



# **TSA's Reimbursable Screening Services Program**

Annual Performance Report

*December 14, 2020*

Fiscal Year 2020 Report to Congress



**Homeland  
Security**

*Transportation Security Administration*

# Message from the Administrator

December 14, 2020

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

TSA compiled this report in response to language included in the Fiscal Year (FY) 2019 Department of Homeland Security Appropriations Act (P.L. 116-6). It describes the activities of TSA’s Reimbursable Screening Services Program and certifies that the implementation does not reduce security or efficiency of screening services already conducted at primary passenger terminals at participating airports.

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



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

The Honorable Mike Rogers  
Ranking Member, House Committee on Homeland Security

The Honorable Nita M. Lowey  
Chairwoman, House Committee on Appropriations

The Honorable Kay Granger  
Ranking Member, House Committee on Appropriations

The Honorable Roger Wicker  
Chairman, Senate Committee on Commerce, Science, and Transportation

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

The Honorable Richard Shelby  
Chairman, Senate Committee on Appropriations

The Honorable Patrick Leahy  
Ranking Member, Senate Committee on Appropriations

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

Sincerely,

A handwritten signature in black ink that reads "David P. Pekoske". The signature is written in a cursive style with a large initial 'D' and 'P'.

David P. Pekoske  
Administrator

# Executive Summary

TSA is required by law to submit a report annually on the status of its Reimbursable Screening Services Program. These annual reports must include:

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

As of August 2020, 16 separate entities have requested general information on TSA's Reimbursable Screening Services Program and 8 have expressed an interest in the program and have requested more detailed information. As of the date of this report, TSA had executed reimbursable agreements at two locations:

- **Los Angeles International Airport (LAX)** – PS (not an acronym), formerly branded as “The Private Suite,” operates from a facility outside of the primary passenger screening areas in LAX. Through the reimbursable agreement, PS provides screening services to business executives, celebrities, and other high-profile travelers. In FY 2020, TSA received \$106,933 from LAX for estimated quarterly personnel and nonpersonnel costs (actual reimbursement expenditures will be adjusted per the agreement).
- **Minneapolis St. Paul International Airport (MSP)** – At MSP, a passenger screening checkpoint is located on a terminal walkway connecting the InterContinental Hotel to the main airport terminal. The agreement with MSP was made before the Coronavirus Disease 2019 Pandemic (COVID-19) drastically reduced passenger volume. Screening at this location has been suspended temporarily, pending a return to sustainable passenger volume. On the basis of the timing of the suspension of services at MSP, the airport did not receive reimbursable services pursuant to the executed agreement.

Neither pilot reduced the security or efficiency of screening services already provided in primary passenger terminals at the airports, nor did the pilots affect TSA staffing in primary screening locations.

Three additional entities have postponed negotiation of agreements until travel volume becomes more predictable because of the uncertainty of COVID-19's long-term impact on travel.



# TSA’s Reimbursable Screening Services Program

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# I. Legislative Requirements

This document is submitted under Section 225 of the Fiscal Year (FY) 2019 Department of Homeland Security 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.

## II. Background

Section 225 of P.L. 116-6 contains a provision authorizing a pilot program through 2021 that allows the Transportation Security Administration (TSA) to enter into reimbursable 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 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 Reimbursable Screening Services Program on June 3, 2019, via its public website (<http://www.tsa.gov>) and shared guidance with industry partners through established communication forums.

TSA's implementation plan included criteria that the agency would use to evaluate requests for participation. These criteria include the impact to TSA operations, funding reliability, community impact, health and safety, other agency support, and feasibility and timelines.

In May 2019, TSA submitted the initial implementation plan to Congress, but had no active pilots to report on later in the year.

### III. Discussion

Before P.L. 116-6 was enacted, TSA already was providing temporary security screening operations under arrangements at two locations: Minneapolis St. Paul International Airport (MSP) and Los Angeles International Airport (LAX). TSA determined that these locations would meet the criteria for the Reimbursable Screening Services Program, and both executed reimbursable agreements.

TSA used implementation plan criteria to review the proficiency of screening operations in LAX's Private Suite (since rebranded as PS) pilot. The review found that the pilot:

- Has no negative impact on normal TSA operations;
- Has provided TSA with funding, and that funding is reliable moving forward;
- Provides a safe and healthy operation;
- Is supported by local U.S. Customs and Border Protection operations; and
- Was executed and operated in a timely manner, as agreed upon by all parties.

The MSP pilot was suspended soon after the agreements were in place; however, it was evaluated using the same criteria as LAX and produced similar results. Neither program reduced the security or efficiency of screening services already provided in primary passenger terminals at the airports, nor did the pilots affect TSA staffing in primary screening locations.

#### Reimbursement Received by TSA

TSA negotiated estimated costs for both LAX and MSP before the request for reduced services due to the Coronavirus Disease 2019 Pandemic (COVID-19). In FY 2020, TSA received \$106,933 from LAX for estimated quarterly personnel and nonpersonnel costs (actual reimbursement expenditures will be adjusted per the agreement).

Because of the timing of the suspension of services at MSP, TSA did not receive any reimbursement under the executed agreement.

#### The Future of the Program

TSA discovered that starting the Reimbursable Screening Services Program's operations with interested entities will take more time than initially expected because of multiple complexities, such as required infrastructure renovation or buildout and budgetary restraints.

TSA's authorization to pilot reimbursable screening programs ends in September 2021. Because of COVID-19, several parties who are interested in participating are concerned that this date will not provide enough time for them to recover their initial expenditures (such as building infrastructure, vehicles for transporting passengers, lease agreements, etc.), which would affect their decision to proceed.

## IV. Conclusion

The impact of COVID-19 on the TSA Reimbursable Screening Services Program has been substantial because significantly reduced passenger volumes have caused interested entities to pause their pursuit of participation. Of the two entities with executed agreements, one has suspended the program, while the remaining location that continues operations is experiencing a significant reduction in travelers requiring TSA screening services.

In the future, as air travel continues to recover, TSA projects renewed growth of the program and expects that the innovative concepts being discussed with interested parties will continue to have a positive impact on TSA screening operations, its industry partners, and the traveling public.