

“America’s economic health and security depend largely on how well we can ensure efficient connections and deep-draft shipping access to our seaports”

Susan Monteverde, Government Relations Vice President of the **American Association of Port Authorities (AAPA)** talks to PTI on how the proposed cuts to the DHS’s Port Security Grant program will affect U.S. ports

“The Port Security Grant program provides needed federal help to harden security at U.S. ports. Most port areas have developed five-year plans to enhance security by ranking projects based on risk. By decreasing this funding, these five-year plans cannot be carried out, leaving critical security enhancements undone.

“Additionally, these funds are used to help maintain current levels of security by providing funds for maintenance and replacement of broken systems in order to sustain a certain capability. Reducing these funds by two-thirds will surely have a negative impact on our current ability to protect America’s ports, as well as plans for future improvements.

“In meetings with Obama Administration officials, key staff in the Department of Homeland Security, and with staff of Members in both chambers of Congress, AAPA is encouraging all concerned to come to agreement on a budget for FY 2011 and FY 2012 that cuts wasteful spending but raises the funding priority for freight-handling initiatives and preserves needed national investments in port security and transportation infrastructure.

“AAPA is expressing both optimism and disappointment over various aspects of the Obama Administration’s fiscal 2012 proposed budget, primarily as it pertains to seaports and the efficient, safe and cost-effective movement of freight.

“A potential bright spot in the FY’12 budget for seaports in the Administration’s heightened commitment to infrastructure investment. The budget includes a robust, six-year, US\$556 billion surface transportation authorization proposal, as well as a \$50 billion up-front, first-year outlay, which provides \$2 billion for a National Infrastructure Investments program, similar to the TIGER discretionary grants program in FY’10. However, we’re concerned that the expanded variety of modes in the new I-Bank compared to TIGER, such as aviation infrastructure, could cause funding for seaport-related infrastructure to be overshadowed. Ultimately, there needs to be a heightened federal focus on freight transportation if the I-Bank model is adopted.

“Even less encouraging for ports are the cuts the FY’12 proposed budget makes to the U.S. Army Corps of Engineers’ Civil Works program and the Port Security Grant program, as well as elimination of funding altogether for the Diesel Emissions Reduction Act (DERA) program.

“The Administration’s proposed budget cuts for the U.S. Army Corps of Engineers’ Civil Works program misses the mark by failing to adequately fund the waterside infrastructure that is critically



needed to restore the economic security of the nation, increase exports and create the jobs necessary for full economic recovery. While we’re mindful of the need to make necessary sacrifices to reduce the deficit, we believe the priority for programs and projects that enhance America’s ability to move cargo and compete in world markets should be raised rather than lowered. If approved by Congress, funding for the Corps’ Civil Works program in fiscal 2012 would drop by more than a half-million dollars to \$4.631 billion. That includes a \$6 million reduction in the draw from the Harbor

Maintenance Trust Fund (HMTF) to \$758 million.

“These cuts are in addition to the Administration’s proposal to expand the authorized uses of the HMTF so that its receipts are also available to finance the federal share of other commercial navigation programs, such as the U.S. Coast Guard. The Administration’s proposed Civil Works program cuts run counter to its goals to create new U.S. jobs and promote exports. In addition, the reduction in the draw from the HMTF for maintenance dredging and the proposal to spend a portion of those funds for programs unrelated to maintenance dredging further reduces navigability into and out of America’s ports. The annual Harbor Maintenance Tax revenues that are collected specifically for maintenance dredging must be fully utilized, and used as intended by law for this purpose only. Currently, importers and domestic shippers pay approximately double the annual amount drawn from the HMTF for navigation maintenance.

“While we’ve discussed the drastic cuts to the Port Security Grant program in the FY’11 Continuing Resolution, the President’s FY’12 budget seeks a more reasonable funding level of \$300 million, which we still believe is inadequate. AAPA has consistently argued for the full \$400 million in appropriations as authorized in the SAFE Port Act of 2006 to reduce the vulnerability of America’s ports against the constant threat of new and devious types of terrorist attacks.

“America’s economic health and security depend largely on how well we can ensure efficient connections and deep-draft shipping access to our seaports in order to support exports, the more than 13 million jobs related to trade moving through our ports, and help America’s economy prosper.

“Over a quarter of U.S. GDP is accounted for by international trade, and as the budget process advances, we’re hopeful that the Administration and Congress recognize the tremendous contributions that seaports make to the economy and jobs, and prioritize those programs accordingly.”