

May 20, 2011

The Honorable Hal Rogers  
Chairman  
House Committee on Appropriations  
H-307 Capitol Building  
Washington, D.C. 20515-6015  
Via Fax: (202) 225-9476  
And to: Majority Staff Director/Chief Clerk William Inglee  
[Bill.inglee@mail.house.gov](mailto:Bill.inglee@mail.house.gov)

Dear Chairman Rogers:

In preparation for your upcoming markup of the Department of Homeland Security FY 2012 budget, I am writing to express the American Association of Port Authorities' (AAPA) extreme concern over the low funding level recommended for the Federal Emergency Management Agency's (FEMA) State and Local Program grants, which includes the Port Security Grant Program. The AAPA represents public ports throughout the United States, and since September 11, we have worked closely with the Department of Homeland Security in establishing a partnership to protect America's homeland. Safe and secure seaport facilities are critical to protecting our borders and moving goods.

In response to slow delivery of funds from FEMA, your Homeland Security Subcommittee is recommending a 66 percent decrease in funds from the President's request and a 55 percent decrease from the FY 2011 approved budget for all State and Local Grants. The exact impact on Port Security Grants is unclear, as the funds were lumped together. While we understand and share your frustration with the slow delivery of fund, we believe such a drastic cut would have severe consequences.

With the death of Bin Laden, critical infrastructure such as ports are being asked to be extra vigilant in order to protect against retaliatory terrorist attacks. At the same time, it is being proposed that the funds for these programs decrease by more than 50 percent. In addition to making continued enhancements, the Port Security Grants help pay for maintaining and replacing our current security assets at ports. Such a drastic reduction is certain to have an impact on our current capabilities as well as our ability to carry out five-year port protection plans. We urge you to find a different solution to challenge FEMA to do a better job in releasing funds, and restore funding to the State and Local grant programs.

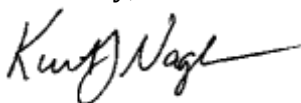
We also would like to encourage you to waive the cost-share requirement for the program. The Port Security Grant Program is one of the few FEMA State and Local grant programs that require a match. In these tight economic times, the cost-share has been a challenge for ports to carry out their five-year plans in a way that is risk-based. Higher risk projects, especially multi-jurisdiction projects such as exercises, are difficult to fund because of the necessary cost-share. Instead, lesser risk projects, whose sponsors can pay the cost-share, may get funded first. One of the rationales for the cost-share is to ensure the project is worthy by requiring the local sponsor to pay 25 percent of the cost of the project. Local sponsors, however, do spend significant amounts of their own funds even for cost-share waived projects as personnel costs for managing and running the project are not currently eligible for grant funds. This management cost does ensure there is "local skin in the game." At a minimum, if the cost-share is to remain, we urge you to allow personnel costs to be an allowable local cost match as part of the cost-share.

Additionally, while we understand the DHS Secretary has the authority to waive cost-share, these requests take considerable time for the staff to prepare necessary approvals, which diverts time from issuance of grants. A blanket cost-share waiver frees up staff time and allows them to focus on the priority of issuing grants, which as you know, has a substantial backlog. At a minimum, we urge you to allow the FEMA Director to make these approvals to speed up the DHS approval of cost-share waivers.

Finally, AAPA is very opposed to lumping all the State and Local grants into one pot for DHS to determine the final funding level. Ports are concerned that this lumping will mean far less for ports and will significantly harm the current partnership created to protect America's ports if port security is competing with more visible and politically larger groups, such as first responders and urban areas. Instead, we support appropriations for each of the individual grant programs.

As we enter a time of heightened concern over terrorism, we urge you to reconsider the funding level, cost-share and merging of funds that was recommended by the Subcommittee.

Sincerely,



Kurt J. Nagle  
President and CEO

cc: Ranking Member Norman Dicks (Via Fax: (202) 225-9476)  
Minority Staff Director David Pomerantz ([dem.approps@mail.house.gov](mailto:dem.approps@mail.house.gov))  
All Members of House Appropriations Committee