



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

May 4, 2006
(House)

STATEMENT OF ADMINISTRATION POLICY

H.R. 4954 - Security and Accountability for Every Port (SAFE Port) Act

(Rep. Lungren (R) California and 80 cosponsors)

The Administration supports House passage of H.R. 4954 and appreciates Congress's commitment to enhancing the Nation's port security. The Administration is committed to ensuring that any port security initiatives provide a comprehensive approach that strengthens security requirements while facilitating trade in a fiscally responsible manner.

The Administration appreciates the willingness of the House Homeland Security Committee to work closely with the Administration to enhance the security of the Nation's ports. The Administration is pleased that the bill contains a number of provisions and clarifications that the Administration requested, but we remain concerned about several other provisions that have serious resource implications. The Administration looks forward to working with Congress to address these concerns before it completes final action on this legislation.

The Administration strongly supports legislative authorization for the Domestic Nuclear Detection Office (DNDO), but has concerns with the bill as drafted. Specifically, the Administration is concerned that the bill would impose an organizational structure that limits the Secretary's discretion to assign functions and responsibilities to DNDO as needed to maximize its effectiveness. Similarly, the bill would create unnecessary bureaucratic and administrative hurdles that could undermine DNDO's ability to respond rapidly to emerging radiological and nuclear threats. The Administration is further concerned that the bill's requirement to deploy nuclear detection systems to all major seaports, including its requirement to deploy next-generation systems to seaports with a high-volume of containerized cargo, by September 2007, might not be feasible given the current state of detector acquisition, installation, and development. The Administration urges the House to adopt the Administration's substitute proposal that would authorize the DNDO, provide focus with respect to its purpose and activities, and ensure the continued advancement of ongoing programs.

The Administration applauds Congress's efforts to ensure that port security enhancements are adequately funded. However, the Administration believes that the authorization in the bill for a dedicated port security grant program is unnecessary. The Administration has awarded more than \$700 million in grants since September 11, 2001, to enhance physical security in the Nation's seaports. For 2006, Congress provided an additional \$173 million in port security grant funding, which has yet to be awarded. The President's FY 2007 Budget includes \$600 million for Targeted Infrastructure Protection grants to mitigate the threat of terrorism at the Nation's highest-risk infrastructure sites, including ports. Given the significant resources dedicated to port security to date and requested in the Budget, the Administration believes that a new grant authorization would duplicate existing authorities and may inhibit the Administration's ability to target resources most effectively to the sectors of the Nation's infrastructure that face the highest risk.

The Administration supports Congressional authorization to engage with the private sector in exchanging supply chain security information. However, the Administration is concerned that the language in the bill is overly prescriptive. The success of a new program such as the Secure Freight Initiative will depend on a greater degree of flexibility for the Secretary of Homeland Security in development of such a system in conjunction with the private sector.

The Administration recognizes the importance of seaport security training and exercises, but believes that the Port Security Training and Port Security Exercise programs authorized in the bill are duplicative of existing Department of Homeland Security (DHS) programs and may also supplant private sector responsibilities. The Administration prefers language that would incorporate seaport training activities into existing programs administered by the Coast Guard and the DHS Preparedness Directorate.

The Administration believes that the requirement for an increased number of port-of-entry inspection officers is unnecessary and would inhibit the Administration's ability to target resources to the Nation's other infrastructure sectors. The Administration urges Congress to delete this provision in favor of providing the Secretary the flexibility to assign personnel to the highest-risk areas and sectors based on the most up-to-date threat-risk assessments.

The Administration appreciates the codification of the Container Security Initiative (CSI) and the explicit authority that would be granted to the Secretary of Homeland Security to lend or otherwise assist in the deployment of inspection and detection systems. The Administration believes it is important to provide that the authority to deploy radiation detection monitors will be exercised in coordination with the Secretary of Energy to ensure that the CSI and Megaports Initiative are mutually supportive.

The Administration looks forward to working with Congress to address these and other concerns in order to strengthen and improve this important legislation.

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