



FEMA

Grant Programs Directorate Information Bulletin

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TO: All State Administrative Agency Heads
All State Administrative Agency Points of Contact
All Urban Areas Security Initiative Points of Contact
All State Homeland Security Directors
All State Emergency Management Agency Directors
All Private Sector Transportation Security Partners
All Public and Private Sector Port Security Partners

FROM: W. Ross Ashley, III
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SUBJECT: Port Security Grant Program (PSGP) Cost-Share Requirement Clarification and Waiver Process for FY 2007 Supplemental through FY 2009 Grant Awards.

The purpose of this communication is to clarify the cost-sharing requirement and outline the cost-share waiver process for grantees of the Port Security Grant Program (PSGP).

46 U.S.C. § 70107 (c)(2)(A) states the following exception to the PSGP cost-share requirement: “There are no matching requirements for grants under subsection (a) for projects costing not more than \$25,000.”

To clarify, this statement refers to the total award amount identified in the grantees official award documentation package and not the individual project amounts or sub-awards.

46 U.S.C. § 70107 (c)(2)(B) states the following additional exception to the PSGP cost-share requirement: “If the Secretary [of Homeland Security] determines that a proposed project merits support and cannot be undertaken without a higher rate of Federal support, then the Secretary may approve grants under this section with a matching requirement other than [75 percent federal funding].”

FEMA will consider cost-share waivers, upon grantee request, on a project-by-project and grant-by-grant basis for the PSGP, commencing with the FY 2007 Supplemental grant awards, through the FY 2009 grant awards.

To submit a cost-share waiver request for consideration, please follow this process:

- I. For Investment Justifications (IJs) Previously Submitted to FEMA

- A. The grantee will submit a written request to their FEMA Program Analyst detailing the award number and specific project(s) for which they are requesting a cost-share waiver in addition to a detailed justification for the waiver. This request must include the following information:
 - 1. Revised budget, including a highlight of any reduction of cost or provision of equipment, services, and portions of the project that had originally been approved for the awarded project that will have reduced funding as a result of the waived cost-share amount. (i.e. original budget for purchase of a 27' response vessel for \$75,000 federal share, \$25,000 local match. If a waiver is granted, the new budget will be for a 25' response vessel for \$75,000 federal share, \$0 local match);
 - 2. Written notice from the grantee to the Captain of the Port (COTP) and Area Maritime Security Committee (AMSC) with the information identified in I(A)(1) above;
 - 3. If the project receives approval for a cost-share waiver and subsequent project re-scoping, the grantee will inform the Captain of the Port (COTP) and the Area Maritime Security Committee (AMSC) in writing of approval.
- B. The grantee will ensure the approval of the waived cost-share will not change the security compliance requirements the grantee is required to operate under, within their approved security plan.
- C. For multiple awards, the grantee will be required to submit separate written requests.

II. For Investment Justifications (IJs) Not Yet Submitted to FEMA (Fiduciary Agents Only)

- A. The grantee will follow the normal Investment Justification (IJ) submission process. Along with the IJ submission, the grantee will submit a written justification detailing the award number and specific project(s) for which they are requesting a cost-share waiver.
- B. For multiple awards, the grantee will be required to submit separate written requests.

Once a waiver is approved, a Grant Adjustment Notice (GAN) will be issued indicating the approved change of scope for the identified project(s).

FEMA does not intend to issue blanket waivers covering entire awards but will review specific projects where the non-Federal cost-share requirement may serve as a barrier to project implementation or completion. Furthermore, FEMA will not award additional funding for any project receiving a cost-share waiver. For specific cost-share waiver requirements, please refer to 46 U.S.C. § 70107(c).

Questions may be directed to your FEMA Program Analyst or the Centralized Scheduling and Information Desk at askcsid@dhs.gov or 1-800-368-6498.