

STEVEN BALDWIN
ASSOCIATES

Airport Management Consultants

Industry Analysis White Paper



Options to TSA Security: Is Private Security Screening Right for Your Airport?



TABLE OF CONTENTS

SECTIONS

Section 1: Executive Summary	page 1
Section 2: Introduction	page 2
Section 3: Regulatory Framework	page 4
Section 4: Process and Application	page 5
Section 5: Contract and Operations	page 10
Section 6: Airport Experience with Non-TSA Vendors	page 11
Section 7: Summary	page 12
Section 8: Recommendations	page 14

ILLUSTRATIONS

Figure 1. Current SPP Airports (Listed by Year of Approval)	page 3
Figure 2. Representative Examples of TSA Qualified Vendors	pages 4-5
Figure 3. SPP Application Form	pages 7-8
Figure 4. TSA SPP Standard Acquisition Timeline	page 9
Figure 5. Airports Participating in the SPP (as of June 2015)	page 13



An Analysis of the TSA Screening Partnership Program: The Options for Private Staffing of Passenger and Baggage Screening at Airports

by Spencer Gillette, Joel Russell, and Penny Perkins

Section 1: Executive Summary

The events of September 11, 2001 prompted a significant increase in the Federal government's involvement in airport security and operational matters. However, many aspects of these Federal aviation security programs and procedures have been debated by industry analysts and airport managers as to their effectiveness. **One of these topics of debate is the issue of staffing at security checkpoints, particularly whether staff should be Federal employees or private security service employees.** The debate is largely driven by customer service requirements as opposed to security requirements. However, both sides of this debate have their supporters. Overall in the industry, using Federal employees has been the trend at more airports to date. In spite of this, the alternative of using private employee services continues to remain a viable option and is supported through a series of official Federal programs and efforts.

Over time, this alternative option of employing private service contractors for security screening has evolved into the current **Screening Partnership Program (SPP)** administered by the Transportation Security Administration (TSA). Under this program, if an airport would prefer to use private security employee services for passenger and baggage screening, it submits an application form to the TSA; after review and approval by the TSA, private screeners (subject to TSA supervision and jurisdiction) are typically in place at the airport within a year.

Today, entry into the program is quick and simple. The process is hands-free, which is both an advantage and disadvantage to the airport. All airports surveyed by SBA report an excellent relationship with the private services and appear to be highly satisfied with the program. In particular, the program offers staffing **flexibility** that the TSA has difficulty with or, in some cases, cannot provide. Also, airports report increased **customer service** and **customer satisfaction** with the private staffing option.

Taking the research and airport experiences into account, SPP vendors have proven to compete with the TSA screening service on all aspects of performance. In fact, measurable screening performance appears to favor the private screening alternative, but not by an overwhelming factor. **Overall, airport sponsors that have specific needs or goals that can be met using the SPP—particularly around scheduling flexibility and customer service enhancements—should consider it as a viable option.**

Given that many airports could benefit from the increased flexibility in staffing and scheduling that the SPP provides, and given that many airports desire an improved customer service environment, we conclude the Screening Partnership Program could be successfully used by a wide variety of airports. In particular, a switch to the SPP may help alleviate issues such as long screening lines during peak passenger times as well as mitigate resulting issues such as dissatisfied passengers, airlines having to delay flights, and baggage left behind.

Section 2: Introduction

Congress established the Transportation Security Administration through the Aviation and Transportation Act of 2001 (P.L. 107-71). Although the Act was overwhelmingly approved by Congress, there were several items included in it which were debated. One of these issues was a choice between staffing the passenger screening functions with public/government employees or private contractors supervised by the TSA. Ultimately, the government staffing argument won the political debate. However, the Act included a modest alternative program; specifically, Section 108, Security Screening by Private Companies, provided for the Security Screening Pilot Program whereby the TSA would agree to allow five airports, each representing one of the five TSA security airport classifications, to retain private staffing for the screening function. These private screening companies would be supervised by the TSA and held to Federal policies and procedures which the TSA would develop. The original term of the Pilot Program was set at three years, after which the participating airports could revert to government employee staffing or, with TSA approval, maintain a private work force.

The original five Pilot Program airports were San Francisco International Airport (California), Kansas City International Airport (Missouri), Greater Rochester International Airport (New York), Jackson Hole Airport (Wyoming), and Tupelo Regional Airport (Mississippi).

Additionally, Section 108 established the Security Screening Opt-Out Program, whereby an airport could petition the TSA for private security screeners. This program was complemented and supported by the Pilot Program, which would develop policies and procedures for private screeners and would also provide real world experience for private screener activity. The Pilot Program ended in 2004.

After a short bridge period, all Pilot Program airports were renewed under the new Screening Partnership Program in 2005. This program now included all former Pilot Program and Opt-Out airports. However, the previous Opt-Out program/new Screening Partnership Program made only modest progress: by 2009, only nine additional airports had gained TSA approval (and five of those were part of a package deal with the State of Montana for small seasonal airports). Critics of the TSA believed that the TSA was making the program as difficult as possible for new entrants. Those critical of the TSA's performance included the Government Office of Accountability which reported the TSA was using unrealistic Federal cost numbers in their decision matrix. Further, the TSA offered little guidance to the airports for their submission. The criticisms came to a head in late January 2011 when TSA Administrator John Pistole announced the agency would no longer consider any further applications, as he "did not see any clear or substantial advantage to do so at this time."¹

This announcement was not well received by members of Congress who were unhappy with the TSA regarding several issues, including staffing numbers, screening delays, and privacy issues. The resulting action was the passage of the FAA Modernization and Reform Act of 2012. This Act, specifically Section 830, required the TSA to accept and review all applications for private security screening within 120 days. Within that period, the application was required to be approved or denied. If denied, the Administration was required, within 60 days, to produce a

¹ NBC News, Feb. 3, 2011, http://www.nbcnews.com/id/41391509/ns/travel-news/t/ditch-tsa-workers-airports-no-longer-allowed-opt-out/#.VpTkGKUnh_N

written report to the petitioning airport, stating the reasons for the denial and offering recommendations for approval.

In its June 2015 report to Congress, the Transportation Security Administration summarized the current status of the Screening Partnership Program as follows: “Since the creation of the program in 2004, 32 airports have applied to the program. Of the 32 airports, 27 airports were approved, 3 airports retracted their application, and 2 airports were denied and have not since reapplied to the program. Currently, 21 airports are participating in the program with contract security screeners in place. Additionally, TSA is in the procurement stage for one new airport. Currently no applications are pending approval.”² Figure 1. below shows the current listing of active airports in the SPP and their beginning participation date, according to the TSA’s June 2015 report.

**Figure 1. Current SPP Airports (Listed by Year of Approval)
(Per the June 2015 Report to Congress by the TSA)**

Airport	State	Year Approved
San Francisco Int. Airport	CA	2005
Kansas City Int. Airport	MO	2005
Greater Rochester Int. Airport	NY	2005
Jackson Hole Airport	WY	2005
Tupelo Regional Airport	MS	2005
Sioux Falls Airport	SD	2005
Key West Int. Airport	FL	2007
Sonoma County Airport	CA	2007
Roswell Int. Air Center	NM	2008
Dawson Community	MT	2009
Glasgow Int. Airport	MT	2009
Havre City-County Airport	MT	2009
L. M. Clayton Int. Airport	MT	2009
Sidney-Richland Municipal Airport	MT	2009
Bozeman Yellowstone Int. Airport	MT	2014
Bert Mooney Airport	MT	2014
Glacier Park Int. Airport	MT	2014
Yellowstone Airport	MT	2014
Orlando Sandford Int. Airport	FL	2014
Sarasota-Bradenton Int. Airport	FL	2014
Portsmouth Int. Airport	NH	2014
Punta Gorda Airport	FL	2015 <i>(pending procurement)</i>

² “Screening Partnership Program: First Half, Fiscal Year 2015” report issued to Congress on June 19, 2015 by the Transportation Security Authority.

Other approved airports, but with no commercial service at this time, include:

Florida Keys Marathon Airport	FL	2007
East 34 th St. Heliport	NY	2007
Gallup Municipal Airport	NM	2007
Lewiston Airport	MT	2009
Miles City Airport	MT	2009

Section 3: Regulatory Framework

As summarized above, the utilization of qualified private companies to provide passenger and baggage screening at an airport is allowed under the Aviation and Transportation Security Act of 2001 (P.L. 107-71) which authorizes the TSA Administrator to approve such action. The Federal Aviation Administration Modernization and Reform Act of 2012 (P.L. 112-95) amended P.L. 107-71 by providing several schedules that the TSA must use when determining whether to approve or deny an airport application for private screening employees.

In particular, the TSA must approve or deny an application within 120 days of submission. The approval shall be granted if the application does not compromise security nor detrimentally affect the cost efficiency or the effectiveness of the passenger and property screening process. Furthermore, if the TSA denies an application, the TSA is required to provide a written report that explains its decision within 60 days of the denial.

Additionally, the proposing airport may submit a recommendation/request for a private screening company. The TSA maintains a Qualified Vendor List of those security firms which have met the TSA standards. See a representative list of TSA qualified vendors in Figure 2.

Figure 2. Representative Examples of TSA Qualified Vendors

Representative Examples of TSA Qualified Vendors
Akal Security
AM-Guard, Inc.
Asset Protection & Security Services, LP
AT Systems Security, Inc.
BOS Security and Inter-Con Security
Chenega Corporation
Covenant Aviation Security, LLC
Executive Security
FirstLine Transportation Security, Inc.
Heritage Security Services
Inter-Con Security Systems, Inc.
Lockheed Martin Info & Tech Services
Northrop Grumman Technical Services, Inc.
Omniplex World Services Corp.
Securiguard, Inc.
Spartan Security Services

Representative Examples of TSA Qualified Vendors (Continued)
Systems Training & Resource Technology, Inc.
Transcontinental Enterprise, Inc.
Trinity Technology Group
Universal Service Protection
VDM MT Security, LLC
Walden Security

Section 4: Process and Application

A Screening Partnership Program application form (see Figure 3. on the following pages) is available from the TSA/SPP website at:

<http://www.tsa.gov/for-industry/screening-partnerships>

After completing the application, the airport should submit it (along with any supporting material) to:

Section Chief
 Transportation Security Administration
 ATTN: Screening Partnership Program
 601 South 12th Street c/o E9-145S (TSA-29)
 Arlington, VA 20598-6029

A completed copy should also be delivered to the airport's Facility Security Director.

Principal components of the SPP application form include:

- The airport has the ability to recommend/request a particular security firm.
- The airport must describe any planned event (during an 18-month window) that may affect the screening process.
- The airport may include any additional information which it believes is appropriate or necessary to support its application.

Within 120 days, the airport must be notified of the TSA's decision. Recent experiences (see Section 6 of this report) show that there will be little to no interaction between the submitting airport and the TSA until a decision is made. Note that at a certain point within the 120 day period, the submitting airport will be advised that the application cannot be withdrawn.

If the application is approved, the airport will be advised accordingly. The TSA will then commence the RFP process for a private security service. Again, the airport typically has little or no involvement with the TSA during this process.

The application form for the SPP submission is provided in Figure 3 on the following pages.

The TSA's target is to have the private service contract completed and operational within one year of the application's submission. For further details, see Figure 4. on page 9 regarding the standard application timeline.

Figure 3. SPP Application Form

DEPARTMENT OF HOMELAND SECURITY
Transportation Security Administration

SCREENING PARTNERSHIP PROGRAM APPLICATION

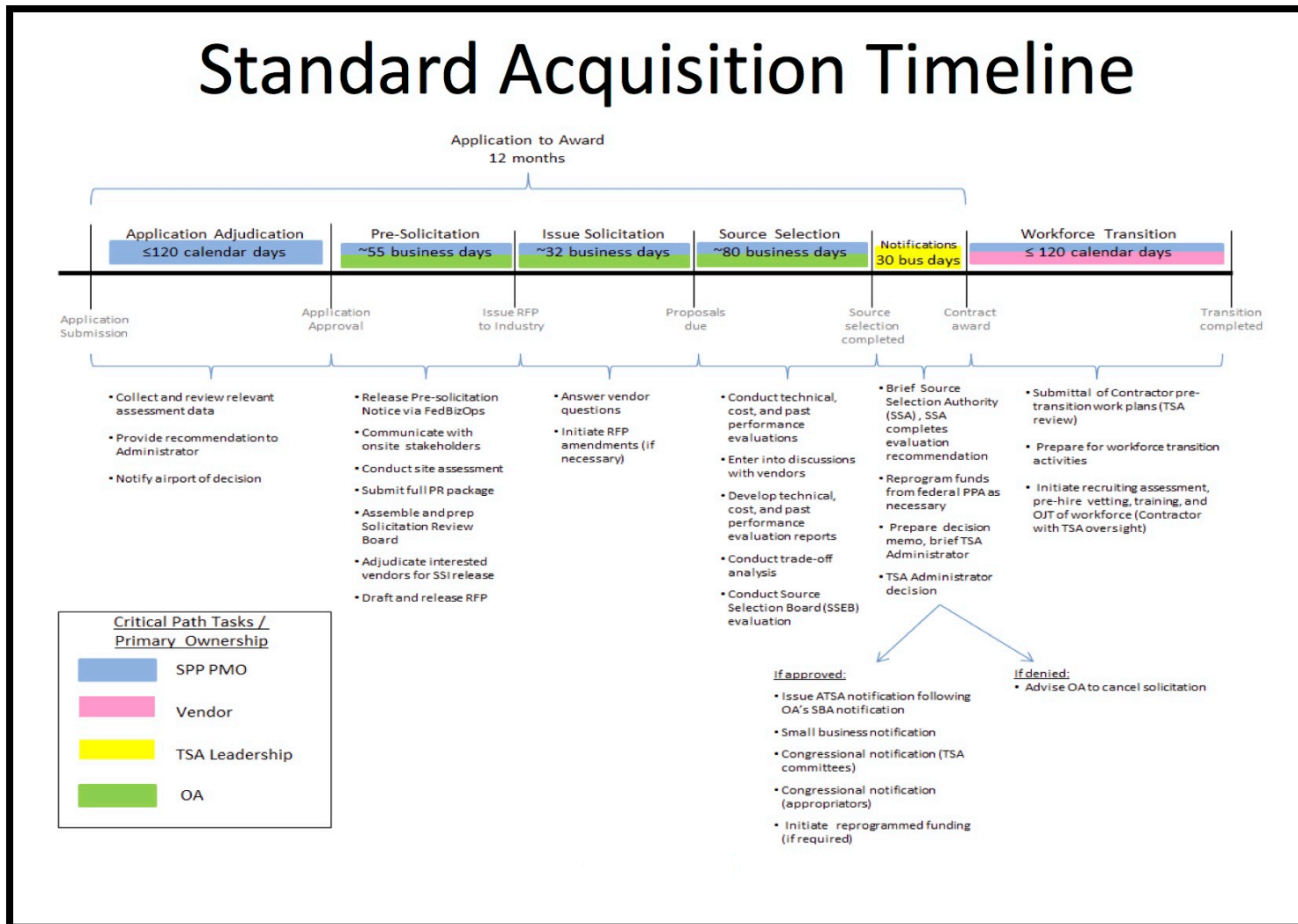
INSTRUCTIONS: Complete a separate application for each airport. An authorized representative of the airport or the airport owner must complete the application. The application must be completed in full to be considered for approval by TSA. Attach all supporting documentation to the application and use separate sheets if more detail is needed. Please provide a copy of the completed application to the Federal Security Director.		
SECTION I. Airport Information		
Request Date	Airport Name	FAA Identifier
Airport Operating Authority		
SECTION II. Contact Information		
Authorized Requestor		Position
Primary Number	Alternate Phone Number	Email Address
Mailing Address		Email Address
SECTION III. Required Information		
<p>1. Indicate if the requesting airport authority seeks to provide or may seek to provide the private security screening services at the airport. Airports interested in providing their own private security screening services must submit a proposal (per instructions posted on FedBizOpps.gov) and compete for contract award in accordance with the Competition in Contracting Act and the Federal Acquisition Regulation.</p> <p>a. <input type="radio"/> YES</p> <p>b. <input type="radio"/> NO</p> <p>2. Per 49 U.S.C.44920 as amended by the FAA Modernization and Reform Act of 2012 (P.L. 112-95), the airport authority shall provide a recommendation as to which company would best serve the security screening and passenger needs of the airport, along with a statement explaining the basis of the airport operator's recommendation. NOTE: The recommendation provided below is for application purposes only. TSA is under no obligation to contract with the airport operator / authority's recommended vendor.</p> <p>a. Airport operator's recommended company. Provide the company name and address.</p> <p>b. Statement explaining the basis of the operator's recommendation. Additional pages may be attached.</p> <p>3. Does the airport have any activities planned within the next 18 months, such as major construction or significant volume adjustments that would affect the screening operation?</p> <p>a. <input type="radio"/> YES</p> <p>b. <input type="radio"/> NO</p>		
Section IV. Optional Information		
4. Provide any additional information you would like TSA to consider during the evaluation of this application. Additional pages may be attached.		

Figure 3. SPP Application Form, con't.

Section V. Signature	
<p>Upon execution of this application, the authorized representative, (specified as the primary point of contact in this document) hereby requests the TSA Administrator to approve this application to have the screening of passengers and property at the airport conducted by a privatized screening company contracted to the TSA, as provided for under Section 44901 of the Aviation and Transportation Security Act, as amended.</p> <p>TSA will evaluate this application in accordance with the criteria specified in section 44920, as amended, of Title 49, United States Code. If the application is approved, the airport operator understands that any potential contract resulting from the submission of this application will be awarded and administered by TSA in accordance with the Competition in Contracting Act and the Federal Acquisition Regulation.</p>	
<p>_____ Signature</p>	<p>_____ Date of Execution (<i>Application Date</i>)</p>
<p>_____ Print Name</p>	

PAPERWORK REDUCTION ACT BURDEN STATEMENT: TSA's Screening Partnership Program (SPP) (49 U.S.C. § 44920 (ATSA §108)) enables commercial airports to apply for a private screening company to provide passenger and baggage security screening services. Transportation Security Administration estimates that the average burden for collection is 5 minutes per response. This is a voluntary collection of information. You may submit any comments concerning the accuracy of this burden estimate or any suggestions for reducing the burden to: TSA-11, Attention: PRA 1652-0034 601 South 12th Street, Arlington, VA 20598. An agency may not conduct or sponsor, and a person is not required to respond to a collection of information unless it displays a valid OMB control number. The control number assigned to this collection is OMB No. 1652-0064, which expires 09/31/2018.

Figure 4. TSA SPP Standard Acquisition Timeline



Section 5: Contract and Operations

Contract with Private Security Firm

Once the airport's application has been approved, a contract is executed between the TSA and the selected security provider. The airport is not a signatory and does not normally receive a copy of the contract.

The typical contract term is three years.

There is no change in the airport's financial or liability position for operating within the SPP versus a typical TSA staffing arrangement.

Operationally, the airport will continue to interface with the TSA's local Facility Security Director (FSD) or the Assistant FSD.

Other TSA duties at the airport (for example, perimeter security, security plans access control, ID programs, No-Fly list operations, etc.) are unaffected by the SPP participation. The only change concerns the staffing personnel in the passenger and property screening process. TSA equipment maintenance is retained by the TSA.

Operations

The performance of the private screeners versus the TSA-staffed effort has been reviewed by several entities, including:

- *Washington Times*, April 23, 2004
- Associated Press, April 20, 2005
- Catapult Consultants report for TSA, 2007
- *USA Today*, 2007
- TSA internal report, 2008
- House Committee on Transportation and Infrastructure, November 16, 2011
- Bearing Point Consultants report for the GAO, December 2012
- GAO Report, 2012

The reports consistently found that the private screening force performs at, or modestly above, the level of the TSA-staffed operation.

Performance measures included:

- Threat Image Projection
- Recertification Pass Rates
- Aviation Security Assessment Programs
- Presence, Advisement, Communication, and Execution Evaluations
- Monthly Contractor Performance Management Reviews

All participating SPP airports interviewed by SBA observed an increase in the customer service effort at the checkpoint. The private service employees were trained to be more sensitive and courteous to the traveling public. A more concerted effort to assist passengers, especially children, was made by the private staff. The traveling public noticed and appreciated the effort. The airports believed that the additional effort differentiated their airport from Federally-staff airports.

Section 6: Airport Experience with Non-TSA Vendors

As part of our research for this analysis, SBA interviewed several executive managers from airports which have been approved for the SPP regarding their experience of the program. We also reviewed public records including Congressional testimony for similar reports. Below are summaries of our findings.

Airport in the Northeast Interview with Airport Director Interview from Jan 4, 2016

This airport's only commercial service is Allegiant Air. When Allegiant needed to reschedule a flight to a non-scheduled time period, the TSA could not accommodate the change. Therefore, to gain the necessary flexibility, the airport submitted an application for SPP consideration on June 24, 2014 and was approved on August 19, 2014.

The Airport Director reported that after the airport submitted the application there was no airport participation in the approval process until notification of the approval. Further, there was only modest airport involvement in the vendor RFP process. After persistent attempts by the airport, the contract was modified to allow the private contractor to screen at a limited number of non-scheduled events at the airport's expense.

The airport did not receive an official copy of the contract.

The airport did recommend a particular security vendor; however, this vendor was not selected by the TSA. The TSA awarded the contract to VDM MT Security, LLC and the airport is pleased with their operation. The Airport Director reports that the new arrangement offers the flexibility needed for scheduling and he reports that customer service has improved.

Small Hub Airport Interview from Jan. 4, 2016

The airport staff was satisfied with the previous TSA screening arrangement at the airport. However, the Airport Board believed a private screening operation would be a better alternative for the airport. Therefore, the airport submitted an application in February 2013 and was approved in May 2013.

The airport had no involvement in either the application approval process nor the vendor selection. The TSA awarded the contract to Trinity Technologies and the airport has been pleased with their operation. The airport noted that there were difficulties in the transition.

Apparently, the TSA staff learned of the change prematurely. This caused some short term staffing difficulties; however, it was quickly resolved. Approximately 30% of the former TSA employees stayed at the airport.

The airport reports no change in the TSA's other duties and actions.

Airport in the Midwest
Congressional Testimony from the Director of Aviation
July 29, 2014

This airport was an original Pilot Program screening airport and never transitioned to TSA staffing. The Director of Aviation was very pleased with the level of service provided by the private screening service. He believes it offers the airport a flexibility he would not have with Federal employees.

Further, he believes the SPP relieves the TSA of personnel issues (e.g., discipline, grievances, etc.). This allows the TSA to focus on security issues, not personnel problems, according to the director.

Airport in the Northeast
Interview with the Deputy Director and the Airport Security Director
Jan. 5, 2016

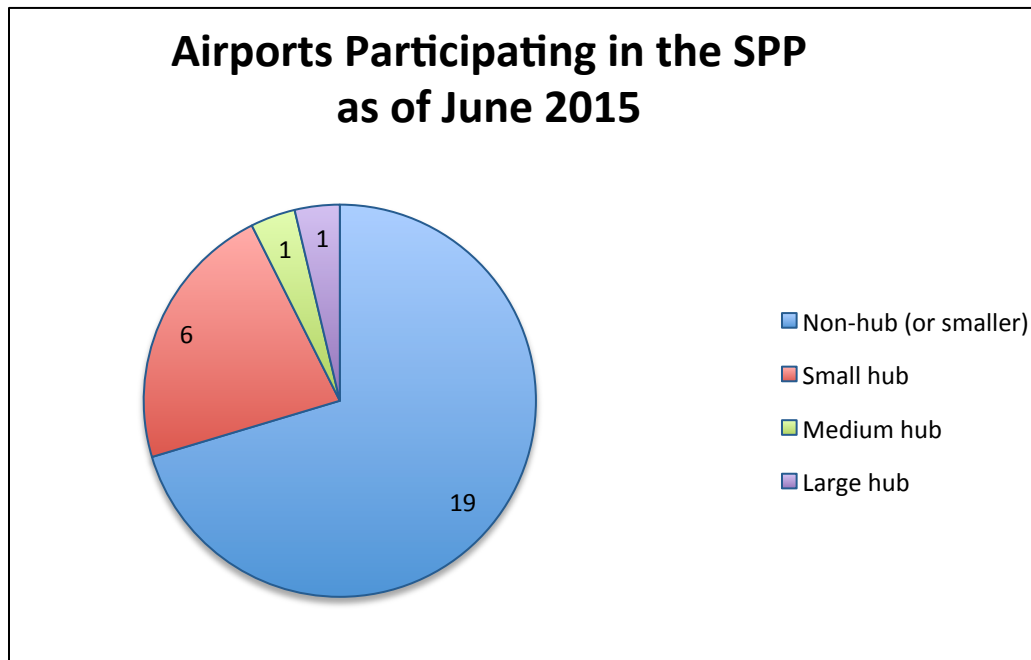
The airport was an original Pilot Program airport and never transitioned to the TSA staffed screening operation. The airport management is very enthusiastic and pleased with the Screening Partnership Program. The current vendor is VMD MT Security, LLC. The management is pleased with the company's professionalism and customer service efforts, which the Deputy Director says he does not see consistently at other airports. The private service utilizes passenger-friendly techniques for travelers, especially children, which provide substantial customer service dividends, according to the management.

Section 7: Summary

The Screening Partnership Program under all its iterations currently has 27 total airports using the program (including five which are approved but not active). Nineteen airports or 70% are non-hub or smaller, six or 22% are small hub, and one is medium hub and one large hub. See Figure 5. on the following page for a chart of these figures.

Of the estimated 32 million total passengers screened under the Screening Partnership Program, 87% are accommodated at SFO and KCI. Therefore, in terms of numbers, the program currently has a modest impact on the industry.

Figure 5. Airports Participating in the Screening Partnership Program (as of June 2015)



Certainly, the TSA's obstructive practices in the Opt-Out program during the initial period after 2001 discouraged or prevented airports from utilizing the private screeners option. By 2012, TSA performance had improved to a point that it exceeded or satisfied airport expectations. Additionally, there may be some reluctance for an airport sponsor to become involved politically in the security structure, resulting in most airports staying with the standard TSA screening.

Today, entry into the program is quick and simple. The process is hands-free, which is both an advantage and disadvantage to the airport. The resulting private service will be contracted and legally bound to the TSA and its policies. Notwithstanding the legal status, all surveyed airports report an excellent relationship with the private service and appear to be highly satisfied with the program.

In particular, the program offers staffing flexibility that the TSA has difficulty with or, in some cases, cannot provide. The increased staffing flexibility leads to screening areas being adequately staffed when additional personnel is needed, significantly reducing line wait. This is generally evident in participating airports which are seasonal or rely heavily on non-scheduled operations. That said, this flexibility also extends to larger airports. For instance, KCI reported that their terminal design includes multiple checkpoints that the TSA would have difficulty using efficiently as the TSA's staffing protocols are not flexible.

Measurable screening performance appears to favor the private screening alternative, but not by an overwhelming factor. The largest measurable advantage is cost reduction, which is estimated at 3%. However, these savings are folded into the general US Treasury and have no value to the participating airport.

Further, our sample noted that the participating airports confirm that the private screening service adds a unique customer service element, which the public appreciates. Though not measurable, the ability to enhance customer service is debatably the primary reason for an airport sponsor to apply for the program.

Finally, it should be noted that the private service companies are not without occasional labor difficulties. Yet, the private service can address employee disciplinary issues in an expedited manner.

Section 8: Recommendations

Research conducted in preparing this industry analysis white paper indicates that airport sponsors whose customer service needs (for both passengers and airlines) are not being adequately met through the use of TSA screeners should strongly consider entering the SPP program.

The airport used as a case study for this report indicated that they frequently experience long lines during peak passenger hours, as well as continuous staffing difficulties and on-going scheduling challenges necessary to meet the demand of passenger traffic and airline service needs. This has resulted in frequent closure of the TSA Pre-check feature, passenger complaints, and airlines having to delay departures in order to avoid baggage being left behind. We found that these are exactly the kinds of conditions that can be addressed positively with private vendors.

Overall, SBA was unable to identify any downside to entering the SPP program for an airport experiencing customer service concerns. In fact, through our research we received only positive feedback, either directly or indirectly, from each airport that has opted into the program. Airports uniformly reported customer service gains and increased workforce flexibility when working with the airlines to meet their needs; airports were also better able to adjust staff coverage during peak periods of operations.

We therefore conclude that if an airport seeks increased flexibility in staffing as well as scheduling—thus leading to increased customer service at the airport—the Screening Partnership Program is a viable and attractive option. From a regulatory point of view, it is the *only* option from the current screener program that is permitted by the TSA at the airport's request.

Steven Baldwin Associates focuses solely on airport management consulting for airport operators, owners, and policy makers. As a leader in developing best practices in contemporary airport management, the professionals at SBA have decades of hands-on experience running airports and consulting for them. *For more information, contact us at info@baldwinllc.com or visit our website at <http://www.baldwinllc.com>.*

delivering aviation
solutions and analysis
to make your operations
safer, more efficient, more effective

EXPAND &
INCREASE
REVENUE
SOURCES

BE MORE
COST
COMPETITIVE

EMPLOY
BEST
PRACTICES

INCREASE
OPERATIONAL
EXCELLENCE

IMPROVE
CUSTOMER
SATISFACTION

STEVEN BALDWIN
ASSOCIATES

Airport Management Consultants

14 Corporate Woods Blvd. | Albany, New York 12211
518.478.6321 | info@baldwinllc.com
www.baldwinllc.com