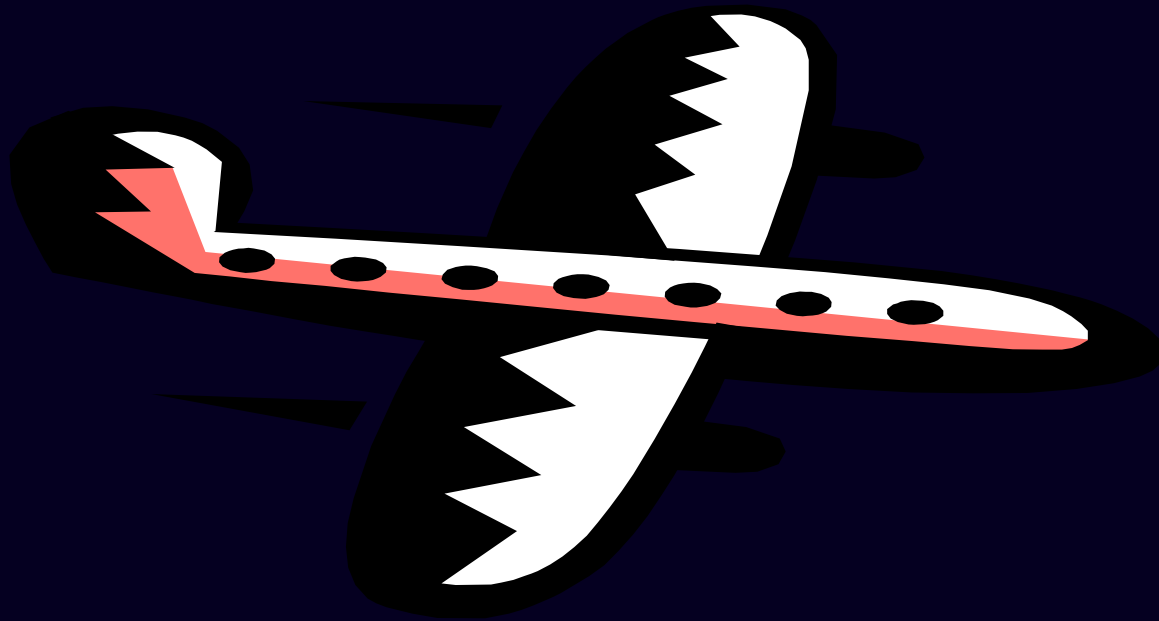


The Cost of Aviation Security



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*Has aviation been
sufficiently **hardened** as a
target that future terrorists
will go elsewhere?*

Perhaps, but we should note that:

- *More US civilians were killed by terrorists during air journeys than during any other activity.*
- *On a per-hour basis, the terrorism death risk during air journeys was 600 times higher than at other times.*

And these statistics are
all based on the 35-year
period *prior to 9/11!*

Since 9/11, we have seen:

- The **Shoe Bomber's attempt** to destroy a Transatlantic US jet
- A **shootout at LAX** that caused several deaths and injuries
- Strange flight cancellations in late 2003/early 2004 that, according to Tom Ridge, **“probably”** prevented a terrorist attack

Indeed, the very fact that aviation has been hardened as a target might make it especially attractive to terrorists.

(Academics love paradoxical statements like this one.)

The terrorist fascination with aviation, in short, *long preceded 9/11 and has persisted since then.* It seems hard to argue that the massive attention to aerial security is excessive or irrational.

*How Much Would Further
Terrorism Against Aviation
Affect the Industry
Economically?*

*“If there were another incident on a commercial airliner in the United States, it’s game over, lights out. It’s beyond a disastrous fall. **It’s over.**”*

**--Kevin Mitchell, head
Business Travel Coalition
August 29, 2003**

*On the Other Hand, Consider
Some Reactions to:*

- *The Israeli Bus Bombings*
- *AA 587*
- *The Start of War in Iraq*
- *The Madrid Train Bombings*

Most present air travelers may already believe that further terrorism against aviation is a question of “**when not if.**”

*And they might **not be deterred from flying** should their grim expectations be realized.*

Who Should Pay the Bulk of Costs for Aviation Security?



or



“Dollar” Costs of a Terrorist Attack on a US Airplane That Kills 100 People:

Passengers Aboard: \$300 million (FAA)

Airlines/Airports: \$5 billion (ATA)

Rest of Nation: Presumably Many Times \$5.3 billion

*Has aviation actually
been as hardened against
terrorists as it should be?*

One Specific Issue:

Why have they resumed transporting *heavier US mail* on US passenger planes?

Keeping heavier mail
(weighing more than one
pound) off passenger aircraft
cost US airlines *\$250 million in
revenue per year.* (ATA)

At the same time, ATA has suggested that a terror-induced plane crash would cost about *\$5 billion to the airline industry* in future revenue.

(We will use that estimate.)

**Comparing \$5 billion to \$250 million
suggests a rule of thumb:**

**A ban on heavier mail would be “cost
effective” if it prevented *one air disaster
over a 20-year period.***

This linear analysis is far from perfect. But have there any better *cost-benefit analyses* been performed in the decision process?

Spurious Argument:

If heavier US Mail is banned from passenger planes for security reasons, then it follows logically that *all cargo* must be banned.

And....

*Thinking about the
Unthinkable*

So, where are we?