

July 1, 2011

The Honorable Mary L. Landrieu  
Chairman  
Senate Committee on Appropriations –  
Subcommittee on Homeland Security  
SD-135 Dirksen Senate Office Building  
Washington, D.C. 20510  
Via Fax: (202) 224-2100  
And to: Majority Clerk Charles Kieffer  
c/o [drenan.dudley@appro.senate.gov](mailto:drenan.dudley@appro.senate.gov)

Dear Chairman Landrieu:

I am writing to express the American Association of Port Authorities' (AAPA) extreme concern over the low funding level passed by the House 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 federal government 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, the House Appropriations Committee bundled all State and Local Program funds together and then recommended 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 but we expect the impact to be severe. While we understand and share the frustration with the slow delivery of funds, we believe such a drastic cut would have negative consequences.

With the death of Bin Laden, critical infrastructure facilities, such as ports, are being asked to be extra vigilant in order to protect against retaliatory terrorist attacks. 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 reject the House funding level and bundling and appropriate \$400 million for the Port Security Grant program, the authorized level for the program.

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. Often, higher risk projects, especially multi-jurisdiction projects such as exercises, are difficult to fund because of the necessary cost-share, while 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 a local cost match as part of the cost-share.

Additionally, while we understand the DHS Secretary has the authority to waive the 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 continued appropriations for each of the individual grant programs.

As we enter a time of heightened concern over terrorism, we urge you to keep the Port Security Grant program a funding priority as our nation persists in our fight to protect our homeland and critical infrastructure, such as seaports, against acts of terrorism.

Sincerely,



Kurt J. Nagle  
President and CEO

cc: Ranking Member Daniel R. Coats (Via Fax: (202) 228-0904)  
Minority Clerk Rebecca Davies ([rebecca.davies@appro.senate.gov](mailto:rebecca.davies@appro.senate.gov))  
All Members of Senate Committee on Appropriations/  
Homeland Security Subcommittee