section 4(d) or section 9(a)(1) of the Endangered Species Act of 1973 with respect to the taking of any resident endangered or threatened species.

[41 FR 15016, Apr. 9, 1976, as amended at 44 FR 31580, May 31, 1979]

## §81.3 Cooperative Agreement.

Upon determination by the Secretary that a State program is adequate and active and complies with §81.2, the Secretary shall enter into an Agreement with the State. A Cooperative Agreement is necessary before a Project Agreement can be approved for endangered or threatened species projects. A cooperative agreement under §81.2 must be reconfirmed annually to reflect new laws, species lists, rules and regulations, and programs, and to demonstrate that the program is still active and adequate. The Secretary, in determining which species are most urgently in need of a conservation program as provided for in §81.2(e), shall apply the following criteria: (1) The degree of threat to the continued existence of the species; (2) the recovery potential of the species; (3) the taxonomic status, e.g., giving full species priority over subspecies or populations; and (4) such other relevent biological factors as determined appropriate.

[41 FR 15016, Apr. 9, 1976, as amended at 44 FR 31580, May 31, 1979]

## §81.4 Allocation of funds.

The Secretary shall semi-annually allocate funds, appropriated for the purpose of carrying out Section 6, to various State programs using the following as the basis for his determination:

- (a) The international commitments of the United States to protect endangered or threatened species;
- (b) The readiness of a State to proceed with a conservation program consistent with the objectives and purposes of the Act;
- (c) The number of endangered and threatened species within a State;
- (d) The potential for restoring endangered and threatened species within a State: and
- (e) The relative urgency to initiate a program to restore and protect an en-

dangered or threatened species in terms of survival of the species.

[40 FR 47509, Oct. 9, 1975, as amended at 44 FR 31580, May 31, 1979]

## §81.5 Information for the Secretary.

Before any Federal funds may be obligated for any project to be undertaken in a State, the State must have entered into a Cooperative Agreement with the Secretary pursuant to section 6(c) of the Act.

## §81.6 Project Agreement.

- (a) Subsequent to the establishment of a Cooperative Agreement pursuant to §81.3, the Secretary may further agree with the States to provide financial assistance in the development and implementation of acceptable projects for the conservation of endangered and threatened species. Financial agreements will consist of an Application for Federal Assistance and a Project Agreement. Such agreements' continued existence, and continued financial assistance under such agreements, shall be contingent upon the continued existence of the Cooperative Agreement described in §81.3 of this part.
- (b) The Application for Federal Assistance will show the need for the project, the objectives, the expected benefits and results, the approach, the period of time necessary to accomplish the objectives, and both the Federal and State costs. All of a State's activities proposed for this Federal grant support will be incorporated in one or more project applications.
- (c) To meet the requirements of the Act, the Application for Federal Assistance shall certify that the State agency submitting the project is committed to its execution and that is has been reviewed by the appropriate State officials and is in compliance with other requirements of the Office of Management and Budget Circular No. A-95 (as revised).
- (d) The Project Agreement will follow approval of the Application for Federal Assistance by the Secretary. The mutual obligations by the cooperating agencies will be shown in this agreement executed between the State and the Secretary. An agreement shall cover the financing proposed in one