

## **Port of Galveston Bolsters Security**

After the devastating effects of September 11, 2001, America's seaports quickly realized that stringent transportation security measures were needed to protect entry points. The security of the nation's marine transportation system, which includes ports, marine terminals, and intermodal facilities, is a major component of national security.

Reports show that each year, nearly seven million passengers, over 7.5 million cargo containers and 95% of all cargo entering the U.S. are handled at the nation's seaports. The maritime transportation industry employs 13 million people in the United States and pumps over \$750 billion into the economy annually.

Despite the industry's impact on the U.S. economy, the federal government has invested only a fraction of the total cost of the mandated security enhancements. The federal government's combined allocation in grants for port security since 9/11 has totaled \$500 million, compared to the \$11 billion in federal support allocated to the airline industry during the same period.

The United States Coast Guard conservatively estimates \$7.3 billion will be needed in the next 10 years to meet the requirements of the Maritime Transportation Security Act of 2002 (MTSA), the newly enacted laws designed to better protect the nation's 300 ports and 95,000 miles of open shoreline.

The lack of adequate funding is so severe that, in May, the American Association of Port Authorities joined with maritime organizations, nonprofit associations, government entities and private industry to form the Port Security Council of America. The Council provides the maritime industry a platform to address terrorist threats to the nation's seaports and the maritime transportation system, as well as a venue to work with Congress and the Administration to obtain significantly more federal funding for immediate and long-term port security requirements. Yet, the industry is facing an uphill battle as demonstrated in Round 4 of the Transportation Security Administration's (TSA) allocation when in early September, in response to nearly \$644 million in grant applications to address ever expanding mandates under the new law, only \$49.4 million in federal funds was awarded to seaports.

The new law, or MTSA, requires all ports in the United States to develop and have a comprehensive security plan that ensures all U.S. port acreage and tens of thousands of miles of U.S. shoreline be secured against potential terrorist threat. This new plan, officially titled a Facility Security Plan (FSP), is approved by the U.S. Coast Guard and ensures that appropriate measures are being employed by the port to protect the facility as well as vessels, cargo and people. In October, the U.S. Coast Guard provided final approval to the Port of Galveston's Facility Security Plan.

"The Port's plan is providing a blueprint by which we are securing 800 acres of port properties and facilities," stated Steven M. Cernak, Port Director. "To assist our efforts

to enhance security measures, the Port of Galveston has applied for and been awarded over \$6.8 million in federal funds through four rounds of grant awards. We have completed the construction projects from Round One awards and begun all projects funded in Rounds Two and Three. Round Four was just received in September 2004 and we are in the initial phase of the acquisition process.”

The Port was awarded just over \$1.6 million in Round One for a Port Security Assessment and to enhance security at the west end of the Port. Improvements included the construction of a new security entrance at Pier 41 and the installation of perimeter lighting and 6,500 feet of new fencing to secure the Port from Pier 30 through Pier 41. All work has been completed.

The Port received \$2.12 million in Round Two to cover the security enhancements in the East End area of the Port and at the Cruise Terminal, and a relocation of the Port Police Headquarters. All projects have been started.

Two projects were considered in Round Three and granted funds of just over \$2 million. Security improvements will be installed at Cruise Terminal No. 2 and at the East End Container Terminal and both projects have begun.

One project received funding in the Round Four federal grant awards and through this project a port-wide ID card and vehicle recognition system will be launched.

“The Port of Galveston has been extremely fortunate to have received these awards from the Federal government to establish measures to secure the Port of Galveston for our workers, cruise passengers and users of port facilities,” stated Cernak. “But it is still a costly proposition for the Port. Additional security and maintenance costs for the new facilities are not included in the grant awards and must be funded through the revenues of the Port of Galveston.”

Funds to cover these new expenses were included in the Port’s 2005 Budget. “We must now provide the operational funds for the new security requirements to include additional police officers for the new security gate at Pier 41 and personnel for the new surveillance command center, and the training for this new technology as well as additional funding for maintenance and upkeep of the new facilities and equipment,” added Cernak. “Other operational costs include electricity, sewer, water and insurance to cover these new developments.”

“Homeland security mandates have had powerful impacts on ports and their bottom lines for the last several years, and the costs keep rising,” concluded Cernak. “We know that protecting the port, the workers and its interests does come with a price. The funds that we have received to provide for security enhancements do not reflect a near-tripling of security-related operating expenses incurred by the Port since 9/11 and costs associated with ever-changing federal guidelines, nor does it factor the anticipated maintenance and repair costs on the newly installed security assets.”