



Homeland
Security

Fiscal Year (FY) 2007 Port Security Grant Program (PSGP) Frequently Asked Questions (FAQs)

What is the purpose of the FY 2007 PSGP?

The purpose of the FY 2007 PSGP is to create a sustainable, risk-based effort for the protection of critical port infrastructure from terrorism, with special emphasis on the use of explosives and non-conventional threats that would cause major disruption to commerce.

What are the eligible port areas in the FY 2007 PSGP?

The recently passed SAFE Port Act states that all entities covered by an Area Maritime Security Plan (AMSP) may submit an application for consideration of funding. However, Congress has also specifically directed DHS to apply these funds to the highest risk ports within the United States. In support of this, a total of 102 critical port areas¹, representing approximately 95 percent of the foreign waterborne commerce of the United States, have been specifically identified. In a number of cases, these port areas have also been grouped together to reflect geographic proximity, shared risk and a common waterway.

Prospective applicants are advised that, in accordance with expressed congressional intent, risk to critical port areas will be the primary consideration in the award of funding.

See the attachment to this document for a list of critical port areas.

Who is eligible to apply for FY 2007 PSGP funding?

- Owners/operators of federally regulated terminals, facilities, or U.S. inspected passenger vessels as defined in the Maritime Transportation Security Act (MTSA) 33 CFR Parts 101, 104, 105, and 106;

¹ This Port Criticality List was developed by the U.S. Coast Guard using commercial, demographic, and geographic data from various sources. Factors such as Cargo Volume and Passenger Volume, the presence of CI/KR, and Strategic Importance, among others, were utilized in the determination. Its purpose is to identify ports that are essential to the viability of the Marine Transportation System and vital to the economy of the United States.

- Port authorities or other State and local agencies that provide layered security protection to federally regulated facilities in accordance with an AMSP or a facility or vessel security plan; or,
- Consortia composed of local stakeholder groups (e.g., river groups, ports, and terminal associations) representing federally regulated ports, terminals, U.S. inspected passenger vessels, or ferries that provide layered security protection to federally regulated facilities in accordance with an AMSP or a facility or vessel security plan.

Additionally, to be eligible to apply for funds, facilities within eligible port areas must be addressed in the port's Area Maritime Security Plan.

Prospective applicants are advised that, in accordance with expressed congressional intent, risk to critical port areas will be the primary consideration in the award of funding.

How much funding is being awarded through the FY 2007 PSGP?

A total of \$201,170,000 will be awarded through the FY 2007 PSGP.

What is the deadline for FY 2007 PSGP applications to be submitted?

The application deadline for the FY 2007 PSGP is 11:59 PM EST, March 6, 2007.

How do eligible applicants apply for the FY 2007 PSGP?

Applicants apply for FY 2007 PSGP funding through the Federal Government's Grants.gov system at www.grants.gov.

How does the FY 2007 PSGP improve homeland security?

The PSGP provides funds to facility owners and operators in the Nation's highest risk port areas to address priorities identified in the National Preparedness Goal, the National Infrastructure Protection Plan (NIPP) and the National Strategy for Maritime Security.

What are the priorities of the FY2007 PSGP?

DHS has identified the following five priorities for the FY 2007 PSGP:

- *Enhancing Maritime Domain Awareness (MDA)*, the critical enabler that allows leaders at all levels to make effective decisions and act early against threats to the Nation's seaports;
- *Enhancing Prevention, Protection, Response and Recovery Capabilities*, especially from attacks employing improvised explosive devices (IEDs) delivered via small craft, underwater swimmers and/or on ferries (both passenger and vehicle); and,
- *Training and Exercises*;

- *Efforts supporting implementation of the Transportation Worker Identification Credential (TWIC);*
- *Efforts in support of the national preparedness architecture.*

What are the key differences between the FY 2007 PSGP and the FY 2006 PSGP?

Key changes to the PSGP include:

- *Port Security Priorities* – Please see the Program Guidance for revised security priorities identified by DHS.
- *Port Area Groupings* – In a number of cases, port areas have been grouped together to reflect geographic proximity, shared risk and a common waterway.
- *Regional Tier Allocations and Cooperative Agreements* – Regional tier allocations have been introduced for the port area groupings within Tier I. Awards made to successful Tier I applicants will be issued as cooperative agreements rather than as grants.
- *Revised Eligibility List* – The eligibility list for the FY 2007 PSGP is being revised slightly to reflect changes required by the Safe Port Act, as well as new analysis by the USCG. Of particular note is the inclusion of Port Fourchon, LA and Apra Harbor, Guam. In a number of cases, eligible port areas have also been grouped together to reflect geographic proximity, shared risk, and a common waterway.
- *Maritime Security Regulatory Compliance* – As part of the FY 2007 PSGP, eligible applicants must be fully compliant with all relevant maritime security regulations (33 CFR Parts 101-106).
- *Maximum Number of Projects* – Eligible applicants may submit one application for funding *no more than* three (3) projects.
- *Period of Performance* – Performance period is now 36 months.
- *Investment Justification* – All applicants will be required to submit an investment justification for each proposed project.

General changes to the overall Infrastructure Protection Program (IPP) include:

- *Interaction with Grantees During Application Period* – In FY 2007, the Department is placing a strong emphasis on cooperative dialogue with stakeholders during the application period to ensure that applicants clearly understand program priorities and requirements, and that the projects submitted offer the best potential for risk mitigation.

How will the SAFE Port Act affect the PSGP?

The recently passed SAFE Port Act states that all entities covered by an Area Maritime Security Plan (AMSP)² may submit an application for consideration of funding. However, Congress has also specifically directed DHS to apply these funds to the highest risk ports within the United States. In support of this, a total of 102 critical port areas³, representing approximately 95 percent of the foreign waterborne commerce of the United States, have been specifically identified. In a number of cases, these port areas have been grouped together to reflect geographic proximity, shared risk and a common waterway. (See the attachment to these FAQs for a list of these port areas.)

Is the FY 2007 PSGP only open to previous awardees and not to new applicants?

The FY 2007 PSGP is a continuation of Rounds 1-6 of the PSGP. This does not mean, however, that an applicant must have previously been awarded funding during one of these rounds.

Can you explain the tiers DHS uses?

DHS invited owners and operators of port infrastructure and entities providing security within port areas to apply for funding through the PSGP in order to enhance security operations within 101 critical port areas. DHS will group the eligible port areas into tiers according to risk. There are four tiers: Tier 1 includes the highest risk ports with Tier 4 containing relatively lower risk. Funding will be awarded for specific projects within each port area based upon that port area's relative risk and the relationship of each project to identified port security priorities.

Why does DHS use a tier system?

The PSGP is a risk-based and a competitive program where individual terminal owners and operators can apply for funding to enhance their facility's security. The tier system was designed to allow applicants from different port areas to compete on a level playing field by grouping areas with a similar level of risk. See the attachment at the end of this document for tier allocations.

What would place a port in Tier 1?

The risk analysis is a relative analysis, so any combination of a number of factors could contribute to a port area being placed in a higher risk tier; such factors might include the nature and number of vulnerable assets, presence of heavy industry or hazardous materials in the port area, immediate proximity to major urban centers, or persistent, credible threats to the port area.

² For purposes of the FY 2007 PSGP, a facility that is not expressly identified in an AMSP will be considered covered under an AMSP if the facility in question has had a risk analysis completed by the US Coast Guard utilizing the Maritime Security Risk Analysis Model (MSRAM).

³ This Port Criticality List was developed by the U.S. Coast Guard using commercial, demographic, and geographic data from various sources. Factors such as Cargo Volume and Passenger Volume, the presence of CI/KR, and Strategic Importance, among others, were utilized in the determination. Its purpose is to identify ports that are essential to the viability of the Marine Transportation System and vital to the economy of the United States.

Is a port eligible for funding under other programs?

Port entities are encouraged to leverage other available funding sources. For instance, port organizations may contact their State Administrative Agency (SAA) to inquire about the potential use of Homeland Security Grant Program or Urban Area Security Initiative funds, if appropriate, under the applicable State or Urban Area Homeland Security Strategy.

What is the definition of cost sharing under PSGP?

Cost sharing is a hard cash match, which includes cash spent for project-related costs. *Allowable cash matches are costs which are allowable with Federal funds (with the exception of the acquisition of land, when applicable).*

For more information please see the DHS Office of Grants and Training (G&T), Office of Grants Operations (OGO) *Financial Management Guide* which is available on line at http://www.dhs.gov/xlibrary/assets/Grants_FinancialManagementGuide.pdf or by contacting OGO at 1-866-9ASK-OGO. New award recipients are automatically placed on a mailing list to receive future Guides and other updates.

The FY 2007 PSGP Guidelines and Application Kit states all public entities that apply must demonstrate a cash match of at least 25% of the total amount requested. Private entities must demonstrate a cash match of 50%. Does this requirement apply to not-for-profit entities?

Applications for consortia projects submitted by public entities (where the consortia include both public and private entities) must demonstrate a 25% cash match.

Can more than three Investments (projects) be submitted if the projects are part of a layered security approach?

No. Only three Investments are allowed per applicant per port area.

Is there more specific information available in regards to equipment specifications (e.g., canines, trace detectors, walk through metal detectors for marine environments)?

For specific information related to equipment capabilities, please consult G&T's System Assessment and Validation for Emergency Responders (SAVER) Program information and Authorized Equipment List (see <http://www.rkb.mipt.org/ael.cfm>). Additionally, Section VIII.D of the Program Guidelines and Application Kit provides specific information on allowable expenditures related to canines, employee identification credentials, lighting, sonar devices, operational and maintenance costs, vulnerability assessment, construction, and grant management and administration.

Requests for additional information should be directed to G&T through askcsid@dhs.gov or 1-800-368-6498.

Can this program be used for construction or is this program mainly focused on the installation of equipment?

Yes. FY 2007 PSGP funds can be used for construction under the conditions outlined in the Program Guidance and Application Kit.

However, be advised that Section 112(b) of the SAFE Port Act of 2006 places restrictions on the use of PSGP funds for construction projects. It stipulates that funds may not be used to construct buildings or other physical facilities, exception under terms and conditions consistent with the requirements under section 611(j)(8) of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121(j)(8) and specifically approved by the Secretary. Costs eligible for funding may not exceed the greater of: a) \$1,000,000 per project; or b) a greater amount, as approved by the Secretary, which may not exceed 10 percent of the total amount of the grant.

Applicants are advised that grants authorized under the Stafford Act, or that must comply with provisions under the Stafford Act, (including the FY 2007 PSGP) must follow the standards under the **Buy American Act**. The Buy American Act requires that all materials purchased be produced in the United States, unless such materials are not available, or such a purchase would not be in the public interest. Further, FY 2007 PSGP grant recipients using funds for construction projects must comply with the **Davis-Bacon Act**. (Additional information on the Davis-Bacon Act is available from the following website:

[http://www.dol.gov/esa/programs/dbra/.](http://www.dol.gov/esa/programs/dbra/))

Will U.S. Coast Guard approval be required for equipment installation?

USCG approval for equipment installation will be required if equipment is installed on a U.S. vessel that is inspected by the USCG. All other equipment installations must be in compliance with OSHA and local standards for installation and operations.

What types of sonar are allowable uses of grant funds?

DHS has designated certain sonar devices that will not damage the environment or require special permitting under the National Environmental Policy Act to be eligible for funding under the PSGP. The four types of allowable sonar devices are: imaging sonar, scanning sonar, side scan sonar, and 3-dimensional sonar. These types of sonar devices are intended to support the detection of underwater improvised explosive devices (IED) and enhance Maritime Domain Awareness. The eligible types of sonar, and short descriptions of their capabilities, are provided below:

Imaging Sonar: A high-frequency sonar that produces “video-like” imagery using a narrow field of view. The sonar system can be pole-mounted over the side of a craft or hand carried by a diver.

Scanning Sonar: Consists of smaller sonar systems that can be mounted on tripods and lowered to the bottom of the waterway. Scanning sonar produces a panoramic view of the surrounding area and can cover up to 360 degrees.

Side Scan Sonar: Placed inside of a shell and towed behind a vessel. Side scan sonar produces strip-like images from both sides of the device.

3-Dimensional Sonar: Produces 3-dimensional imagery of objects using an array receiver.

What are the requirements for the Transportation Worker Identification Credential compliance?

The Transportation Worker Identification Credential (TWIC) is designed to be an open architecture, standards-based system. Port projects that involve new installations or upgrades to access control and credentialing systems, should exhibit compliance with TWIC standards and program specifications. Recipients of grant funding for the implementation of TWIC systems may be requested by the Federal government to apply these systems in a field test of TWIC readers in accordance with the SAFE Port Act. Systems implemented with grant funding may be used by recipients to comply with the TWIC rulemaking requirements.

Recipients may be expected to enter into a cooperative agreement with the Federal government with mutually agreed upon conditions to obtain data and lessons learned from the application of card readers and associated systems. A TWIC rulemaking that will address card reader requirements applied to MTSA-regulated facilities and vessels is expected to be published later this year. Systems implemented with grant funding may be used by recipients to comply with the all TWIC rulemaking requirements.

Do activities under the FY 2007 PSGP fall under the National Environmental Policy Act (NEPA) requirements?

NEPA requires DHS to analyze the possible environmental impacts of each construction project funded by a DHS grant. The purpose of a NEPA review is to weigh the impact of major Federal actions or actions undertaken using Federal funds on adjacent communities, water supplies, historical buildings, endangered species, or culturally sensitive areas prior to construction. Grantees may be required to provide additional detailed information on the activities to be conducted, locations, sites, possible construction activities, possible alternatives, and any environmental concerns that may exist. Results of the NEPA Compliance Review could result in a project not being approved for DHS funding, the need to perform an Environmental Assessment or draft an Environmental Impact Statement.

Are there additional resources available to assist in preparing an application?

DHS has included appendices within the Program Guidance that provide additional detailed guidance on key program requirements and the recommended format and content for application submission requirements for the FY 2007 PSGP.

G&T maintains a Centralized Scheduling and Information Desk (CSID) Help Line. CSID is a comprehensive coordination, management, information, and scheduling tool developed by DHS through G&T for homeland security terrorism preparedness activities. Questions pertaining to

the FY 2007 IPP application process should be directed to CSID. *The CSID can be contacted at 1-800-368-6498 or askcsid@dhs.gov. CSID hours of operation are from 8:00 am–6:00 pm (EST), Monday-Friday.*

In addition, The United States Coast Guard and the Office of Grants and Training have initiated a set of meetings with all Area Maritime Security Committees. These meetings will take place in the month of January and will be focused on providing important information on the next round of PSGP funding. Interested parties should contact their local Captain of the Port (COTP) for scheduling information.

ATTACHMENT 1: FY 2007 PSGP Critical Port Areas and Ferry Systems

FY 2007 PSGP Critical Port Areas

Albany, NY	Morehead City, NC
Anchorage, AK	Mount Vernon, IN
Apra Harbor, GU*	Nashville, TN
Baltimore, MD	New Orleans
Boston, MA	Baton Rouge, LA
Brownsville, TX	New Orleans, LA
Buffalo, NY	Plaquemines, LA
Charleston, SC	South Louisiana, LA
Chattanooga, TN	New York/New Jersey
Cincinnati, OH	Mobile, AL
Cleveland, OH	Palm Beach, FL
Corpus Christi, TX	Panama City, FL
Columbia-Willamette River System	Pascagoula, MS
Kalama, WA	Pensacola, FL
Longview, WA	Pittsburgh, PA
Portland, OR	Ponce, PR
Vancouver, WA	Port Canaveral, FL
Delaware Bay	Port Everglades, FL
Camden, NJ	Port Fourchon/LOOP, LA*
Chester, PA	Port Hueneme, CA
Marcus Hook, NJ	Portland, ME
Paulsboro, NJ	Portsmouth, NH
Penn Manor, PA	Providence, RI
Philadelphia, PA	Puget Sound
Wilmington, DE	Anacortes, WA
Detroit, MI	Everett, WA
Duluth-Superior, MN/WI	Seattle, WA
Freeport, TX	Tacoma, WA
Green Bay, WI	Sabine-Neches River
Greenville, MS	Beaumont, TX
Gulfport, MS	Port Arthur, TX
Guntersville, AL	San Diego, CA
Hampton Roads	San Francisco Bay
Newport News, VA	Oakland, CA
Norfolk Harbor, VA	Richmond, CA
Helena, AR	San Francisco, CA
Honolulu, HI	Stockton, CA
Houston-Galveston	San Juan, PR
Galveston, TX	Savannah, GA
Houston, TX	Southern Tip of Lake Michigan
Texas City, TX	Burns Harbor, IN
Huntington, WV	Chicago, IL
Jacksonville, FL	Gary, IN
Kansas City, MO	Indiana Harbor, IN
Lake Charles, LA	St. Louis, MO
Long Island Sound	Tampa Bay
Bridgeport, CT	Port Manatee, FL
New Haven, CT	Tampa, FL
New London, CT	Toledo, OH
Los Angeles-Long Beach	Tulsa, OK
Long Beach, CA	Two Harbors, MN
Los Angeles, CA	Valdez, AK
Louisville, KY	Vicksburg, MS
Matagorda, TX	Victoria, TX
Memphis, TN	Wilmington, NC
Miami, FL	
Milwaukee, WI	* New port area eligible for PSGP funding
Minneapolis-St. Paul	

ATTACHMENT 2: Tier Allocations

Tier	State	Port Area	FY 2007 Allocation	
I	CA	Los Angeles-Long Beach Long Beach Los Angeles	\$14,723,942	
		San Francisco Bay Oakland Richmond San Francisco Stockton	\$11,201,793	
	DE/NJ/PA	Delaware Bay Camden Chester Marcus Hook Paulsboro Penn Manor Philadelphia Wilmington	\$11,331,328	
	LA	New Orleans Baton Rouge New Orleans Plaquemines South Louisiana	\$17,330,180	
	NY/NJ	New York/New Jersey	\$27,178,581	
	TX	Houston-Galveston Galveston Houston Texas City	\$15,720,981	
		Sabine-Neches River Beaumont Port Arthur	\$10,961,035	
	WA	Puget Sound Anacortes Everett Seattle Tacoma	\$12,254,160	
II	AL	Mobile	\$40,234,000	
	FL	Jacksonville		
	GA	Savannah		
	IL/IN	Southern Tip of Lake Michigan Burns Harbor Chicago Gary Indiana Harbor		
		KY		Louisville
		LA		Lake Charles
		MD		Baltimore
	MA	Boston		
	MO	St. Louis		
	OH	Cincinnati		
	OR/WA	Columbia-Willamette River System Kalama Longview Portland Vancouver		
		PA		Pittsburgh
		SC		Charleston
		TN		Memphis
	TX	Corpus Christi		
		VA		Hampton Roads Newport News Norfolk Harbor
				WV

Tier	State	Port Area	FY 2007 Allocation
III	AL	Guntersville	\$30,175,500
	AK	Anchorage	
		Valdez	
	AR	Helena	
	CA	Port Hueneme	
		San Diego	
	CT	Long Island Sound	
		Bridgeport	
		New Haven New London	
	FL	Miami	
		Palm Beach	
		Panama City	
		Pensacola	
		Port Canaveral	
		Port Everglades	
		Tampa Bay	
		Port Manatee Tampa	
	GU	Apra Harbor*	
	HI	Honolulu	
	IN	Mount Vernon	
	LA	Port Fourchon/LOOP*	
	ME	Portland	
	MI	Detroit	
	MN	Minneapolis-St. Paul	
		Minneapolis St. Paul	
		Two Harbors	
	MN/WI	Duluth-Superior	
	MS	Greenville	
		Gulfport	
		Pascagoula	
		Vicksburg	
	MO	Kansas City	
	NH	Portsmouth	
	NY	Albany	
		Buffalo	
	NC	Morehead City	
		Wilmington	
	OH	Cleveland	
		Toledo	
	OK	Tulsa	
	PR	Ponce	
		San Juan	
	RI	Providence	
	TN	Chattanooga	
		Nashville	
	TX	Brownsville	
		Freeport	
Matagorda			
Victoria			
WI	Green Bay		
	Milwaukee		
IV	Includes all other U.S. port areas not listed in Tiers I – III above		\$10,058,500
Total FY 2007 PSGP Allocation			\$201,170,000

*New port area eligible for FY 2007

Questions Raised during AAPA Conference Call February 1, 2007

The Department says it wants innovative technology from applicants in order to enhance Maritime Domain Awareness, but has denied attempts in the past that were deemed “too” innovative. Thus, DHS needs to clarify what it exactly wants from grantees.

This year, projects that focus primarily on one port priority are not going to be overlooked in favor of projects that address multiple-priorities. So, innovative proposals that are aimed at addressing a particular priority will not be penalized.

Will the regionalization approach only benefit those Tier 1 and Tier 2 port area’s that are defined as part of a greater “region”?

No, the concept of regionalization is geared toward all port areas, but it was a policy decision to make the push for regionalization more explicit by highlighting the regions with more obvious collaboration opportunities. However, DHS wants entities to stop thinking individually with regard to PSGP grants, and start thinking of port areas as integrated systems. In addition, the Department wants local AMSC’s to start using their resources to buy down the mutual risk faced by all members of the port area, based on the NIPP Risk Management Framework.

When applying as a consortium, what counts as one application?

Consortiums are allowed to submit one application with up to three projects. Projects submitted by an entity on behalf of the consortium will not be penalized for projects they may wish to submit on their own. In other words, the consortium’s projects will not count against an entity’s 3 projects

Can a grantee apply for funding to pay for overtime costs necessary to backfill officers when they are out for training?

Yes

During the FY06 process, there was no way to verify if an application was submitted properly through grants.gov, and received by G&T. Will there be a confirmation notice given this year?

Yes, after the initial application review by G&T, applicants will be notified regarding their submissions.

When completing the FY07 PSGP application, what should grantees enter as the “end date” for their award?

Since the grants have 36 month award periods, we recommend that you enter May 31st, 2010, as the end date for the award, which is approximately 36 months after the announcement of the FY07 PSGP awards.

Are Non-Davis Bacon Construction projects allowed?

No. However, most projects that would normally be considered construction, such as installation of a metal pole in order to mount a CCTV camera near a facility entrance, are not considered construction under the program. In general, grantees should avoid labeling anything in their applications as construction.

What is a cooperative agreement?

A cooperative agreement provides more flexibility to adjust the purpose, scope of a grant project than a standard grant. It also involves greater federal assistance in meeting project milestones, and a higher level of federal oversight of the project.

It does not seem possible to achieve true regionalization among neighboring port areas in the two months of the application period since it has ordinarily taken eight to nine months to achieve that level of cooperation in the past.

We realize it is impractical to approach complete regionalization in just two months. However, we want grantees to start taking the beginning steps towards collaboration with their port area partners, and eventually work towards initiating joint projects. It will take time to achieve true regionalization, but the effort has to begin now.

When the guidance states that projects will be scored against the national “priorities”, is it referring to the National Preparedness Goal, or the National Port Priorities outlined in the FY07 PSGP Guidance?

Projects will be scored against the National Port Priorities as detailed in the Grant Guidance.

Select Questions Raised through AskCSID Following Release of FY 2007 PSGP Guidance

Are Federal agencies eligible for the Port Security grant money?

No, federal agencies are ineligible to receive funding under the Port Security Grant Program. Per the FY 2007 PSGP Guidance and Application Kit: Appendix 2, Sec. C. Unallowable Costs. The following projects and costs are considered ineligible for award consideration:

- Projects in which Federal agencies are the primary beneficiary or that enhance Federal property

What is the expected font size of the application? What are the text line spacing requirements?

There is no font size requirement, but all forms should be legible. There is no line spacing requirement. Graphics do not count as part of the page limitation and should be submitted as an appendix and reference in the text. Applications should be brief, concise, and contain all relevant information needed to make the case to the review panels. Applicants should try their best to adhere to the page limitations put forth in the guidance.

Page 37 of the guidelines indicates that Section I (Background) of the Investment Justification “needs to be completed once per application”. Because this statement is in the “Background” section, we are assuming that it applies to Sections IA, IB & IC. However, IC is where an abstract of the Investment is required. So, are we to assume that there is only one Section IC and that it will address all 3 of our proposed projects?

One investment justification is required per investment. Accordingly, if applicant is submitting for three investments, three complete investment justifications will need to be submitted.

Is there a specific Audit Program to be used by auditors in testing compliance etc. for this grant (CFDA # 97.056 Port Security Grant) during the single audit?

Per the FY 2007 Port Security Grant Program Guidelines and Application Kit, (p. 56) the audit must be performed in accordance with the U.S. General Accountability Office, Government Auditing Standards, located at: <http://www.gao.gov/govaud/ybk01.htm>, and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, located at: <http://www.whitehouse.gov/omb/circulars/a133/a133.html>. Audit reports are currently due to the Federal Audit Clearinghouse no later than nine months after the end of the recipient’s fiscal year. In addition, the Secretary of Homeland Security and the Comptroller General of the United States shall have access to any books, documents, and records of recipients of FY07 IPP assistance for audit and examination purposes, provided that, in the opinion of the Secretary of Homeland Security or the Comptroller General, these documents are related to the receipt or use of such assistance. The grantee will also give the sponsoring agency or the Comptroller General, through any authorized representative, access to, and the right to examine all records, books, papers or documents related to the grant. For financial and administrative questions, all grant and sub-grant recipients should refer to the OGO Financial Management Guide or contact OGO at 1-866-9ASKOGO or ask-ogo@dhs.gov. All payment related questions should be referred to the

Office of Justice Programs/Office of the Comptroller (OJP/OC) Customer Service at 1-800-458-0786 or askoc@ojp.usdoj.gov. All grant and sub-grant recipients should refer to the OGO Financial Management Guide.

If changes greater than 10% were made to the grant budget, did the grantee have to receive written permission for the change prior to beginning the work on the revised scope or does the fact that the change was discussed in the quarterly status report suffice?

If the question pertains to an EXISTING award, grantee should contact their program manager directly for guidance.

If the client states that they received verbal permission for the “greater than 10%” change, the project is now completed, and payment has been received-- where does this leave us from an audit standpoint? Does the acceptance of the status reports and actual subsequent payment of the grant constitute acceptable approval by the agency?

If the question pertains to an EXISTING award, grantee should contact their program manager directly for guidance.

Do funds expended for a security fence require compliance with the Davis Bacon Act and under what conditions, if any, does Davis Bacon apply to DHS grants?

If the question pertains to an EXISTING award, grantee should contact their program manager directly for guidance. If the question pertains to FY 2007 Port Security Grant Program, applicant should refer to Sec. B.7 – Specific Guidance on Construction of the FY 2007 PSGP Guidelines and Application Kit – “FY07 PSGP grant recipients using funds for construction projects must comply with the Davis-Bacon Act. Additional information on the Davis-Bacon Act is available from the following website: <http://www.dol.gov/esa/programs/dbra>.”

Does the Investment Justification include one background document (with part 1 Background) and three project documents (with parts 2 strategic and program priorities, 3 impact and 4 funding and implementation plan); or four separate documents?

A separate Investment Justification must be submitted for each project. The same background information (part I) can be submitted for each Investment Justification. Applicants may submit for up to three investments/projects.

Is there one Budget Detail Worksheet attachment for each of the three projects?

Separate Budget Detail Worksheets must be submitted for each project. One Budget Detail Worksheet per project.

Are the MOU/MOA meant for only government jurisdictions, or can it be applied to private companies?

Per the FY 2007 PSGP Guidelines and Application Kit, Part III, Program Requirements: Memorandum of Understanding/Memorandum of Agreement (MOU/MOA) Requirement. State and local agencies, as well as consortia or associations that provide layered security to MTSA regulated facilities are eligible applicants. However, the layered protection provided must be

addressed in the regulated entities' security plans. A copy of an MOU/MOA with the identified regulated entities will be required prior to funding, and must include an acknowledgement of the layered security and roles and responsibility of all entities involved. This information may be provided using one of the attachment fields within grants.gov. Additional details and a suggested MOU/MOA template may be found in Appendix 6."

If a designated port area has multiple ports, does each individual port submit its own application and compete against the others for the pool available to the whole designated port area? Or do they need to collaborate and submit a combined application?

Within Tier I, eight of the highest risk port regions have been identified and are eligible to apply for a fixed amount of funding based on risk. In many cases, multiple port areas have been grouped together to reflect geographic proximity, shared risk, and a common waterway. Port areas not in Tier I are eligible to compete for FY07 PSGP funding within their designated categories as Tier II, III, or IV applicants. Those ports will compete for a portion of the total funds set aside for their respective tier. Funds will be awarded based on analysis of risk and the effectiveness of proposed investments by the applicants. Risk to port areas is assessed using a methodology consisting of threat, vulnerability, and consequence factors. Each eligible entity within a port area will compete with other eligible entities for PSGP funds designated to that particular port area. Please see Table 2 of the PSGP guidance to determine which tier level a port falls under, and the amount of money available to compete for. The following entities are specifically encouraged to apply: 1.) Owners or operators of federally regulated terminals, facilities, U.S. inspected passenger vessels or ferries as defined in the Maritime Transportation Security Act (MTSA) 33 Code of Federal Regulations (CFR) Parts 101, 104, 105, and 106. 2.) Port authorities or other State and local agencies that provide layered security⁶ protection to federally regulated facilities in accordance with an AMSP or a facility or vessel security plan 3.) Consortia composed of local stakeholder groups (e.g., river groups, ports and terminal associations) representing federally regulated ports, terminals, U.S. inspected passenger vessels or ferries that provide layered security protection to federally regulated facilities in accordance with an AMSP or a facility or vessel security plan

If we are exempt from submitting an MOA/MOU is there a mechanism that will allow us to bypass the upload without triggering an incomplete application package?

Unfortunately, no. Applicant should enter MOU/MOU is N/A.

I would appreciate some definition of the line items in the Budget information form. Sections A, B, C and D, in particular line 1c, 1d Section B Line 6 (1) and (2). Do these lines relate to Federal and non – Federal Line 7 Program Income?

Applicant should follow instruction provided in with the form. Sections A, B, C, and D should include budget estimates for the whole project. Line 7, Program Income is non-applicable for the Port Security Grant Program.

Do the application files for the 2007 PSGP have to be marked on each page with “Sensitive Security Information” along with the CFR warning as was required in 2006?

Application files do not have to be labeled SSI unless applicant deems information to be sensitive.

What is the proper mechanism for requesting a reduction in the amount of matching funds, for consideration by the Secretary?

Waiver of the match requirements should be submitted with the application.