

MARITIME SECURITY

I. PORT SECURITY GRANTS

The Port Security Grant program continues to be a very valuable program for ports, which serve as partners with the Department of Homeland Security (DHS) to harden security at U.S. ports and protect our homeland.

Funding/Eligibility – AAPA urges Congress to continue to authorize and appropriate \$400 million for the program. AAPA is concerned that last year's drastic cuts to state homeland security grants, including the port security grant program, will threaten the ability of our nation to maintain our current capacity or expand it. For FY 2012, Congress combined all grants, cut them by 40 percent and gave DHS the authority to determine the final funding level. DHS subsequently cut the Port Security Grants further by decreasing the level of funding by 59 percent from last year's funding level. It is currently at a level that is less than 75 percent of the authorized amount.

DHS is also considering a move to merge all grant programs into one program to fund all critical infrastructure segments and transfer distribution to the states, a move which AAPA strongly opposes. Port Security is a federal responsibility and it should remain at the federal level.

AAPA priorities are:

- 1) Ensure that all ports should continue to be eligible for these grants to avoid a soft underbelly that leaves this country vulnerable to terrorist threats.
- 2) Grant funding for Port Security should be a separate line item and controlled at the federal level.
- 3) Port Security funding should be at the authorized level of \$400 million.

Cost-share Waiver – The 25 percent cost-share for public agencies is a significant economic disincentive to make security enhancements and implement re-

gional maritime security plans. In these tight economic times, the cost-share is an even greater problem as ports are cutting back in all areas to address economic shortfalls. The Port Security Grant program is one of the few DHS grant programs that requires a cost-share. Transit grants and state homeland security grants, for example, are exempt from cost-share requirements. For DHS-granted waivers, the focus should be on speeding up the decisionmaking process by delegating to FEMA the authority to make cost-share waivers.

Quicker Distribution of Funds – There is a significant time delay between when DHS announces the awards and when FEMA finally completes all reviews and gives grantees authority to begin these security improvements. DHS should work to continue to streamline their processes and get funding out more quickly.

TWIC Grants – The delay in the final Coast Guard regulations related to TWIC reader requirements has resulted in reprogramming of some TWIC grants to other priorities. Once the new rules are finalized, DHS should make TWIC grants a priority.

Broader Construction Costs Should Be Allowed – Current limits on construction projects – \$1 million or 10 percent of the total grant – should be eliminated.

II. NUCLEAR DETECTION

Scanning Equipment – DHS must ensure that they adequately plan for port facility modification and expansion which may require additional portal monitors or relocation of existing equipment. Port facilities should not be responsible for paying for DHS equipment.

AAPA also recommends that Customs and Border Protection and the Department of Energy work more closely with port facilities as they develop scanning systems to ensure they work well with port operations.

100 Percent Scanning – AAPA encourages DHS to carefully evaluate the viability of the 100 percent scanning mandate and avoid instituting a system that will slow cargo movements or significantly increase the cost of shipping. AAPA is also concerned about reciprocity.

DNDO – The DHS Domestic Nuclear Detection Office (DNDO) has been working with ports on nuclear detection. More should be done to identify ways to mitigate the risk of nuclear weapons when such weapons are suspected in a shipment. For example, DHS could work with ports on the protocols they use, and conduct R&D to encase and shield a suspect container which is being shipped to an inspection area.

III. SUPPLY CHAIN SECURITY

While DHS has attempted to address supply chain security under the various programs that have been promulgated by Customs and Border Protection, the reality is that no internationally agreed-upon minimum supply chain security standards have been established. Without this global baseline, and a method of either enforcement or rewards, supply chain security is largely a voluntary notion that has little chance of truly enhancing security.

A framework for minimum mandatory supply chain security standards that is recognized and accepted worldwide is necessary in order to begin the complex process of ensuring that goods moving through the supply chain are not compromised.

IV. RISK ASSESSMENT

There are multiple risk assessment models being developed and used by the federal government to assess risk in the maritime environment. AAPA strongly supports the use of the Coast Guard's latest model of its computer tool known as the Maritime Security Risk Assessment Model (MSRAM), which is dynamic and allows for daily planning of mitigation resources. To be most effective in allowing users to compare security risk for targets throughout a port, all the jurisdictional agencies should be involved. AAPA encourages uniform use of MSRAM by federal agencies that are assessing risk in the maritime environment.

V. COAST GUARD

Command Centers – The U.S. Coast Guard (USCG) should coordinate with Area Maritime Security Committees on Interagency Operation Centers activities to avoid duplication of effort and enhance communication. Furthermore, the USCG should integrate port partners' concerns into the development of *WatchKeeper*.

Small Vessels – The U.S. Coast Guard must take a stronger role in controlling risk from small vessels that transit commercial port areas. USCG should continue to make this a priority.

VI. RESEARCH AND DEVELOPMENT

DHS should devote more resources to maritime security and work closely with the industry on priorities.

VII. TWIC IMPLEMENTATION

AAPA continues to work with DHS on implementing the Transportation Worker Identification Credential (TWIC) program, including monitoring and commenting on USCG regulations for facility compliance with TWIC. DHS also needs to be given the necessary resources to be able to re-issue TWICs as they begin to expire in late 2012.

VIII. SECURITY SYSTEMS MODEL APPROACH

As the federal government seeks to apply its resources to port security issues, multiple programs and multiple agencies have become involved through homeland security programs. In order to ensure that all these are adequately managing the risk associated with port security, a security system model is needed to guide port security partners and stakeholders, both government and private, in the effective and efficient development and implementation of holistic port security solutions. This security system model should include a coordinated approach, employ business models and be bi-directional. Federal plans should also encourage strategic plans for port security.

March 2012