

August 31, 2011

The Honorable Janet Napolitano  
Secretary of the Department of Homeland Security  
U.S. Department of Homeland Security  
12th & C Street SW  
Washington, D.C. 20528  
Via Fax: 202-282-8401  
cc: [Sean Smith](#), Asst. Secretary for Public Affairs

Dear Secretary Napolitano:

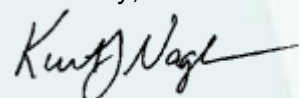
The next few years will be challenging ones as your agency plans to meet the targets set by the Debt Ceiling agreement. As you prepare your budget, we urge you to continue to support the FEMA State and Local Port Security Grant program, which provides much needed federal help to port facilities to harden security. Federal investments in seaports are essential and pay dividends through increased trade and commerce, job creation, secure borders, military support and environmental stewardship.

As we approach the ten-year anniversary of September 11, we should take pride in the improvements in port security that have been supported and are being maintained by this program. This program has helped enhance perimeter security, access control and credentialing systems, interoperable communications, waterside security, and training. This program not only provides support for new activities but provides maintenance and replacement costs to ensure our current capabilities are maintained. These improvements are based on five-year plans, which would be jeopardized by cuts in funding.

Attached is a letter we have sent to the United States Congress Joint Select Committee on Deficit Reduction that highlights federal priorities for seaports. Seaports are essential to the economic prosperity of our nation, moving 99 percent of overseas trade, and the Port Security Grant program is an integral part of keeping our sea borders safe. As you look for savings in programs, we urge you to recognize the valuable role this program plays in protecting our nation and ensuring that commerce continues to flow. We also want to emphasize the importance of providing grant eligibility to all ports. Providing support only to the largest seaports leaves a soft underbelly of ports that terrorists may focus on. All seaport borders that handle international cargo need protection. Finally, AAPA is opposed to bundling all State and Local program together into one program. We believe a separate and dedicated program for port security is critical.

I want to thank you for your Agency's support and interest in port security and look forward to maintaining this partnership through a strong Port Security Grant program into the future.

Sincerely,



Kurt J. Nagle  
President and CEO

August 31, 2011

Joint Select Committee on Deficit Reduction  
United States Congress  
Washington, DC

To the Members of the Joint Select Committee on Deficit Reduction:

As your committee looks for ways to reduce spending, we believe that it is imperative to focus scarce federal resources in those areas that can have the greatest impact on economic growth, immediate and long-term job creation, national security, and our current and future competitiveness in the global economy. The American Association of Port Authorities (AAPA) urges you to fully consider the vital importance of federal funding in and around America's seaports, which facilitate trade and commerce, create jobs, help secure our borders, support our military and serve as stewards of valuable coastal environmental resources. Seaports are essential to economic prosperity, and federal funding for seaports pays dividends for our country.

Nearly a third of the nation's GDP is derived from international trade, with 99 percent of our overseas trade moving through seaports. These seaports are the nexus of critical land and waterside infrastructure that connects America's farmers and producers with markets overseas, and they provide access for imports of raw materials, components, and consumer goods that are a key part of U.S. manufacturing and our standard of living.

The federal government has a unique Constitutional responsibility to maintain and improve the infrastructure that enables the flow of commerce, and much of that infrastructure in and around seaports has been neglected for too long. Federal surface transportation programs have largely ignored freight mobility and the importance of intermodal connectors that provide the link between the federal highway system and intermodal marine terminals that move goods from land to water. On the water side, funds collected by the Harbor Maintenance Tax since its creation in 1986 have been increasingly diverted from their intended purpose – maintaining federal navigation channels at authorized depths and widths.

Since 9/11, seaports and the federal government have partnered to harden our water borders against terrorism, protecting people, goods and equipment within this critical infrastructure. AAPA is gravely concerned about the recent proposal to eliminate direct funding for the FEMA Port Security Grant program and bundle it into other drastically cut FEMA grants. Additionally, while seaports remain committed to enhancing coastal resources and reducing their environmental impact, the federal government is a critical partner in beneficial reuse of dredged material and reduction of air emissions from older diesel engines – programs that should continue.

Attached is a list of key seaport industry priorities that we encourage you to consider as you begin the difficult but important work of reducing the federal deficit. Seaports are integral to our economic recovery, jobs, national security, and federal revenue. Further limiting effective federal investments in America's seaports would be detrimental to our country.

Sincerely,

A handwritten signature in black ink, appearing to read "Kurt J. Nagle", with a long horizontal flourish extending to the right.

Kurt J. Nagle  
Enclosure

**Federal investments in seaports are an essential, effective utilization of limited resources, paying dividends through increased trade and commerce, long-term job creation, secure borders, military support and environmental stewardship.**



**SECURITY**  
Secure seaports keep people, goods, equipment and infrastructure safe



**IMPORTS**  
In the first half of 2011, imported industrial supplies & materials increased by 25 percent, excluding crude oil

**SEAPORTS**



**EXPORTS**  
U.S. exports supported an estimated 9.2 million jobs in 2010



**ENVIRONMENT**  
Seaports help protect habitat and reduce air emissions to ensure the health of coastal communities and ecosystems

**Key seaport industry priorities:**

- ◆ Fully use the existing Harbor Maintenance Tax to maintain channels at authorized depths and widths
- ◆ Adequately fund harbor deepening projects to modernize federal channels
- ◆ Invest in port infrastructure, intermodal port access and freight mobility in surface transportation legislation and within TIGER
- ◆ Maintain funding and the eligibility of all ports for Port Security Grants
- ◆ Continue funding for the Diesel Emissions Reduction Act

**As Congress grapples with reducing the nation's deficit, AAPA urges Congress to recognize that seaports are essential to economic prosperity, and federal investments in port infrastructure pay dividends for our country.**

Maintaining infrastructure that supports foreign and interstate commerce is not only a federal responsibility but is in the national interest.

- Ports are investing more than **\$2 billion** each year in marine terminal capital improvements, and federal navigation channel users pay the Harbor Maintenance Tax to fund 100 percent of channel maintenance in most harbors.
- Seaports are essential to the economic prosperity of our nation, moving **99 percent** of overseas trade.
- Cargo moving through seaports is responsible for more than **13 million** jobs. Annually, seaports generate over **\$200 billion** in federal, state and local tax revenue and more than \$20 billion in Customs duties.

**America's seaports are integral to our economy, jobs and national security. Reducing federal investments in seaports would be detrimental to our country.**