PORT SECURITY
FEMA Should Improve Transparency of Grant Decisions

Report to Congressional Requesters

September 2025

GAO-25-107587

United States Government Accountability Office

Accessible Version

GAO Highlights

PORT SECURITY

FEMA Should Improve Transparency of Grant Decisions

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A report to congressional requesters
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What GAO Found

The Federal Emergency Management Agency (FEMA) administers the Port Security Grant Program (PSGP), in coordination with the U.S. Coast Guard. This risk-based grant program provides funds to public and private sector entities to implement security plans and correct Coast Guard-identified vulnerabilities at U.S. ports. From fiscal year 2018 through 2024, FEMA awarded more than half of the $690 million in grant funds to eight port areas, and 82 port areas across the U.S. received funds. Three project types received 59 percent of grant funds from fiscal year 2021 through 2024: response vessels ($88.2 million), surveillance cameras ($76.1 million), and cybersecurity ($64.0 million). FEMA also awarded funds for other project types including communication equipment, physical security, and training.

Examples of Projects Funded by the Port Security Grant Program

Fire boat

Surveillance cameras on a bridge

Source: GAO. | GAO-25-107587

FEMA and the Coast Guard have processes to evaluate grant applications and make award recommendations. However, the grant announcement does not include a description of all criteria used in these processes, as federal regulations require. Specifically, the fiscal year 2024 grant announcement does not (1) fully or accurately describe the scoring criteria used in the Coast Guard-led portion of the application evaluation process or (2) describe all factors other than merit criteria that FEMA may use in selecting applications for award, such as the five percent of funds set aside for highly effective projects in lower-risk ports. Adding this required information to the grant announcement could improve transparency and fairness for applicants and

help them put forward applications better aligned with the evaluation criteria FEMA uses when awarding PSGP funds to enhance port security.

Further, FEMA has not fully assessed the application evaluation process to ensure that its outcomes achieve the program's multiple goals—funding projects in high-risk port areas; prioritizing projects aligned with national priorities; and funding highly effective projects in lower-risk port areas. For example, projects aligned with a national priority receive a 20 percent score increase, but FEMA has not assessed whether that increase leads to funding more projects aligned with national priorities. Assessing each step of the evaluation process could help FEMA ensure that the process leads to results aligned with FEMA's program goals.

Why GAO Did This Study

U.S. ports are critical to the economy, and any disruption in maritime operations—such as an attack on a port—can impact the supply chain and the U.S. economy.

GAO was asked to examine FEMA's management of PSGP. This report examines the types and locations of projects awarded PSGP funds from fiscal year 2018 through 2024 and the extent FEMA followed required and recommended practices for grants, among other objectives. GAO analyzed FEMA and Coast Guard's grant and scoring data from fiscal years 2018 through 2024, reviewed FEMA and Coast Guard program documents, and interviewed FEMA and Coast Guard officials. GAO visited two ports to gather port stakeholders' perspectives on PSGP and observe projects that received PSGP funding. GAO also interviewed port stakeholders from nine Coast Guard-led maritime security committees.

What GAO Recommends

GAO is making three recommendations to the Department of Homeland Security (DHS) to ensure that FEMA, in consultation with the Coast Guard, updates the PSGP grant announcement to include all (1) application review criteria and their relative weights and (2) factors other than merit criteria that FEMA may use in selecting applications for award. GAO also recommends that FEMA assess each step of the application evaluation process to determine if its results are consistent with FEMA's goals for distributing the program funds. DHS concurred with the recommendations.

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Abbreviations

DHS	Department of Homeland Security
FEMA	Federal Emergency Management Agency
OMB	Office of Management and Budget
PSGP	Port Security Grant Program

September 17, 2025

Congressional Requesters

U.S. ports are critical to the economy on both a national and local level. The U.S. marine transportation system includes more than 300 ports that account for more than $5.4 trillion in annual U.S. economic activity, supporting more than 30 million jobs. A wide variety of goods—including automobiles, grain, and oil—and millions of cargo containers travel through these ports each day.

As a result, any disruption to maritime operations, such as an attack on a port or incident affecting port infrastructure, can impact the supply chain and the U.S. economy. For example, beginning in 2023 and continuing through 2025, the Department of Homeland Security (DHS) and other federal agencies have issued warnings about a cybersecurity threat known as Volt Typhoon.[1] The warnings say that a state-sponsored actor affiliated with China poses a threat to U.S. critical infrastructure, which includes ship-to-shore cranes.[2] This has raised concerns about potential threats to the cybersecurity infrastructure of U.S. ports.

The Port Security Grant Program (PSGP) is one of four grant programs that DHS's Federal Emergency Management Agency (FEMA) administers to strengthen U.S. critical transportation infrastructure against security risks, including potential terrorist attacks.[3] In fiscal year 2025, Congress appropriated $90 million for PSGP to fund public and private sector entities for activities and equipment that protect critical U.S. port infrastructure from threats.[4]

You asked us to review FEMA's management of PSGP. This report examines the (1) types and locations of projects awarded PSGP funds; (2) PSGP competitive grant process and the extent to which FEMA followed certain required and recommended practices for such grants; and (3) extent to which FEMA awarded PSGP funds to projects expected to mitigate key port vulnerabilities.

To address our first objective and inform the remaining objectives, we collected and analyzed FEMA data on grant applications and awards from fiscal years 2018 through 2024. We selected this time frame because it

[1]The warnings include, among others: Office of the Director of National Intelligence, *Annual Threat Assessment of the U.S. Intelligence Community* (March 2025) and DHS Cybersecurity and Infrastructure Security Agency and co-authors, *Joint Cybersecurity Advisory: People's Republic of China State-Sponsored Cyber Actor Living off the Land to Evade Detection,* PP-23-1443 (June 2023).

[2]According to the U.S. Department of Transportation's Maritime Administration, one China-based company maintains the largest share, by sales revenue, of the ship-to-shore crane market worldwide. As of June 2024, the Maritime Administration reported that there were an estimated 209 ship-to-shore cranes manufactured by this company operating in at least 23 U.S. ports.

[3]The Maritime Transportation Security Act of 2002 (MTSA) required the Secretary of DHS to establish the PSGP. Pub. L. No. 107-295, § 102(a), 116 Stat. 2064, 2075-79 (codified as amended at 46 U.S.C. § 70107). Congress appropriated funds for PSGP each year from 2002 through 2025. The other three grant programs that focus on transportation infrastructure security activities are the Transit Security Grant Program, Intercity Passenger Rail-Amtrak Program, and the Intercity Bus Security Grant Program.

[4]Pub. L. No. 119-4, div. A, tit. I, § 1101(a)(6), 139 Stat. 9, 11 (2025).

provided sufficient data for identifying trends over time and through several 3-year grant performance cycles.[5] The fiscal year 2024 award cycle was the most recently completed at the time of our review.

We determined that the FEMA data were sufficiently reliable to describe the number, amount, and port locations of grants awarded each fiscal year from fiscal year 2018 through 2024 and whether projects addressed national priorities or local vulnerabilities. We also determined the data were sufficiently reliable to describe the number and amount of grants awarded by project category from fiscal year 2021 through 2024.

For each of our research objectives, we interviewed port stakeholders to gather their perspectives on PSGP. Port stakeholders we interviewed were members of nine Coast Guard-led Area Maritime Security Committees representing 32 FEMA port areas.[6] We also visited two port areas—New York-New Jersey and Houston-Galveston—to interview PSGP award recipients and observe PSGP-funded projects. We selected these locations based on geographic dispersion, the amount of PSGP grants they received, and the frequency of their PSGP grant awards from fiscal years 2017 through 2023, the most recent data available at the time we made our selections.

To address our second objective, we reviewed FEMA's fiscal year 2024 PSGP grant announcement and collected documentation and interviewed officials about FEMA and Coast Guard's application evaluation and award recommendation processes. We selected fiscal year 2024 because it was the most recently completed grant cycle at the time of our review. We compared the description of the application evaluation and award recommendation processes in the fiscal year 2024 grant announcement with information about these processes we collected from FEMA and the Coast Guard. We evaluated FEMA's grant announcement against selected provisions of the *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*.[7] These requirements are in federal regulations and provide a government-wide framework for grants management.

In addition, we evaluated FEMA's PSGP scoring process by comparing the scoring process FEMA and Coast Guard used to evaluate applications with PSGP statutory requirements and goals described in FEMA documentation, such as the grant announcement, and by FEMA officials. We also reviewed *Standards for Internal Control in the Federal Government* and determined that the monitoring component of internal controls was significant to this objective, along with the underlying principle that management should establish and operate monitoring activities to monitor the internal control system and evaluate the results.[8]

To address our third objective, we analyzed FEMA data on PSGP awards to identify projects awarded funds that aligned and did not align with key port vulnerabilities. We analyzed this data by port area for fiscal years 2018 through 2024. We aggregated information from our interviews with port stakeholders to analyze stakeholder perspectives on the extent to which PSGP funds mitigated port vulnerabilities, including perspectives on the benefits and limitations of PSGP.

[5]According to the annual grant announcements, all grant funds must be expended within three years after the initial award.

[6]FEMA combines individual ports into larger regions called FEMA port areas based on FEMA's assessment that ports in the designated area share geographic proximity, waterways, and risk.

[7]2 C.F.R. §§ 200.204, 200.205; 2 C.F.R. pt. 200, app. I.

[8]GAO, *Standards for Internal Control in the Federal Government*, GAO-14-704G (Washington, D.C.: September 2014).

For additional details on our scope and methodology, see appendix I.

We conducted this performance audit from May 2024 to September 2025 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Background

Port Operations and Security

Many ports are governed by port authorities—these can be an independent entity organized under state law, part of a local or state government, or an interstate authority.[9] Ports generally undertake their activities in coordination with a variety of stakeholders, including federal, state, and local governments and private commercial entities that operate at the port, such as freight carriers, terminal operators, and railroad companies.

The Coast Guard is generally the lead federal agency for port security.[10] Each port is affiliated with a Coast Guard Captain of the Port-led regional Area Maritime Security Committee.[11] One of the functions of the Committees is to advise DHS on how to enhance communication among port stakeholders (including federal, state, and local agencies and private commercial entities) and to improve security—including against terrorism threats—within the port environment.[12]

Through their participation in Area Maritime Security Committees, port stakeholders collaborate with the Coast Guard Captain of the Port to identify at least three potential Transportation Security Incidents that pose a high

[9]Port authorities can be an independent entity organized under state law (e.g., the Massachusetts Port Authority); part of a local or state government (e.g., the Maryland Port Administration); or an interstate authority (e.g., the Port Authority of New York and New Jersey). Ports may also be owned by private entities. We previously reported on public port activities in December 2021. See GAO, *Maritime Infrastructure: Public Ports Engage in an Extensive Range of Activities beyond Freight Movement*, GAO-22-104630 (Washington, D.C.: Dec. 15, 2021).

[10]The Coast Guard organizes its field structure under two area commands (Atlantic and Pacific). The two area commands oversee nine districts across the United States, which are further broken down across 37 sectors and other areas of responsibility such as marine safety units and detachments. Each of the Coast Guard area commands, districts, and sectors is responsible for managing its assets and accomplishing missions within its geographic area of responsibility. A Coast Guard Captain of the Port is the local commander of each sector and is responsible for local operations within the sector, including overseeing port security.

[11]MTSA established regional Area Maritime Security Committees. Pub. L. No. 107-295, § 102(a), 116 Stat. at 2081 (codified as amended at 46 U.S.C. § 70112). According to the Coast Guard, there are 43 Area Maritime Security Committees representing sectors and marine safety units.

[12]Federal participants in Area Maritime Security Committees include field-based representatives from the Department of Transportation's Maritime Administration. These representatives, called Gateway Directors, provide maritime transportation outreach and coordination and are based in 10 regionally significant ports across the U.S. Gateway Directors generally participate in multiple Area Maritime Security Committees.

risk to their port and document them in Area Maritime Security Plans.[13] Examples of such potential security incidents could include an attack on a ferry or cruise ship carrying a large number of people, a cyberattack on a port facility, or a release of toxic chemicals from a vessel.

PSGP Overview

FEMA's Grant Programs Directorate administers PSGP and other FEMA preparedness grants.[14] The statute establishing PSGP provides for the allocation of PSGP funds based on risk.[15] As such, PSGP is a risk-based grant program that provides funds to state, local, territorial, and private sector entities to implement security plans and correct Coast Guard-identified vulnerabilities. According to FEMA officials, their primary goal for PSGP is to award funds to high-risk ports. FEMA's additional goals for allocating PSGP funds include ensuring a broad geographic distribution of funds and maintaining consistent funding to ports year after year.

According to the PSGP grant announcement, the purpose of PSGP is to support increased port-wide risk management and protect port infrastructure from acts of terrorism, major disasters, and other emergencies.[16] Eligible applicants include, but are not limited to, port authorities, facility operators, and state, territorial, and local government agencies.[17] Eligible projects include maritime cybersecurity enhancements; physical security enhancements at ports, including ferry and cruise terminals; training for personnel with maritime security responsibilities; exercises specific to maritime security, such as drills and tabletop exercises; and equipment, such as response vessels. Figure 1 shows an example port with eligible PSGP projects.

[13]Area Maritime Security Committees develop and maintain Area Maritime Security Plans to enhance deterrence and response to Transportation Security Incidents and maritime terrorism threats. See 46 U.S.C. §§ 70103(b), 70112(b)(1)(A)(ii). Among other things, Area Maritime Security Plans provide the overarching framework for port stakeholders in a particular location to coordinate to respond to Transportation Security Incidents and other disruptions to the marine transportation system. See 46 U.S.C. § 70103(b)(2)(E). Generally, a Transportation Security Incident is a security incident resulting in a significant loss of life, environmental damage, transportation system disruption, or economic disruption in a particular area. 46 U.S.C. § 70101(7). Area Maritime Security Plans are to be updated every five years. 46 U.S.C. § 70103(b)(2)(I).

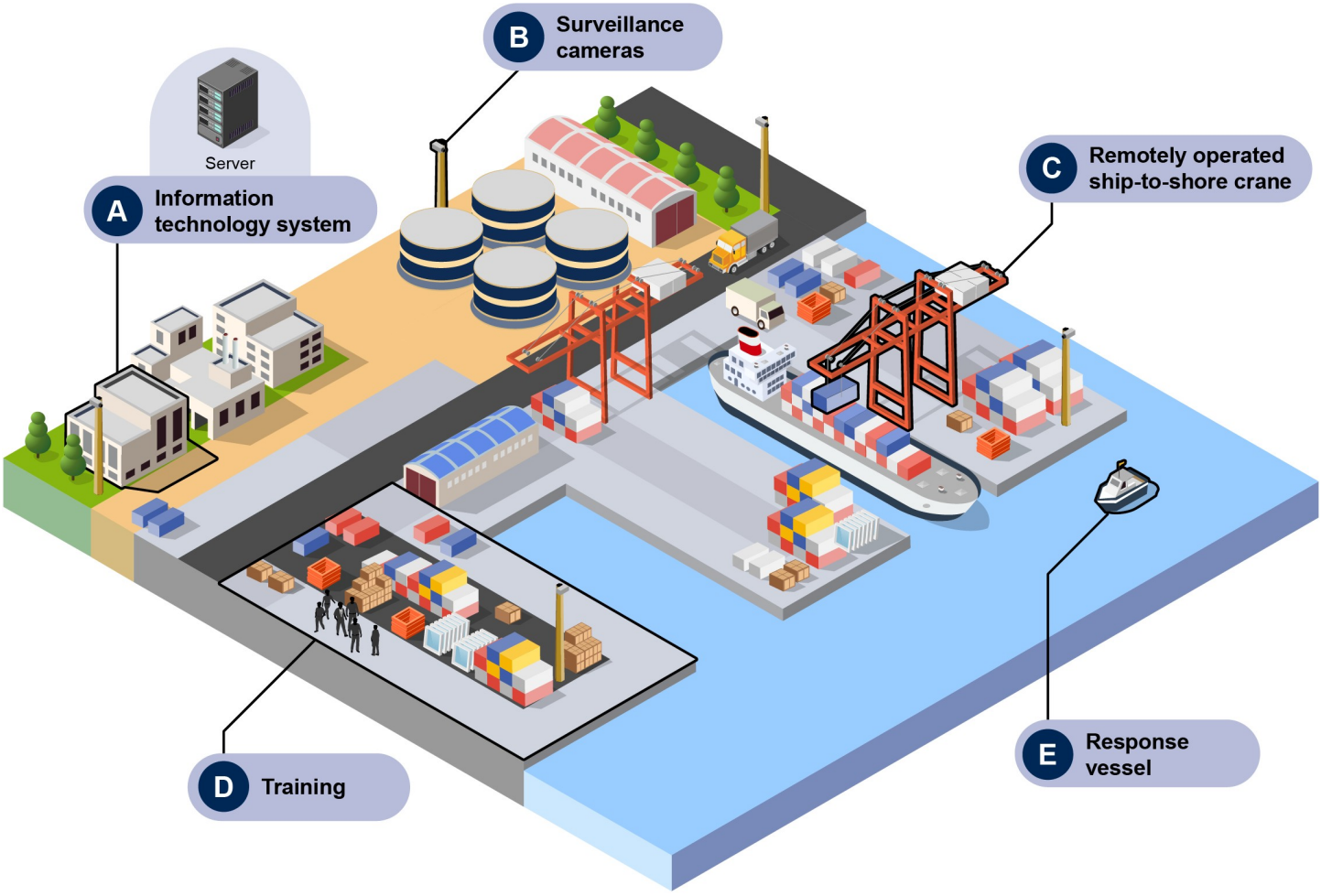
[14]According to FEMA, preparedness grants help develop and sustain capabilities, including at ports, to prevent, protect against, respond to, recover from, and mitigate terrorism and other high-consequence disasters and emergencies.

[15]Furthermore, it provides that the administration of awards must take into account national economic, energy, and strategic defense concerns based upon the most current risk assessments available. 46 U.S.C. § 70107(a).

[16]For example, eligible costs include "the cost of conducting exercises or training for prevention and detection of, preparedness for, response to, or recovery from terrorist attacks," and "the cost of equipment (including software) required to receive, transmit, handle, and store classified information." 46 U.S.C. § 70107(b)(5), (b)(7).

[17]All entities subject to an Area Maritime Security Plan may apply for PSGP funding. See 46 U.S.C. § 70107(a).

Figure 1: Examples of Eligible Port Security Grant Program (PSGP) Projects



A **Information technology system** includes updating servers and network devices

B **Surveillance Cameras** monitor terminal facilities

C **Remotely operated ship-to-shore** crane software upgrade

D **Training** includes law enforcement or emergency response provider training

E **Response vessels** include fire boats and patrol vessels

Source: GAO analysis of Federal Emergency Management Agency information; AlexZel/stock.adobe.com. | GAO-25-107587

PSGP has a cost share requirement in which grant recipients are required to match a portion of each project's cost. According to the grant announcement, public sector or nonprofit grant recipients must generally contribute 25 percent of the total approved project costs and private sector grant recipients must generally

contribute 50 percent of the approved project costs.[18] The performance period for PSGP—from the time a project is awarded funds to the time it must be fully implemented—is 3 years.

Evaluation Criteria and Award Process

Office of Management and Budget (OMB) regulations address how federal agencies in the executive branch are to administer discretionary grant programs, including PSGP.[19] Specifically, the OMB regulations outline what information to include in the grant announcement, how to evaluate applications, and how to make the application process transparent to maximize fairness of the process.

As required by these regulations and to facilitate the evaluation and award of PSGP grants, FEMA makes a grant announcement regarding the availability of funds, the program's funding priorities, and the criteria by which FEMA will evaluate applications.

FEMA and the Coast Guard work together to evaluate PSGP applications and make award recommendations through a competitive process.[20] DHS's Transportation Security Administration and the Department of Transportation's Maritime Administration also participate in the application evaluation process.

The PSGP evaluation process includes examining applications' alignment with:

- **DHS's national security priorities for PSGP.** According to FEMA and Coast Guard officials, DHS determines the national priority areas each year through a process in which they solicit input from various stakeholders within the agency.[21] FEMA officials told us they determine which DHS national priorities are applicable to PSGP. They said the national priority areas are responsive to the needs of Congress and the DHS Secretary and have evolved over time. In fiscal year 2024, the PSGP national security priorities were (1) enhancing cybersecurity and (2) mitigating threats to soft targets and crowded places.

[18]With limited exceptions, federal funds for any project may not exceed 75 percent of total approved project costs. There is no matching requirement for awards in which the total project cost for all projects under an award is $25,000 or less. There is no matching requirement for grants to train public safety personnel in the enforcement of security zones as defined by 46 U.S.C. § 70132 or in assisting in the enforcement of such zones. Public safety personnel include federal, state, territorial, or tribal law enforcement officers, firefighters, or emergency response providers. Additionally, if the Secretary 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 lower than 25 percent. 46 U.S.C. § 70107(c). According to the grant announcement, the cost match for all projects that have a port-wide benefit, as certified by the Coast Guard Captain of the Port, is 25 percent, regardless of whether the recipient is a private or public entity. Projects that offer a port-wide benefit improve the security of the greater port area rather than benefiting only the applicant.

[19]See 2 C.F.R. pt. 200.

[20]According to Coast Guard officials, their statutory role in PSGP is to review and comment on project applications and ensure that projects are targeting Coast Guard-identified vulnerabilities. See 46 U.S.C. § 70107(b), (i)(2)(C). The Secretary of DHS must award PSGP funding, based on risk, to implement security plans. Awards may be made to port authorities, facility operators, and state and local government agencies required to (1) provide port security services and (2) train public safety personnel under 46 U.S.C. § 70132.

[21]In 2024, we reported on DHS's process to implement national priority areas for DHS's Homeland Security Grant Program. In response to our report, DHS took actions to improve how it documents and communicates changes to the national priority areas. GAO, *Homeland Security Grants: DHS Implemented National Priority Areas but Could Better Document and Communicate Changes*, GAO-24-106327 (Washington, D.C: Jan. 9, 2024).

- **National security enduring needs.** According to FEMA officials, the four national security enduring needs align with PSGP's authorizing legislation and have remained the same over time. The enduring needs are equipment and capital projects, planning, training and awareness, and exercises.[22]
- **Key port vulnerabilities.** Each port's Area Maritime Security Plan is to identify at least three potential Transportation Security Incidents that port stakeholders believe present the highest-priority threats to the port. For the purposes of this report, we refer to projects mitigating the risks associated with these high-priority threats as those that address key port vulnerabilities.
- **Terrorism risk.** PSGP funding recommendations are based partially on the risk of terrorism to a port. FEMA combines individual ports into larger regions called FEMA port areas based on its assessment that they share geographic proximity, waterways, and risk. In fiscal year 2024, there were 131 FEMA port areas. FEMA calculates a risk score for each port area based on its assessment of the level of risk terrorism poses to that port area.[23]

The Majority of PSGP Funds Went to Vessels, Surveillance, and Cybersecurity Projects Across the U.S.

About Sixty Percent of PSGP Funds Awarded by FEMA Went to Response Vessels, Surveillance Cameras, and Cybersecurity

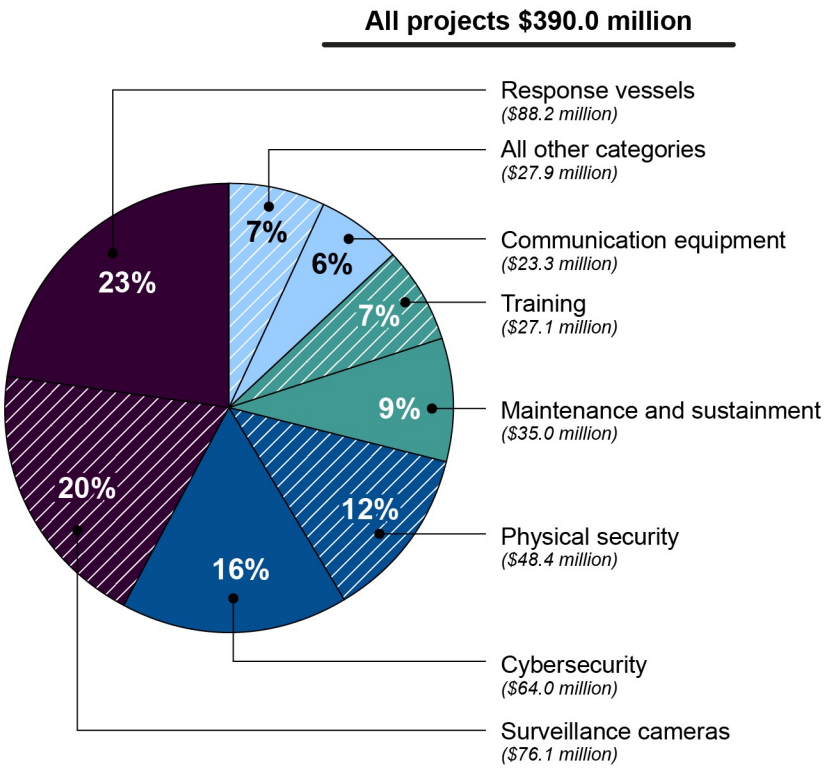
From fiscal years 2021 through 2024, FEMA awarded 59 percent of PSGP funds ($228.3 of $390.0 million) to response vessels, surveillance cameras, and cybersecurity projects.[24] During this period, FEMA awarded funds to 824 projects in these three categories. The total funds awarded in each of these three project categories ranged from $64.0 million (cybersecurity) to $88.2 million (response vessels) (see figure 2).

[22]In this report, we refer to the national security priorities and national security enduring needs, collectively, as the national security goals for PSGP.

[23]Each year, FEMA must report to Congress on its risk methodology. 6 U.S.C. § 612(c)(2). See, for example: FEMA, *Risk Methodology: Fiscal Year 2023 Report to Congress: Calculating Risk for the FY 2023 Department of Homeland Security Preparedness Grant Programs* (April 18, 2024).

[24]Coast Guard began assigning PSGP applications to specific project categories in 2021. DHS requires that each application be assigned to one of the following categories: planning, organizing, equipping, training, or exercising. According to officials, Coast Guard implemented the more specific project categories because DHS's broader project categories did not meet Coast Guard's data analysis needs. Our analysis includes the four most recent years of awards and their associated Coast Guard-assigned project categories.

Figure 2: Port Security Grant Program Awards by Project Category, Fiscal Years 2021 through 2024



Source: GAO analysis of Federal Emergency Management Agency (FEMA) data. | GAO-25-107587

Accessible Data for Figure 2: Port Security Grant Program Awards by Project Category, Fiscal Years 2021 through 2024

All Other Categories	Communication Equipment	Training	Maintenance & Sustainment	Physical Security	Cybersecurity	Cameras & Remote Viewing	Response Vessel
27.8616	23.2911	27.0644	35.0378	48.4389	64.0008	76.0923	88.213

Source: GAO analysis of Federal Emergency Management Agency (FEMA) data. | GAO-25-107587

Notes: All other categories include exercises, personnel costs, and unmanned aircraft systems (drones), among other categories. Coast Guard began assigning Port Security Grant Program applications to specific project categories in 2021. The Department of Homeland Security requires that each application be assigned to one of the following categories: planning, organizing, equipping, training, or exercising. According to officials, Coast Guard implemented the more specific project categories because DHS's broader project categories did not meet Coast Guard's data analysis needs. Our analysis includes the four most recent years of awards and their associated Coast Guard-assigned project categories.

FEMA awarded the remaining 41 percent of PSGP funds ($161.7 million) to 714 projects in other categories, including communication equipment, physical security, and training.

From fiscal years 2021 through 2024, FEMA awarded PSGP funds to the following:

- **Response vessels.** FEMA awarded $88.2 million to 306 projects to acquire or maintain response vessels. According to FEMA data, response vessel projects funded by PSGP funds included purchasing a boat to patrol waterways and updating boat equipment, such as motors and electronics, to extend a vessel's service life. Port stakeholders we interviewed in four locations told us that although response vessels purchased with PSGP funds are owned by one agency, they benefitted other agencies and entities,

including those that did not have sufficient assets to address incidents on their waterway. See figure 3 for an example of a response vessel (fire boat) purchased with PSGP funds.

- **Surveillance cameras.** FEMA awarded $76.1 million to 321 projects involving surveillance cameras or remote viewing. The remote viewing projects included purchasing cameras and upgrading server infrastructure to enhance surveillance capability at port facilities, according to FEMA data. Port stakeholders in four locations told us surveillance cameras purchased with PSGP funds allow them to quickly respond to incidents that they might not have been aware of without the cameras. See figure 3 for an example of cameras on a bridge surveilling a port waterway that were purchased with PSGP funds.
- **Cybersecurity.** FEMA awarded $64.0 million to 197 cybersecurity projects. Enhancing cybersecurity has been a DHS national security priority for PSGP every year from 2021 through 2024.[25] Further, beginning in 2023 and continuing through 2025, DHS and other federal agencies issued warnings about cybersecurity threats to U.S. critical infrastructure, including ship-to-shore cranes in U.S. ports.[26] FEMA awarded funds to 11 PSGP projects focused on addressing cybersecurity concerns related to remotely operated ship-to-shore cranes in fiscal years 2023 and 2024.[27] See figure 3 for an example of a ship-to-shore crane with upgraded software purchased with PSGP funds.

[25]In fiscal year 2021, enhancing cybersecurity was DHS's only national security priority. From fiscal year 2022 through 2024, enhancing cybersecurity and enhancing the protection of soft targets and crowded places were DHS's two national priorities.

[26]See, for example: Office of the Director of National Intelligence, *Annual Threat Assessment of the U.S. Intelligence Community* and DHS Cybersecurity and Infrastructure Security Agency, *People's Republic of China State-Sponsored Cyber Actor Living off the Land to Evade Detection*. According to a May 2025 Coast Guard report on cybersecurity, in 2024, Coast Guard Cyber Protection Teams assessed cranes manufactured in China in seven commercial seaports. They found vulnerabilities in cranes were similar to those in other operational technology systems, including improper network segmentation, legacy software, and weak passwords. Coast Guard identified several recommended practices that operators should apply to mitigate ship-to-shore crane vulnerabilities. They did not observe any active malicious cyber activity on the crane systems they assessed. U.S. Coast Guard Cyber Command, *Cyber Trends and Insights in the Marine Environment 2024* (May 19, 2025).

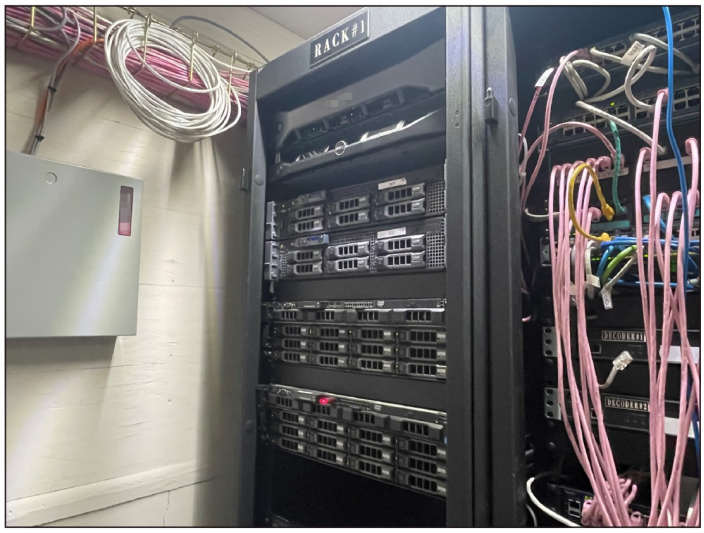
[27]The applicant's project title or description of these 11 funded cybersecurity projects included the word "crane." We also reviewed project titles and descriptions for cybersecurity projects funded in 2021 and 2022 and found that none used the word "crane."

Figure 3: Examples of Projects Funded by the Port Security Grant Program

Fire boat

Surveillance cameras on a bridge

Ship-to-shore crane software upgrades



Computer system server upgrades

Source: GAO. | GAO-25-107587

More than 80 Port Areas Received PSGP Funds; Eight Port Areas Received Over Half of All Funding

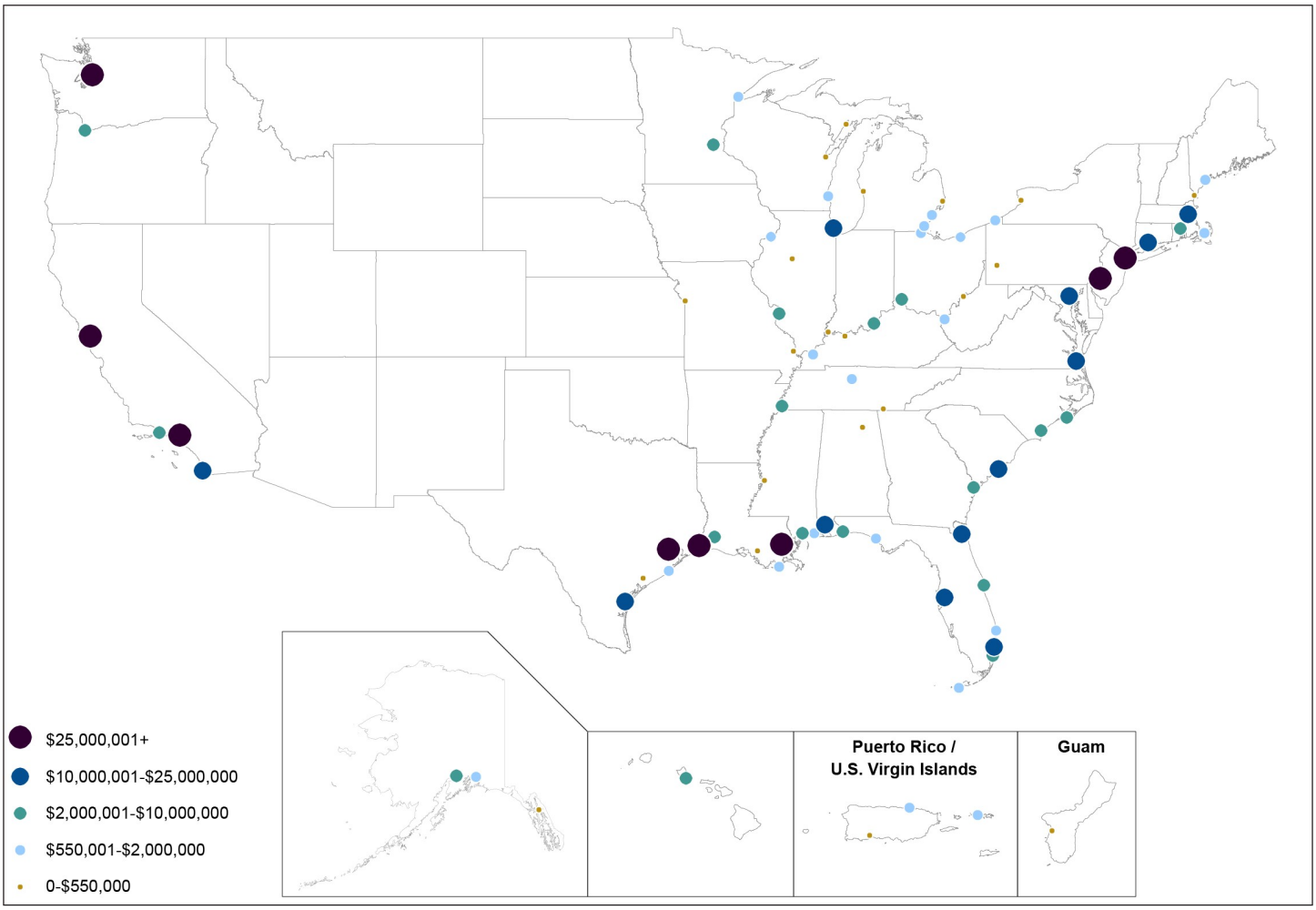
From fiscal years 2018 through 2024, FEMA awarded $690 million in PSGP funds to 82 port areas across the U.S., with eight port areas receiving over half of all funding.[28] Demand for PSGP awards generally exceeded available funds. For example, in fiscal year 2024, FEMA funded 326 projects with the $90 million in appropriated PSGP funds but could not fund an additional 297 projects that FEMA and the Coast Guard deemed qualified.[29]

Figure 4 shows the port areas across the U.S. that received PSGP funds from fiscal year 2018 through 2024.

[28]We determined that FEMA data was sufficiently reliable to describe the number, amount, and port locations of grants awarded from fiscal years 2018 through 2024. FEMA combines individual ports into larger regions called FEMA port areas based on FEMA's assessment that ports in a port area share geographic proximity, waterways, and risk. According to FEMA documentation, there were 131 FEMA port areas across the U.S. as of 2024. Of the 131 FEMA port areas, about 50 FEMA port areas did not receive a PSGP award from fiscal years 2018 through 2024. FEMA data show that port areas that did not receive a PSGP award during this period had lower risk scores relative to port areas that received PSGP awards.

[29]According to FEMA officials, some qualified projects did not receive award funding because the application evaluation and scoring process recommended more projects for funding than there were available funds.

Figure 4: FEMA Port Areas Awarded Port Security Grant Program Funds, Fiscal Years 2018 through 2024

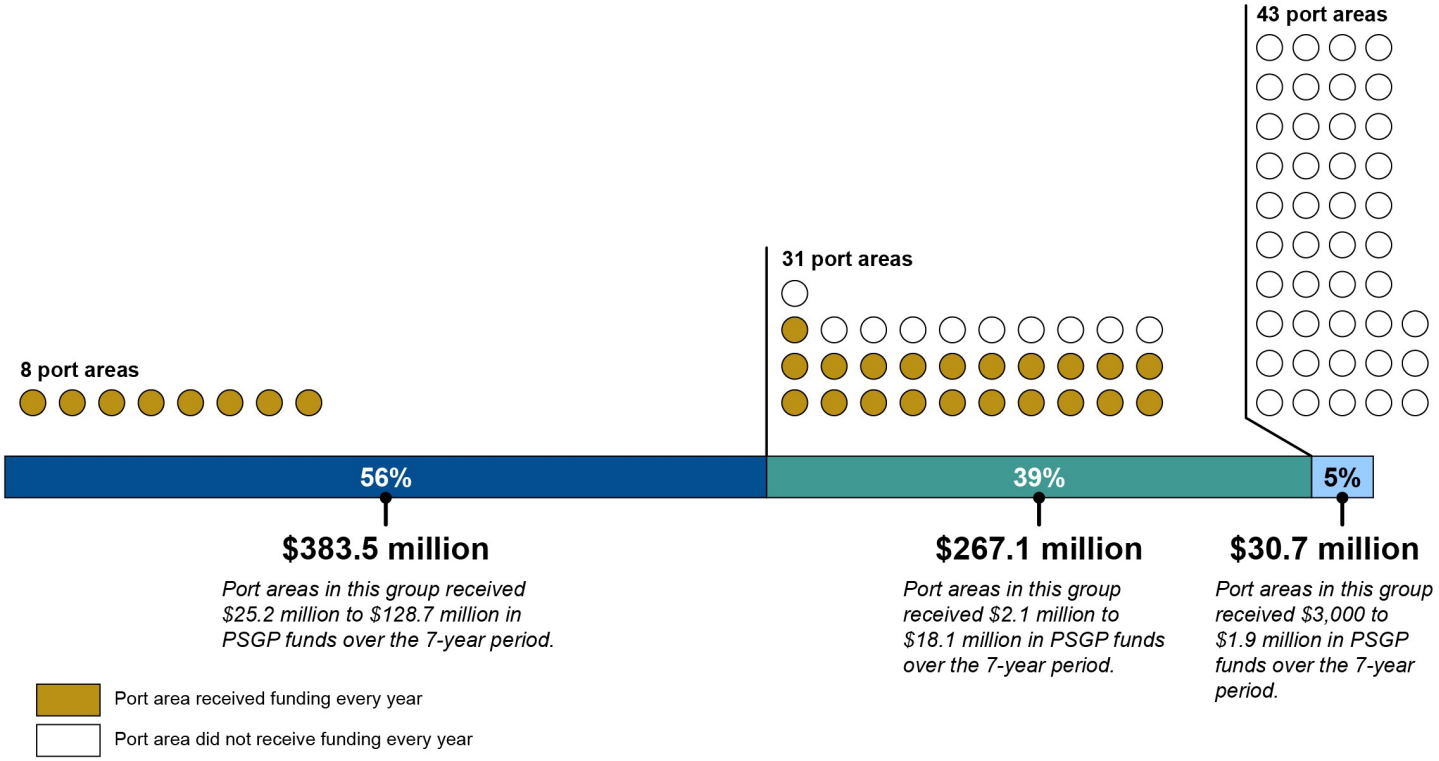


Source: GAO analysis of port data from Federal Emergency Management Agency (FEMA), U.S. Geological Survey, the Army Corps of Engineers, and web information on U.S. ports. | GAO-25-107587

Notes: FEMA combines individual ports into larger regions called FEMA port areas based on FEMA's assessment that ports in a port area share geographic proximity, waterways, and risk. According to FEMA documentation, there were 131 FEMA port areas across the U.S. as of 2024. Of the 131 FEMA port areas, about 50 FEMA port areas did not receive a PSGP award from fiscal years 2018 through 2024.

Although many port areas received some PSGP funding, PSGP awards were concentrated in certain port areas. Figure 5 shows that eight port areas received more than half of all PSGP funding during this 7-year period.

Figure 5: Distribution of Port Security Grant Program (PSGP) Funds to FEMA Port Areas, Fiscal Years 2018 through 2024



Source: GAO analysis of Federal Emergency Management Agency (FEMA) data. | GAO-25-107587

Accessible Data for Figure 5: Distribution of Port Security Grant Program (PSGP) Funds to FEMA Port Areas, Fiscal Years 2018 through 2024

Percent	Description	Total dollars in millions	Total port areas	Number of port areas that received funding every year	Number of port areas that did not receive funding every year
56%	Port areas in this group received $25.2 million to $128.7 million in PSGP funds over the 7-year period.	$383.5	8	8	0
39%	Port areas in this group received $2.1 million to $18.1 million in PSGP funds over the 7-year period.	$267.1	31	21	10
5%	Port areas in this group received $3,000 to $1.9 million in PSGP funds over the 7-year period.	$30.7	43	0	43

Source: GAO analysis of Federal Emergency Management Agency (FEMA) data. | GAO-25-107587

Note: FEMA combines individual ports into larger regions called FEMA port areas based on FEMA's assessment that ports in the designated area share geographic proximity, waterways, and risk. FEMA and Coast Guard assign projects that will be implemented within two miles of the boundary of a FEMA port area to that port area. From fiscal year 2018 through 2024, FEMA awarded $8.7 million to projects located beyond the two-mile boundary of any port area.

The port areas that received the most PSGP funds were New York-New Jersey ($128.7 million), Los Angeles-Long Beach ($60.7 million), and Houston-Galveston ($47.2 million). See appendix II for more information about PSGP funding by FEMA port area, including the total funds each port area received in fiscal years 2018 through 2024.

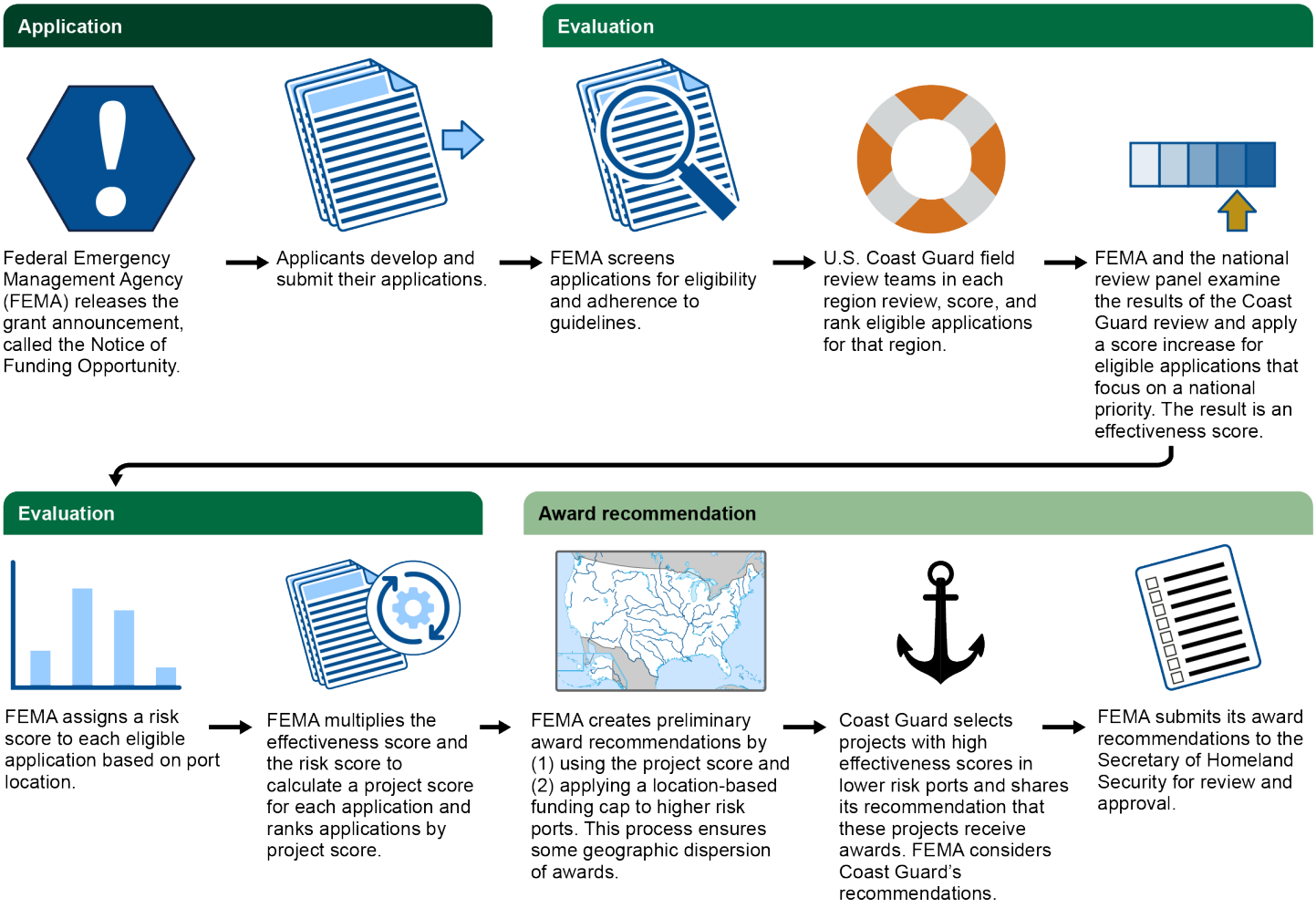
FEMA Followed Some Required Grant Practices, but Its Application Evaluation Process Lacks Transparency

FEMA has a process to administer PSGP grants, as federal regulations and statute require. The process involves announcing the funding opportunity, evaluating applications, and making award recommendations. However, the PSGP grant announcement does not include all required information. Specifically, it does not include a description of all criteria used to evaluate applications or all factors FEMA uses to make award recommendations. In addition, FEMA has not fully assessed the PSGP application evaluation process to ensure that its outcomes align with FEMA's goals.

FEMA and Coast Guard Have an Application, Evaluation, and Award Recommendation Process

FEMA has a process to administer PSGP grants, as federal regulations and statute require. The process involves announcing the funding opportunity, evaluating applications, and making award recommendations. FEMA and Coast Guard play key roles in the application evaluation and award recommendation process, as shown in figure 6.

Figure 6: Port Security Grant Program Application, Evaluation, and Award Recommendation Process



Source: GAO analysis of information from Federal Emergency Management Agency (FEMA) and U.S. Coast Guard; GAO (illustration). | GAO-25-107587

Accessible Data for Figure 6: Port Security Grant Program Application, Evaluation, and Award Recommendation Process

Application	• Federal Emergency Management Agency (FEMA) releases the grant announcement, called the Notice of Funding Opportunity. • Applicants develop and submit their applications.
Evaluation	• FEMA screens applications for eligibility and adherence to guidelines. • U.S. Coast Guard field review teams in each region review, score, and rank eligible applications for that region. • FEMA and the national review panel examine the results of the Coast Guard review and apply a score increase for eligible applications that focus on a national priority. The result is an effectiveness score. • FEMA assigns a risk score to each eligible application based on port location. • FEMA multiplies the effectiveness score and the risk score to calculate a project score for each application and ranks applications by project score.
Award recommendation	• FEMA creates preliminary award recommendations by (1) using the project score and (2) applying a location-based funding cap to higher risk ports. This process ensures some geographic dispersion of awards. • Coast Guard selects projects with high effectiveness scores in lower risk ports and shares its recommendation that these projects receive awards. FEMA considers Coast Guards recommendations. • FEMA submits its award recommendations to the Secretary of Homeland Security for review and approval.

Source: GAO analysis of information from Federal Emergency Management Agency (FEMA) and U.S. Coast Guard; GAO (illustration). | GAO-25-107587

Application

After enactment of the annual DHS appropriations act, FEMA issues a grant announcement regarding the availability of funds, the program's funding priorities, and the corresponding criteria by which FEMA will evaluate applications. In response to the grant announcement, public and private sector entities submit applications.

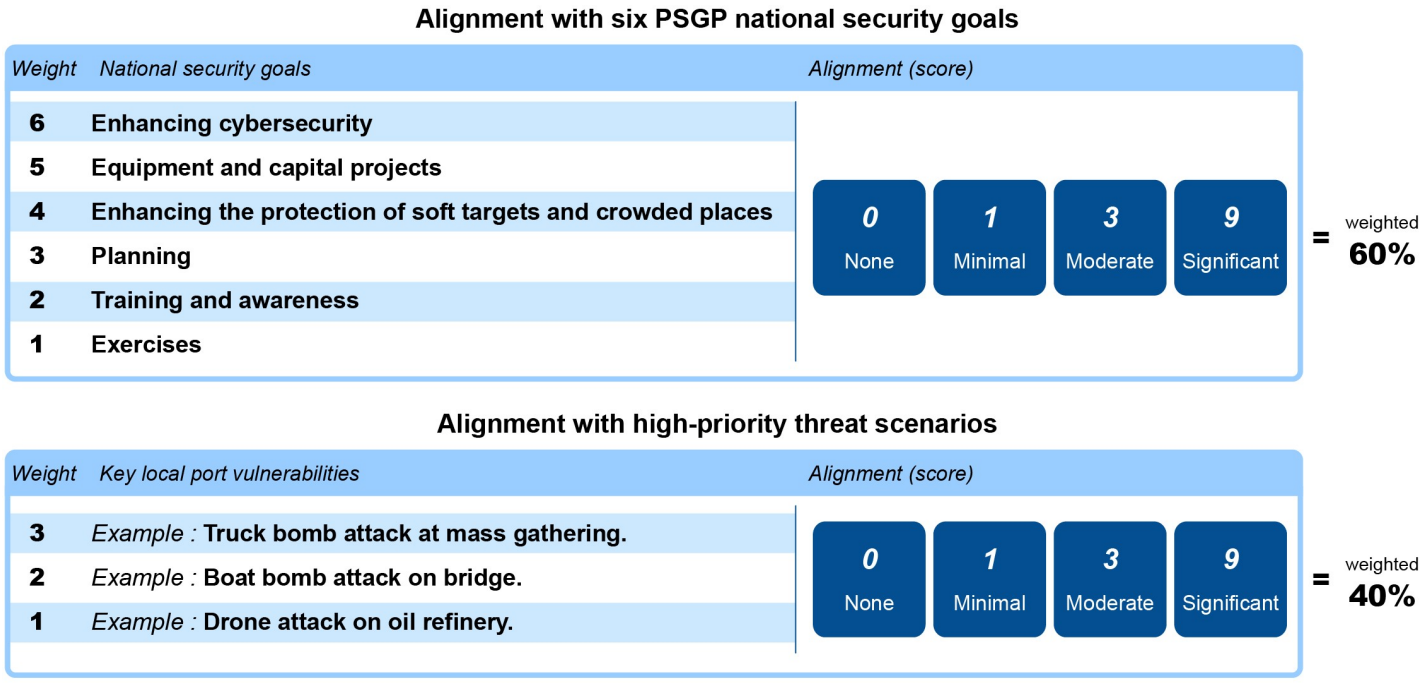
Evaluation

Eligibility. Following the application submission deadline, FEMA officials screen submitted applications for eligibility and adherence to the grant guidelines, as described in the grant announcement. For example, eligible applicants include port authorities and facility operators (e.g. terminal operators, ferry systems). FEMA's screening evaluates whether each application was submitted by an eligible applicant. Eligible applications are advanced to the Coast Guard for further evaluation.

Field review. The Coast Guard-led field review team evaluates and scores applications by evaluating a project's feasibility, eligibility, and effectiveness. If the field review team finds a project is not feasible or not eligible for PSGP, the project is not recommended for funding. In general, field review teams are aligned with Coast Guard's Area Maritime Security Committees and led by a field-based Coast Guard staff member. The composition of field review teams varies by location, but teams generally include Gateway Directors from the Maritime Administration and some other port stakeholders. All field review teams use Coast Guard guidance and the same scoring system to ensure that the review and scoring process is uniform across locations.

The field review team evaluates a project's effectiveness based on how well it addresses FEMA's PSGP national security goals (including national priorities and enduring needs) and key local port vulnerabilities.[30] The field review score is based on the weighted average of the project's national security goal score (weighted 60 percent) and key local port vulnerabilities score (weighted 40 percent), as shown in figure 7.

Figure 7: Port Security Grant Program (PSGP) Field Review Project Evaluation Criteria



Source: GAO analysis of U.S. Coast Guard documentation. | GAO-25-107587

Projects that offer a port-wide benefit receive an additional 10 percent score increase.[31] According to Coast Guard officials, each field review team determines who participates in the application review and scoring process for that location. For example, in some locations a committee of port stakeholders convenes to review and score applications. In other locations, the Coast Guard Port Security Specialist leads the scoring process with limited participation by other stakeholders.

The Coast Guard Port Security Specialist ranks projects within each FEMA port area based on their scores. Finally, the Coast Guard Captain of the Port reviews the project rankings and may suggest changes to ensure that the rankings align with Captain of the Port priorities. Coast Guard aggregates the information from each field review team and sends it to FEMA.

[30]To do this, Coast Guard uses a 0-to-9-point scale to assess projects on the extent to which they address each of the six national security goals and three high-priority threat scenarios identified by Area Maritime Security Committees. The national security goals for fiscal year 2024 were: enhancing cybersecurity, enhancing the protection of soft targets and crowded places, training and awareness, equipment and capital projects, exercises, and planning. Coast Guard applies weights to the national security goals and key local port vulnerabilities—in order of significance—and then calculates a national security goals score and a key local port vulnerabilities score for each application.

[31]Projects that offer a port-wide benefit improve the security of the greater port area rather than benefiting only the applicant.

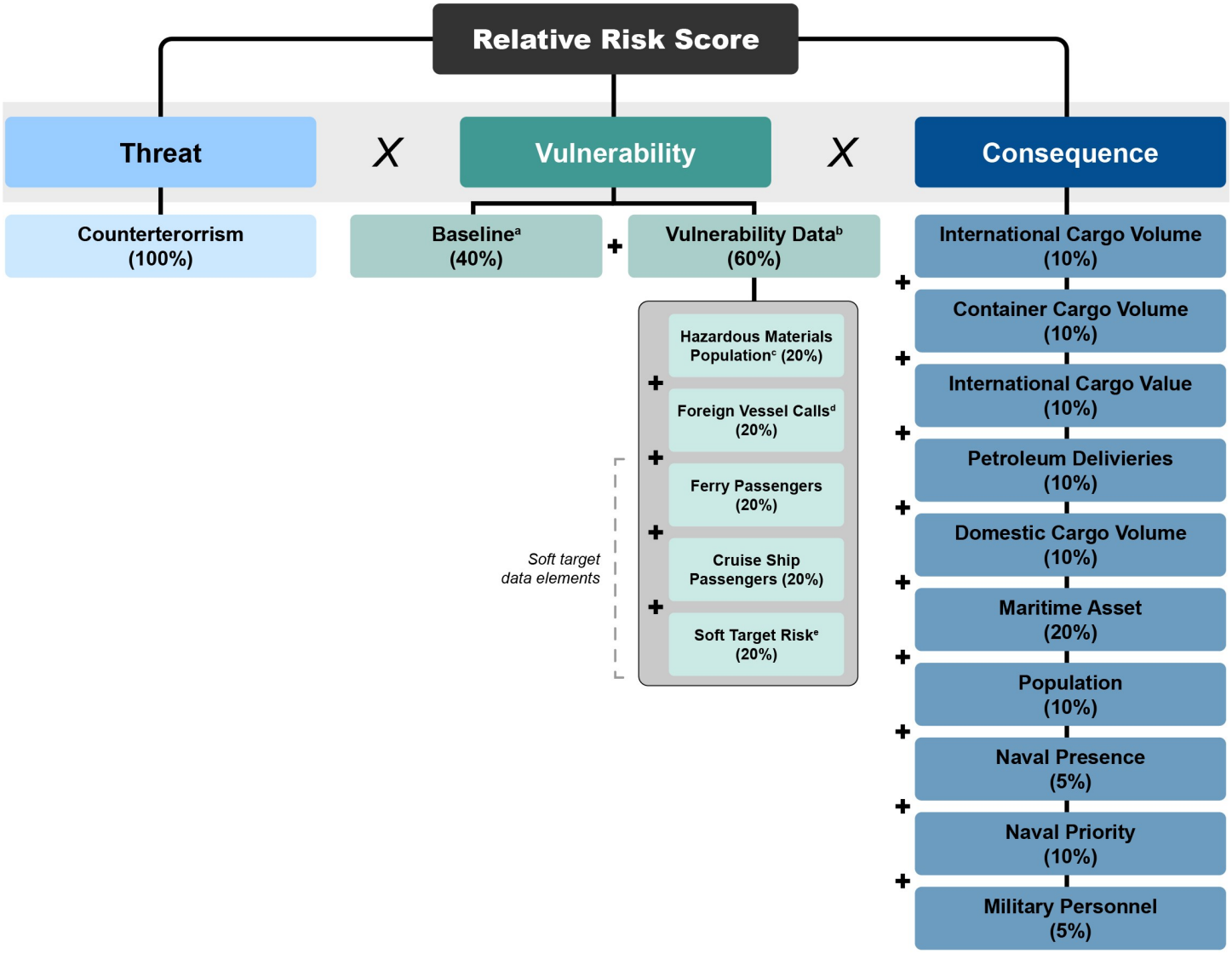
National review panel. The FEMA-led national review panel examines the results of Coast Guard's field review and confirms that each recommended project is eligible for PSGP. According to FEMA officials, FEMA instructs the national review panelists to concur with Coast Guard's field review recommendations unless they find that Coast Guard recommended a project that is not eligible for PSGP.

The national review panel includes representatives from FEMA, DHS's Transportation Security Administration, and the Department of Transportation's Maritime Administration. Officials who participate in the national review told us they act as generalists and that each member of the national review panel has a similar role. In addition, the national review panel assesses whether each project addresses one or more of DHS's PSGP national priorities.[32] Projects that address a national priority receive a 20 percent score increase to their field review score. A project's effectiveness score, which may range from 0 to 100, is the field review score combined with any score increase based on national priority alignment.

Risk score. FEMA uses a risk model to calculate a relative risk of terrorism score for each FEMA port area and then assigns that risk score to all applications in the port area. Figure 8 shows how FEMA uses a variety of inputs to calculate a threat, vulnerability, and consequence score for each port area. FEMA then multiplies the threat, vulnerability, and consequence scores together to generate a scaled relative risk score for each port area. Port area relative risk scores may range from 1 to 100.

[32]In fiscal year 2024, the national priorities for PSGP were (1) enhancing cybersecurity and (2) enhancing the protection of soft targets and crowded places.

Figure 8: FEMA's Port Security Grant Program Port Area Risk Model



Source: GAO analysis of Federal Emergency Management Agency's (FEMA) risk assessment model. | GAO-25-107587

[a]According to FEMA guidance, all port areas have a baseline level of vulnerability. Therefore, the model includes a vulnerability baseline of 40 percent for all port areas.

[b]Vulnerability data are intended to capture operational attributes and other features that may render a port open to exploitation or susceptible to a given hazard.

[c]Hazardous materials population captures the surrounding population's vulnerability to potential attacks that may cause hazardous materials to release into the surrounding environment.

[d]Foreign vessel calls data captures the number of foreign-flagged vessels that enter a port.

[e]Soft target risk data is derived from the Coast Guard's Maritime Security Risk Analysis Model (MSRAM) and provides a count of maritime assets on which people traveling through crowded areas of a port may be vulnerable to an attack.

Project score. FEMA multiplies the effectiveness score by the risk score to calculate a final project score for each project recommended for funding. FEMA uses the project score to rank all applications recommended for funding.

Award Recommendation

Preliminary award recommendations. FEMA uses the ranked list of project scores to select those it recommends for a PSGP award. When making these selections, FEMA considers 1) the project score and 2) location-based funding caps.

FEMA calculates a location-based funding cap for the highest-risk port areas. This limits awards in those areas to a certain amount of the overall pool of PSGP funds. Table 1 shows examples of port areas where the location-based funding cap limited PSGP awards in fiscal year 2024.

Table 1: Examples of Port Areas Where Location-Based Funding Caps Limited Port Security Grant Program Awards in Fiscal Year 2024

FEMA port area	Location-based funding cap in fiscal year 2024
New York-New Jersey	$16,506,106
Los Angeles-Long Beach	$8,623,172
Houston-Galveston	$8,591,891
Puget Sound	$4,069,986
Delaware Bay	$3,737,881
Sabine-Neches River	$2,620,892

Source: GAO analysis of Federal Emergency Management Agency (FEMA) data. | GAO-25-107587

According to FEMA, the purpose of the cap is to ensure that the highest-risk port areas receive the most PSGP funding while also allowing funds to remain available for effective projects in lower-risk port areas. When the cap is met in a given port area, FEMA stops recommending projects in that port area and selects the next highest-scoring project. FEMA continues this process until it has allocated all available funds.

One effect of the cap is that projects with high effectiveness scores in lower-risk port areas may be funded ahead of projects with lower relative effectiveness scores in high-risk port areas. For example, in fiscal year 2024, a project required an effectiveness score of 26 or higher to receive a PSGP award in Los Angeles-Long Beach due to the funding cap.[33] Conversely, projects with effectiveness scores as low as seven received PSGP awards in New Orleans and San Francisco, port areas where the number of projects recommended for funding did not exceed the funding cap.[34]

Selection of highly effective projects in lower-risk port areas. According to Coast Guard and FEMA officials and FEMA data, beginning in fiscal year 2021 and in response to Coast Guard concerns that projects in lower-risk port areas rarely received PSGP awards, FEMA created a set-aside of five percent of PSGP funds for highly effective projects in lower-risk port areas. In fiscal year 2024, this set-aside was $4.5 million. Coast Guard and FEMA officials told us that Coast Guard recommends these projects to FEMA for consideration. Coast Guard prioritizes (1) distributing the set-aside funds as geographically broadly as possible and (2) selecting projects that are as impactful as possible.

[33]In 2024, projects with effectiveness scores ranging from 26 to 62 received PSGP awards in Los Angeles-Long Beach.

[34]In 2024, projects with effectiveness scores ranging from 7 to 61 received awards in New Orleans, and projects with effectiveness scores ranging from 7 to 54 received awards in San Francisco.

Secretary's approval. FEMA submits its award recommendations to the DHS Secretary for review and final approval.[35] FEMA officials told us that the DHS Secretary generally concurs with FEMA's recommendations for PSGP awards.

PSGP Grant Announcement Does Not Include Required Information About the Application Evaluation and Award Recommendation Process

The PSGP grant announcement does not include a description of all criteria used to evaluate applications and make award recommendations, as federal regulations require. As a result, potential applicants may not understand how to put forward a project application that best aligns with the evaluation criteria or what information FEMA considers in making award recommendations.

Federal regulations require agencies to include all criteria used to influence final award decisions in their grant announcements to make the application process transparent and maximize the fairness of the process. Specifically, OMB's *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* states that public grant announcements must include, among other things: (1) the merit-based criteria that will be used to evaluate grant applications, (2) the relative weights that will be applied to those evaluation criteria, and (3) any program, policy or other factors or elements, other than merit criteria, that the selecting official may use in selecting applications for federal award (e.g., geographical dispersion, program balance, or diversity).[36] The intent of these requirements is to make the application process transparent and maximize fairness.[37]

Application Evaluation Process

The PSGP grant announcement does not include all merit-based criteria used to evaluate grant applications and does not include the relative weights of all criteria, as required by OMB regulations.[38] Specifically, the *Application Evaluation Criteria* section in the fiscal year 2024 grant announcement does not fully or accurately describe the scoring criteria or relative weights the Coast Guard-led field review uses to evaluate applications.[39] For example, the section of the grant announcement that describes the Coast Guard field review does not accurately describe the evaluation of a project's alignment with PSGP national security goals and does not describe the weights assigned to those goals. Figure 9 shows the difference between the section

[35]The PSGP grant announcement states that the Secretary has the discretion to make all final funding determinations. The statute requires the allocation of funds based on risk and that the Secretary is to take into account national economic, energy, and strategic defense concerns based upon the most current risk assessments available, among other requirements. 46 U.S.C. § 70107(a).

[36]This is an authoritative set of rules and requirements for federal grant awards codified in the Code of Federal Regulations. See 2 C.F.R. pt. 200. The specific requirements referenced here are contained in 2 C.F.R. pt. 200, app. I, (b)(6)(ii)-(iii). See also 2 C.F.R. §§ 200.204(c)(1) (requiring agency funding opportunity announcements to include the information in Appendix I), 3002.10 (containing DHS's adoption of 2 C.F.R. pt. 200). The regulations describe a merit review process as an objective process of evaluating federal award applications in accordance with written standards set forth by the federal awarding agency. 2 C.F.R. § 200.205.

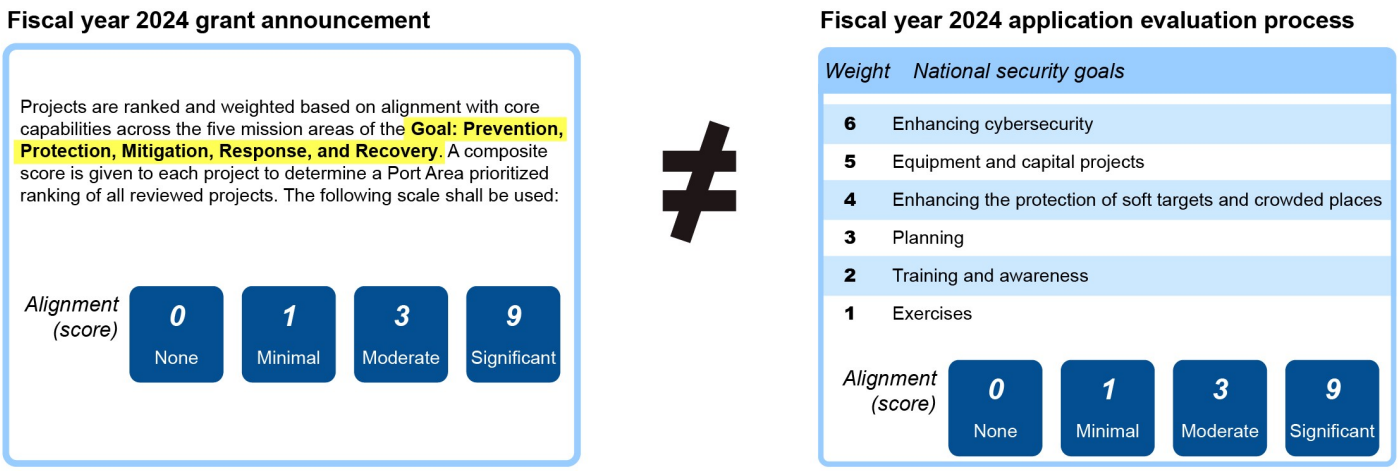
[37]2 C.F.R. pt. 200, app. I, (b)(6)(ii).

[38]OMB requires agencies to describe criteria used to evaluate applications for merit by clearly describing each criterion and sub-criterion and indicate, if criteria vary in importance, the relative percentages, weights, or other means used to distinguish between them. 2 C.F.R. pt. 200, app. I, (b)(6)(ii)(A)(1)-(2).

[39]This was the most recent grant announcement available at the time of our audit. As described previously in this report, the field review evaluates how well an application aligns with six national security goals and three identified key local port vulnerabilities. See appendix III for an excerpt of the *Application Evaluation Criteria* section of the fiscal year 2024 PSGP grant announcement.

of the grant announcement describing Coast Guard's field review and the criteria field reviewers use to evaluate projects.

Figure 9: Comparison of Part of the Port Security Grant Program (PSGP) Grant Announcement and Related Part of the Application Evaluation Process



Source: GAO analysis of PSGP Fiscal Year 2024 grant announcement and U.S. Coast Guard and Federal Emergency Management Agency (FEMA) documentation. | GAO-25-107587

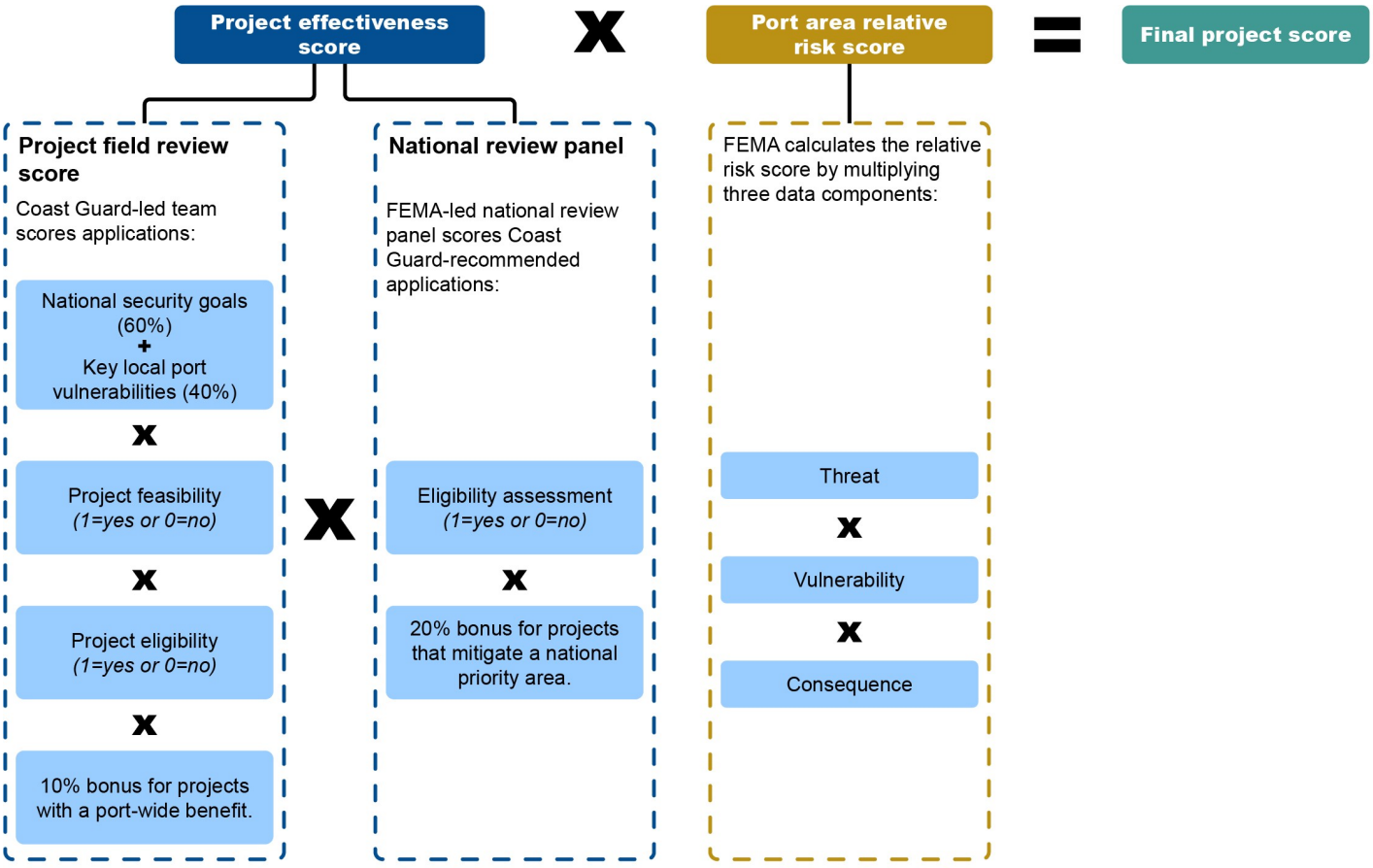
Note: This figure shows the grant announcement description and the criteria used for one step of the PSGP application evaluation process. This step is the Coast Guard's field review evaluation of the extent to which a PSGP application aligns with FEMA's national security goals for the program.

Projects offering a port-wide benefit receive a 10 percent increase to their field review score. The field review is one of the early steps in the application evaluation process. However, the grant announcement says that a project with a port-wide benefit receives a 10 percent increase to their "final score." The grant announcement does not define or explain what constitutes a project's final score.

Further, the PSGP grant announcement does not clearly describe how the various application evaluation criteria are weighted and summed to collectively lead to an overall project score. Port stakeholders from two of nine Area Maritime Security Committees told us they consult with Coast Guard field review staff to better understand the application evaluation process because the description of the process in the grant announcement is not clear. Figure 10 shows the criteria and weights used in the application evaluation process.[40]

[40]See figure 7 for a description of the additional weights and criteria the field review uses to evaluate project alignment with national security goals and key local port vulnerabilities.

Figure 10: Port Security Grant Program Application Evaluation Criteria and Weights



Source: GAO analysis of Federal Emergency Management Agency (FEMA) and U.S. Coast Guard documentation. | GAO-25-107587

Specifically, the PSGP grant announcement does not state that a project's field review score is based on the weighted average of the project's national security goal score (60 percent) and key local port vulnerabilities score (40 percent), with a 10 percent increase for any project with a port-wide benefit. Further, the PSGP grant announcement does not state that a relative risk score based on port location—and therefore out of an applicant's control—is multiplied by a project's effectiveness score to calculate the final project score.[41] See appendix III for an excerpt of the relevant section of the PSGP grant announcement.[42]

FEMA officials told us that they were not aware of the requirement that the grant announcement include all application evaluation criteria and their relative weights.[43] They further said that they were willing to include this

[41]See figure 8 for a description of how FEMA calculates a port area's relative risk score. FEMA includes a description of the relative risk score is in the *Review and Selection Process* section of the grant announcement. However, the grant announcement does not state that the project effectiveness score is multiplied by the port area relative risk score to calculate an overall score.

[42]The PSGP grant announcement description of the merit-based criteria and relative weights is in the *Application Evaluation Criteria* section of the grant announcement.

[43]In January 2025, FEMA officials told us the grant announcement was last updated around 2020 following an internal review that requested more detail be added to the document.

information in future grant announcements because adding it would improve transparency for applicants and port stakeholders. By adding the application evaluation criteria and their relative weights to the PSGP grant announcement, as required by OMB regulations, FEMA would give applicants a better understanding of the evaluation process and better position them to make an informed decision to apply for award funds.

Award Recommendation Process

The section of the PSGP grant announcement that describes the award recommendation process does not include all factors FEMA officials use to make award recommendations, as required by OMB regulations.[44] Specifically, the grant announcement does not describe the informal set-aside of five percent of appropriated funds for highly effective projects in lower-risk port areas.[45] Further, the grant announcement states that FEMA may use a location-based funding cap to make award recommendations, but it does not say that FEMA may develop multiple award scenarios using different funding caps and then select the one that best aligns with its program goals, which FEMA officials told us was part of the process.

We found that the five percent set-aside selection factor (1) increased the number of port areas that received PSGP awards and (2) recommended awards in some port areas that would otherwise have been mathematically precluded from receiving an award recommendation due to their low port area risk score.[46] Port stakeholders in six locations told us that the process by which FEMA used the field review scores and other factors to make award recommendations was not clear or transparent to them. In four of these locations, port stakeholders said they were sometimes surprised by PSGP award decisions because they did not always align with the projects ranked highly after the field review.

In addition, as previously discussed, the funding cap scenario FEMA selected in fiscal year 2024 limited PSGP awards in some ports. According to the grant announcement, the purpose of the funding cap is to ensure that minimally effective projects in the highest-risk port areas are not funded ahead of highly effective projects in lower-risk port areas. However, the scenario FEMA selected for the funding cap in fiscal year 2024 did not preclude funding some projects with relatively low effectiveness scores in higher-risk port areas. Specifically, projects with effectiveness scores as low as seven received PSGP awards in 2024 in New Orleans and San Francisco, both of which are higher-risk ports.[47]

FEMA officials agreed that the grant announcement does not describe all factors they use to make award recommendations. They told us that one reason the grant announcement does not fully describe all factors they use to make award recommendations—including the five percent set-aside for highly effective projects in lower-risk ports and the fact that FEMA considers multiple funding cap scenarios—is because the DHS Secretary has discretion to make all final funding determinations. However, OMB regulations require that

[44]2 C.F.R. pt. 200, app. I, (b)(6)(iii)(A). Under DHS's process for PSGP, FEMA makes PSGP award recommendations to the DHS Secretary and the Secretary makes all final funding determinations. In fiscal year 2024, the title of this section of the grant announcement was *Review and Selection Process.*

[45]See appendix IV for an excerpt of the *Review and Selection Process* section of the PSGP grant announcement, which describes the award recommendation process.

[46]We discuss the effect of the calculations FEMA uses in the application evaluation process later in this report.

[47]As shown in appendix II, New Orleans and San Francisco received the fourth and fifth most PSGP funds of all port areas from fiscal years 2018 through 2024.

agencies include in their grant announcement all factors that may be used in selecting applications for award.[48] Officials told us that they could more fully describe the factors they use to make award recommendations in the grant announcement.

FEMA officials also told us they are working to adhere to a 2024 OMB directive to write grant announcements in concise and plain language and need to balance adding information on evaluation criteria and award recommendation factors with adhering to other OMB regulatory requirements.[49] However, including all application evaluation criteria and factors FEMA uses to make award recommendations in the PSGP grant announcement, as required by OMB regulations, would make the process more transparent and help maximize fairness to applicants. Specifically, clearer information in the grant announcement could help PSGP applicants better align their projects with the evaluation criteria FEMA uses when awarding PSGP funds to enhance port security.

FEMA Has Not Fully Assessed the PSGP Application Evaluation Process

FEMA has not fully assessed the PSGP application evaluation process to ensure that its outcomes align with FEMA's goals of funding projects in high-risk port areas while also prioritizing projects aligned with national priorities and those that are highly effective and located in lower-risk port areas.[50]

National Priorities

As previously discussed in this report, projects receive a 20 percent score increase if the primary purpose is to address one of DHS's PSGP national priorities. According to FEMA officials, FEMA first implemented a 10 percent score increase for projects that addressed a national priority in 2019. In 2020, FEMA changed the increase to 20 percent. FEMA officials told us they made this change because it further increased the effectiveness score of projects addressing a national priority and could improve their chances of being funded. However, from 2020 through May 2025, FEMA did not assess whether the score increase for projects that addressed a national priority increased awarded funding to those projects.

FEMA officials told us they examined their data in response to our questions and believe the score increase has been effective because it emphasized the importance of national priorities as a goal of PSGP and has led to a general upward trend of funding national priority projects. However, it is unclear whether the 20 percent score increase prioritizes funding to national priorities, as intended. The 2020 grant announcement said that FEMA's goal that year was to allocate 50 percent of PSGP funds to projects that addressed cybersecurity, the only national priority that year. FEMA data indicate that 12 percent of PSGP funds—well below the 50 percent goal—went to projects with a primary purpose of cybersecurity in 2020. Further, from fiscal years 2021 through

[48]The grant announcement must include, "Any program policy, factors, or elements that the selecting official may use in selecting applications for the award. For example, geographical dispersion, program balance, or diversity." 2 C.F.R. pt. 200, app. I, (b)(6)(iii)(A)(1).

[49]OMB, *Memorandum for Heads of Executive Departments and Agencies, Reducing Burden in the Administration of Federal Financial Assistance*, M-24-11 (April 4, 2024).

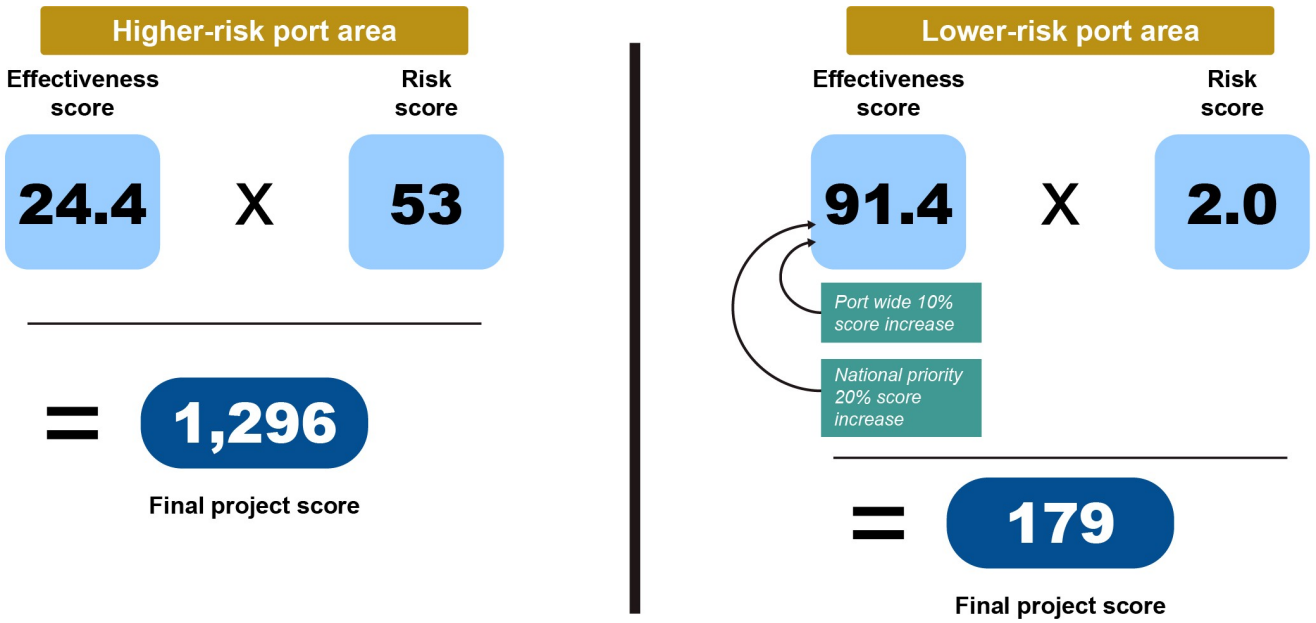
[50]FEMA officials told us the goal to fund projects in high-risk port areas is derived from their interpretation of the authorizing statute. The statute provides for the Secretary to establish a grant program for the allocation of funds based on risk. Also, in administering the grant program, the statute requires the Secretary to take into account national economic, energy, and strategic defense concerns based upon the most current risk assessments available. 46 U.S.C. § 70107(a).

2024, the percent of PSGP funds allocated each year to projects that received a national priority score bonus has ranged widely—from 16 to 42 percent, or $16.4 to $41.7 million.[51]

High-Risk Port Areas

To achieve the goal of funding projects in high-risk port areas, FEMA calculates a final project score for each PSGP application by multiplying the project's effectiveness score by the port location risk score. Both scores are equally weighted in this calculation. Port area risk scores are not evenly distributed; there are many lower-risk port areas and few higher-risk port areas. As a result, projects with high effectiveness scores in lower-risk port areas may have a final project score that is much lower than projects with low effectiveness scores in higher-risk port areas (see figure 11).

Figure 11: Examples of Port Security Grant Program (PSGP) Final Project Scores for Higher- and Lower-Risk Port Areas



Source: GAO analysis of Federal Management Agency (FEMA) data. | GAO-25-107587

Multiplying the risk and effectiveness scores affects which projects FEMA recommends for PSGP awards. Specifically, in fiscal year 2024, projects in 79 port areas with relative risk scores of 1.26 or lower could not mathematically achieve a high enough final project score to receive a PSGP award.[52]

[51]According to FEMA officials, two other factors affected the amount of funds awarded to national priority projects from fiscal years 2022 through 2024. First, FEMA added a second national priority in 2022. As such, projects focusing on either national priority can receive the 20 percent score increase. Second, in 2023, FEMA implemented new criteria for how it determined whether a project received the national priority score increase. Specifically, only projects that "primarily" addressed the priority (meaning 51 percent or more of the project costs addressed the priority) received the score increase beginning in 2023. In prior years, according to FEMA officials, a project could receive the score increase if any amount of the project costs addressed the national priority.

[52]In these port areas, a project with a perfect effectiveness score of 100 would have an overall project score too low to receive funding because all funds would be allocated to projects with higher final project scores.

FEMA officials told us that the decision to multiply risk and effectiveness to calculate the project scores was made in the early years of PSGP and vetted through Congress at that time.[53] This decision aligns with PSGP's goal of prioritizing funds to high-risk port areas. According to FEMA documentation, FEMA considered alternative approaches to this and other calculations in the PSGP scoring process in 2021. Specifically, they considered reducing the weight of the risk score to increase the influence of the effectiveness score on the final project score. They also considered implementing a minimum threshold for the effectiveness score to ensure that funding would be directed to projects with effectiveness scores above that threshold.[54] However, FEMA did not make any changes to the PSGP calculations as a result of these assessments.[55]

Dispersion of Awards to Lower-Risk Port Areas

After FEMA scores and ranks all applications, it implements a location-based funding cap and works with Coast Guard to select highly effective projects in lower-risk port areas. According to FEMA officials, FEMA takes these steps to ensure that its award recommendations are aligned with the goal of ensuring that some PSGP funds go to projects in lower-risk port areas to fund highly effective projects. This is because using project scores alone does not meet that goal. FEMA data show that if FEMA made award recommendations based on final project scores only, the awards would be more concentrated in high-risk port areas and would not be available for highly effective projects in lower-risk port areas.

According to federal internal control standards, management should monitor the internal control system to ensure that its activities consistently meet its goals and evaluate the results of this monitoring.[56] The ongoing monitoring of the internal control system allows management to respond to changes to the system and to ensure that the system is working as intended. The additional steps FEMA takes to select projects it recommends for awards after the application evaluation process is an indication that the evaluation process could be improved so its results better align with FEMA's goals for PSGP.

FEMA officials told us that they have assessed some parts of the PSGP application evaluation process, but that they have not revisited these assessments since 2021. Further, these prior assessments did not fully address the gaps between the results of the application evaluation process and FEMA's goals for PSGP. Assessing each step of the PSGP evaluation process—including the selection of weights and calculations used in the process and their effect on project scores—and making adjustments, as appropriate, could help FEMA ensure that the outcome of the PSGP application evaluation process is aligned with FEMA's goals for the program, consistent with the authorizing statute.

[53]Specifically, officials said that this decision was made prior to 2009.

[54]FEMA found that an effectiveness threshold could disperse awards to more port areas but would reduce funding to some higher-risk port areas that received funding for projects with relatively lower effectiveness scores. In fiscal year 2024, FEMA awarded PSGP funds to projects with effectiveness scores ranging from 7 to 100.

[55]While FEMA made no changes to its calculations as a result of these assessments, it implemented a set-aside of five percent of PSGP funds for highly effective projects in lower-risk port areas in fiscal year 2021. FEMA and Coast Guard officials told us this set-aside was implemented in response to Coast Guard concerns that PSGP awards were too concentrated in high-risk ports. According to a Coast Guard analysis, 45 port areas received PSGP funds in fiscal year 2020 and 73 port areas received funds in 2021, after FEMA and Coast Guard implemented the set-aside.

[56]GAO, *Standards for Internal Control in the Federal Government*, GAO-14-704G (Washington, D.C.: Sept. 2014).

Almost All PSGP Awards Went to Projects Mitigating Key Port Vulnerabilities

FEMA Awarded More than 90 Percent of PSGP Funds to Projects Expected to Mitigate a Key Local Port Vulnerability

Ninety-one percent of PSGP funds awarded from fiscal years 2018 through 2024 ($629.3 of $690.0 million) went to projects that, according to their application project scores, were expected to moderately or significantly mitigate a key local port vulnerability.[57] Table 2 shows the eight port areas that, collectively, received 56 percent of PSGP funds from fiscal years 2018 through 2024 and the percent of those funds in each port awarded to projects that addressed one or more of the highest-priority threat scenarios by mitigating a key local port vulnerability.

Table 2: Port Security Grant Program (PSGP) Awards Received and Percent of Funds Expected to Mitigate a Key Local Vulnerability, by Port Area, Fiscal Years 2018 through 2024

FEMA port area	PSGP awards received	Percent of PSGP award funds expected to mitigate a key local vulnerability
New York-New Jersey	$ 128,675,849	>99%
Los Angeles-Long Beach	$ 60,693,586	97%
Houston-Galveston	$ 47,237,998	83%
New Orleans	$ 33,350,500	61%
San Francisco Bay	$ 33,230,783	91%
Delaware Bay	$ 28,204,820	89%
Puget Sound	$ 26,902,284	81%
Sabine-Neches River	$ 25,187,371	94%

Source: GAO analysis of Federal Emergency Management Agency (FEMA) data. | GAO-25-107587

Note: This table includes the eight ports that collectively received 56 percent of PSGP awards ($383.5 of $690.0 million awarded) from fiscal years 2018 through 2024. The remaining $306.5 million were awarded across 74 ports and to projects outside FEMA port areas. Ninety-two percent of those remaining funds targeted one or more of the three highest-priority threats to the port.

In the two port areas that received the most PSGP funding from 2018 through 2024 (New York-New Jersey and Los Angeles-Long Beach), FEMA awarded 97 and more than 99 percent of PSGP funds to projects that reviewers scored as moderately or significantly likely to mitigate one or more key local vulnerabilities.[58] In the

[57]Field review teams scoring PSGP applications consider the extent to which a proposed project mitigates risks associated with any of the three highest-priority threats in each port area, called Transportation Security Incidents. Our analysis includes those projects that reviewers scored as "moderately" or "significantly" mitigating risks associated with one or more of the three highest-priority threats. We describe projects that moderately or significantly mitigated these risks as those expected to mitigate a key local port vulnerability. According to Coast Guard documentation and officials, all PSGP projects Coast Guard recommends for funding mitigate Coast Guard-identified vulnerabilities because Coast Guard ensures that all projects it recommends are aligned with the relevant local security plans.

[58]Reviewers scored projects based on the extent to which they expected the project, if completed, would mitigate the risk or vulnerabilities associated with one or more of the three highest-priority threat scenarios identified in the port's Area Maritime Security Plan.

six other port areas that received more than $25 million in PSGP funding from 2018 through 2024, FEMA awarded the majority of PSGP funds (61 to 94 percent) to projects that targeted the highest priority threats.

Projects awarded funds that reviewers scored as not likely to mitigate a key local vulnerability had other characteristics that made them competitive for PSGP funding. For example, a project in a high-risk port area aligned with one or more national security goals could receive a high total project score, even if it did not mitigate a key local vulnerability. Additionally, the Captain of the Port could prioritize a project for funding by ranking it highly even if it didn't target one of the three highest-priority threat scenarios for the port. According to Coast Guard documentation and officials, all projects Coast Guard recommends for PSGP funding mitigate Coast Guard-identified vulnerabilities, as required by statute.[59] This is because Captains of the Port are to ensure that all projects for which they recommend funding are aligned with the local Area Maritime Security Plan or other security plan, as appropriate.

FEMA is in the process of implementing a tool—the Port Risk Assessment Methodology—to measure risk reduction attributable to PSGP investments.[60] The tool uses input from port stakeholders to develop a baseline measure of risk for each port area and provides a visual representation of a port's assets and risks. FEMA anticipates that port stakeholders will update the tool each year and, in doing so, document any changes in port facilities, infrastructure, threats, or relative risks. Over time, FEMA officials expect the data this tool captures will have multiple purposes. It will demonstrate how PSGP helps improve or maintain capabilities within each port, provide port stakeholders with information about how to prioritize their PSGP funding requests, and may improve port incident prevention and response plans.

According to Stakeholders, PSGP Has Improved Port Security

Port stakeholders we spoke with from nine Coast Guard-led Area Maritime Security Committees across the U.S. told us that PSGP funds have enhanced port security because they encouraged participation in Area Maritime Security Committees, mitigated risks at their ports, and supplemented available local resources.[61] Stakeholders also shared their perspectives on the limitations of PSGP, such as the effect that decreasing appropriations and increasing project costs has had on their ability to implement high-cost, high-impact projects.

PSGP Benefits

Port stakeholders from seven of nine Area Maritime Security Committees we spoke with and Coast Guard headquarters officials told us that PSGP is important because it is a tool for stakeholder engagement, especially at small ports. Specifically, stakeholders and officials told us that the potential access to PSGP funds encouraged participation in Area Maritime Security Committees. Officials emphasized that such

[59]46 U.S.C. § 70107(i)(2)(C).

[60]According to FEMA, while it can be difficult to measure the impact of investments that reduce risk and vulnerability, developing such a measure for PSGP is necessary to demonstrate the program's impact.

[61]Port stakeholders we spoke with included Coast Guard and other federal officials, port authorities, first responders, and private industry representatives, among others. Over the past seven years, 65 percent of PSGP awards went to local public entities, 23 percent went to state public entities, and 12 percent went to private or nonprofit entities.

participation is important because the Coast Guard's layered approach to maritime security relies on stakeholders who voluntarily participate in Area Maritime Security Committee activities.

Port stakeholders from all nine Area Maritime Security Committees we spoke with told us that PSGP investments mitigated risks at their ports. While stakeholders generally said that it is difficult to quantify the extent to which a PSGP investment improves security, they provided specific examples of how PSGP investments have improved security and mitigated risk. For example, stakeholders from four ports told us that, after the implementation of certain PSGP projects, Coast Guard's field-based risk analysis tool showed a reduction in risk for the port.[62] Stakeholders in other ports said that they noticed how PSGP investments mitigated risk when conducting exercises related to security risks at their ports. These risk mitigations included improved law enforcement response times and improved visibility into portions of a port waterway using remote cameras. In addition, a stakeholder from one port told us that he documented a decrease in the number of port intrusion attempts after implementing a physical barrier using PSGP funds.

Finally, stakeholders said that PSGP investments positioned them to respond more quickly—and with the right resources—to incidents in their waterways by, for example, supplementing available local resources for port security. In one location, stakeholders said that PSGP-funded cameras and response vessels helped them apprehend a person who had dropped multiple pipe bombs from a bridge onto vessels in their waterway.[63] In another location, port stakeholders said that PSGP-funded cameras on ferry boats helped them track the movements of persons of interest to law enforcement in multiple criminal incidents. In two locations, stakeholders described PSGP as having an outsize effect on security because it allowed them to develop capabilities that improved communication and collaboration across multiple first responder entities and multiple ports. These stakeholders described PSGP as providing the initial investment that allowed them to develop new capabilities—such as a unified radio communication system—that ultimately benefited an entire port or region.

PSGP Limitations

Port stakeholders also shared perspectives about some limitations of PSGP. Stakeholders from four of nine Area Maritime Security Committees we spoke with told us that the costs of projects, especially those such as equipment and vessels, have increased while available PSGP funds have remained the same or decreased. This means that it is difficult to secure PSGP funds for high-impact, high-cost projects, such as fire boats or other response vessels.[64] For example, port stakeholders in one location told us that, after about 15 years of service in a saltwater ship channel, a PSGP-funded fire boat is nearing obsolescence. They expressed

[62]This tool is known as the Maritime Security Risk Analysis Model, or MSRAM. We previously reviewed MSRAM in 2011. See: GAO, *Coast Guard: Security Risk Model Meets DHS Criteria, but More Training Could Enhance Its Use for Managing Programs and Operations,* GAO-12-14 (Washington, D.C.: Nov. 17, 2011).

[63]These stakeholders said that PSGP funds awarded to 11 different entities for cameras and response vessels supported the investigation into this incident.

[64]In addition, according to FEMA, most projects are limited by statute to $1,000,000 or less as the federal cost share portion of the project. Specifically, the funding cap generally applies to projects where the eligible costs for reimbursement are "[t]he cost of acquisition, operation, and maintenance of security equipment or facilities to be used for security monitoring and recording, security gates and fencing, marine barriers for designated security zones, security-related lighting systems, remote surveillance, concealed video systems, security vessels, and other security-related infrastructure or equipment that contributes to the overall security of passengers, cargo, or crewmembers." 46 U.S.C. § 70107(b)(2).

concern that replacing the vessel with another funded by PSGP would be nearly impossible because equipment costs have increased and available PSGP funds have decreased.

Stakeholders also told us that equipment purchased using PSGP funds—including software, cameras, servers, and other equipment—eventually reaches the end of its useful life and that it can be difficult to secure PSGP funds to replace that equipment. According to FEMA data, from fiscal years 2021 through 2024, about nine percent of PSGP funds were awarded to maintain or sustain existing capabilities. Port stakeholders in one location described keeping up with evolving technology as one challenge associated with sustaining PSGP projects. They said it can be more cost effective to replace equipment—such as a server or software package—every few years rather than pay for a contractor or other service provider to keep an older service or system operational.

Finally, stakeholders said that the cost of port security enhancements they would like to make exceeds available PSGP funds. For example, stakeholders in one location said that they can generally get their top three projects funded each year, but the bottom half of applicants know they do not have a good chance to receive funding. In another location, stakeholders said they put forward projects they need that align with PSGP priorities, but that some years, the port area does not receive any awards. In a third location, stakeholders emphasized that it is expensive—but vital—to protect ports because of their economic impact. They said that PSGP is the only grant available with funds dedicated to port security.

Conclusions

From 2018 through 2024, FEMA awarded $690 million in PSGP grants to 82 ports across the U.S. to fund activities and equipment that protect critical U.S. port infrastructure from threats. However, the PSGP grant announcement does not include all application evaluation criteria or all factors used to make award recommendations, as federal regulations require. Including all application evaluation criteria and factors FEMA may use in selecting applications for award in the PSGP grant announcement, as federal regulations require, would make the process more transparent and, in doing so, help maximize fairness to applicants. It could also lead to applications that are better aligned with the evaluation criteria FEMA uses when awarding PSGP funds to enhance port security.

In addition, FEMA has not fully assessed the PSGP application evaluation process to ensure that its outcomes align with their multiple goals for the program. These goals include funding projects in high-risk port areas, prioritizing projects aligned with national priorities, and prioritizing projects that are highly effective and located in lower-risk port areas. Assessing each step of the application evaluation process and making adjustments, as appropriate, could help FEMA ensure that the outcome of the PSGP application evaluation process is aligned with FEMA’s goals for the program, consistent with the authorizing statue.

Recommendations for Executive Action

We are making the following three recommendations to DHS:

The Secretary of Homeland Security should ensure that the Administrator of FEMA, in consultation with the Commandant of the Coast Guard, updates the PSGP grant announcement to fully describe the application evaluation process, including all application review criteria and their relative weights. (Recommendation 1)

The Secretary of Homeland Security should ensure that the Administrator of FEMA, in consultation with the Commandant of the Coast Guard, updates the PSGP grant announcement to include all factors or elements other than merit criteria that FEMA may use in selecting applications for award. (Recommendation 2)

The Secretary of Homeland Security should ensure that the Administrator of FEMA, in consultation with the Commandant of the Coast Guard, assesses each step of the PSGP application evaluation process to determine if the results are consistent with FEMA's goals for distributing the program's funds and make adjustments, as appropriate. (Recommendation 3)

Agency Comments

We provided a draft of this report to DHS and the Department of Transportation for review and comment. DHS provided written comments, which are reproduced in appendix V. In its written comments, DHS concurred with all three of our recommendations and identified actions that it has taken, or plans to take, to implement them. DHS also provided technical comments, which we incorporated ad appropriate. The Department of Transportation did not have comments on the draft report.

We are sending copies to the appropriate congressional committees, the Secretary of Homeland Security, the Secretary of Transportation, and other interested parties. In addition, this report is available at no charge on the GAO web site at http://www.gao.gov.

If you or your staff have any questions about this report, please contact me at MacLeodH@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. GAO staff who made key contributions to this report are listed in appendix VI.

//SIGNED//

Heather MacLeod
Director, Homeland Security and Justice

List of Requesters

The Honorable Andrew A. Garbarino
Chairman
Committee on Homeland Security
House of Representatives

The Honorable Dale Strong
Chairman
Subcommittee on Emergency Management and Technology
Committee on Homeland Security
House of Representatives

The Honorable Carlos Gimenez
Chairman
Subcommittee on Transportation and Maritime Security
Committee on Homeland Security
House of Representatives

The Honorable John Moolenaar
Chairman
Select Committee on the Chinese Communist Party
House of Representatives

Appendix I: Objectives, Scope, and Methodology

This report examines the (1) types and locations of projects awarded Port Security Grant Program (PSGP) funds; (2) PSGP competitive grant process and the extent to which the Federal Emergency Management Agency (FEMA) followed certain required and recommended practices for such grants; and (3) extent to which FEMA awarded PSGP funds to projects expected to mitigate key port vulnerabilities. To address these objectives and obtain background information, we reviewed relevant statutes and regulations and internal policies for FEMA's grant programs.[1] We also reviewed previous GAO reports related to FEMA's risk-informed preparedness grant programs, including PSGP.[2]

To address our first objective and inform the remaining objectives, we collected and analyzed FEMA data on grant applications and awards from fiscal years 2018 through 2024. We selected this time frame because it provided sufficient data for identifying trends over time and through several 3-year grant performance cycles.[3] The fiscal year 2024 award cycle was the most recently completed at the time of our review.

We analyzed FEMA data on the number of grants and funds awarded to projects from fiscal years 2018 through 2024 by port area.[4] We also analyzed additional data fields, including those that identified projects that addressed a national priority and those that identified projects that addressed a key local vulnerability. FEMA's data includes some fields populated by U.S. Coast Guard officials as part of the PSGP application review process. For example, in 2021, Coast Guard began documenting project categories for PSGP applications. We used Coast Guard's project categories, documented in FEMA's data, to analyze the number of grants and funds awarded by project category from fiscal years 2021 through 2024.[5]

We assessed the reliability of FEMA's application and award data by checking for missing values, errors, or inconsistencies. We identified some errors and inconsistencies, such as changes in port location names, across the 7 years of grant data. We confirmed port location names with FEMA officials and made updates, as appropriate. We also interviewed FEMA and Coast Guard officials to understand the sources for each field in the data and any steps FEMA and Coast Guard took to ensure data accuracy. For example, we interviewed Coast Guard officials to understand how they developed the project categories and implemented guidance to ensure that staff would apply the categories consistently during the PSGP application evaluation process. We

[1]The Maritime Transportation Security Act of 2002 (MTSA) required the Secretary of DHS to establish the PSGP. Pub. L. No. 107-295, § 102(a), 116 Stat. 2064, 2075-79 (codified as amended at 46 U.S.C. § 70107); 2 C.F.R. pt. 200; and Federal Emergency Management Agency, *Preparedness Grants Manual*, FEMA Manual 207-23-001 (April 2024).

[2]GAO, *Homeland Security Grants: DHS Implemented National Priority Areas but Could Better Document and Communicate Changes*, GAO-24-106327 (Washington, D.C.: Jan. 9, 2024); GAO, *Transit Security: FEMA Should Improve Transparency of Grant Decisions*, GAO-23-105956 (Washington, D.C.: July 26, 2023); GAO, *Homeland Security Grant Program: Additional Actions Could Further Enhance FEMA's Risk-Based Grant Assessment Model*, GAO-18-354 (Washington, D.C.: Sept. 6, 2018); and GAO, *Port Security Grant Program: Risk Model, Grant Management, and Effectiveness Measures Could be Strengthened*, GAO-12-47 (Washington, D.C.: Nov. 17, 2011).

[3]According to the annual grant announcements, all grant funds must be expended within three years after the initial award.

[4]Appendix II includes a table showing PSGP funds awarded by port area from fiscal years 2018 through 2024.

[5]FEMA data includes a broader project category field that, according to Coast Guard officials, did not meet Coast Guard's data analysis needs. The FEMA project categories—planning, organizing, equipping, training, and exercising—are not comparable to those Coast Guard started using in 2021. Therefore, we did not analyze project categories prior to 2021.

determined that the FEMA data were sufficiently reliable to describe the number, amounts, and port locations of grants awarded each fiscal year from fiscal year 2018 through 2024 and whether projects addressed national priorities or local vulnerabilities. We also determined the data were sufficiently reliable to describe the number and amounts of grants awarded by project category from fiscal year 2021 through 2024. For reporting purposes, we rounded percentages to the nearest whole percent and dollars to the nearest 0.1 million.

For each of our research objectives, we interviewed port stakeholders to gather their perspectives on PSGP. Port stakeholders we interviewed included Coast Guard and other federal officials and representatives from (1) port authorities; (2) state and local law enforcement and first responders; and (3) private sector entities. They included PSGP applicants and recipients. Port stakeholders we interviewed were members of nine Coast Guard-led Area Maritime Security Committees representing 32 FEMA port areas.[6] We selected these locations based on geographic dispersion, the amount of PSGP grants they received, and the frequency of their PSGP grant awards from fiscal years 2017 through 2023, the most recent data available at the time we made our selections. Specifically, we selected locations that represented east coast, west coast, and lake and river ports. We selected locations that received (1) a relatively high amount of grant funds overall and grants in each year we analyzed or (2) any amount of grant funds overall and grants in most of the years we analyzed. Table 3 shows the Area Maritime Security Committees and FEMA port areas from which we interviewed stakeholders.

Table 3: Area Maritime Security Committees and FEMA Port Areas Included in Port Stakeholder Interviews

Area Maritime Security Committee	FEMA port area	State(s)
Columbia River	Columbia-Snake River System	OR, WA, ID
Houston-Galveston	Freeport	TX
	Houston-Galveston	TX
Lake Michigan	Escanaba	MI, WI
	Green Bay	WI
	Milwaukee	WI
	Muskegon-Grand Haven	MI
	Southern Tip Lake Michigan	IL, MI, IN
Southeast Florida	Miami	FL
	Palm Beach	FL
	Port Everglades	FL
New York	New York-New Jersey	NY, NJ
Ohio Valley	Chattanooga	TN
	Cincinnati	OH
	Guntersville	AL
	Huntington-Tri-State	WV, OH, KY
	Louisville	KY
	Mid-Ohio Valley	OH, WV
	Mount Vernon	IN

[6]FEMA combines individual ports into larger regions called FEMA port areas based on FEMA's assessment that ports in the designated area share geographic proximity, waterways, and risk.

Area Maritime Security Committee	FEMA port area	State(s)
	Nashville	TN
	Owensboro	KY
	Paducah-Metropolis	KY, IL
	Pittsburgh	PA
	Southeast Missouri	MO
Puget Sound	Puget Sound	WA
Southeastern New England	Nantucket Sound	MA
	Narragansett-Mt. Hope Bays	RI, MA
St. Louis	Kansas City	MO
	Mid-America-Quad Cities	IA, IL, MO
	Minneapolis-St. Paul	MN
	Peoria-Illinois Waterway	IL
	St. Louis	MO, IL

Source: GAO and GAO analysis of Federal Emergency Management Agency (FEMA) data. | GAO-25-107587

Note: FEMA combines individual ports into larger regions called FEMA port areas based on FEMA's assessment that ports in the designated area share geographic proximity, waterways, and risk.

We also visited two port areas—New York-New Jersey and Houston-Galveston—to interview PSGP award recipients and observe PSGP-funded projects. We aggregated the information from these interviews with other port stakeholder interviews. We selected these port areas because they were among those that received the most funding between fiscal years 2018 and 2024. We asked the port stakeholders we interviewed about their perspectives on PSGP; these perspectives are not generalizable to perspectives from port stakeholders in all Area Maritime Security Committees or all FEMA port areas.

To address our second objective, we reviewed FEMA's fiscal year 2024 PSGP grant announcement and collected documentation and interviewed officials about FEMA and Coast Guard's application evaluation and award recommendation processes. We selected fiscal year 2024 because it was the most recently completed grant cycle at the time of our review. We compared the description of the application evaluation and award recommendation processes in the fiscal year 2024 grant announcement with information about these processes we collected from FEMA and the Coast Guard. This information included guidance on the Coast Guard-led field review, such as scoring rubrics and training materials. It also included FEMA guidance used in the national panel review's application evaluation process. We also reviewed FEMA documentation describing its PSGP port area risk methodology and project scoring process. To obtain additional information about the application evaluation and award recommendation process, including their respective roles in PSGP, we interviewed officials from FEMA's Grant Programs Directorate, Coast Guard headquarters, the Transportation Security Administration, and the Department of Transportation's Maritime Administration.

We evaluated FEMA's grant announcement against selected provisions of the *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*.[7] These requirements are in federal regulations and provide a government-wide framework for grants management. We selected these sections of the regulations because they contain requirements for how FEMA is to design its PSGP application evaluation process and select applications for award, a significant aspect of FEMA's management of the

[7]2 C.F.R. §§ 200.204, 200.205; 2 C.F.R. pt. 200, app. I.

program. Specifically, we evaluated the extent to which the information described in the fiscal year 2024 grant announcement aligned with FEMA and Coast Guard's processes to evaluate applications and select applications for award, as the regulations require. We interviewed FEMA officials to understand how they developed the grant announcement, including the internal processes and guidance used to decide what information to include in the grant announcement.[8]

In addition, we evaluated FEMA's PSGP scoring process by comparing the scoring process FEMA and Coast Guard used to evaluate applications with PSGP statutory requirements and goals described in FEMA documentation, such as the grant announcement, and by FEMA officials. To understand the calculations used in the scoring process, we reviewed FEMA and Coast Guard documentation and interviewed officials from both agencies. We also reviewed *Standards for Internal Control in the Federal Government* and determined that the monitoring component of internal controls was significant to this objective, along with the underlying principle that management should establish and operate monitoring activities to monitor the internal control system and evaluate the results.[9] We compared the results of FEMA and Coast Guard's PSGP application scoring process with their program goals and examined the extent to which FEMA had monitored the scoring process and evaluated its results.

To address our third objective, we analyzed FEMA data on PSGP awards to identify projects awarded funds that aligned and did not align with key port vulnerabilities. We analyzed this data by port area for fiscal years 2018 through 2024. In addition, we reviewed documentation on FEMA's Port Risk Assessment Methodology, a tool FEMA is implementing to measure port area risk and risk reduction. We aggregated information from our interviews with port stakeholders to analyze stakeholder perspectives on the extent to which PSGP funds mitigated port vulnerabilities, including perspectives on the benefits and limitations of PSGP.

We conducted this performance audit from May 2024 to September 2025 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

[8]Appendices III and IV contain excerpts from the fiscal year 2024 grant announcement, including: *Application Evaluation Criteria* and *Review and Selection Process.*

[9]GAO, *Standards for Internal Control in the Federal Government*, GAO-14-704G (Washington, D.C.: September 2014).

Appendix II: Port Security Grant Program Funds Awarded by Port Area, Fiscal Years 2018 through 2024

Table 4: Port Security Grant Program Funds Awarded by FEMA Port Area, Fiscal Years 2018 through 2024

FEMA port area	State or territory	Funds awarded (dollars)	Received funds every fiscal year
New York-New Jersey	NY, NJ	128,675,849	yes
Los Angeles-Long Beach	CA	60,693,586	yes
Houston-Galveston	TX	47,237,998	yes
New Orleans	LA	33,350,500	yes
San Francisco Bay	CA	33,230,783	yes
Delaware Bay	DE, NJ, PA	28,204,820	yes
Puget Sound	WA	26,902,284	yes
Sabine-Neches River	TX, LA	25,187,371	yes
Tampa Bay	FL	18,121,864	yes
Hampton Roads	VA	17,784,511	yes
Southern Tip of Lake Michigan	IL, MI, IN	15,599,403	yes
Baltimore	MD	15,590,029	yes
Corpus Christi	TX	15,579,814	yes
Boston	MA	15,070,080	yes
Long Island Sound	NY, CT	14,498,362	yes
Charleston	SC	13,166,333	yes
Port Everglades	FL	11,286,451	yes
San Diego	CA	11,190,096	yes
Jacksonville	FL	11,182,149	yes
Mobile	AL	10,582,704	yes
Miami	FL	10,041,792	yes
Outside a FEMA port area[a]	Various[a]	8,685,625	no
Honolulu	HI	8,377,235	no
Wilmington	NC	7,416,362	yes
Savannah	GA	6,766,054	yes
Memphis	TN, AR	6,667,406	yes
Port Canaveral	FL	5,799,600	no
Minneapolis-St. Paul	MN	5,612,407	no
Lake Charles	LA	5,241,330	yes
Apra Harbor	GU	4,993,602	no
Louisville	KY	4,891,744	yes

FEMA port area	State or territory	Funds awarded (dollars)	Received funds every fiscal year
Cincinnati	OH	4,717,115	yes
Cook Inlet	AK	4,114,282	no
St. Louis	MO, IL	4,083,687	yes
Morehead City	NC	4,031,740	no
Pensacola	FL	3,514,763	no
Port Hueneme	CA	3,431,878	no
Columbia-Snake River System	OR, WA, ID	3,306,227	no
Gulfport	MS	2,396,038	yes
Narragansett-Mt. Hope Bays	RI, MA	2,076,770	no
Cleveland	OH	1,923,900	no
Mid-America-Quad Cities	IA, IL, MO	1,882,865	no
Detroit	MI	1,824,883	no
Portland	ME	1,799,185	no
Key West	FL	1,666,576	no
Freeport	TX	1,527,113	no
San Juan	PR	1,446,798	no
Palm Beach	FL	1,341,179	no
Nashville	TN	1,336,785	no
Duluth-Superior	MN, WI	1,271,411	no
Huntington-Tri-State	WV, OH, KY	1,243,279	no
Pascagoula	MS	1,081,339	no
Nantucket Sound	MA	907,875	no
Milwaukee	WI	895,775	no
Toledo	OH	847,643	no
St. Thomas	VI	776,780	no
Monroe	MI	770,983	no
Valdez	AK	732,717	no
Port Fourchon Louisiana Offshore Oil Port	LA	677,216	no
Panama City	FL	642,103	no
Erie	PA	589,206	no
Paducah-Metropolis	KY, IL	578,327	no
Guntersville	AL	561,674	no
Southeast Missouri	MO	542,250	no
Chattanooga	TN	415,777	no
Peoria-Illinois Waterway	IL	395,250	no
Portsmouth	NH	387,597	no
Green Bay	WI	364,440	no
Victoria-Port Lavaca-Point Comfort	TX	357,654	no
Kansas City	MO	320,172	no
Buffalo	NY	308,335	no

FEMA port area	State or territory	Funds awarded (dollars)	Received funds every fiscal year
Muskegon-Grand Haven	MI	262,906	no
El Segundo	CA	250,000	no
Vicksburg	MS	220,905	no
St. Clair River	MI	152,719	no
Pittsburgh	PA	118,980	no
Guayanilla	PR	67,590	no
Morgan City	LA	60,498	no
Mount Vernon	IN	54,675	no
Mid-Ohio Valley	OH, WV	43,688	no
Lynn Canal	AK	24,730	no
Owensboro	KY	22,583	no
Escanaba	MI, WI	2,995	no
Total	**Not applicable**	**690,000,000**	**Not applicable**

Source: GAO analysis of Federal Emergency Management Agency (FEMA) data. | GAO-25-107587

[a]FEMA combines individual ports into larger regions called FEMA port areas based on FEMA's assessment that ports in the designated area share geographic proximity, waterways, and risk. FEMA and Coast Guard assign projects that will be implemented within two miles of the boundary of a FEMA port area to that port area. Some projects that received Port Security Grant Program awards were located beyond the two-mile boundary of any port area. We combined these projects into a group and report on funds awarded to projects "outside a FEMA port area." From fiscal year 2018 through 2024, 31 projects outside FEMA port areas received a Port Security Grant Program award.

Appendix III: Application Evaluation Criteria, Excerpted from the Fiscal Year 2024 Port Security Grant Program (PSGP) Grant Announcement

E. Application Review Information

1. Application Evaluation Criteria

a. Programmatic Criteria

The PSGP uses a risk-based methodology for making funding decisions whereby each Port Area's relative threat, vulnerability, and consequences from acts of terrorism are considered. This approach helps ensure that program funding is directed toward those Port Areas that present the highest risks in support of the Goal a secure and resilient Nation. Please refer to the Preparedness Grants Manual for further information on the Goal. PSGP will only fund those eligible projects that close or mitigate maritime security risk vulnerabilities gaps as identified in the applicable AMSP, FSP, VSP, and/or Port-wide Risk Management Plan (PRMP). Projects that enhance business continuity and resumption of trade within a Port Area will also be considered for funding.

Projects submitted by a public sector applicant or projects otherwise certified by the USCG COTP as having a port-wide benefit (please see the cost match section of this NOFO for further information regarding what constitutes a port-wide benefit) will have their final scores increased by a multiplier of 10%.

FY 2024 PSGP applications will be evaluated through a three-part review and selection process that encompasses: 1) an Initial Screening; 2) a Field Review; and 3) a National Review. There are four core PSGP scoring criteria applied in each step of this process:

i. Projects that support development and sustainment of the core capabilities in the Goal.

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- Projects are ranked and weighted based on alignment with core capabilities across the five mission areas of the Goal: Prevention, Protection, Mitigation, Response, and Recovery. A composite score is given to each project to determine a Port Area prioritized ranking of all reviewed projects. The following scale shall be used:

0=None; 1=Minimal; 3=Moderate; 9=Significant/Gap Filled

ii. Projects that address priorities outlined in the applicable AMSP, FSP, and/or VSP, as mandated under the MTSA and/or in an applicable PRMP.

- AMSP priorities are the top three Transportation Security Incidents (TSIs) (as defined in 46 U.S.C. § 70101(6)) ranked and correspondingly weighted. Each IJ will be given a score (using the same scale as the National Priorities module) based on how well it addresses one or more TSIs within the context of the five mission areas of the Goal. The following scale shall be used:

0=None; 1=Minimal; 3=Moderate; 9=Significant/Gap Filled

- COTPs may require proposed projects to be socialized with the COTP/Area Maritime Security Committee (AMSC) prior to applying. Applicants are encouraged to coordinate with the COTP/AMSC routinely to ensure their projects align with Port Area priorities.

iii. Projects that are eligible and feasible, based on the period of performance. In addition, a recipient's past performance demonstrating competent stewardship of Federal funds may influence funding decisions.

- IJs should justify the scope, breadth, and cost of a project, as well as a timeline for completing the project as required within this NOFO. Projects failing to demonstrate these minimum funding considerations may be denied funding. The following scale shall be used:

0=No Funding Recommended; 1=Funding Recommended

Appendix IV: Review and Selection Process, Excerpted from the Fiscal Year 2024 Port Security Grant Program (PSGP) Grant Announcement

2. Review and Selection Process

Following the USCG COTP-led Field Review, DHS/FEMA will lead a National Review. The National Review encompasses 1) a review by a panel of subject-matter experts (SME) from DHS/FEMA and other federal partners that validates the USCG COTP-led Field Review results; and 2) a detailed administrative/financial review of applications recommended for funding. ***As part of the National Review, the SME panel will increase the score of any proposed project that sufficiently addresses one or more of the two National Priorities (enhancing cybersecurity or enhancing the protection of soft targets/crowded places) by 20%.*** Projects that are not dedicated to specifically enhancing a National Priority will not receive a score increase (e.g., a port area patrol vessel that is not solely dedicated to patrolling the soft target/crowded place or a camera replacement project that includes a cybersecurity software installation will not receive a 20% score increase). To be considered for a 20% score increase, projects must be submitted as distinct and standalone, and dedicated to supporting the national priority.

As part of the National Review, the SME panel may also recommend partial funding for individual projects and eliminate others that are determined to be duplicative or require a sustained federal commitment to fully realize the intended risk mitigation. In addition, the SME panel will validate proposed project costs. ***Decisions to reduce requested funding amounts or eliminate requested items deemed inappropriate under the scope of the FY 2024 PSGP will take into consideration the ability of the revised project to address the National Priorities and whether it will achieve the intended risk mitigation goal.*** Historically, the PSGP has placed a high priority on providing full project funding rather than partial funding.

Elements of the application considered during the National Review include the following as specified within this NOFO:

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- Eligibility of an applicant;
- Allowable costs;
- Required cost share; and
- Alignment with program priorities.

Independent of the Field and National Reviews, a risk score will also be calculated for each Port Area in which an eligible entity applies for PSGP funding. A Port Area risk score will be calculated based on the relative threat, vulnerability, and consequences from acts of terrorism. The risk methodology used to calculate this score is focused on three elements:

- *Threat* – likelihood of an attack being attempted by an adversary;
- *Vulnerability* – likelihood that an attack is successful, given that it is attempted; and
- *Consequence* – effect of an event, incident, or occurrence.

The risk methodology determines the relative risk of terrorism faced by a given Port Area, considering the potential risk of terrorism to people, critical infrastructure, economic security, and national security missions. The analysis includes threats from domestic violent extremists, international terrorist groups, and individuals inspired by terrorists abroad. A risk and effectiveness prioritization will then be applied to the SME panel's recommended list of projects for each Port Area. This analysis considers the following factors to produce a comprehensive national priority ranking of port security proposals:

- Relationship of the project to one or more of the National Priorities;
- Relationship of the project to the local port security priorities;
- Risk level of the Port Area in which the project would be located;
- Those Port Areas that have a measurable risk of at least 1% of the overall maritime security risk based on the comprehensive DHS/FEMA risk methodology would be prioritized above those with less than 1% of the overall risk;
- To ensure that the most effective projects are funded, the risk and effectiveness prioritization could be limited by Port Area, based on the Port Area's relative risk score; and
- Effectiveness and feasibility of the project to be completed in support of the priorities highlighted above during the period of performance.

Projects recommended for funding will also receive a detailed administrative/financial review to ensure compliance with all program requirements. As a part of this, applications will be reviewed to ensure there are no ineligible costs, there is an appropriate nexus to maritime security, etc.

FEMA may place a risk-based funding cap on Port Areas to ensure a broad distribution of program funds among multiple Port Areas. This will ensure that minimally effective projects in the highest risk Port Areas are not funded ahead of highly effective projects in lower risk Port Areas; however, this does not guarantee that Port Areas with minimal risk scores will receive funding. All funding recommendations will be provided to the inter-agency partners for concurrence. All final funding determinations will then be made by the Secretary of Homeland Security, who retains the discretion to consider other factors and information in addition to DHS/FEMA's funding recommendations.

Appendix V: Comments from the Department of Homeland Security

U.S. Department of Homeland Security
Washington, DC 20528

BY ELECTRONIC SUBMISSION

August 29, 2025

Heather MacLeod
Director, Homeland Security and Justice
U.S. Government Accountability Office
441 G Street, NW
Washington, DC 20548

Re: Management Response to GAO-25-107587, "PORT SECURITY: FEMA Should Improve Transparency of Grant Decisions"

Dear Ms. MacLeod:

Thank you for the opportunity to comment on this draft report. The U.S. Department of Homeland Security (DHS, or the Department) appreciates the U.S. Government Accountability Office's (GAO) work in planning and conducting its review and issuing this report.

DHS leadership is pleased to note GAO's recognition that both the Federal Emergency Management Agency (FEMA) and the U.S. Coast Guard have processes to evaluate grant applications and make award recommendations for the Port Security Grant Program (PSGP). GAO also acknowledged that over 90 percent of PSGP program funds were directed toward projects that, according to their application project scores, were expected to moderately or significantly mitigate a key local port vulnerability. DHS remains committed to implementing legislative requirements of the PSGP as aligned with DHS priorities, such as by using the PSGP to provide critical grant funds directed toward the security of our Nation's critical maritime infrastructure and waterways.

The draft report contained three recommendations with which the Department concurs. Enclosed find our detailed response to each recommendation. DHS previously submitted technical comments addressing several accuracy, contextual, and other issues under a separate cover for GAO's consideration, as appropriate.

Again, thank you for the opportunity to review and comment on this draft report. Please feel free to contact me if you have any questions. We look forward to working with you again in the future.

Sincerely,

JEFFREY M BOBICH

Digitally signed by JEFFREY M BOBICH
Date: 2025.08.29 09:14:48 -04'00'

JEFFREY M. BOBICH
Director of Financial Management

Enclosure

2

Enclosure: Management Response to Recommendations Contained in GAO-25-107587

GAO recommended that the Secretary of Homeland Security ensure that the Administrator of FEMA, in consultation with the Commandment of the Coast Guard:

Recommendation 1: Updates the PSGP grant announcement to fully describe the application evaluation process, including all application review criteria and their relative weights**.**

Response: Concur. On June 5, 2025, FEMA's Grant Programs Directorate (GPD) and the U.S. Coast Guard conferred on language necessary to fully clarify program nuances. Accordingly, the fiscal year (FY) 2025 review process was revised on June 5, 2025, to align with the criteria described in DHS-25-GPD-056-00-99 Notice of Funding Opportunity (NOFO), "Fiscal Year 2025 Port Security Grant Program."[1] FEMA's GPD will conduct additional reviews to ensure PSGP grant announcements fully describe the application evaluation process as needed. Estimated completion date (ECD): September 30, 2026.

Recommendation 2: Updates the PSGP grant announcement to include all factors or elements other than merit criteria that FEMA may use in selecting applications for award**.**

Response: Concur. As the FY 2025 PSGP NOFO was already published on August 1, 2025,[2] FEMA's GPD will collaborate with the U.S. Coast Guard personnel, as appropriate, to ensure the FY 2026 PSGP NOFO includes all factors or elements other than merit criteria. ECD: September 30, 2026.

Recommendation 3: Assesses each step of the PSGP application evaluation process to determine if the results are consistent with FEMA's goals for distributing the program's funds and make adjustments, as appropriate.

Response: Concur. PSGP demonstrated through an initial assessment concluded in November 2024 that the 20 percent score increase was effective at increasing alignment with national priorities. As part of this effort, the PSGP Program Office: (1) identified and compared data based on the dates score adjustments were implemented; (2) analyzed applicant data; (3) factored and adjusted data due to changes in policy; and (4) analyzed impact on funding allocation on or about June 30, 2025.

[1] See: https://www.grants.gov/search-results-detail/360211.
[2] See: "DHS Notice of Funding Opportunity (NOFO) Fiscal Year 2025 Port Security Grant Program (PSGP)," dated August 1, 2025; See: https://simpler.grants.gov/opportunity/b90b5e63-27e6-497c-9872-0e2a89a4dac7.

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However, FEMA's GPD will also take action to establish a continual and more thorough assessment of the evaluation process. As part of this effort, the PSGP Program Office will continue to meet with the U.S. Coast Guard and other Federal partners monthly and will include establishing this assessment on agendas for discussion and resolution.

Additional work for establishing this assessment will include:

Actions	Interim ECD
Consolidate FY 2025 application and award results.	September 30, 2025
Compare FY 2025 funding results with FY 2023 and FY 2024 funding results in relation to National Review Panel (NRP) and Field Review recommendations to determine deviations and outliers.	February 27, 2026
Present data analysis, and if applicable recommend alternative approaches to FEMA senior leadership for consideration.	April 30, 2026
Incorporate changes, if any, into FY 2026 NOFO if possible, FY 2027 NOFO at the latest.	September 30, 2026

Overall ECD: September 30, 2026.

4

Accessible text for Appendix V: Comments from the Department of Homeland Security

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Washington, DC 20528

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Sincerely,
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Director of Financial Management

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Appendix VI: GAO Contact and Staff Acknowledgments

GAO Contact

Heather MacLeod, MacLeodH@gao.gov

Staff Acknowledgments

In addition to the contact named above, Ben Atwater (Assistant Director), Mary Pitts (Analyst-in-Charge), Caroline Christopher, Ben Crossley, Mary Offutt-Reagin, and Herrica Telus made key contributions to this work.