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U.S. Department of Transportation Dockets  
Docket No. FAA-I 999-6673 - 34  
400 Seventh Street SW  
Room Plaza 401  
Washington, DC 20590

RE: Certification of Screening Companies

After a thorough review and examination of the notice of proposed notice of rulemaking, we at International Total Services, Inc. (hereafter referred to as ITS) present our response to this proposal.

#### Overview

First, we at ITS are in favor of any action that will improve the security and safety of the air transportation network. It is estimated that over 595,000,000 passengers will be boarding domestic flights this year (not including international or transborder flights). This is an approximate increase of 7.75% from 1999 figures. One must consider that these numbers only represent the number of passengers who are boarding the flights. Conservatively speaking, these numbers should be multiplied by approximately 1.5 to obtain the number of individuals who are actually being processed through the security checkpoints at our nation's airports. This increase includes friends and relatives of passengers, airline crews and airport employees. Again, we feel that a multiplier of 1.5 is a very conservative estimate, and this would yield a count of approximately 893,000,000 people who are actually being screened at the checkpoints.

Passenger screening, since its implementation in the 1970's, has successfully thwarted many potentially dangerous incidents; yet, as cited in the NPRM, there is an ever increasing risk of terrorist activity and other threats of safety and security to air transportation. This is the time to fortify the checkpoint operation and enhance performance.

#### Importance of Screener Wages

The FAA states in the NPRM that "experience in other countries seems to indicate that higher compensation, more training, and frequent testing of their screeners may result in lower turnover rates and more effective screener performance." The FAA has reports from many sources that screening, particularly screening of checked baggage, is conducted more effectively in many other countries than it is in the United States." At no other point in this proposal does the FAA again refer to screener wages.

In this response, we will address various aspects of the NPRM. However, we must also impress upon you the need to address the root cause of the FAA concerns: screener wages.

At one of our larger airport locations, the rate of pay for screeners was \$5.15 during the latter part of 1999. In very close proximity to the security checkpoint, employees were offered \$6.25 per

hour at both the ice cream vendor and at the newsstand/gift shop. A fast food restaurant within one mile from the airport terminal offered \$6.85 per hour and airport snack bars and fast food concessions ranged from \$6.10 to \$10 per hour (dependent on other previous fast food experience). The disparity in these wage levels resulted in ITS not even being able to verify employee background checks in over 15% of all people that we recruited. At that same location, our shift managers were compensated at an average of \$8.20 per hour, whereas the gift shop assistant manager was starting at \$12.98 per hour and up (to \$16.83); which is the exact level that the fast food establishments were paying.

The FAA indicates a concern that turnover reduces the experience level of the screener, yet turnover is driven by wages and benefits. These are governed by the value of the contractual arrangement with the air carriers. This is a bid process and all too often results in an inadequate amount of funds to attract and allow for retention of many employees.

Last spring, we compared two cities in one state – one city was providing compensation just above minimum wage and the other city was at a wage level approximately 65% higher. At the higher wage location, we experienced 0% turnover for the month we sampled. Based on historical performance, the annual projection for this location was close to 10%. At the lower wage station, we encountered 35% turnover in the same one month period, and projected the annual turnover rate at approximately 528%.

We also looked at another state. We compared two stations that were comparable to each other in size and type of operation. However, one was paid at 36% above the minimum wage, while the other was paid at just 9.7% above. The station paying the higher wage yielded a loss of 5% of their employees this past February. The station paying 9.7% over minimum wage lost 11% of their employees. However, when we looked at yet a third city in the same state and was paying 56% over minimum wage, we noted 0% turnover.

We also present to you a chain of events that occurred at yet another major airport facility. In August, staffing conditions eroded to a level where we only had 60 screeners when we should have been operating with 90. Screeners were being compensated at a level of approximately only 10% over minimum wage. Turnover was excessive and recruiting efforts were yielding almost zero results. The account was only marginally profitable, and we realized we were at risk for FAA performance and regulation compliance. We increased the pay rates by approximately 36%, and have since eliminated the employee shortages and compliance issues. As a result of this action, the location is now performing at 100% FAA test pass rate, and we have added 57 people to the operation. Turnover has decreased to an almost negligible amount. However, we are now losing approximately \$80,000 per month in this operation. Today, we operate the station with almost the identical type of staffing and procedures that would be required in the proposed regulation. The cost of doing business has increased approximately 42%.

As illustrated above, the candidate pool for preboard screening positions tends to be very limited. When combining low wages and the competitiveness of the job market, we often need to hold training with sometimes as few as one or two students, and often at irregular hours with very little notice. Because of the pay rates that are forced to prevail in this industry, people view this as a job versus a career. When they are able to secure other jobs that at a higher pay level, they often walk off with little to no advance notice. We are consistently in need of employees to fill vacant positions. In some regions, unemployment levels are well below 1%. When we secure a

prospective employee, we often need them on line as quickly as possible. To expedite the process, the background checks are most often conducted simultaneously to the student being in class. The student is never placed on the job until the background check is completed; however, we currently have 2-6 days to complete the check while the training is being received. Because of the varied and complicated work histories that most candidates possess, we still encounter delays before we can place the candidate on the job. This process will be substantially delayed if we are unable to put the student in class until the background check is completed. It will again be even further delayed if we also then have to rely on a representative of the airline to come in and supervise the testing process. As mentioned previously, because we often need to schedule classes or testing at irregular hours, these schedules do not coincide with the normal schedules and limited availability of some airline GSC's. If instituted in the current form, the proposed regulation may hold us hostage to GSC schedules and flexibility, meanwhile leaving checkpoints severely understaffed.

We agree that increased accountability along with increased performance is necessary within our industry. Today, the airline is held responsible for performance; however, companies like ITS are often required to indemnify airlines from any financial penalty. Double jeopardy will come into play under the new regulation. The security company will be fined according to the new regulation, while also facing the airlines' charges for any fines levied against them.

The proposed regulation will hold us accountable. However, the proposed regulation continues to direct communication of all SD's and EA's and other highly important information to the airline, and we will need to rely on them to provide us with the information in a timely manner. This reliance on a third party is viewed as unacceptable, and we need to receive information directly from the FAA at the time it is being transmitted to the airlines. If we are going to be certified and held fully accountable, then we need to receive and have access to all communication and information that affects the security of all passengers in an airport environment.

### **Proposed Training Overview**

We welcome the ability to create and implement our basic training programs. We currently work in an environment that does not consistently update or provide the most current training. We are forced to supplement currently available training programs. In most cases, after providing the required training, we often need to go back and spend time teaching what has changed since the original training materials were produced. We have recognized the need for leadership training for our checkpoint security supervisors and managers and have already produced our own modules and programs to provide this. However, the proposed regulation will now also require airline and FAA approval before we can implement such modules or any other changes to our standard screening procedures. This will surely slow down our process to provide training to our workforce, if not altogether prevent us from implementing systems or techniques that could improve our overall performance. If we become the regulated entity, it should be our sole responsibility to propose any programs or changes to enhance our performance directly to the FAA, without requiring airline approval prior to this process.

### **CBT Training**

An increased reliance on CBT training nationwide could serve as a beneficial training tool. However, one must also consider the negative aspects of sole reliance on one type of training. CBT is very beneficial today in many locations, but there are also many cities that cannot use it for a variety of reasons. We have noted three primary causes which force us to use CBT as a

secondary training mechanism. Because of the employment pool that many of our candidates come from, many of them have never had any type of computer experience. They may comprehend the material they are learning, but they are unable to operate the CBT system for that portion of the training. This results in insufficient grades, though these grades have nothing to do with lack of understanding of the material, but rather because of complications of performing the testing on a computer system. Similar situations arise in those locations where we have a predominantly retiree workforce. Again most of these individuals have never touched a computer and are apprehensive when placed in that situation. We also have several locations that draw primarily from an immigrant workforce who possess a very basic knowledge of the English language. We require employees to be fluent in the language to perform and understand their job responsibility (as mandated in the FAR). In learning situations, however, there are sometimes words or phrases that are new to them and the instructor must visually monitor their level of comprehension. When this appears to be an issue, it results in us customizing the classroom environment to their linguistic ability. Such flexibility would be lost with sole reliance on CBT.

We are enthused about the proposed heightened requirements for hiring standards (for both screeners and managers). However, until we are able to be competitive in the job market (which includes being competitive with airport newsstands and fast food outlets), we will have difficulty filling these positions based on the proposed requirements. The market is virtually non-existent today, and we currently find it challenging to find candidates whom we can train and groom into the industry. The proposed requirement will reduce the candidate pool that we all draw from, and currently most of those available will go to the actual airline company or to other airport vendors who have the ability to pay what market standard for commensurate experience. Current wage levels of \$5.15 minimum per hour, \$8.00 maximum per hour, and \$5.92 average per hour will not provide the type of employee who will be able to fulfill the additional requirements of these positions. Prevailing wages for this type of experience are necessary to ensure performance.

ITS has recognized the need for increased clarity with regard to providing screening to those who have disabilities or are physically challenged. However, we are concerned that if the FAA has not been able to receive full cooperation from both the DOT and ADA, how will this occur in sufficient form as to develop consistent nationwide standards when we are required to provide extraordinary measures? We realize that it is complicated to fulfill the requirements of each the FAA, DOT, and ADA. If the proposed regulation is affected, we hope that all parties will be able to clearly outline what will be required.

### **TIP Implementation**

ITS believes that on-going testing is an intricate component of the success of any preboard screening operation. We will enthusiastically welcome TIP implementation at all our locations, but also need to rely on other forms of testing. Concealed object testing via the magnetometer is vital, and we routinely attempt to perform this type of testing frequently. However, when our own personnel come through the magnetometer, our agents are suspect of testing activity. We also currently rely on our airline hosts to perform frequent testing using a variety of methods. In the month of January 2000, out of 103 cities, only 1889 airline tests were performed (this includes both X-ray and Magnetometer testing). 27 cities received no testing whatsoever from our host airlines, and 32 had only between 1 to 5 tests. We firmly believe that 1 test per shift, or even 1 test per day would benefit. With 57% of our stations receiving only 0-5 tests for the entire month, we consider this to be ineffective. The minimum number I would consider acceptable systemwide

should have been 6386, which is very distant from the 1889 we actually received! No regulations have been proposed to increase this amount of testing. As TIP results will be a valuable tool in analyzing performance, we need additional support with other than internal testing. The proposed regulation addresses TIP utilization and x-ray performance, but neglects to require our airlines to perform frequent tests of other aspects of the system.

TIP in the current form does not provide us with adequate management information to effectively run our checkpoints. The current ability to only download results once per month is not adequate and we would require the ability to have this information daily and cumulative. We also feel strongly that the proposed regulation does not adequately address how TIP will be utilized. Is it a training tool that will assist us in identifying issues driven by human factors and training needs, or will TIP be used as the “governing” agent carrying with it the potential for fines or loss of certification? The NPRM alludes to a “benchmark” being established, however, no other specifics are provided.

#### **OTHER KEY AREAS OF CONCERN WITH THE NPRM**

The NPRM in its current form does not sufficiently address the re-certification process (should there be a problem in a specific location), or at what point would a problem in a specific location place the entire company in jeopardy. Additional detail on this process is needed.

The NPRM is also insufficient when it outlines the role of an assigned PSI for each security company. How this individual would interact with the PSI who is assigned to airline companies, and how that role would be structured within the FAA hierarchy is not clearly defined. One can possibly assume that a security vendor PSI would have a similar relationship with the various FAA offices around the country just as an airlines PSI does today, however, again the NPRM does not sufficiently address the role and responsibility of that position.

All aspects of the NPRM will result in a substantial increase in the cost of doing business. Even though we at ITS have a large mainframe computer system in place, and many types of reporting already available, it will require us to implement many new systems and procedures around the country. We will have the need to implement new procedures, many other smaller companies may not even have the technology in place and will have to start developing that first. We also already have designed and implemented some additional supplemental training modules that enhance our performance. However, these modules again will need to be redesigned and be approved by the FAA for nationwide distribution. Additional training and analysis positions will need to be implemented at our corporate headquarters to monitor performance and identify training needs.

We have conservatively projected what the cost of these changes will be for our company, and again we reiterate these projections are very conservative. At the start of certification, we would encounter (at minimum) a start up cost of approximately \$300,000.00, just to produce training pieces, manuals, and secure document storage at our locations. Our annual additional cost for headquarters staff (data analysts, quality assurance auditors, and hardware) which at this point based on the information available, is forecasted at minimum to be at least \$500,000.00-600,000.00 per year. There will also be programming costs to upgrade and implement data transmission between all of our locations and our mainframe, which we have not even at this point been able to estimate due to the lack of specific requirements in the NPRM.

Based on these above estimates, these projections would increase the cost of security by approximately 42%. At the time that more specific information is provided in the regulation, we will be in a better position to refine these projections in either direction.

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