

May 15, 2013

The Honorable Mary L. Landrieu
Chairman
Senate Committee on Appropriations
Homeland Security Subcommittee
SD-135 Dirksen Senate Office Building
Washington, D.C. 20510
c/o Majority Professional Staff Member
Drenan_Dudley@appro.senate.gov

The Honorable Daniel Ray Coats
Ranking Member
Senate Committee on Appropriations
Homeland Security Subcommittee
SH-125 Hart Senate Office Building
Washington, D.C. 20510
c/o Minority Professional Staff Member
Carol_Cribbs@appro.senate.gov

Dear Chairman Landrieu and Ranking Member Coats:

As you determine funding priorities for FY 2014, we write to request that you carefully weigh the real costs that may be incurred if port-related projects within DHS are not funded at adequate levels. The Port Security Grant Program (PSGP) and cargo scanning operations are crucial to the security of the United States and are of paramount concern to our members. Ports are international gateways into the United States and port authorities have worked as partners with the federal government in securing our border and keeping America safe. We are extremely concerned, however, that without robust funding of these programs going forward, there may be serious gaps in our nation's security.

Included in the President's DHS budget request is a proposal for bundling Port Security Grants with other FEMA non-disaster grant programs and devolving control of them to individual States. AAPA strongly opposes this move. State governments, while responsible for many important tasks, are not primarily focused on securing international borders. If given discretion over how federal security grant monies will be spent, AAPA is concerned States will not prioritize seaport security, resulting in a distribution of funds not based on relevant standards for such decision-making.

Further, AAPA is concerned about the erosion of funding we have witnessed for the Port Security Grant program. In 2008 and 2009, nearly \$400 million each year was both authorized and appropriated for it, but authorization has since dropped off to a fraction of that: \$97.5 million in FY 2012 and subsequent years. This is the lowest level of funding since the program's inception in 2002. Our economy, our safety, and our national defense depend largely on how well we can construct and maintain a security infrastructure at our ports. According to the 9/11 Commission Report, "opportunities to do harm are as great, or greater, in maritime and surface transportation" as they are in other transportation sectors. We urge the subcommittee to prioritize securing seaport infrastructure by increasing Port Security Grant funding to the same levels as we have seen in the past.

Additionally, what grant funding that has been made available has been continually tied up, with its use severely hampered in recent years. According to DHS, because there have been considerable amounts of grant funds not drawn down in a timely manner, two program changes have been implemented. One, DHS has moved to limit the grant project performance term to two years, cutting it by a third from its previous period of three years. AAPA opposes this change. Complex projects being conducted by port

authorities not only often cannot meet the constrained two-year timetables now being imposed upon them but may well need the full five-year project extensions that have traditionally been granted to them. The stringent restrictions DHS has placed on grant extensions slow down project development and implementation; as public entities, port authorities often must navigate numerous levels of local, state, and federal government, further delaying project action. On numerous occasions, unfortunately, deadlines have been missed due to holdups at FEMA as well as locally. Complex projects require sophisticated funding programs. Yet the port security grant program looks to be more concerned with quick fixes and a fast turn-around in monies spent, than in a sensible and wise use of funds that all parties concerned would no doubt prefer.

Finally, the current state of our ports' cargo scanning programs is extremely worrisome. DHS strengthened the cargo scanning programs at ports in the wake of the 9/11 terrorist attacks, to prevent weapons of mass destruction from being smuggled into our country. With the passage of time, however, funding has been cut and a lack of federal management has crept into the program. In February, the Department of Homeland Security Office of Inspector General (OIG) released a report on Radiation Portal Monitors (RPMs) demonstrating that they are being poorly used and mismanaged by CBP, and that neither CBP nor the Domestic Nuclear Detection Office has a plan to replace the monitoring equipment once it has reached the end of its useful life. DNDO paid for the original purchase and installation of RPMs and CBP is tasked with maintaining them.

Without explanation, funding priorities have appeared to move away from these scanning programs and local port authorities and private terminal operators are now being asked to shoulder much of the financial burden imposed by these federal efforts to protect our country from further terrorist attacks. AAPA commends DHS OIG for bringing this issue back to the fore and recommends that DHS maintain momentum on finding a solution to the problem that confronts us. We recommend that another study now be commissioned that picks up where the OIG report left off. Where the OIG report found specific problems with the scanning programs, a new report can focus on specific solutions, so that America can continue to be protected from attacks. This report should also identify funding needs for scanning technologies at ports for the next decade.

The American Association of Port Authorities and our members hold security as a top priority, and we look forward to continuing our partnership with DHS and other sectors of the federal government to keep America safe. We firmly believe that in order for this partnership to be most effective the Port Security Grant Program should remain under federal control and fully funded at \$400 million; and that cargo scanning programs must continue to be funded at necessary levels and maintained by the appropriate federal agencies.

Sincerely,



Kurt J. Nagle
President and CEO

KJN:kp/lsm

cc: Elizabeth Craddock, Legislative Director to Chairman Mary Landrieu
Viraj Mirani, Legislative Director to Ranking Member Dan Coats