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## SENATE COMMITTEE ON TRANSPORTATION

Senator Dave Cortese, Chair

2023 - 2024 Regular

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<b>Bill No:</b>	SB 1372	<b>Hearing Date:</b>	4/23/2024
<b>Author:</b>	Newman		
<b>Version:</b>	3/18/2024 Amended		
<b>Urgency:</b>	No	<b>Fiscal:</b>	Yes
<b>Consultant:</b>	Randy Chinn		

**SUBJECT:** Airports: third-party vendors: security lanes

**DIGEST:** This bill prohibits a public airport from entering into a new agreement authorizing a private third-party vendor to provide expedited security screening that uses the existing security lanes.

### ANALYSIS:

*Existing law:*

- 1) Recognizes the authority of the federal government to regulate the operation of aircraft and to control the use of the airways. (Public Utilities Code Section 21240)

### This bill:

- 1) Beginning January 1, 2025, prohibits a public airport providing commercial services from entering into a new agreement authorizing a private third-party vendor to provide expedited security screening that uses the existing security lanes. This prohibition applies upon expiration for agreements entered into prior to January 1, 2025.

### COMMENTS:

- 1) *Author's Statement.* "CLEAR, the expedited screening service provider, sold its services to airports and the Transportation Security Administration (TSA) as a tool to enhance security and improve efficiency. Counter to their claims of enhanced security, however, CLEAR has in recent years been the source of numerous security violations, including at least one incident where a person using a boarding pass they'd found in the trash was escorted through security by CLEAR personnel. Moreover, counter to CLEAR's claim of enhanced efficiency, while CLEAR may save time for its high-paying customers, it does

so at the direct expense of average airport travelers who, having finally made it to the front of a security line, often find themselves being pushed aside to make way for a CLEAR subscriber. SB 1372 would require CLEAR and other companies offering similar services at California airports to operate in a dedicated security lane, separate from general security and TSA PreCheck passengers, thereby ensuring a consistent and equitable experience for all air travelers. California's airports should of course be encouraged to find creative ways to raise revenues, but not at the expense of the public's interest."

- 2) *Clearly Convenient.* Clear Secure is a publicly traded company that operates a service known as "Clear Plus" which provides a biometric identity verification service for about \$200 annually. At major airports Clear Plus customers have their identify verified and their boarding pass scanned by a Clear Secure employee who then escorts the customer to the TSA agent, thereby skipping the TSA and TSA PreCheck lines. As the customer's identity has already been verified by Clear, the TSA agent generally<sup>1</sup> only looks at the boarding pass and then allows the customer to advance to the TSA scanner lane with the other passengers. Clear Plus customers who also have TSA PreCheck go to the TSA PreCheck lane; those without PreCheck go to the regular lane. About 10% of airport patrons are Clear Plus customers. Clear provides service at most of California's biggest airports, with the exceptions of John Wayne International Airport, Hollywood/Burbank Airport, and Fresno International Airport.
- 3) *Paying for Convenience.* Consumers can often pay to jump lines. Southwest customers can pay to pre-board. Disneyland customers can purchase the Genie+ service to minimize the time standing in lines. The author contends that cutting TSA lines is different because the TSA is a government service, not a private service.
- 4) *Follow the Money.* Airports oppose the bill because they earn fees from leasing their space to Clear Secure. This creates a tension in that longer TSA lines encourage more Clear Plus customers which raises additional revenue for the airports. Clear Secure reports that they have paid California airports \$13 million in 2023. Were airports to lose the Clear revenue they would make it up by charging other customers, such as rental car companies, other concessionaires, or airlines.
- 5) *Making American Airports Great.* The TSA, or Transportation Security Administration, is an entity of the federal government under the Department of Transportation created after the terrorist attacks in New York, Pennsylvania and

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<sup>1</sup> After several security breaches the TSA has recently required additional identity vetting of a portion of Clear customers.

Virginia on September 11, 2001. It is responsible for security screening operations for passenger air transportation nationwide. As a federal agency, the TSA is part of the federal budget so increasing TSA staffing requires an act of Congress.

While TSA lines are inevitable, they are still frustrating. Insufficient TSA staffing has been an ongoing concern of airlines and passengers. Even if staffing were available, there are also physical limitations on the number of TSA lines and lanes because of limited airport space. Most airports were designed prior to the 9/11 attacks and therefore had no dedicated space for security screening. Adding additional lines and lanes for Clear or other third-party security provides is not always possible.

- 6) *Proposed Amendment.* The bill prohibits airports from entering into new contracts with companies like Clear Secure if they use the existing TSA security lines and lanes. The author's goal is for Clear customers to have their own dedicated TSA screeners. Obtaining these dedicated resources is extremely challenging (see above), and is beyond the authority of the state. However, Clear Secure may have some ability to persuade Congress on this. Recognizing the potential inconvenience to Clear customers if the service is phased out at airports, the author may wish to consider amending the bill to instead limit the ability of Clear Secure to extend to new airports in California until dedicated TSA lanes and lines are provided, giving Clear Secure strong motivation to push for more TSA funding.

**RELATED LEGISLATION:**

None.

**FISCAL EFFECT:** Appropriation: No    Fiscal Com.: Yes    Local: Yes

**POSITIONS:** (Communicated to the committee before noon on Wednesday, April 17<sup>th</sup>.)

**SUPPORT:**

American Federation of Government Employees Local 1230  
Association of Flight Attendants - Cwa (AFA)

**OPPOSITION:**

Alaska Airlines

Burbank-glendale-pasadena Airport Authority  
California Airports Council  
California Business Roundtable  
California Chamber of Commerce  
California Travel Association  
Chamber of Progress  
Clear  
Delta Air Lines, INC  
Hawaiian Airlines  
Jetblue  
LAX Coastal Chamber of Commerce  
Los Angeles Area Chamber of Commerce  
North San Diego Business Chamber  
Oakland Chamber of Commerce  
San Deigo Regional Chamber of Commerce  
San Francisco Chamber of Commerce  
Southwest Airlines  
Technet  
The Bay Area Council  
United Airlines, INC.

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