TO: Captains of the Ports (COTPs)  
MARAD Region Directors  
SAAs, SAA POCs  
SLGCP All

FROM: Matt A. Mayer  
Acting Executive Director

SUBJECT: FY 2005 Port Security Grant Program Release

The Department of Homeland Security (DHS), Office of State and Local Government Coordination and Preparedness (SLGCP) is pleased to announce its Fiscal Year (FY) 2005 Port Security Grant (PSG) Program. The FY 2005 PSG Program is a competitive grant that provides over $140 million in funding directly to eligible port entities to secure the nation’s ports against potential terrorist attacks. This information bulletin contains the following details about the PSG Program:

- Program Overview
- Applicant Eligibility
- Stakeholder Roles and Responsibilities
- Teleconference Logistics

**PSG Program Overview**

The FY 2005 PSG Program directly addresses two of the national priorities listed in the National Preparedness Goal: 1) Chemical, Biological, Radiological, Nuclear and Explosive (CBRNE) detection and response capabilities; and, 2) National Infrastructure Protection Plan (NIPP) implementation.

The Port Security Grant Program represents funds provided through the FY 2005 DHS Appropriations Act to address physical security enhancements for critical national
seaports and provides follow-on funding for the previous four rounds of Port Security Grants. Following risk-based national port security priorities, the FY 2005 PSG Program will place a strong emphasis on prevention and detection against improvised explosive devices (IEDs). Of great concern are IEDs delivered via small craft, underwater and in vehicles on ferries.

**PSG Applicant Eligibility**

Eligible applicants for this competitive grant program were identified through a collaborative review process completed by the Office for Domestic Preparedness (ODP), the United States Coast Guard (USCG), and the Information Analysis and Infrastructure Protection (IAIP) Directorate within DHS. A risk-based formula comprised of consequence, vulnerability, and threat factors was developed and utilized to determine eligibility to apply for the PSG Program. The formula resulted in the selection of 66 port areas.

<table>
<thead>
<tr>
<th>Eligible Applicants Within the Identified Port Areas</th>
</tr>
</thead>
<tbody>
<tr>
<td>Owners/operators of federally regulated ports, terminals, facilities, U.S. inspected passenger vessels, or ferries as defined in the Maritime Transportation Security Act (MTSA) 33 CFR Parts 101, 104, and 105</td>
</tr>
<tr>
<td>Port authorities or other State and local agencies that provide layered security protection to federally regulated facilities (layered security means an approach that utilizes prevention and detection capabilities of organizations within a port-wide area to provide complete security solutions to regulated entities)</td>
</tr>
<tr>
<td>Consortia composed of local stakeholder groups (i.e., river groups, ports, and terminal associations) representing federally regulated ports, terminals, U.S. inspected passenger vessels, or ferries</td>
</tr>
</tbody>
</table>

Private companies are eligible to apply for funding under the FY 2005 PSG Program. However, applications from private entities must demonstrate a cash match of at least 50% of the total amount requested in Federal funding in order to be considered. Applications may not be submitted on behalf of a private company by a public entity and sub-awarded back to the private company to avoid the cash match requirement.

**PSG Program Stakeholder Roles and Responsibilities**

The Port Security Grant (PSG) Program will be managed through the Transportation Infrastructure Security Division (TISD) within the Preparedness Programs Division (PPD) of SLGCP. The PSG Program mission is to create a sustainable, risk-based effort for the protection of critical infrastructure from terrorism, especially explosives and non-conventional threats that would cause major disruption to commerce and significant loss of life.
<table>
<thead>
<tr>
<th>Program Process</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grant Application and Administration</td>
<td>Eligible applicants in each eligible port area may submit one application for funding of up to five (5) individual projects. Funding may be awarded for all, some or none of the projects submitted based on the outcome of the evaluation process.</td>
</tr>
<tr>
<td>Initial Application Review Process</td>
<td>ODP staff will receive and conduct an initial review of all FY 2005 PSG applications. Ineligible, incomplete and duplicate applications will be eliminated from further consideration. Applications passing this review will be grouped by port area and provided to the applicable USCG COTP for further review.</td>
</tr>
<tr>
<td>Field Review Process</td>
<td>Field level reviews will be managed by the applicable USCG COTP in coordination with the MARAD Region Director and applicable State Administrative Agency or Agencies (where feasible). Each COTP will review the applications provided by ODP for their port area against the criteria listed in the PSG Program Guidance. After completing their field reviews, the COTPs will submit a prioritized listing of projects for each port area to ODP for the national review process.</td>
</tr>
<tr>
<td>National Review Process</td>
<td>Following the field review, a national review panel will be convened. Members will include representatives from ODP, USCG, BTS (TSA, CBP, etc.), IAIP and MARAD. The national review panel will conduct an initial review of the prioritized project listings for each port area submitted by the COTPs to ensure that the proposed projects will accomplish the intended risk mitigation goal. Following this initial meeting, ODP will evaluate the top projects from each COTP list for each port area against criteria listed in the PSG Program Guidance. The national review panel will then be asked to evaluate and validate the consolidated and ranked project list resulting from this process. Awards will be made based on the final ranked list of projects identified by the this panel.</td>
</tr>
</tbody>
</table>

**PSG Program Application Review and Selection Process**

![Diagram of the PSG Program Application Review and Selection Process](image)
**PSG Program Teleconferences**

TISD hosted three application teleconferences during the launch of the PSG Program for the SAA, USCG and MARAD. To obtain a copy of the briefing presented during these teleconferences please send an email request to portsecuritygrants@dhs.gov.

Two teleconferences will be held to provide a detailed overview of the application review and screening processes, including roles and responsibilities for all PSG Program stakeholders. Official invitations and details for connecting to the meetings will be distributed to COTPs, MARAD, and SAAs in separate communications. The schedule is as follows:

<table>
<thead>
<tr>
<th>Program</th>
<th>Date</th>
<th>Call Information</th>
</tr>
</thead>
</table>
| Atlantic Region USCG, MARAD, SAA Field Review Process Teleconference | Wednesday, June 8, 2005 1:00 PM (EST) | Call in: 800-860-2442  
Participant Code: 4713 |
| Pacific Region USCG, MARAD, SAA Field Review Process Teleconference | Wednesday, June 8, 2005 3:00 PM (EST) | Call in: 800-860-2442  
Participant Code: 4713 |

**Additional Information**

For your convenience, a Fact Sheet containing additional information about the PSG Program is attached. For specific information concerning eligibility and grant guidelines, please refer to the PSG Program application kit at [http://www.ojp.usdoj.gov/fundopps.htm](http://www.ojp.usdoj.gov/fundopps.htm)

Questions related to this grant program may be directed to portsecuritygrants@dhs.gov or the SLGCP Centralized Scheduling and Information Desk at askcsid@dhs.gov, 1-800-368-6498.

Attachment: PSG Program Fact Sheet