

**COASTAL IMPACT ASSISTANCE PROGRAM
DRAFT GUIDELINES**

**The Department of the Interior
Minerals Management Service**

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ABBREVIATIONS AND ACRONYMS

Act	Energy Policy Act of 2005
CFR	Code of Federal Regulations
CIAP	Coastal Impact Assistance Program
CPS	eligible coastal political subdivision
CZMA	Coastal Zone Management Act
CZMP	Coastal Zone Management Program
EA	Environmental Assessment
FONSI	Finding of No Significant Impact
FY	fiscal year
MHW	mean high water
MMS	Minerals Management Service
NEPA	National Environmental Policy Act
OCS	Outer Continental Shelf
Plan	Coastal Impact Assistance Plan
Secretary	Secretary of the Department of the Interior
State	eligible producing State
U.S.	United States
U.S.C.	United States Code

1. INTRODUCTION

The Energy Policy Act of 2005 (**Act**) has created the Coastal Impact Assistance Program (**CIAP**) by amending Section 31 of the Outer Continental Shelf Lands Act (43 U.S.C. 1356a; **Appendix A**). Under the provisions of the Act, the authority and responsibility for the management of CIAP is vested in the Secretary of the Department of the Interior (**Secretary**). The Secretary has delegated this authority and responsibility to the Minerals Management Service (**MMS**).

Under Section 384 of the Act, MMS shall disburse \$250 million for each fiscal year (**FY**) 2007 through 2010 to eligible producing States (**State**) and coastal political subdivisions (**CPS**). The funds allocated to each State are based on the proportion of qualified outer continental shelf (**OCS**) revenues offshore the individual State to total qualified OCS revenues from all States. In order to receive CIAP funds, States are required to submit a coastal impact assistance plan (**Plan**) that MMS must approve prior to disbursing any funds. All funds shall be disbursed through a grant process.

This guidance has been developed by MMS to provide the information necessary for States to develop a Plan and submit it to MMS. States should develop Plans in coordination with their CPS's. Pursuant to the Act, a State must submit its Plan no later than July 1, 2008. The MMS's goal is to ensure Plans are approved and funds disbursed in the most efficient and expeditious manner possible. To facilitate this goal, MMS encourages States to submit their Plans by July 1, 2007. The MMS, however, will not accept Plans before October 2, 2006.

2. ELIGIBLE PRODUCING STATES AND COASTAL POLITICAL SUBDIVISIONS

A *producing State* is defined in the Act (*Section 31(a)(9)(A) and (B)*) as having a coastal seaward boundary within 200 nautical miles of the geographic center of a leased tract within any area of the OCS. This does not include a State with a majority of its coastline subject to leasing moratoria, unless production was occurring on January 1, 2005, from a lease within 10 nautical miles of the coastline of that State. States eligible to receive funding are Alabama, Alaska, California, Louisiana, Mississippi, and Texas.

The Act also specifies eligibility criteria for CPS's (*Section 31(a)(1) and (8)*). A *political subdivision* is defined as "the local political jurisdiction immediately below the level of State government, including counties, parishes, and boroughs." The term *coastal political subdivision* is further defined in the Act as "a political subdivision of a coastal State any part of which political subdivision is (A) within the coastal zone (as defined in Section 304 of the Coastal Zone Management Act of 1972 (16 U.S.C. 1453) as of the date of enactment of the Energy Policy Act of 2005 [August 8, 2005]; and (B) not more than 200 nautical miles from the geographic center of any leased tract." Given these criteria, MMS, in consultation with the States, has determined 61 CPS's are eligible to receive CIAP funding (**Appendix B**).

3. COASTAL IMPACT ASSISTANCE PROGRAM ALLOCATIONS

The MMS shall determine CIAP funding allocations to States and CPS's using the formulas mandated by the Act (*Section 31(b)*). The Act directs that the funds allocated to States and CPS's for FY 2007 and 2008 be determined using qualified OCS revenues received for FY 2006; FY 2009 and 2010 funds shall be determined using the amount of qualified OCS revenues received for FY 2008.

The MMS intends to publish the allocations for each State and CPS on or before April 15, 2007, for FY 2007 and 2008 distributions and on or before April 15, 2009, for FY 2009 and 2010 distributions. The Act requires a minimum annual allocation of 1 percent to each State. The Act also provides that 35 percent of each State's share shall be allocated directly to its CPS's.

4. COASTAL IMPACT ASSISTANCE PROGRAM FUNDS

The CIAP funds will be disbursed to States and CPS's through a grant process. The MMS is currently developing this process. Upon completion, each State and CPS will receive guidance on the

administrative and programmatic requirements of the grant process and how to access CIAP funds. The MMS will hold a workshop to review these requirements.

For planning purposes, grant recipients shall comply with 43 CFR Part 12, *Administrative and Audit Requirements and Cost Principles for Assistance Programs*.

4.1. AUTHORIZED USES OF FUNDS

The Act (*Section 31(d)(1)*) stipulates that a State or CPS shall use CIAP funds only for one or more of the following purposes:

1. projects and activities for the conservation, protection, or restoration of coastal areas, including wetland;
2. mitigation of damage to fish, wildlife, or natural resources;
3. planning assistance and the administrative costs of complying with CIAP;
4. implementation of a federally-approved marine, coastal, or comprehensive conservation management plan; and
5. mitigation of the impact of OCS activities through funding of onshore infrastructure projects and public service needs.

The MMS shall require that all CIAP funds be used to directly benefit an authorized use. The use of CIAP funds to conserve, restore, enhance, and protect renewable natural resources is an action that would result in a direct benefit. An example of an action that would not result in a direct benefit would include but not be limited to the use of CIAP funds to support litigation or to fund publicity or lobbying efforts for purposes of influencing or attempting to influence a member of the U.S. Congress or an agency of the Federal Government (*43 CFR Part 18*).

4.2. RESTRICTIONS ON THE USE OF FUNDS

4.2.1. Cost Sharing or Matching of Funds

As a general rule, unless provided by Federal statute, a cost sharing or matching requirement may not be met by costs borne by another Federal grant (43 CFR Part 12). Thus, the standard on whether CIAP funds can be used to meet a cost sharing or matching requirement under another Federal grant program is set by the other granting agency, the agency that originated the cost-sharing requirements.

States and CPS's will be required to submit a letter with their grant application authorizing the use of CIAP funds for the required non-Federal cost share or match. This letter must be obtained from the agency that originated the cost sharing or matching requirement.

4.2.2. Funds Distribution Limitation

Pursuant to the Act, not more than 23 percent of the amounts received by a State or CPS for any one fiscal year shall be used for the following authorized uses: planning assistance and the administrative costs of complying with CIAP, and mitigation of the impact of OCS activities through funding of onshore infrastructure projects and public service needs. For the latter purpose, States should describe in their project description how the project will mitigate the impact of OCS activities (**Chapter 5.2.7**). The 23 percent spending restriction only applies to onshore infrastructure and public service needs, not offshore infrastructure.

For CIAP purposes, *infrastructure* shall be defined as public facilities or systems needed to support commerce and economic development; it may include, but is not limited to, buildings, roads, trails, parks, bridges, utility lines, wastewater treatment facilities, detention/retention ponds, seawalls, breakwaters, piers, and port facilities. Funding of infrastructure projects encompasses land acquisition, new construction, and upgrades and renovations to existing facilities or systems, but does not include maintenance or operating costs for the facilities or systems.

For purposes of distinguishing between onshore and offshore infrastructure, any infrastructure constructed entirely above mean high water (**MHW**) shall be considered as *onshore infrastructure* while

any infrastructure or portion of infrastructure constructed below MHW shall be considered as *offshore infrastructure*. The MHW is the average elevation of high water recorded from a rising tide at a particular point or station over a considerable period of time, usually 19 years.

4.3. COMPLIANCE WITH AUTHORIZED USES OF FUNDS

If MMS determines that any expenditure made by a State or CPS is inconsistent with the uses authorized under the Act (**Chapter 4.1**), MMS shall not distribute additional CIAP funds to that State or CPS until such time as all amounts obligated for unauthorized uses have been repaid or reobligated to authorized uses.

4.4. INCURRING COSTS BEFORE PLAN APPROVAL

The MMS shall not disburse any CIAP funds to a State or CPS until MMS has approved the State's Plan and the grant application for a project. If a State or CPS chooses to begin work on a proposed project prior to approval, they do so at their own risk. Only those costs incurred after August 8, 2005, the Act's enactment date, for projects, which are in compliance with the Act and these guidelines, shall be considered for funding.

4.5. ESCROW ACCOUNT

As authorized in the Act (*Section 31(b)(5)(B)*), MMS shall hold all CIAP funds in escrow. Funds disbursement will be contingent upon Plan and grant approval. If a State is not making a good faith effort to develop, submit, or revise its Plan (**Chapter 5.1**), MMS may allocate those funds to the remaining States and CPS's. Any interest generated from a CIAP escrow account shall accrue to the benefit of the Federal Government (43 CFR 12.61(h) (i)).

4.6. SUB-GRANTS AND PROJECT FUNDING

Only States and CPS's shall receive CIAP funds. States and CPS's, however, may issue sub-grants to other State or local agencies, universities, or other entities so long as such sub-grants and their respective projects are explicitly described in its Plan.

All projects do not need to be undertaken solely within a State's coastal zone. States and CPS's may also combine their allocations to fund mutually beneficial projects. The location of all such projects and the funding combinations for the project must be described in the State's Plan.

A State or CPS may not receive less than its authorized allocation unless MMS finds that the proposed uses of funds are inconsistent with the Act or if a State or CPS chooses to relinquish some or all of its allotted funds.

4.7. TIME LIMITATION OF FUNDING

The Act does not provide a time limit for the use of CIAP funds. However, a MMS grant to a State or CPS will need an end date. The MMS will issue grants for a 4-year award period in which funds should be obligated. A no-cost extension of the award may be requested by a State or CPS; MMS will approve these requests on a case by case basis.

5. COASTAL IMPACT ASSISTANCE PLAN

In order to receive coastal impact assistance, the Governor of each State must submit a Plan to MMS for review and approval. In preparing the Plan, a Governor must solicit local input and provide for public participation in the development of the Plan.

5.1. PLAN SUBMITTALS

States are requested to submit both a draft and final version of its Plan to MMS. Pursuant to the Act (*Section 31(c)(1)(A)*), a final Plan must be submitted no later than July 1, 2008. To facilitate the distribution of funds, MMS encourages States to submit their final Plan by July 1, 2007; however, MMS

will not accept final Plans prior to October 2, 2006. States that are unable to submit their final Plan by July 1, 2008, are instructed to send a letter to MMS describing their Plan development process and a target date for Plan submittal. Based on the information supplied in this letter, MMS will consider granting a waiver to the July 1, 2008 submittal date if it determines that the State is making a good faith effort to develop and submit, or update, its Plan.

All Plans (draft and final) and correspondence should be sent to both the National CIAP Coordinator and the State's Regional CIAP Representative:

All States:	MMS National CIAP Coordinator Minerals Management Service 381 Elden Street Mail Stop 4041 Herndon, Virginia 20170
Alaska:	MMS Regional CIAP Representative Minerals Management Service Alaska OCS Region 3801 Centerpoint Drive Suite 500 Anchorage, Alaska 99503
Alabama, Louisiana, Mississippi, and Texas:	MMS Regional CIAP Representative Minerals Management Service Gulf of Mexico OCS Region 1201 Elmwood Park Boulevard MS 5400 New Orleans, Louisiana 70123
California:	MMS Regional CIAP Representative Minerals Management Service Pacific OCS Region 770 Paseo Camarillo Camarillo, California 93010

Draft Plans should be submitted to MMS when they are made available for public review (**Chapter 5.3.2**); one hard copy (unbound) and one digital copy on compact disk (in Microsoft Word) should be sent to both the National CIAP Coordinator and the State's Regional CIAP Representative.

Final Plans must be submitted to both the National CIAP Coordinator and the State's Regional CIAP Representative. States are directed to send one hard copy (unbound) and one digital copy on compact disk (in Microsoft Word) to each of these contacts.

For further information on Plan submittals, contact the National CIAP Coordinator at (703) 787-1717 or CIAPcoordinator@mms.gov.

5.2. PLAN REQUIRED COMPONENTS

The Act (*Section 31(c)(2)(b)*) lists five elements that must be included in a Plan. The MMS recommends States follow the format and instructions provided in **Appendices C, D, and E**. **Appendix C** presents a recommended table of contents, while **Appendix D** includes a recommended format for project lists (**Chapter 5.2.6**) and **Appendix E** includes a recommended format for proposed project descriptions (**Chapter 5.2.7**). The submittal of standardized Plans will expedite the review process.

5.2.1. Designated State Agency

A Plan must provide the name of the State agency that will have the authority to represent and act for the State in dealing with MMS for CIAP purposes. A point of contact for the designated agency and their

contact information (title, address, telephone number, fax number, and e-mail address) must also be provided.

5.2.2. Designated Contact for Coastal Political Subdivisions

For each CPS, a Plan must provide the name of a point of contact and their contact information (title, address, telephone number, fax number, and e-mail address). Each Plan must also include a description of how each CPS shall use its CIAP funds (**Chapter 5.2.5**).

5.2.3. Governor's Certification of Public Participation

A Plan must include a certification by the Governor that sufficient opportunity has been provided for public participation in the development and revision of a Plan. The certification is to be included in the Plan and can be provided in the form of a letter or other document signed by the Governor.

Public participation can be achieved through a variety of means, e.g., use of advisory committees; commission meetings; informal public workshops; and formal public hearings. At a minimum, States should provide adequate public notice of Plan availability and provide a 30-day public comment period on the Plan. It is recommended that States involve relevant Federal, State, and local agencies in their review and comment process.

5.2.4. Coordination with Other Federal Resources and Programs

A Plan must describe the measures taken to determine the availability of assistance from other relevant Federal resources and programs for proposed Plan projects. Examples of other Federal resources and programs include, but are not limited to the following: Coastal Zone Management Programs (**CZMP**); National Estuarine Research Reserves; U.S. Army Corps of Engineer programs for shoreline protection and conservation of coastal resources; National Marine Sanctuaries; federally funded conservation, development, or transportation projects; and federally mandated activities such as wetlands or endangered species protection.

5.2.5. Plan Implementation Program

The Act (*Section 31(c)(2)(B)(ii)(II)*) requires that each State Plan contain a program for the implementation of the Plan, describing how CIAP funds will be used. The State and its CPS's should ensure that the goals and objectives identified in the State Plan do not create conflict between statewide and local program implement. The implementation program description should include:

- a description of the State/CPS goals and objectives under the Program;
 - a description of how the State/CPS will manage, implement, and monitor the Program;
 - a description of the State/CPS public participation process including: the dates and periodicals in which notices are placed; the locations, dates, and times of meetings and the number of attendees; and a summary of public comments on the draft Plan;
 - a discussion of the State/CPS decisionmaking process for selecting projects;
 - a discussion of how the State/CPS plans to ensure compliance with all relevant Federal, State, and local laws including each State's Coastal Zone Management Program (**CZMP**);
- a description of the major activities and/or categories to be funded under the Program (e.g., infrastructure, habitat restoration, mitigation, etc.); and
 - an estimate of the amount of funds, by State and CPS, that will be spent annually on each authorized use.

5.2.6. Proposed Project Lists

Each State must include in its Plan a list of projects the State and its CPS's anticipate submitting for CIAP grant funding. To minimize the number of Plan amendments (**Chapter 5.4**), States may provide a list of proposed State and CPS projects for FY 2007, 2008, 2009, and 2010 allocations. At a minimum, the Plan must identify all proposed projects to be funded with FY 2007 allocations. States will be required to submit to MMS (**Chapter 5.1**) an annual updated proposed State and CPS project list. This list can differ from the original submittal but may constitute a Plan amendment.

Each State must submit the above list of State and CPS projects showing costs by authorized use to demonstrate compliance with the 23 percent spending limitation (**Chapter 4.2.1**). The format provided in **Appendix D** should be followed.

The MMS recommends proposed projects be prioritized into two tiers. Tier 1 projects would be submitted by States and CPS's for grant funding and would be anticipated to utilize 100 percent of CIAP allocation. If a Tier 1 project is cancelled, scaled back, or deferred, States and/or CPS's may then submit a Tier 2 project for grant funding without having to amend the Plan (**Chapter 5.3**). Proposed project lists should be submitted by Tier 1 and Tier 2 projects (**Appendix D**).

5.2.7. Proposed Project Descriptions

For each proposed project, the Plan should include:

- a brief summary (1-2 pages) of the project including goals and objectives;
- a brief explanation (1-2 pages) of how the project is consistent with one or more of CIAP's authorized uses (**Chapter 4.1**); if funding onshore infrastructure projects or public service needs, include how the project will mitigate the impact of OCS activities; and
- a brief description of intent to use CIAP funds for cost sharing or matching purposes with acknowledgement that the State and/or CPS will be required to submit a letter with their grant application authorizing the use of CIAP funds for the required non-Federal cost share or match; this letter must be obtained from the agency that originated the cost sharing or matching requirement (**Chapter 4.2.1**).

Appendix E provides a recommended format for the individual State and CPS project descriptions to be included in the Plan. **Appendix F** provides a format for submitting additional information that will be required in the grant application. States should include this information in their Plan if available at the time of submittal.

5.3. MINOR CHANGES AND AMENDMENTS TO A PLAN

Section 31(c)(3) of the Act states that any amendment to the Plan shall be prepared according to the requirements and procedures of the Plan. The MMS shall have 90 days from receipt of a Plan amendment to approve or disapprove it.

The MMS recognizes that not all revisions to a Plan shall constitute an amendment but may involve minor changes. For CIAP purposes, MMS has developed definitions and processes for minor changes and amendments to a Plan.

5.3.1. Minor Changes to a Plan

A *minor change* is defined as a revision to a Plan that does not affect the overall scope or objective of an approved Plan. Minor changes may be undertaken by notifying MMS (**Chapter 5.1**) in writing of the proposed change; within 30 days of receipt, MMS shall acknowledge in writing the notification for a minor change.

Minor changes include, but are not limited to

1. changing the contact person for the State or CPS (**Chapters 5.2.1-2**) and
2. submitting a Tier 2 project for grant funding (**Chapter 5.2.6**).

5.3.2. Amendments to a Plan

An *amendment* is defined as a revision to an approved Plan that alters the overall scope or objectives of an approved Plan. States must submit to MMS all amendments to a Plan; amendments may be submitted once a calendar quarter.

Amendments include, but are not limited to

1. a change to the Implementation Program (**Chapter 5.2.5**) and
2. an addition and removal of a project from the Proposed Project Lists (**Chapter 5.2.6**).

6. COASTAL IMPACT ASSISTANCE PLAN REVIEW AND APPROVAL

The MMS will determine within 20 days after receipt of a Plan or Plan amendment whether additional information is needed. If no deficiencies are identified and the required number of copies has been received, the Plan or amendment will be deemed complete. Once a Plan or amendment is determined complete, MMS has 90 days to approve or disapprove it (*Section 31(c)(4)*). If a Plan or amendment is not approved, the State may revise and resubmit it. The MMS will then have 20 days to determine completeness; once completeness has been attained, MMS will then have 90 days to approve or disapprove the revised Plan or amendment.

The MMS's approval of a Plan should not be construed as final funding approval of the individual State and CPS projects incorporated in that Plan. As part of the Plan approval process, MMS will review those projects identified in a Plan for overall consistency with the requirements set forth in Section 31 (d) (1) of the Act, *Authorized Uses* (**Chapter 4.1**). However, individual CIAP projects will be given final funding approval by MMS independently of Plans through the grant application and approval process (**Chapter 4**). States should be aware that MMS, as the Federal funding agency, is also responsible for verifying compliance with all Federal, State, and local authorities (**Chapter 8**) prior to disbursement of funds.

7. PERFORMANCE AND FINANCIAL REPORTS

Performance and financial reports shall be required in accordance with 43 CFR Part 12. The MMS will provide further information on these reports through the CIAP grant program announcement.

8. COASTAL IMPACT ASSISTANCE PLAN COMPLIANCE WITH FEDERAL, STATE, AND LOCAL AUTHORITIES

The approval of Plans and disbursement of funds are Federal activities subject to authorities such as, but not limited to, the National Environmental Policy Act (**NEPA**), Endangered Species Act, Coastal Zone Management Act (**CZMA**), and equivalent State and local authorities. As the Federal funding agency, MMS is responsible for verifying compliance with these and other relevant authorities before disbursing funds. Therefore, only those proposed projects that meet all Federal, State, and local authorities will be approved for CIAP funding (e.g., all NEPA and CZMA requirements must be met prior to grant application submission for projects). States will be required to document compliance with these and other relevant authorities before funds are disbursed.

8.1. ENVIRONMENTAL REVIEW

The MMS is developing a programmatic Environmental Assessment (**EA**) on the Coastal Impact Assistance Program. The EA will evaluate the types of projects to be financed under CIAP; MMS will consult with States to determine the types of projects likely to be proposed by the States and CPS's. The EA will assess the types of projects proposed and define the levels of NEPA determination (i.e., categorical exclusion, Finding of No Significant Impact (**FONSI**), or further environmental review). The EA will also include an Environmental Review (ER) form that States and CPS's will be required to submit with their grant application. During the grant process MMS will review each proposed project's

ER form along with other relevant information to verify compliance with NEPA. If MMS determines that additional information or NEPA evaluation is required, the grant recipient (the State or CPS) will be required to provide it. The MMS will not disburse funds until all NEPA requirements have been satisfied.

8.2. CONSISTENCY FOR FEDERAL ASSISTANCE

State agencies and CPS's responsible for preparing the grant applications and managing the subsequent CIAP funding shall be subject to the Federal consistency guidelines under Subpart F of the CZMA regulations, *Consistency for Federal Assistance to State and Local Governments* (15 CFR 930.90–930.101). Under Subpart F, each State's coastal agency shall review the application for Federal assistance (i.e., the grant application) to determine if the application is consistent with its CZMP.

APPENDIX A.

SECTION 384 OF THE ENERGY POLICY ACT OF 2005: COASTAL IMPACT ASSISTANCE PROGRAM

SEC. 384. COASTAL IMPACT ASSISTANCE PROGRAM.

Section 31 of the Outer Continental Shelf Lands Act (43 U.S.C. 1356a) is amended to read as follows:

SEC. 31. COASTAL IMPACT ASSISTANCE PROGRAM.**(a) Definitions— In this section:**

(1) COASTAL POLITICAL SUBDIVISION- The term `coastal political subdivision' means a political subdivision of a coastal State any part of which political subdivision is —

(A) within the coastal zone (as defined in section 304 of the Coastal Zone Management Act of 1972 (16 U.S.C. 1453)) of the coastal State as of the date of enactment of the Energy Policy Act of 2005; and

(B) not more than 200 nautical miles from the geographic center of any leased tract.

(2) COASTAL POPULATION- The term `coastal population' means the population, as determined by the most recent official data of the Census Bureau, of each political subdivision any part of which lies within the designated coastal boundary of a State (as defined in a State's coastal zone management program under the Coastal Zone Management Act of 1972 (16 U.S.C. 1451 et seq.)).

(3) COASTAL STATE- The term `coastal State' has the meaning given the term in section 304 of the Coastal Zone Management Act of 1972 (16 U.S.C. 1453).

(4) COASTLINE- The term `coastline' has the meaning given the term `coast line' in section 2 of the Submerged Lands Act (43 U.S.C. 1301).

(5) DISTANCE- The term `distance' means the minimum great circle distance, measured in statute miles.

(6) LEASED TRACT- The term `leased tract' means a tract that is subject to a lease under section 6 or 8 for the purpose of drilling for, developing, and producing oil or natural gas resources.

(7) LEASING MORATORIA- The term `leasing moratoria' means the prohibitions on preleasing, leasing, and related activities on any geographic area of the outer Continental Shelf as contained in sections 107 through 109 of division E of the Consolidated Appropriations Act, 2005 (Public Law 108-447; 118 Stat. 3063).

(8) POLITICAL SUBDIVISION- The term `political subdivision' means the local political jurisdiction immediately below the level of State government, including counties, parishes, and boroughs.

(9) PRODUCING STATE-

(A) IN GENERAL- The term `producing State' means a coastal State that has a coastal seaward boundary within 200 nautical miles of the geographic center of a leased tract within any area of the outer Continental Shelf.

(B) EXCLUSION- The term `producing State' does not include a producing State, a majority of the coastline of which is subject to leasing moratoria, unless

production was occurring on January 1, 2005, from a lease within 10 nautical miles of the coastline of that State.

(10) QUALIFIED OUTER CONTINENTAL SHELF REVENUES-

(A) IN GENERAL- The term 'qualified Outer Continental Shelf revenues' means all amounts received by the United States from each leased tract or portion of a leased tract—

(i) lying—

(I) seaward of the zone covered by section 8(g); or

(II) within that zone, but to which section 8(g) does not apply; and

(ii) the geographic center of which lies within a distance of 200 nautical miles from any part of the coastline of any coastal State.

(B) INCLUSIONS- The term 'qualified Outer Continental Shelf revenues' includes bonus bids, rents, royalties (including payments for royalty taken in kind and sold), net profit share payments, and related late-payment interest from natural gas and oil leases issued under this Act.

(C) EXCLUSION- The term 'qualified Outer Continental Shelf revenues' does not include any revenues from a leased tract or portion of a leased tract that is located in a geographic area subject to a leasing moratorium on January 1, 2005, unless the lease was in production on January 1, 2005.

(b) Payments to Producing States and Coastal Political Subdivisions-

(1) IN GENERAL- The Secretary shall, without further appropriation, disburse to producing States and coastal political subdivisions in accordance with this section \$250,000,000 for each of fiscal years 2007 through 2010.

(2) DISBURSEMENT- In each fiscal year, the Secretary shall disburse to each producing State for which the Secretary has approved a plan under subsection (c), and to coastal political subdivisions under paragraph (4), such funds as are allocated to the producing State or coastal political subdivision, respectively, under this section for the fiscal year.

(3) ALLOCATION AMONG PRODUCING STATES-

(A) IN GENERAL- Except as provided in subparagraph (C) and subject to subparagraph (D), the amounts available under paragraph (1) shall be allocated to each producing State based on the ratio that—

(i) the amount of qualified outer Continental Shelf revenues generated off the coastline of the producing State; bears to

(ii) the amount of qualified outer Continental Shelf revenues generated off the coastline of all producing States.

(B) AMOUNT OF OUTER CONTINENTAL SHELF REVENUES- For purposes of subparagraph (A)--

(i) the amount of qualified outer Continental Shelf revenues for each of fiscal years 2007 and 2008 shall be determined using qualified outer Continental Shelf revenues received for fiscal year 2006; and

(ii) the amount of qualified outer Continental Shelf revenues for each of fiscal years 2009 and 2010 shall be determined using qualified outer Continental Shelf revenues received for fiscal year 2008.

(C) MULTIPLE PRODUCING STATES- In a case in which more than 1 producing State is located within 200 nautical miles of any portion of a leased tract, the amount allocated to each producing State for the leased tract shall be inversely proportional to the distance between--

(i) the nearest point on the coastline of the producing State; and

(ii) the geographic center of the leased tract.

(D) MINIMUM ALLOCATION- The amount allocated to a producing State under subparagraph (A) shall be at least 1 percent of the amounts available under paragraph (1).

(4) PAYMENTS TO COASTAL POLITICAL SUBDIVISIONS-

(A) IN GENERAL- The Secretary shall pay 35 percent of the allocable share of each producing State, as determined under paragraph (3) to the coastal political subdivisions in the producing State.

(B) FORMULA- Of the amount paid by the Secretary to coastal political subdivisions under subparagraph (A)--

(i) 25 percent shall be allocated to each coastal political subdivision in the proportion that--

(I) the coastal population of the coastal political subdivision; bears to

(II) the coastal population of all coastal political subdivisions in the producing State;

(ii) 25 percent shall be allocated to each coastal political subdivision in the proportion that--

(I) the number of miles of coastline of the coastal political subdivision; bears to

(II) the number of miles of coastline of all coastal political subdivisions in the producing State; and

(iii) 50 percent shall be allocated in amounts that are inversely proportional to the respective distances between the points in each coastal political subdivision that are closest to the geographic center of each leased tract, as determined by the Secretary.

(C) EXCEPTION FOR THE STATE OF LOUISIANA- For the purposes of subparagraph (B)(ii), the coastline for coastal political subdivisions in the State of Louisiana without a coastline shall be considered to be 1/3 the average length of the coastline of all coastal political subdivisions with a coastline in the State of Louisiana.

(D) EXCEPTION FOR THE STATE OF ALASKA- For the purposes of carrying out subparagraph (B)(iii) in the State of Alaska, the amounts allocated

shall be divided equally among the 2 coastal political subdivisions that are closest to the geographic center of a leased tract.

(E) EXCLUSION OF CERTAIN LEASED TRACTS- For purposes of subparagraph (B)(iii), a leased tract or portion of a leased tract shall be excluded if the tract or portion of a leased tract is located in a geographic area subject to a leasing moratorium on January 1, 2005, unless the lease was in production on that date.

(5) NO APPROVED PLAN-

(A) IN GENERAL- Subject to subparagraph (B) and except as provided in subparagraph (C), in a case in which any amount allocated to a producing State or coastal political subdivision under paragraph (4) or (5) is not disbursed because the producing State does not have in effect a plan that has been approved by the Secretary under subsection (c), the Secretary shall allocate the undisbursed amount equally among all other producing States.

(B) RETENTION OF ALLOCATION- The Secretary shall hold in escrow an undisbursed amount described in subparagraph (A) until such date as the final appeal regarding the disapproval of a plan submitted under subsection (c) is decided.

(C) WAIVER- The Secretary may waive subparagraph (A) with respect to an allocated share of a producing State and hold the allocable share in escrow if the Secretary determines that the producing State is making a good faith effort to develop and submit, or update, a plan in accordance with subsection (c).

(c) Coastal Impact Assistance Plan-

(1) SUBMISSION OF STATE PLANS-

(A) IN GENERAL- Not later than July 1, 2008, the Governor of a producing State shall submit to the Secretary a coastal impact assistance plan.

(B) PUBLIC PARTICIPATION- In carrying out subparagraph (A), the Governor shall solicit local input and provide for public participation in the development of the plan.

(2) APPROVAL-

(A) IN GENERAL- The Secretary shall approve a plan of a producing State submitted under paragraph (1) before disbursing any amount to the producing State, or to a coastal political subdivision located in the producing State, under this section.

(B) COMPONENTS- The Secretary shall approve a plan submitted under paragraph (1) if--

(i) the Secretary determines that the plan is consistent with the uses described in subsection (d); and

(ii) the plan contains--

(I) the name of the State agency that will have the authority to represent and act on behalf of the producing State in dealing with the Secretary for purposes of this section;

(II) a program for the implementation of the plan that describes how the amounts provided under this section to the producing State will be used;

(III) for each coastal political subdivision that receives an amount under this section--

(aa) the name of a contact person; and

(bb) a description of how the coastal political subdivision will use amounts provided under this section;

(IV) a certification by the Governor that ample opportunity has been provided for public participation in the development and revision of the plan; and

(V) a description of measures that will be taken to determine the availability of assistance from other relevant Federal resources and programs.

(3) AMENDMENT- Any amendment to a plan submitted under paragraph (1) shall be--

(A) developed in accordance with this subsection; and

(B) submitted to the Secretary for approval or disapproval under paragraph (4).

(4) PROCEDURE- Not later than 90 days after the date on which a plan or amendment to a plan is submitted under paragraph (1) or (3), the Secretary shall approve or disapprove the plan or amendment.

(d) Authorized Uses-

(1) IN GENERAL- A producing State or coastal political subdivision shall use all amounts received under this section, including any amount deposited in a trust fund that is administered by the State or coastal political subdivision and dedicated to uses consistent with this section, in accordance with all applicable Federal and State law, only for 1 or more of the following purposes:

(A) Projects and activities for the conservation, protection, or restoration of coastal areas, including wetland.

(B) Mitigation of damage to fish, wildlife, or natural resources.

(C) Planning assistance and the administrative costs of complying with this section.

(D) Implementation of a federally-approved marine, coastal, or comprehensive conservation management plan.

(E) Mitigation of the impact of outer Continental Shelf activities through funding of onshore infrastructure projects and public service needs.

(2) COMPLIANCE WITH AUTHORIZED USES- If the Secretary determines that any expenditure made by a producing State or coastal political subdivision is not consistent with this subsection, the Secretary shall not disburse any additional amount under this section to the producing State or the coastal political subdivision until such time as all amounts obligated for unauthorized uses have been repaid or reobligated for authorized uses.

(3) LIMITATION- Not more than 23 percent of amounts received by a producing State or coastal political subdivision for any 1 fiscal year shall be used for the purposes described subparagraphs (C) and (E) of paragraph (1).

APPENDIX B.
ELIGIBLE COASTAL POLITICAL SUBDIVISIONS

**Coastal Impact Assistance Program
Eligible Coastal Political Subdivisions***

Alabama Counties	Alaska Boroughs	California Counties	Louisiana Parishes	Mississippi Counties	Texas Counties
Baldwin Mobile	North Slope Northwest Arctic	Alameda Contra Costa Los Angeles Marin Monterey Napa Orange San Diego San Francisco San Luis Obispo San Mateo Santa Barbara Santa Clara Santa Cruz Solano Sonoma Ventura	Assumption Calcasieu Cameron Iberia Jefferson Lafourche Livingston Orleans Plaquemines St. Bernard St. Charles St. James St. John the Baptist St. Martin St. Mary St. Tammany Tangipahoa Terrebonne Vermilion	Hancock Harrison Jackson	Aransas Brazoria Calhoun Cameron Chambers Galveston Harris Jackson Jefferson Kenedy Kleberg Matagorda Nueces Orange Refugio San Patricio Victoria Willacy

*Note: These CPS's are eligible for FY 2007 and 2008 CIAP allocations. Future lease sales and/or lease tract relinquishments, terminations, and expirations after FY 2006 may affect this list for the FY 2009 and 2010 CIAP allocations.

APPENDIX C.

**COASTAL IMPACT ASSISTANCE PLAN
RECOMMENDED
TABLE OF CONTENTS**

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APPENDIX D.

**COASTAL IMPACT ASSISTANCE PLAN
RECOMMENDED FORMAT FOR
PROPOSED PROJECT LISTS**

STATE OF (Insert Name of State)

**PROJECTS PROPOSED by (Insert Name of State or Coastal Political Subdivision) for
FISCAL YEAR (Insert 2007, 2008, 2009, or 2010)
COASTAL IMPACT ASSISTANCE PROGRAM ALLOCATIONS**

TIER (Insert 1 or 2) PROJECTS

TABLE 1

Project Title	Total Estimated Cost (\$)	Funding Request (\$) by Year (insert as many columns as needed)						
		2007	2008	2009	2010	2011	2012	2013
Authorized Use 1: Projects and activities for the conservation, protection, or restoration of coastal areas, including wetland.								
1								
2								
Subtotal:								
Authorized Use 2: Mitigation of damage to fish, wildlife, or natural resources.								
1								
2								
Subtotal:								
Authorized Use 3: Planning assistance and the administrative costs of complying with CIAP.								
1								
2								
Subtotal:								
Authorized Use 4: Implementation of a federally-approved marine, coastal, or comprehensive conservation management plan.								
1								
2								
Subtotal:								
Authorized Use 5: Mitigation of the impact of OCS activities through funding of onshore infrastructure projects and public service needs.								
1								
2								
Subtotal:								
Total of all Authorized Uses:								

STATE OF (Insert Name of State)

**PROJECTS PROPOSED by (Insert Name of State or Coastal Political Subdivision) for
FISCAL YEAR (Insert 2007, 2008, 2009, or 2010)
COASTAL IMPACT ASSISTANCE PROGRAM ALLOCATIONS**

TIER (Insert 1 or 2) PROJECTS

TABLE 2

Total Estimated Cost Subtotals (from Table 1)		Funding Request by Year Subtotals (from Table 1)						
		2007	2008	2009	2010	2011	2012	2013
Authorized Use 1								
Authorized Use 2								
Authorized Use 3								
Authorized Use 4								
Authorized Use 5								
Total:								
23 % Limitation:								
Authorized Use 3								
Authorized Use 5								
Total:								
Total Estimated Cost Subtotals (from Table 1) as a Percentage of Total		Funding Request by Year Subtotals (from Table 1) as a Percentage of Total						
		2007	2008	2009	2010	2011	2012	2013
Authorized Use 1								
Authorized Use 2								
Authorized Use 3								
Authorized Use 4								
Authorized Use 5								
Total:	100%							
23 % Limitation:								
Authorized Use 3								
Authorized Use 5								
Total:	23%							

APPENDIX E.

COASTAL IMPACT ASSISTANCE PLAN RECOMMENDED FORMAT FOR PROPOSED PROJECT DESCRIPTIONS

**STATE OF (Insert Name of State)
COASTAL IMPACT ASSISTANCE PLAN**

DESIGNATED STATE AGENCY OR COASTAL POLITICAL SUBDIVISION

PROJECT TITLE

PROJECT CONTACT

Contact Name
Address
Telephone Number
Fax Number
E-mail Address

PROJECT SUMMARY

Location
Duration
Total Estimated Cost
Funding Request by Year

- Provide a brief summary (1-2 pages) of the project including goals and objectives.

AUTHORIZED USES

- Provide a brief explanation (1-2 pages) of how the project is consistent with one or more of CIAP's authorized uses; if funding onshore infrastructure projects or public service needs, include how the project will mitigate the impact of OCS activities.
- Provide a brief description of intent to use CIAP funds for cost sharing or matching purposes with acknowledgement that the State and/or CPS will be required to submit a letter with their grant application authorizing the use of CIAP funds for the required non-Federal cost share or match; this letter must be obtained from the agency that originated the cost sharing or matching requirement.

APPENDIX F.

COASTAL IMPACT ASSISTANCE PLAN RECOMMENDED FORMAT FOR ADDITIONAL INFORMATION REQUIRED IN THE GRANT APPLICATION FOR PROPOSED PROJECTS

STATE OF (Insert Name of State)
COASTAL IMPACT ASSISTANCE PLAN

DESIGNATED STATE AGENCY OR COASTAL POLITICAL SUBDIVISION**PROJECT TITLE****PROJECT CONTACT**

Contact Name
Address
Telephone Number
Fax Number
E-mail Address

PROJECT SUMMARY

Location
Duration
Total Estimated Cost
Funding Request by Year

- Provide a brief summary (1-2 pages) of the project including goals and objectives.

AUTHORIZED USES

- Provide a brief explanation (1-2 pages) of how the project is consistent with one or more of CIAP's authorized uses; if funding onshore infrastructure projects or public service needs, include how the project will mitigate the impact of OCS activities.
- Provide a brief description of intent to use CIAP funds for cost sharing or matching purposes with acknowledgement that the State and/or CPS will be required to submit a letter with their grant application authorizing the use of CIAP funds for the required non-Federal cost share or match; this letter must be obtained from the agency that originated the cost sharing or matching requirement.

PROJECT DESCRIPTION

- Describe the project in sufficient detail (up to 10 pages) to allow a project reviewer to understand: how the project's goals and objectives will be obtained; the tasks that will be undertaken; the timeline for completing those tasks; and the intended results, products or services that will be provided upon project completion.
- Describe the duration of the project and any factors that could expedite or disrupt the project schedule.
- Describe any controversial aspects associated with the project and the level of local support or objection to the project.

DESCRIPTION OF ENVIRONMENTAL IMPACTS

- Briefly describe any environmental resources (e.g., marine biology, air quality, water quality, etc.) that may be impacted by the project and reference any environmental documents that analyze these environmental impacts.
- Briefly describe the mitigation measures that will be implemented to eliminate or minimize any harmful impacts the projects may have on environmental resources.

REGULATORY STATUS AND CONSISTENCY WITH STATE COASTAL ZONE MANAGEMENT PROGRAM

- If applicable, describe the current status of Federal, State, and local permits necessary for the project and describe whether the project has been determined to be consistent with the approved State Coastal Zone Management Program.
- If applicable, describe the status of National Environmental Policy Act environmental reviews and State environmental reviews required for the project.

RELATIONSHIP TO OTHER FEDERAL PROGRAMS

- Describe other Federal programs that are currently providing funding support or contributing resources to the project, and describe measures that are or will be taken to secure additional assistance from other relevant Federal resources and programs.

TABLE SHOWING ESTIMATED PROJECT COST BREAKDOWN

- Provide itemized list of projected expenses including personnel costs, travel costs, contracting costs, equipment purchases, supply and material costs, legal expenses, etc.