



TSA's Reimbursable Screening Services Program

Fiscal Year 2022 Annual Performance Report

December 29, 2022

Fiscal Year 2022 Report to Congress



**Homeland
Security**

Transportation Security Administration

Message from the Administrator

December 29, 2022

I am pleased to submit the following report, “TSA’s Reimbursable Screening Services Program,” prepared by the Transportation Security Administration (TSA).

This report was compiled pursuant to the Fiscal Year (FY) 2019 Department of Homeland Security (DHS) Appropriations Act (P.L. 116-6). It describes the activities of TSA’s Reimbursable Screening Services Program (RSSP) and certifies that the implementation does not reduce security or efficiency of screening services already conducted at the primary passenger terminals of participating airports. The FY 2021 DHS Appropriations Act (P.L. 116-260) extended the pilot program through FY 2023.



Pursuant to congressional requirements, this report is being provided to the following Members of Congress:

The Honorable Rosa L. DeLauro
Chair, House Committee on Appropriations

The Honorable Kay Granger
Ranking Member, House Committee on Appropriations

The Honorable Patrick Leahy
Chairman, Senate Committee on Appropriations

The Honorable Richard Shelby
Vice Chairman, Senate Committee on Appropriations

The Honorable Bennie G. Thompson
Chairman, House Committee on Homeland Security

The Honorable John Katko
Ranking Member, House Committee on Homeland Security

The Honorable Maria Cantwell
Chair, Senate Committee on Commerce, Science, and Transportation

The Honorable Roger F. Wicker
Ranking Member, Senate Committee on Commerce, Science, and Transportation

Inquiries relating to this report may be directed to me at (571) 227-2801 or TSA's Legislative Affairs office at (571) 227-2717.

Sincerely,

A handwritten signature in black ink that reads "David P. Pecoske". The signature is written in a cursive style with a large, prominent 'D' at the beginning.

David P. Pecoske
Administrator

Executive Summary

Congress authorized an RSSP pilot in FY 2019, under which TSA may provide reimbursed screening services outside of an existing airport passenger terminal screening area, pursuant to TSA's annual appropriations. TSA is required to submit a report annually on the status of the pilot that includes:

- The amount of reimbursement for personnel and nonpersonnel costs that TSA received from each entity in the pilot program for the preceding fiscal year;
- An analysis of the results of the pilot program;
- TSA staffing changes created at the primary passenger screening checkpoints and baggage screening as a result of the pilot program; and
- Any unintended consequences created by the pilot program.

Prior to FY 2022, TSA executed reimbursable service agreements at two locations: Los Angeles International Airport (LAX) and Minneapolis-St. Paul International Airport (MSP). At LAX, the pilot did not reduce security or the efficiency of screening services already provided in the primary passenger terminals. Additionally, TSA staffing at LAX primary screening locations was not reduced.

The agreement with MSP was made before the Coronavirus Disease 2019 pandemic drastically reduced passenger volume. Screening at this location was suspended temporarily pending a return to sustainable passenger volume. Because of the timing of the suspension, TSA did not provide reimbursable services under the executed agreement with MSP.

Two additional entities submitted applications to participate in the TSA RSSP in FY 2022. Inquiries have been received from entities interested in submitting an RSSP request and from existing approved partners who want to open more RSSP locations at other major airports. There is concern that the startup costs to open an RSSP location cannot be recouped if the program ends in FY 2023. TSA believes that an extension beyond FY 2023 will allow for enough time to collect and analyze the benefits of the pilot.



TSA’s Reimbursable Screening Services Program

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I. Legislative Language

This report is submitted pursuant to the Fiscal Year (FY) 2019 Department of Homeland Security (DHS) Appropriations Act (P.L. 116-6), which states:

Sec. 225. (a) Subject to the provisions of this section, the Administrator of the Transportation Security Administration (hereafter in this section referred to as “the Administrator”) may conduct a pilot program to provide screening services outside of an existing primary passenger terminal screening area where screening services are currently provided or would be eligible to be provided under the Transportation Security Administration’s annually appropriated passenger screening program as a primary passenger terminal screening area. ...

... (h) The Administrator shall submit to the Committee on Homeland Security and the Committee on Appropriations of the House of Representatives, and the Committee on Commerce, Science, and Transportation and the Committee on Appropriations of the Senate—

... (3) annual performance reports, by not later than 60 days after the end of each fiscal year in which the pilot programs are in operation, including—

(A) the amount of reimbursement received by the Transportation Security Administration from each entity in the pilot program for the preceding fiscal year, delineated by personnel and non-personnel costs;

(B) an analysis of the results of the pilot programs corresponding to the evaluation plan required under paragraph (2);

(C) any Transportation Security Administration staffing changes created at the primary passenger screening checkpoints and baggage screening as a result of the pilot program; and

(D) any other unintended consequences created by the pilot program.

The FY 2021 DHS Appropriations Act (P.L. 116-260) extended the pilot program through FY 2023. It states:

SEC. 223. Section 225 of division A of Public Law 116–6 (49 U.S.C. 44901 note; relating to a pilot program for screening outside of an existing primary passenger terminal screening area) is amended in subsection (e) by striking “2021” and inserting “2023”.

II. Background

Through P.L. 116-6, Congress authorized the Transportation Security Administration (TSA) Reimbursable Screening Services Program (RSSP). This pilot program allows TSA to enter into reimbursable services agreements with up to eight TSA-regulated entities, such as the airport operator, to provide screening services at locations other than primary passenger terminal screening areas. Under the reimbursable services agreement, selected participants will reimburse TSA fully for all personnel and nonpersonnel costs associated with providing these additional security screening services.

TSA publicly released information on the establishment of its RSSP on June 3, 2019, on its public website (<https://www.tsa.gov/for-industry/reimbursable-screening-services-program>) and shared guidance with industry partners through various communications media. TSA's implementation plan included criteria to evaluate requests for participation, including impacts to TSA operations, funding reliability, communities, health and safety, and other agency support, as well as feasibility and timelines.

III. Current Status

Before the RSSP pilot was authorized, TSA provided temporary security screening services at Los Angeles International Airport (LAX) with U.S. Customs and Border Protection (CBP) at a site beyond where TSA traditionally provided screening services using appropriated funds. With congressional RSSP authorization, TSA determined that the temporary screening services at LAX met the criteria for the RSSP, and in FY 2020, executed a reimbursable services agreement (RSA) with Los Angeles World Airports, which operates LAX. Also in FY 2020, TSA executed an RSA with the Metropolitan Airports Commission for an RSSP location connected to the Minneapolis-St. Paul International Airport (MSP).

In FY 2021, TSA approved the City of Atlanta Department of Aviation's (DOA) application for an RSSP location at Hartsfield-Jackson Atlanta International Airport (ATL).

During FY 2022, the Port Authority of New York and New Jersey's (PANYNJ) application for an RSSP location at LaGuardia Airport (LGA) and the Delta Air Lines application for an RSSP location at LAX were approved.

TSA used its implementation plan criteria to review the proficiency of screening operations of the requested pilot locations mentioned above. The review found that the requests met the criteria below and were moved forward with executing the RSSP agreements, planning, and implementation:

- Has no negative impact on normal TSA operations,
- Will provide TSA with reliable funding,
- Provides a safe and healthy operation,
- Is supported by local CBP operations, and
- Can be executed and operated in a timely manner, as agreed upon by all parties.

LAX – TSA provides reimbursable screening services at a facility outside of the main airport terminals that is operated by the Private Suite (PS). The PS facility is used to screen PS customers, who typically include business executives, celebrities, and other high-profile travelers. In FY 2022, the LAX PS facility had a total customer throughput of nearly 22,700 passengers, operating 13.5 hours per day on average. A 100-percent increase in customer volume and a 96-percent increase in the average daily operational hours occurred compared to FY 2021.

MSP – An RSSP location is located on a terminal walkway connecting the InterContinental Hotel to the main airport terminal. The RSA for the RSSP site was completed just before the Coronavirus Disease 2019 (COVID-19) pandemic drastically reduced MSP passenger volume. As a result, RSSP screening at this location was not initiated, and the program was suspended, pending a return to sustainable passenger volume.

ATL – TSA approved the City of Atlanta DOA’s application for an RSSP location outside of the main terminal passenger screening areas in FY 2021. TSA is finalizing the RSA with DOA to provide TSA screening at a facility that the PS will operate. The PS project at the ATL facility is expected to screen approximately 8,400 passengers in the first year of operation.

During FY 2022, TSA approved two additional applications for RSSP locations at LGA and LAX.

LGA – The PANYNJ reached an agreement with TSA in January 2022 for an RSSP location that will be operated by the Port Authority’s tenant, LaGuardia Gateway Partners. This RSSP location is in the checkpoint design phase and security screening equipment is being procured. It is planning to operate for 18 hours per day during the first year.

LAX – Delta Air Lines submitted an RSSP application to TSA in May 2022 and was approved for the program in June 2022. TSA is finalizing the RSA with Delta. Delta anticipates screening approximately 21,000 passengers in the first year of operation.

IV. Analysis/Discussion

Reimbursement Received by TSA

At both LAX and MSP, COVID-19 significantly reduced requests for reimbursable screening services. In FY 2021, TSA received \$364,462 from PS for the reimbursement of screening personnel costs. In FY 2022, TSA received \$415,234 for personnel costs from LAX PS. TSA did not receive any reimbursement under the executed agreement at MSP because of suspended services as a result of COVID-19. The other sites—ATL, LGA, and LAX-Delta Air Lines—have not initiated operations yet. Therefore, no services have been provided and no reimbursements have been received for those locations.

TSA is implementing more thorough accounting procedures to assure that reimbursable costs (for example, the costs of TSA personnel at RSSP airports and the costs of TSA headquarters staff who provide administrative support to the program, as well as costs for using TSA equipment) are recovered fully.

RSSP Results

Because of the COVID-19 pandemic, the RSSP pilot has not generated sufficient passenger volume to allow for objective analysis of the program's costs and benefits. Nonetheless, anecdotal evidence suggests that:

- Providing an alternative security screening venue for high-profile figures at LAX (away from the public screening areas) reduces disruptions in the public screening areas that may accompany travel by such figures. As a result, security screening at TSA LAX checkpoints using appropriated funds is more efficient.
- Interest in RSSP may have been inhibited by the uncertainty caused by COVID-19, such as how long the pandemic would last or when air traveler passenger volume would return to pre-pandemic levels. TSA only recently returned to screening near pre-COVID volumes (for example, Labor Day weekend 2022) following 2.5 years of reductions in air travel because of the pandemic. In addition, the reduced air traveler volumes decreased revenues of air carriers and airport operators—the most likely RSSP applicants—that might have been used for RSSP startup costs.
- New applications also have been inhibited by limitations to the authorized timeframe to operate, which ends on September 30, 2023, unless extended by Congress. There is little time for RSSP applicants to amortize those startup costs over the life of the program scheduled to end in less than 1 year.
- An extended timeline for the RSSP program might generate additional interest by innovative partners. For example, in FY 2022:
 - One entity expressed interest in screening passengers at small airports with relatively few flights and transporting them securely by bus to the secure area of relatively close large hub airports for flights. This entity believed that its

proposal would support traditionally underserved areas and would reduce congestion at hub airports.

- Another entity designed a program for cross-country flights that would provide sleeping compartments throughout the airplane, making the 5-7-hour flight between U.S. coasts more attractive to travelers.
- A third entity—a hotel that is adjacent to a large airport in the middle of a significant renovation—inquired about the program and whether a checkpoint between the hotel and the airport would be able to meet RSSP requirements. The hotel was interested in providing a premium service to its guests.
- As individual airlines and airports compete for market share, they would be more willing to provide a concierge level of services for their best customers, including the use of an RSSP location, if they had enough time recover the costs for developing such sites.

TSA Staffing Changes as a Result of the RSSP Program

The RSSP has not affected TSA staffing negatively. All RSSP agreements include language that provides TSA the authority to prioritize screening at standard TSA checkpoints ahead of screening at RSSP locations. As a result, TSA staffing challenges at individual airports would not be exacerbated by proposed screening at RSSP sites near those airports.

Unintended Consequences of the RSSP Pilot

No unintended consequences of the RSSP pilot have occurred, outside the unpredictable effects of the COVID-19 pandemic on TSA's ability to evaluate the program's costs and benefits adequately. In addition, it is unclear whether enough objective data will be available by the end of FY 2023.

The Future of the Program

A number of prospective RSSP applicants questioned the ability of TSA to staff and operate these checkpoints if the RSSP pilot ends in FY 2023. It seems unlikely that TSA will receive additional program applications unless the deadline of September 2023 is extended.

V. Conclusion

TSA's evaluation of the RSSP pilot was affected substantially by the reduced passenger volumes caused by COVID-19. Those impacts also likely reduced interest in participating in the program. Despite the near-crippling impact of the pandemic on the viability of RSSP locations, TSA received positive feedback about the LAX location. With increasing air travel volumes, LAX and other RSSP locations could produce additional positive benefits on TSA screening operations, its industry partners, and the traveling public.

As air travel recovers, there has been renewed interest in the RSSP pilot, and TSA has approved additional program applicants. However, the costs to establish an RSSP location are substantial, and the amount of time left to recover those costs and to gather useful data on the benefits of the program is coming to an end quickly.

As a result, unless the RSSP pilot is extended past FY 2023, an objective evaluation of the program will be hindered. Lack of objective data also is likely to prevent further exploration of innovative concepts being discussed with potential program partners.

Appendix: Abbreviations

Abbreviation	Definition
ATL	Hartsfield-Jackson Atlanta International Airport
CBP	U.S. Customs and Border Protection
COVID-19	Coronavirus Disease 2019
DHS	Department of Homeland Security
DOA	City of Atlanta Department of Aviation
FY	Fiscal Year
LAX	Los Angeles International Airport
LGA	LaGuardia Airport
MSP	Minneapolis St. Paul International Airport
PANYNJ	Port Authority of New York and New Jersey
PS	Private Suites
RSA	Reimbursable Services Agreement
RSSP	Reimbursable Screening Services Program
TSA	Transportation Security Administration