



Homeland Security

March 4, 2013

The Honorable Martin O'Malley
Governor of Maryland
State Capitol
Annapolis, Maryland 21401

Dear Governor O'Malley:

Last Friday, due to the failure of Congress to reach an agreement on balanced deficit reduction to avoid sequestration, the President was required by law to issue a sequestration order canceling approximately \$85 billion in budgetary resources across the Federal Government for the remainder of the federal fiscal year, which includes nearly \$3 billion from the Department of Homeland Security (DHS). As our partner, we wanted to provide you with information about how these budget cuts impact DHS and, in turn, what it means for our security operations in and funds provided to Maryland.

DHS has a broad mission that touches almost every aspect of our still recovering economy and every state across the country. We secure our aviation sector, screening two million domestic air travelers every day. We protect our borders and ports of entry while facilitating trade and travel, processing more than 350 million people and facilitating nearly \$2.3 trillion in trade last year. We enforce immigration laws and partner with the private sector to protect critical infrastructure. And we work with states and communities to prepare for and respond to disasters of all kinds, such as Hurricane Sandy, while supporting recovery and rebuilding.

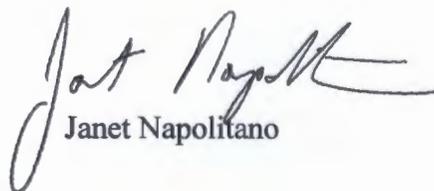
Reductions mandated by sequestration will necessitate furloughs, hiring freezes and elimination of overtime pay for a significant portion of our frontline law enforcement personnel, which will impact staffing levels in Maryland. As sequestration is implemented, you can expect to see increased wait times at our Nation's airports and ports of entry, which will have serious consequences to the flow of trade and travel. At the major international airports, average wait times to clear customs will begin to increase by up to 50 percent, and at our busiest airports, peak wait times may grow to up to 4 hours or more. Such delays could cause thousands of missed passenger connections daily with economic consequences at both the local and national levels. Our biggest land ports may face waits of up to 5 hours or more, functionally closing these ports during core hours. At our seaports, delays in container examinations will begin to increase to up to 5 days, resulting in increased costs to the trade community and reduced availability of consumer goods and raw materials. Midsize and smaller ports across the country will also experience constrained hours of operation, affecting local cross-border communities.

The Coast Guard will begin to curtail air and surface operations by more than 25 percent. This will not only affect management of the Nation's waterways, but also fisheries enforcement, drug interdiction, migrant interdiction, port security, and other law enforcement operations. Sequestration will also have an impact on our Nation's disaster preparedness, response and recovery efforts. It will reduce the Disaster Relief Fund by nearly \$1 billion, potentially affecting available resources for those communities recovering from major disasters across the Nation if the budget impasse is not resolved. And homeland security grant funding will be reduced to its lowest level in seven years, affecting state and local emergency personnel throughout our country. Attached you will find specific impacts that sequestration will have on DHS operations in Maryland.

As you know well, threats from terrorism and the need to respond and recover from natural disasters will not diminish because of budget cuts. We do not have the luxury of making significant reductions to our capabilities without significant impacts. DHS will continue to preserve our frontline priorities as best we can, but no amount of planning can mitigate the negative effects of sequestration. Should Congress take subsequent action that changes the level or nature of these reductions, we are committed to working closely with you to manage those changes.

Thank you for your continued partnership with DHS and for your cooperation as we work together to manage these unfortunate circumstances. Should you have any questions, please do not hesitate to contact me at (202) 282-8203.

Yours very truly,



Janet Napolitano

cc: Maryland Congressional Delegation

Department of Homeland Security
State Impacts of Sequestration: Maryland

Sequestration will result in an across-the-board reduction in spending for all DHS agencies. Some of the more notable impacts in Maryland are:

U.S. Customs and Border Protection (CBP)

- Reduced overtime and furloughs of CBP Officers: Baltimore Washington International Airport: Average wait times will increase by up to 50 percent; peak summer wait times will range from up to 2 hours to more than 3 hours.
- Baltimore Cruise Ship Terminal: Cruise ship passenger processing time will increase to up to 4 to 6 hours.

Federal Emergency Management Agency (FEMA)

- Reduction to Assistance to Firefighters Grant Program, Fire Prevention and Safety Grant, and Staffing for Adequate Fire and Emergency Response Grants based on the FY 2011 awards: \$815K.
- Reduction of Emergency Management Performance Grant Program, Homeland Security Grant Program, Nonprofit Security Grant Program, Port Security Grant Program and Transit Security Grant Program based on the FY 2012 awards: \$1M.

National Protection and Programs Directorate (NPPD)

- Reduced support to energy and food and agriculture sectors analytical technical contract: The contract with Nexight, which provides technical and analytical support, would be reduced by \$1.1M. Nexight is headquartered in Silver Spring, MD.

Science and Technology (S&T)

- Bioagent detection, foreign animal disease modeling, explosives detection, and border security. Entities impacted include Omni Array Biotechnology, LLC., Analytical Research, LLC., Gryphon Scientific, Global Systems Technologies, and Johns Hopkins University.

Transportation Security Administration (TSA)

- Potential increase to passenger wait times at airport security checkpoints at Baltimore-Washington International Airport based on the Transportation Security Officer hiring freeze and reduction in overtime required by sequestration.

U.S. Coast Guard (USCG)

- USCG will have to curtail maritime operations by approximately 26% in the Chesapeake Bay and waters off the coast of Maryland, adversely affecting maritime safety and security across nearly all mission areas. Security patrols of critical infrastructure, security escorts of cruise ships and ships carrying hazardous cargoes will be reduced.