

**Prepared Testimony by Brandon Fried**  
**Executive Director, Airforwarders Association**

Chairman Jackson-Lee, Ranking Member Lungren and members of the committee, thank you for the opportunity to appear before the House Committee on Homeland Security to discuss the development, implementation and challenges the forwarding industry faces in complying with the air cargo screening mandates of the 9/11 law. I ask that my full statement be entered into the record.

My name is Brandon Fried and I am the executive director of the Airforwarders Association, representing forwarders in the US. I assure you that the forwarding industry is committed to safety and looks forward to continued dialogue with this committee and TSA to ensure this program is implemented and provides a maximum degree of security with a minimum amount of supply chain disruption. Today, I want to discuss one of the tools to ensure all cargo is screened by August of 2010 – the Certified Cargo Screener Program, or CCSP.

Products such as automobile assembly line parts, high tech electronics, pharmaceuticals and vital consumer goods are transported in the cargo holds of passenger planes on virtually every flight. In some cases our members help save lives by assisting medical companies and hospitals ship urgently needed heart valves, blood samples and human organs across the country to waiting doctors and patients.

Because just in time air cargo is critical to so many segments of the American economy, we believe in formulating solutions that provide for both the physical security of the public as well as the economic security of our nation. I applaud the committee for its work in crafting the 'Implementing the 9/11 Commission Recommendation Act of 2007' in defining screening through a variety of methods. There is no one solution to air cargo security and many tools are required to handle the variance in size, type, and contents of cargo moving daily throughout our nation and around the globe.

The Airforwarders Association is supportive of the Certified Cargo Screening Program (CCSP), which spreads security throughout the supply chain. The Program is a key part of the risk,-based, multi-layered approach to air cargo security this association has always endorsed. It balances the need for increased security while also meeting the needs of the shipping public.

The Airforwarders Association has several members participating in the CCSP pilot program launched by TSA. We applaud TSA for working with industry closely to create a model program that will actually work in the forwarding environment. While these members are seeing progress with certification and implementation, concerns remain.

While an initial list of technology approved by TSA has been made available, purchasing equipment has been delayed due to the lack of final approval. Also, there is concern that the amount of reimbursement funding promised to the participants continues to change as

does when that funding will be available to participants. It is imperative that the pilot program is successful in order to continue the expansion of the program.

With regard to technology, we remain concerned that much of the technology listed as acceptable is geared towards passenger baggage applications with no certified equipment to screen built pallets and consolidations. Forwarders move pallets that can contain up to 300 different packages – without a machine certified to move these pallets quickly to utilize in the pilot program, the results of throughput times are likely to be much higher than the speed of a pallet screening device.

Also, there is no mechanism in place that protects forwarders investments in currently approved screening technology if that equipment is later found to be unsatisfactory or phased out by TSA. Given the cost involved in the initial purchase, many of our members have cited this uncertainty as an impediment to participation. We urge TSA to work with forwarders to ease concerns over this particular issue.

We should not lose sight of the fact that progress is being made on a daily basis by TSA. Initial facility audits have begun as have initial certification inspections by TSA at some member's facilities. Forwarders are submitting security plans and technology preferences to TSA and there is a great deal of dialogue with the participants "on the ground". Some participants in the pilot program believe they will be able to meet screening goals by the fall of 2008. The Airforwarders Association will continue to provide regular updates on progress to this committee at your request.

That said the Airforwarders Association is troubled by the potential impact of treating CCSP as an unfunded mandate for all forwarders not participating in the pilot. If there is not ample participation further down the supply chain by shippers and forwarders alike due to the heavy financial burdens in purchasing equipment, we face a very real threat to both economic and airport security. Airports do not have the real estate to screen all cargo moving on passenger planes with existing resources and airlines do not have the financial or human resources to efficiently expedite screening all “just in time” cargo at the airport.

Forwarders participating in CCSP must purchase technology for which the cost may range from \$150,000 to \$500,000 per facility – a price tag that cannot be met by many forwarders. As a result, they will face delays at the airport for cargo screening, causing them to miss flights and lose revenue. This lost revenue, in the current economic environment with high fuel surcharges and razor thin profit margins, could force forwarders out of business. This consolidation of the market is bad for forwarders, manufacturers and the American consumer.

A survey of our membership has shown that that our concerns are well founded. Of the 60 percent of surveyed members have less than 10 offices; nearly 100 percent stated that without additional funds, they would not choose to participate as a CCSF. The remaining members surveyed indicated that only a few offices would be outfitted with equipment to participate as a CCSF.

We urge Congress to provide funding to ensure the jobs of hundreds of thousands jobs in the airfreight industry are not lost and the American economy does not face serious harm due to delays in goods and products being delivered. The Airforwarders Association supports grants to fund CCSP as well as additional funding or reallocation of TSA's budget to provide funding for equipment and personnel devoted to cargo screening.

In conclusion, we believe that a great deal of progress has been made. The deployment of the CCSP pilot program is advancing on a daily basis and through the efforts of airlines, freight forwarders and many shippers, I believe that our goal of creating a secure, safe and efficient air cargo security regime can be achieved, provided Congress fulfills its commitment to homeland security by fully funding these programs.

Thank you for hearing my testimony today on this important issue and I look forward to answering any questions you may have.