



Office for Domestic Preparedness

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TO: All State Administrative Agency Heads
All State Administrative Agency Points of Contact
All State Homeland Security Directors

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SUBJECT: Revised Program Guidance for Operational Overtime Funds

NOTE: THIS INFORMATION BULLETIN APPLIES ONLY TO STATES WITH URBAN AREAS SECURITY INITIATIVE (UASI) JURISDICTIONS.

The U.S. Department of Homeland Security (DHS) Office for Domestic Preparedness (ODP) is revising program guidance for operational overtime costs associated with providing security during Code Yellow alerts in Urban Areas Security Initiative (UASI) jurisdictions. Effective August 2, 2004, jurisdictions may use available unspent grant funds to support operational costs in UASI jurisdictions associated with the following activities:

- Operational overtime security costs incurred by UASI jurisdictions to protect critical infrastructure at Code Yellow;
- Operational overtime security costs incurred at National Special Security Events (NSSEs), as designated by the Secretary of Homeland Security;
- Operational overtime security costs incurred at currently scheduled Presidential debates and the Vice Presidential debate.

This guidance applies to funds available through the FY 2003 UASI Grant Program Part II and the FY 2004 UASI Grant Program. Up to 25 percent of the gross award amounts from these two grant programs can be used for operational expenses associated with increased security measures at critical infrastructure sites.

In addition, states with UASI jurisdictions can use Critical Infrastructure Protection (CIP) funds received through the FY 2003 State Homeland Security Grant Program Part II (SHSGP II) to reimburse local UASI jurisdictions for operational expenses. States incurring eligible operational expenses for activities conducted in UASI jurisdictions are also eligible to use CIP funds and UASI funds retained at the state level to reimburse eligible state incurred expenses (up to a maximum of 20 percent of the grant total for both the FY 2003 UASI Part II and FY 2004 UASI Programs and up to 50 percent of the grant total of the CIP funds).

Costs eligible for reimbursement under this policy are identical to those deemed allowable under previous Code Orange alerts. Allowable categories for reimbursement therefore include:

- 1) Backfill and overtime expenses for staffing state or local EOCs;
- 2) Hiring of contracted security for critical infrastructure sites;
- 3) Public safety overtime to protect critical infrastructure sites;
- 4) National Guard deployments to protect critical infrastructure sites.

States and local governments should generally consider critical infrastructure to include any system or asset that if attacked would result in catastrophic loss of life and/or catastrophic economic loss. In addition, protection for the following specific types of facilities should also be considered:

- Protective security enhancements for large public gatherings/areas such as New Year's Eve celebrations, sporting events and outdoor concerts
- Public water systems serving large population centers
- Primary data storage and processing facilities, major stock exchanges and major banking centers
- Chemical facilities located in close proximity to large population centers
- Major power generation facilities that exceed 2000MW and if successfully attacked would disrupt the regional electric grid
- Hydroelectric facilities and dams that produce power in excess of 2000MW or could result in catastrophic loss of life if breached
- Nuclear Power plants
- Electric substations 500KV or larger, and substations 345KV or larger that are part of a critical system supporting populations in excess of one million people
- Rail and highway bridges over major waterways that, if destroyed, would cause catastrophic economic loss
- Major highway tunnels under waterways that if attacked would cause catastrophic loss of life or catastrophic economic impact
- Major natural gas transmission pipelines in excess of 3000 bcf throughput
- Natural Gas and liquid Natural Gas Storage (LNG) facilities
- Major petroleum handling facilities such as pipelines, ports, refineries and terminals
- Major mass transit subway systems and the supporting ventilation systems
- Telecommunications, internet, and cyber facilities

Grant funds cannot be applied retroactively to costs incurred prior to the effective date of this revised policy.

For further information, please contact your Preparedness Officer or the ODP Helpline at 1-800-368-6498.