

NATA Airline Services Council Transportation Security Administration (TSA) White Paper

The National Air Transportation Association (NATA) formed the Airline Services Council (ASC) in 2002 to further the interests of companies that provide services to scheduled air carriers as their primary business. The primary goal of the NATA ASC is to serve member companies and provide them a voice within the public policy arena, especially on issues that impact their viability and profitability.

Today, the NATA ASC represents local, regional, state and international aviation services providers that account for approximately \$5 billion in combined revenue and over 90,000 employees and provide services at 425 airports in 67 countries. Those organizations are an integral component of the national air transportation system, offering a broad range of airline- and airport-related services including:

- Passenger In-Terminal Services
- Ramp Handling
- Cargo And Mail Handling For Domestic And International Airlines
- TSA-Regulated Inspection, Monitoring And Screening
- Into-Plane Fueling
- Aircraft Deicing
- Skycaps And Wheelchairs
- Ground Support Equipment Maintenance, Leasing, And Sales
- Distribution Of Specialized Airport Equipment
- Cabin Cleaning And Janitorial Services
- Airline And Airport Technical Support
- Aviation Law
- Airport Property Development

The companies that make up the NATA ASC have become a valuable and integrated component of the national air transportation system and, as such, have become subject to numerous regulatory requirements. The status of these companies as service providers to regulated air carriers often subjects them to varying interpretations of regulatory requirements without the standing to address the issues created by these variances directly. This white paper is intended to outline some of the most burdensome issues faced by members of the NATA ASC as well as suggest a pathway to remedy these issues so these companies can continue to provide efficient, cost-effective service to air carriers.

Badging

The issue of airport identification media issuance (badging) continues to be one that most negatively impacts members of the NATA ASC. Many NATA ASC member company employees are required to apply for and receive airport badges in order to perform their job

functions. This requirement is based in both federal regulation and airport rules. Often, this dual requirement creates conflicts that lead to extensive delays in the issuance of badges, preventing new employees or employees transferring from another location from performing their job. At one airport served by an NATA ASC member company, a rule was instituted allowing new or transferred employees to perform work prior to receiving a badge for up to 30 days, as long as they are under escort by another, badged, employee. Unfortunately, the time required to complete the application process and receive a badge frequently exceeds the 30-day time limit, requiring that the unbadged employee be placed on leave until his or her badge arrives. These delays often lead to potential applicants seeking alternative employment, creating a redundant financial burden on the industry by processing two or three applicants to fill one position. With dire reports on the unemployment issue facing the country, we find it alarming that these types of roadblocks, leading to continued unemployment burdens on the economy, still exist. In addition to significant delays in receiving new badges, NATA ASC member companies have also experienced extensive delays in adding second employers to individuals who currently hold an airport badge. In some cases, the delays in this administrative process have been measured in months.

NATA ASC member companies have attempted to work with both airport management and local TSA management to remedy this issue. Unfortunately, the dual nature of the requirements to hold airport-issued identification media (airport rules and TSA regulation) creates an atmosphere that does not foster accountability in the badging process. Inquiries to the airport on delays in badge issuance are blamed on the TSA and vice versa.

The NATA ASC fully understands the need for security and the value of airport-issued identification media to overall airport security. However, in today's business climate, compliance with an administrative procedure such as badging that imposes significant delays on putting new or transferred employees to work is unacceptable. The NATA ASC believes that airport operators, the TSA, and companies that operate in the airport environment need to work cooperatively to eliminate the obstacles currently existing in the airport identification media process.

Inspection/Investigation Process

NATA ASC member companies that handle cargo for certificated Part 121 air carriers are subject to significant TSA oversight. This oversight includes inspections and, in cases where TSA officials believe discrepancies exist; investigations including the potential for civil penalties. These inspections include observing procedural compliance, cargo screening, document and process review and personnel and training record reviews.

Some of the issues faced by NATA ASC members regarding inspections include:

- Service Delays – Often, inspectors require companies to cease their primary business during an inspection and devote significant staff and resources to the inspector.
- Multiple Standards – As many NATA ASC members provide services to multiple air carriers, frequently inspections may involve varying standards or requirements imposed by various air carriers thus greatly increasing the complexity and time required to complete the inspection process.

- Request for Materials – Some inspectors have begun the process of requesting not only documents but also hard copies of security camera footage. In some cases, the requesting inspectors review the footage rather than perform a full on-site inspection of operation. This process can easily lead to misinterpretations of events since company management and the inspector are not present during a specific, questioned, event. Additionally, NATA ASC members have raised the concern that some inspectors are carrying digital cameras and portable scanners and making copies of documents without company management knowledge. Several companies have actually received conflicting information about what documents have been copied.

NATA ASC members also report significant issues regarding investigations commenced by TSA. One of the most frequently reported issues involves the time frame for notification of an investigation. This issue arises when the TSA issues a letter of investigation (LOI) to the air carrier near the end of the 30-day document retention period. By the time the air carrier processes the LOI and forwards it to the handler, the document retention period has expired and the handler no longer has the materials available to respond appropriately to the LOI.

Additionally, the issue of vague LOIs continues to plague NATA ASC members. The TSA has issued LOIs that do not reference any specific airway bill or violation, leaving companies no effective means to respond. Often these situations result in a process that involves the company having to contact the TSA repeatedly to identify the real issue noted in the LOI.

All of these inspection and investigation issues lead to greater uncertainty for NATA ASC members as they try to conform to the required standards. This uncertainty leads to greater cost to the company, air carrier and end consumer.

Local Policy

Regulatory compliance has a cost, and the magnitude of that cost is directly related to the processes and procedures required to demonstrate compliance. Local TSA policy can have a significant effect on the ability of an NATA ASC company to operate. Poorly designed inspection procedures and compliance policies can add significant cost to compliance without any increase in security. In some cases, they can actually decrease security.

TSA badge checks, where TSA personnel verify that employees working in secure areas are properly badged, can impose significant costs and, if done improperly, reduce security. In a recent case, a TSA inspector, in order to perform a badge check, ordered all of one NATA ASC member company's employees to stop work and gather in one central location so badges could be checked. Operations at that location were shutdown for 45 minutes while this badge check was completed, resulting in a 36-minute delay of an air carrier's aircraft take off. In addition, at one NATA ASC member company location, the TSA informed an employee that he must leave his work post because he did not have a badge, despite the fact that the work post was outside the fenced secure area where a badge was required. The TSA representative explained that since the employee was near the secure area on a frequent basis he was required to have a badge. This type of local policy and interpretation inserts a great amount of uncertainty into compliance for all companies working in or near the airport environment.

In addition to specific procedural delays, local policy can negatively contribute to the overall security and compliance environment. All NATA ASC members take compliance seriously and have instituted internal policies and controls to handle inspections, investigations and other compliance matters. These policies and procedures often require low-level employees to refer TSA inquiries on documents and written statements to specific members of the company's management to ensure that misunderstanding and miscommunications do not occur. In some cases, TSA personnel have made requests for documents or written statements to low-level employees and, when the employees inform the inspectors that they must involve a member of company management, the employees are told by the inspectors that if they don't do as the inspectors request the inspectors will "shut them down" or "get a federal subpoena if you won't cooperate." This forceful interaction on a local level does little to increase overall security, and in the long run actually harms the cooperative interaction between companies and the TSA. While flexibility at the local level is a necessity, cooperation and a clear set of guidelines of ultimate requirements will enhance compliance and overall security.

Conclusion

The NATA ASC understands the need for security and appreciates the size and scope of the task presented to the TSA. However, many of the issues discussed in this white paper present a serious cost and burden to the companies that provide service to air carriers. This cost and resource drain reflects throughout the entire industry. While we understand that there will be a necessary cost associated with regulatory compliance, our goal is to work to reduce that impact upon our industry to the lowest achievable level. We believe that through a cooperative approach between the TSA and the NATA ASC many of the compliance issues faced by our member companies and highlighted in this white paper can be resolved.

