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On Behalf Of
The American Association of Airport Executives/Airports Council International-North America
Senate Aviation Subcommittee Hearing on Aviation Security
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On behalf of the men and women who operate and manage America's airports, I appreciate the opportunity to reflect on our recent efforts to enhance aviation security and to outline a few of the challenges that lie ahead. While much remains to be done, it is clear that a great deal of progress has been made in recent months and that our nation's aviation system is more secure than it has ever been.

Before moving into some of the specific challenges that loom on the horizon, I want to first thank Chairman Lott and the subcommittee for delving further into aviation security. With several high-profile deadlines behind us and with the Transportation Security Administration finally ramped up and fully operational, this is absolutely the right time to address fundamental questions about aviation security and how we can make further improvements in a reasonable and cost effective way.

Challenge: Recognition of Airports as Public in Nature With Similar Mission to TSA
For airport operators, the questions contemplated today must go beyond the basic matter of who should pay for what. Clearly, cost implications are a key concern and one that we believe the federal government should take into account as it considers security requirements and procedures. Equally important, however, is the fundamental question of how the federal government will choose to view airport operators – as a partner or as an impediment – as we move forward to address security challenges.

While the situation has improved dramatically under the leadership of Admiral Loy, TSA, at best, still views airports with suspicion. The effort to install explosive detection equipment in airports over this past year to screen checked baggage offers a perfect example. Rather than drawing upon the local knowledge and expertise of airport officials, who repeatedly offered their assistance, the TSA chose to keep airports at arms length as extensive plans for baggage screening configurations were drafted and re-drafted by government contractors at great expense and often without airport input. This decision to ignore airport operators cost the TSA critical time and many millions of dollars. It likewise cost a number of airports additional resources as many were forced to undertake design and engineering work at their own expense because the TSA's work and final planning was either dramatically delayed or unfeasible.

As we move forward, it is clear that the TSA can and should do even more to turn to airports as a partner in the quest to develop and implement cost-effective solutions to security issues. Airports are at their very core public institutions and therefore much different from the rest of the aviation industry, which is to a large extent driven by the need to show profits. The primary mission of an airport is not to make money, but rather to serve the community and the national aviation system by encouraging competitive air service and ensuring a safe and secure environment for the public. As local governments, airports have always been responsible for the safety and security of their facilities and the people who use them. This will continue to be so, regardless of the roles assumed by the TSA. Since we share the same mission as the TSA with regard to security, it is only appropriate that we develop a cooperative and coordinated approach to solving problems.

The use of local law enforcement resources at airports is but one area where airports and local governments can and should work with the TSA. For more than 30 years, airports and local governments have provided a law enforcement presence at airports throughout airport terminals and around airport perimeters. Without question, local governments have performed these law enforcement duties with great success. Yet, there are those within TSA who would like the Agency to get more involved in these areas, a prospect that ignores past success and, if implemented, would impose further costs on the system.

Parking is another area that continues to cause problems despite the reported elimination of the irrelevant 300-foot-rule that prohibited parking close to terminal buildings. There remain a number of hoops for airports to jump through for approvals of parking plans, and serious questions remain at some bigger airports as to how the new system, which is based on Homeland Security threat levels, will operate and be funded. Again, these types of problems could be eliminated if only the federal government would recognize the public nature of airports and allow them to develop plans that best serve local circumstances. The federal government does not dictate to local governments how to protect shopping malls, office buildings, museums, or sports stadiums. What public purpose is served by treating airports differently?

Mr. Chairman, the TSA has a daunting mission with responsibilities not only for aviation security but also for our nation's entire transportation system. It is in the Agency's interest and the public interest to reach out to airports and work collaboratively when possible to solve problems. Building a cooperative relationship based on mutual trust will both enhance security and ensure that limited resources are wisely spent.

Challenge: Federal Funding to Meet Federal Mandates
While working more closely with airports would represent a good start, it will obviously take more to address airport security, comprehensively, into the future. Funding challenges, as you are well aware, remain a serious problem that we believe should be addressed with both a renewed effort to keep the TSA focused on its core mission and with new federal resources.

On the former, there seems to be a pervasive urge on the part of the Agency to expand its reach as the law enforcement and parking examples illustrate. To address this situation, Congress may want to consider requiring either regulatory burden or cost-benefit tests for the TSA to ensure that the Agency avoids continued "mission creep."

In terms of federal funding, it is clear that new federal resources must accompany federal requirements. Airport operators can no longer absorb additional security costs without serious consequences to capital improvement programs and other airport operations. Airports are already stretched thin trying to deal with a number of unfunded mandates imposed on them by the federal government. In addition, the Airport Improvement Program, which many in the Administration seem to look at as a magic funding pot, has already been tapped heavily for security-related items, with more than $560 million in FY 2002 devoted for security, up from $57 million the previous year. Without incremental federal assistance, airports would have no choice but to lay off part of the burden on our partners in the airline industry, which is not a viable option given their dire financial situation.

The case for federal support is evident. The attacks of September 11 were more than an attack on the aviation system; they were an attack on our nation. The threats that exist today are a matter of national security, and the federal government must take an active role in meeting airport security requirements.

For airports, the situation was worsening before 9/11 and has grown much worse in the aftermath. Many of the mandates issued by the FAA and TSA to provide additional law enforcement personnel, enhance airport surveillance and revalidate all airport-issued identification, for example, remain unfunded. In fiscal year 2002, Congress appropriated $175 million to reimburse airports for a portion of these costs. As part of the process of applying for those funds, airports collectively submitted requests for $444 million in expenses that the FAA deemed acceptable, leaving a roughly $270 million gap that airports have been forced to absorb. An additional $150 million was provided for reimbursement as part of the FY 2002 supplemental spending bill, but those funds evaporated when the President rejected the "contingent emergency" portions of the bill.

At the Jackson International Airport in Jackson, Mississippi, for example, new mandates have led to a nearly 70 percent increase in law enforcement expenses, among others. The roughly $45,000 a month

that the airport has been forced to shoulder may seem insignificant, but for smaller facilities those costs are extremely difficult to deal with. In the case of Jackson, the airport has reluctantly increased landing fees for carriers, a result that could adversely affect air service for the community. There are numerous other examples from airports throughout the country.

Explosive Detection System Installation
Unfortunately, there are even bigger cost concerns on the horizon. Chief among them is the multi-billion dollar cost of permanently installing explosive detection equipment in 429 commercial service airports across the country. As anyone who recently has traveled through airports knows, a majority of these machines currently sit in already crowded terminal areas, where they were dumped in order to meet the 12/31/02 deadline for screening all checked baggage. The longer the existing "temporary" arrangement persists, the bigger the security threat to waiting passengers and the more inconvenienced they are as they attempt to check baggage and board flights.

The estimated costs of moving the equipment "in-line" with baggage systems out of the way of check-in areas are staggering. Estimates vary from $3 billion to $5 billion and up to complete the extensive work required to make space available and to create new space in airports for the truck-sized EDS machines, to create and expand baggage make-up facilities, to integrate the various systems, to reinforce existing floors, as necessary, and the like. While it might be easier from a funding perspective to simply ignore these costs and try to "get by," leaving the machinery where it now sits, doing so would have serious ramifications on security and passenger flows and processing. The passenger's difficulties in dealing with today's security mazes remain extremely important given the current state of the aviation industry and the need to eliminate the passenger "hassle factor."

While the depth of the problem varies, virtually all airports face serious challenges in moving to in-line systems. Below are some estimates our members have provided to us or that have been reported in the press over the past several months for long-term EDS integration. These figures could, of course, change depending on final TSA planning:

Seattle	$400 million	San Jose	$241 million
Newark	$200 million	Las Vegas	$200 million
Dallas/Fort Worth	$193 million	Boston	$146 million
LAX	$135 million	National/Dulles	$125 million
LaGuardia	$100 million	San Diego	$90 million
Denver	$85 million	Kansas City	$66 million
San Francisco	$65 million	Phoenix	$60 million
Minneapolis/St. Paul	$40-$50 million	Salt Lake	$30 million
Nashville	$30 million	Jacksonville	$20 million
Miami	$20 million	John Wayne	$20 million
Richmond	$20 million	Oakland	$16 million
Memphis	$10 million	Boise	$7-8 million
Sarasota	$5-6 million	Gunnison-Crested Butte	$5 million
Lexington	$3.5 million	Tallahassee	$3-4 million
Louisville	$3.25 million	Tucson	$2.35 million
Kalispell, Montana	$1.5 million		

To its credit, the Congress has been willing to step forward and begin providing resources to install EDS equipment. As part of the 2002 supplemental spending bill (P.L. 107-206), $738 million was appropriated specifically for that purpose. While that theoretically provided a good down payment, we have recently learned that the TSA has shifted most – if not all – of those funds to help pay Boeing for TSA's design, engineering, and construction work, conducted to deploy baggage screening equipment. It is unclear what portion has gone to make terminal modifications.

Since the supplemental appropriations bill was signed into law this past summer, AAAE and ACI-NA have repeatedly asked TSA officials about the distribution of the $738 million in an effort to provide guidance to airports interested in moving forward with terminal modifications needed to accommodate EDS equipment. Repeatedly, we have been led to believe that the funds would be released to airports for TSA-related terminal modifications through a formulaic approach, only to find out in recent days that would not be the case.

We are struggling to understand how paying for a significant portion of the Boeing contract with these funds met the requirement established in the law, since airport costs to accommodate baggage screening continue to be ignored. Airports, in some cases, provided their own money to pay for design work that was ultimately used because of the delay in getting the government work completed and because of problems with implementation of the government plans. In Jackson, again, the airport used $50,000 of its own resources to develop the plan that was ultimately implemented. It is our hope that Congress will act quickly to ensure that the funds in question are in fact used for airport terminal modifications as intended.

As we move forward, airports recognize the difficulty we face in gaining the billions in funding necessary for terminal modifications in one year. Therefore, we have joined the TSA in advocating for the creation of a new program within the TSA's budget – perhaps modeled after the current FAA Letter of Intent process, FTAs Full Funding Grant Agreements, or something similar – that would allow airports to leverage their own resources to pay for the construction necessary to accommodate EDS equipment.

The notion would be to have interested airports provide immediate funding for key projects with a promise that the federal government would reimburse the airport for those expenses over several years. This approach would maximize the use of limited federal resources and ensure that key construction projects get underway as soon as possible. We hope that Congress will act quickly on this proposal given the urgency of the problem.

Before moving on to other funding issues for the airport community, I again want to emphasize to the subcommittee our concerns about the possibility of using Airport Improvement Program funds for EDS installation and other pressing security needs. As I mentioned earlier, more than $560 million in AIP for FY 2002 has been used for security. That is $560 million that was not used for other important safety, capacity, renewal, and noise-mitigation projects at airports.

TSA officials have publicly announced their intention to rely on AIP in the current fiscal year once again to meet security requirements. Already, airport operators across the country have reported hearing from FAA officials "encouraging" them to devote their AIP dollars to security projects.

This is a very dangerous precedent, Mr. Chairman, and one that I don't think we can take lightly. While using some AIP funds has been helpful to some airports in the short-term, it would be incredibly short-sighted to rely on AIP funding for future security requirements. The events of September 11 have taken some focus away from the issue of airport capacity, but it is clear that serious needs remain. Many airports were feeling the strain of congestion before the current downturn and FAA projects passenger traffic to grow significantly, from its current level of 680 million to one billion, annually, within the next decade. Cargo and general aviation operations will likely continue to skyrocket. Airports' capital investment needs for renewal, modernization, and security-related improvements continue to grow, unabated.

Other Funding Requirements
Beyond EDS installation, airports continue to struggle with a number of other new requirements, including necessary parking changes, as well as access control and perimeter security upgrades. ACI-NA projects that on-going and future capital needs are expected to exceed an average of $16 billion per year for the next five years.

The use of space by the TSA in airports is also a big concern. The TSA has requested significant amounts of space at airports, not only for screening passengers, but also for employee training, office space, break rooms, and other purposes. For decades, the FAA has paid airports for the Agency's use of space at airports, and we believe the policy should be the same for the TSA. Congress should permanently extend a requirement that has been included in recent funding bills requiring the TSA to pay for all the space it uses in airports outside of screening checkpoints. Without this change, airports will be forced to build additional facilities, without compensation, and thereby shoulder an even greater economic burden.

The issue of permanent positioning of law enforcement personnel at security screening checkpoints has also caused a great deal of concern. Prior to the passage of the Aviation and Transportation Security Act last November, airport and local law enforcement were responsible for law enforcement activities at airports and were required to respond to incidents at screening checkpoints within a time certain. With the passage of ATSA, a law enforcement presence was required at all security screening checkpoints. While the National Guard initially fulfilled this requirement, state and local law enforcement officials have done so since the Guard was removed from airports last May. They have done so with the understanding that they would be reimbursed by the federal government for meeting this new federal requirement. We need to ensure that funding is available to meet these costs.

As mentioned previously, airports and local governments, traditionally, have performed law enforcement duties throughout airports. It is an effective and efficient model and it only stands to reason that this arrangement should be allowed to continue, with local forces meeting what is now a federal as well as local requirement. Ideally, checkpoint law enforcement officers would be given the flexibility to move beyond their fixed stations in order to both make better use of personnel resources and to ensure a broader, more comprehensive, and more effective approach to security, provided, of course, that they can respond to a checkpoint incident in a time certain as necessary. These changes require a modification to existing law. Both TSA and the airport community are in agreement that those changes should be made.

Another area of concern that I would like to touch on is general aviation security, a topic that will likely begin to receive more attention this year. To address security concerns at GA airports, AAAE created a task force to make recommendations on the future of GA airport security. Task force members included officials from numerous GA airports, as well as representatives from the National Association of State Aviation Officials (NASAO).

In its final report, the task force emphasized that the ability of the large majority of GA airports, many of which are not self-sustaining, to implement enhanced security measures will be contingent upon the provision of extensive financial assistance from the federal government. Any new regulations should not be promulgated without an appropriate new funding source from the federal government to finance new security requirements at GA airports. Simply diverting funds from AIP or other existing federal programs would only serve to reduce funding for necessary airport safety and capacity projects.

Challenge: Increase Customer Service, Utilize New Technology
Before closing on our list of specific concerns, I want to note a couple of broader areas that need additional attention from TSA and from the Congress. The first is customer service, which has largely been put on the back burner since the events of September 11. While security is obviously a primary imperative, maintaining the efficient, effective functioning of the aviation system is also important. We cannot realistically expect the traveling public forever to wait patiently on a system that they view as unnecessarily intrusive and inefficient. The more hassle involved, the less inclined people will be to board aircraft, especially as time passes. We have already seen convincing evidence that passengers who have an option have already forsaken air travel: short distance trips have seen the greatest decline in patronage. Those truths have had and will continue to have a profound affect on the airline industry and its financial well-being.

We are pleased that Secretary Mineta and others have made efficiency and customer service a key goal of the TSA. Given the importance of this issue, it is our hope that DOT will collect and publish performance data on the wait times at security processing points at every airport. We believe that having this information available to the public can provide much needed accountability in this area.

Finally, I want to encourage the subcommittee to give greater attention to the promise of new technology. To this point, much of the debate in Congress on aviation security has largely focused on those responsible for screening passengers and their carry-on baggage, cockpit security and federal air marshals. While appropriate and necessary, we must also look to new technology to ensure that the hijackings and terrorist attacks that occurred on September 11 will not happen ever again.

Just a few days after the terrorist attacks, Secretary Mineta formed two teams to examine ways to improve airport and aircraft security. I served on the Rapid Response Team on Airport Security, which issued its report last year. We concluded that new technologies must be deployed more widely to augment aviation security. I remain convinced that there is an urgent need at minimum to establish centralized databases for both trusted travelers and industry workers that will provide for the continuous vetting of the hundreds of thousands of individuals who frequently travel or who work within the aviation system. I believe there are a number of additional applications for new technology to enhance perimeter security and access control, improve baggage and passenger screening, and numerous others.

In closing, Mr. Chairman, I again want to thank you for the opportunity to outline a number of concerns for airports across the country. Security remains a pressing issue that requires our continued attention. Airports stand ready to work with the TSA with the hope that we can continue to find reasonable and cost-efficient solutions to ongoing problems.