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MEMORANDUM FOR THE RECORD

Event: Nicholas P. Grant, Acting Assistant Administrator for Intelligence, TSA

Type: Briefing

Date: May 26, 2004

Special Access Issues: SSI

Prepared by: John Raidt

Team: 7

Participants (non-Commission): Nick Grant; Christine Beyer (TSA Counsel)

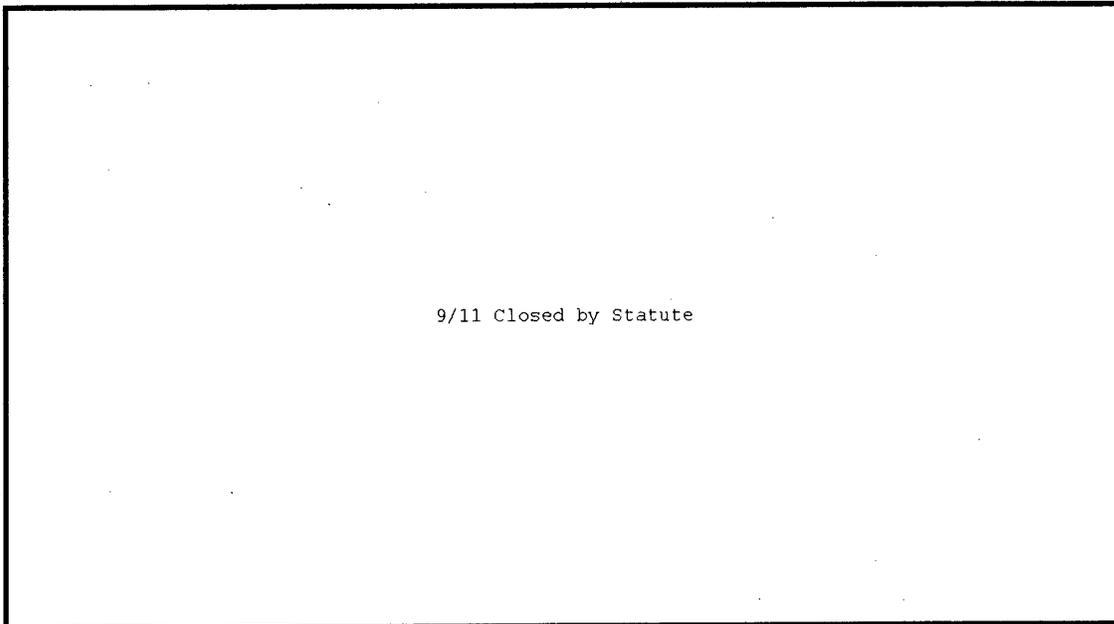
Participants (Commission): Dr. Gerald Dillingham; Bill Johnstone; John Raidt

Location: TSA's offices in Crystal City, VA

Background

[U] Mr. Grant currently serves as Director of the Transportation Security Intelligence Service (TSIS).

CAPPS I (currently in use)



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~~[SSI]~~ The program is still implemented by the air carriers. Each carrier is provided the algorithm and administers it within their computer reservations systems to identify selectees. TSA then administers the secondary screening that Grant reported includes a hand search of carry-on baggage and a wand of the person.

[REDACTED]

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Discrimination concerns about weights and factors

[U] Grant said that while there may have been concerns about discrimination in identifying "selectees" using weights and factors, it is not a concern today. He believes that 9/11 changed attitudes. He said that the ACLU does have concerns about the "No Fly" list but has not complained about CAPPS I. He believes that in regard to CAPPS II the issue is privacy, not discrimination.

Pre and post 9/11 "No Fly" listing

[U] Grant stated that prior to 9/11 the FAA issued Security Directives to air carriers listing the names of individuals who the FBI or CIA thought might be a security threat specifically to commercial aviation. The directive would name those individuals who the air carriers should prohibit from flying and those who they should subject to extraordinary screening. As of 9/11 these directives listed only a handful of people. Part of the problem was the difficulties in inter-agency communication with respect to the names.

~~[SSI]~~ Today, TSA provides "No Fly" and "Automatic Selectee" lists to the air carriers. The air carriers are required to implement them. Individuals on the no fly list are not to be ticketed by the air carrier, and automatic selectees are to be given boarding passes that identify them as selectees so that TSA can implement the proper screening procedures.

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are listed with appropriate numerics such as date of birth so that the terrorists can be distinguished from innocent people bearing the same name.

[Redacted]

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Erroneous No Fly listing

[U] Grant stated that in May of 2003 the TSA implemented a procedure that would provide redress to individuals who are erroneously on the "no fly" list (which might happen if they have the same name and date of birth as a terrorist). The TSA ombudsman handles the complaint, and certain procedures and requirements apply in order to stop enforcement of the no fly order. (Grant reported that approximately 220 individuals have been cleared to date via this process.) He stated that there is, at present, no process for individuals to have their name removed from the automatic selectee list. TSA is working on a resolution process for selectee names, but Grant indicated that the agency had received few complaints to date from selectees.

Formulating the list

[U] Grant said that the efforts by the Terrorist Screening Center (TSC) to formulate a single government watchlist are not going as smoothly as he hoped. The effort is still languishing. He provided the Commission with the number of individuals currently on the No Fly and Selectee lists, which are classified as "Secret." [Redacted]

[Redacted] He said that the list is constantly being augmented. However, he agreed that it only contains those individuals thought to be a threat specifically to civil aviation. [Redacted]

[U] Grant said that currently he is being pulled in two directions. Some want him to dramatically increase the lists to maximize the effectiveness of the program. Others want him to scale it way back [Redacted]

[Redacted]

TSA Implementation of the No Fly list

[U] Grant agreed that the answer to the problem of revealing terror lists to foreign air carriers is for TSA to take the air carrier out of the loop and implement the list independently. He said that TSA would like to implement the lists but faces two main obstacles: 1) Developing an IT platform that would allow the reservation data to be cleared through government computers; 2) Finding the means of expeditiously passing the no fly order back to the Air Carrier then on to the travel or ticket agent.

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[U] Grant agreed that Implementation of the no fly list has been tied to implementation of the CAPPS II plan to use certain personal data provided by passengers to confirm their identity and assess their "rooted ness" in the community. Grant stated, however, that even if the No Fly component were de-linked from the CAPPS II portion, TSA could not implement it immediately because of the two obstacles listed above.

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European Cooperation on CAPPS II

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CAPPS II

[U] Grant said that CAPPS II cannot be implemented until it can be tested, but it can't be tested until air carriers provide the Passenger Name Record data to TSA and privacy concerns have been resolved. Testing will help TSA solve the IT challenges it faces.

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TSIS

[U] Mr. Grant said that TSIS has lost a lot of experienced people who formerly worked for FAA's Civil Aviation Security Office of Intelligence. He indicated that 5 of the 9 division managers have departed. He said that most of them were longtime FAA employees who felt a loyalty to the former agency. He didn't believe those who left had negative feelings about TSA.

~~[SSI]~~ FAA's Intelligence Division had 60 Full Time Equivalent (FTE) employees on the staff, which was responsible only for covering aviation. Mr. Grant said the good news is that the previous Assistant Administrator (Claudio Manno) was able to raise the FTE for TSIS (which is responsible for all transportation modes) from 60 to 97. However, currently there are only 66 FTE's at TSIS, with 16 contractors for a total of 82 effective employees. TSIS is working to fill all 97 FTE slots.

~~[SSI]~~ When asked how the employees are divided among modes, Mr. Grant said that all the employees are transportation analysts who can be assigned to working on any mode.

Their area of modal expertise is a secondary factor. He reported that recently, less than half of the TSIS staff has been focused on aviation. Grant also indicated that he sees TSIS as having an equal intelligence responsibility for all modes, except with respect to the maritime domain handled by the Coast Guard.

[U] Mr. Grant said that there are still some rough spots in integrating DHS and TSA functions. In particular, the role of DHS's Intelligence Assessment and Infrastructure Protection (IAIP) has not been fully defined with respect to its relationship to other DHS intelligence components (including TSIS) and to state, local and industry stakeholders. For instance when TSIS puts out a warning, the field will contact the intelligence unit at DHS's Intelligence Assessment and Infrastructure Protection (IAIP), not TSA.

[U] Mr. Grant believes that the effort to get the word out to the field regarding warnings has been significantly improved. It is especially good in aviation (with an improved tear-line process, because of the substantial federal presence. There are still some problems regarding security clearances. He said that while there are still some glitches regarding tear lines, warnings are generally going out with a tear line so that people of all clearance levels will get information on threats and information on how to respond.

Connecting Intelligence and Operations

[U] Mr. Grant said that, pre and post 9/11, FAA's intelligence division was "respected but irrelevant." He believes that the staff was composed of well-respected individuals, but that their work had little or no effect on aviation security policy. He also indicated that there was not a strong linkage between intelligence and operations. In his opinion, the old intelligence system focused a lot of attention and resources in evaluating intelligence on overseas events, but was not focused on specific threats to U.S. civil aviation, either internationally or domestically.

[U] Grant reported that under TSA intelligence and operational people meet together every morning to consider threats and assure that the appropriate countermeasures are in place to meet the threat. He said that the current administrator is adamant about maintaining this linkage and about assuring that TSA focuses on actual threats to the homeland rather than more generally on what might be happening overseas. Furthermore, he indicated that TSIS ties in to TSA training programs, and has full access to system testing data (via a TSIS representative in the TSA IAPR ("Red Team") division

FBI/DOJ and DHS

[U] Mr. Grant said that there are still significant problems of coordination between FBI/DOJ and DHS. As an example he cited that DHS had been working on a summer plan to address security for the upcoming anticipated busy summer season. It was about to be announced when Attorney General Ashcroft and FBI Director Mueller held a press conference to announce the heightened threat period for the summer travel period. DHS knew nothing about the announcement or what new information the Attorney General or the Director might have been referring to. The lack of coordination was serious.

TSA Field Structure

[U] Mr. Grant said that TSA has a field structure, inherited from the FAA, in the form of the 159 Federal Security Directors assigned to airports throughout the nation. He indicated that where airports are connected to other modes such as rail and surface the FSD is responsible for the intermodal connections as well as the aviation component.

[U] He said that TSA does have a regional structure but it's a support structure not operations. He believes that transportation security requires immediate response and a regional structure would simply add a layer of bureaucracy that could actually slow down responsiveness to problems. He said that the Deputy Administrator was adamant about decentralizing decision-making and empowering Federal Security Directors to make decisions.

Current Threats

[U] Mr. Grant said that he is often asked what are the top transportation security threats. He said the answer to this question has two parts, and that we need counter-measures for both.

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[U] On that last point, Mr. Grant thinks that we have blurred the line between crime and terrorism. He believes this is dangerous because it heightens the psychological impact of an event.

Recommendations

[U] Mr. Grant said that the Commission should help settle the policy dispute of whether

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[U] Grant strongly supports moving forward with the testing of CAPPS II, which he believes is necessary to identify any effective alternatives.

[U] Mr. Grant said that Homeland Security Presidential Directive (HSPD) 6 required the government to have a single, integrated watchlist within a year. As we get further from the events of 9/11 the emphasis and the resources to meet the objective are harder to come by. For example, he is not aware of any deadlines for further progress of the Terrorist Screening Center (TSC). He wants to see that the necessary priority and resources are dedicated to getting the job done in an accelerated fashion.

[U] Also, Mr. Grant liked the idea of TSA assigning a liaison to every state so that state, local and private institutions know they have someone to go to with questions. He indicated that if it were up to him he would make the senior FSD in each state the liaison officer.