



Alliance of the Ports of Canada, the Caribbean, Latin America and the United States

AMERICAN ASSOCIATION OF PORT AUTHORITIES

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On behalf of the American Association of Port Authorities

**Submitted for the Record of the
The United States House of Representatives
Committee on Homeland Security -
Subcommittee on Emergency Preparedness, Response, and Communications**

**Hearing: *“Stakeholder Assessments of the Administration’s National
Preparedness Grant Program Proposal”***

April 29, 2014

Thank you for inviting me as a witness on behalf of the American Association of Port Authorities (AAPA). AAPA is an alliance of the leading public ports in the Western Hemisphere and our testimony today reflects the views of our U.S. members. I am Randy Parsons, Director of Security for the Port of Long Beach, in California, where I head up the Security Division for the nation’s second-busiest seaport. I also serve as the co-chair of the AAPA’s Port Security Caucus which crafts recommendations on U.S. government policy related to security for the Association’s leadership.

Today, we are here to discuss AAPA’s thoughts on the Administration’s National Preparedness Grant Program proposal. As you well know, this proposal was made several years ago, but just recently the Administration sent over an authorization bill to outline specifically how the various programs would be changed and outline in more detail how the new program would work. AAPA has been engaged in discussions with FEMA over the last few years and our concerns still have not been properly addressed in the proposal.

AAPA has a fundamental philosophical difference with the Administration over who should be in control of the Port Security Grant Program. The Administration in its National Preparedness Grant Program calls for funding for the program to be determined at the state level, along with other homeland security grants. AAPA strongly believes that the Port

Security Grant Program should be maintained at the federal level. In short, moving Port Security Grants to the state level is a bad idea and is likely to result in a significant decrease in security funds going to seaports, and ultimately putting our nation at greater risk.

In the decade since 9/11, a key component of our nation's effort to harden the security of seaports has been the Port Security Grant Program, currently managed by FEMA. Port Security Grant funds have helped port facilities and port areas to strengthen facility security and work in partnership with other agencies to enhance the security of the region. Port Security Grant funding has been used to procure equipment such as vessels and vehicles, install detection systems such as cameras and sensors, and provide equipment maintenance for the systems recently installed.

The Maritime Transportation Security Act, passed soon after 9/11, and the subsequent SAFE Port Act carefully laid out a system to identify risks and fund projects accordingly, with both national and local input. FEMA, with input from the U.S. Coast Guard and national intelligence information determines which ports should be in each risk category and the local area committees develop plans to decrease these risks. State officials are invited to sit on these local area committees, but the responsibility to determine who gets a grant resides with the Secretary of the Department of Homeland Security, based on evaluation from the local and national U.S. Coast Guard offices, FEMA and other federal partners. This is where AAPA believes the authority to determine grants should continue to reside – at the federal level, where the expertise exists.

In order to continue to be effective, the grant process must evolve in conjunction with port needs and vulnerabilities. Working with DHS, efforts have been made to keep pace with this evolution. We fear that if ports are “lumped” into the larger Homeland Security equation, efforts to date will be marginalized and the focus on ports will be lost. The separation of Port Security Grant funding served to highlight the need to focus on a component of the nation's critical infrastructure and international border that was largely ignored prior to the tragic events on 9/11. We have a significant fear that this focus will be lost if the Port Security Grant Program does not remain separate and fails to continue to evolve to meet emerging security needs.

Seaports are international borders and must comply with numerous federal regulations including those instituted by TSA, Customs and Border Protection, the Department of Agriculture and the U.S. Coast Guard. The Port Security Grants are often used to help facilities address these federal mandates. Often states are not even aware of these requirements and do not have the expertise to determine risks to these international seaport borders. AAPA strongly believes that the responsibility for the grants should stay at the federal level, since border security (land, air and maritime) is a national, not a state, responsibility.

There are other concerns about this proposal. It expands the grants to all hazards, cuts overall funding, and is likely to return to a slower drawdown in funds. With the expansion of the grants to all hazards, it is likely that far more projects will be eligible. We are concerned that national disasters preparation and response would be a high priority for certain states, resulting in even less for port security. Additionally, the proposal calls for a significant decrease in funding overall. Currently, Port Security Grants are only funded at 25 percent of the authorized level of \$400 million. Merging the program into other homeland security grants is likely to result in even more of a decrease.

AAPA has fought hard to ensure the program makes all seaports that serve as international borders eligible for the program. FEMA has provided grants to seaports at all levels in order to ensure that we do not have a soft-underbelly of underprotected ports. We must not allow for a weak spot that terrorists can capitalize on. There is no mandate in the Administration's proposal requiring states even to fund port security and it is likely to result in some ports not getting funding for needed projects.

The National Preparedness Grant Program proposal calls for all funds to be distributed through the states, a model that resulted in significant slowdown in fund use in the past. At one point the Port Security Grant Program distributed the funds through a fiduciary agent that then funded subgrantee projects. But, FEMA recently abandoned this model and moved to direct grants in order to speed up the drawdown of funds and get projects done more quickly. This change was made in response to extreme displeasure by Congress over the slow spending of funds. So, why return to this broken model?

Ports are already struggling to maintain their capabilities, much less meet new and emerging concerns in such areas as infrastructure protection, continuity of services such as power and water, protection of our information technology capabilities, and response to the ever-growing cyber threat. In a constantly changing threat environment, any further decrease in funding will make it difficult to maintain current capabilities. At many ports, Port Security Grant funding has been a critical component in their efforts to build a resilient port, and we would hate to see a degradation of these efforts as a result of grant funding reductions. Additionally, the proposed legislation highlights the importance of core capabilities and the need to share capabilities and drive funding to these capabilities. When states developed core capabilities, however, they did not incorporate port needs and it is unclear how the needs would be addressed in the future. It is, therefore, unlikely that port needs would be funded properly.

While there might be good reason to merge other homeland security grants, AAPA strongly believes that the Port Security Grant Program should be maintained at the federal level. That is where the expertise resides and it corresponds to the federal responsibility to control and protect our international borders. Should you move this legislation, we urge you to exclude the Port Security Grant Program from this consolidation and merger.

Due to limited time, I have not included some needed improvements to the program but include them in the recommendations below. In conclusion, we strongly urge the Committee to:

1. Keep the funding separate and at the federal level, similar to Firefighter Assistance Grants;
2. Restore port security funding to a healthier level; \$100 million barely allows us to maintain what we have;
3. Return the term of grant performance to three years with an extension allowed to five. The current grant term of two years is unworkable;
4. Provide a uniform cost-share waiver of past grant funds; and consider waiving the cost-share overall.

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