program even though Congress forbade it and the TSA said it would not do so.

While the exact allegations are unclear and have not been proven, I believe the consequences may be quite serious. The American public and Congress rely on agencies' Privacy Act notices and related publications as describing accurately what they will do with Americans' personal information.

In preparing for the June 9 hearing, I reviewed and relied on the TSA's June 1,2004 Privacy Act System of Records Notice, 69 Fed. Reg. 30948, regarding the Registered Traveler program and the Registered Traveler Pilot Privacy Impact Assessment dated June 24, 2004. My testimony assumed that such documents bind the TSA.

Had I known of allegations that the TSA ignores the Privacy Act's requirements and its own promises about American travelers' privacy in the Secure Flight program, I certainly would have included this information in my testimony. Unaware of the allegations, I may have misinformed the Subcommittee, understating the risks to privacy from programs like Registered Traveler and. Secure Flight.

Sincerely,

THE CATO INSTITUTE,
JIM HARPER,
Director of Information Policy

○