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106th Congress 2d Session	SENATE	REPORT 106–412

COASTAL ZONE MANAGEMENT ACT OF 2000

R E P O R T

OF THE

COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

ON

S. 1534

SEPTEMBER 14, 2000.—Ordered to be printed

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SENATE COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

ONE HUNDRED SIXTH CONGRESS

SECOND SESSION

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106TH CONGRESS, *2d Session* | SENATE | REPORT 106–412

COASTAL ZONE MANAGMENT ACT OF 2000

SEPTEMBER 14, 2000.—Ordered to be printed

Mr. MCCAIN, from the Committee on Commerce, Science, and Transportation, submitted the following

REPORT

[To accompany S. 1534]

The Committee on Commerce, Science, and Transportation, to which was referred the bill (S. 1534), to reauthorize the Coastal Zone Management Act of 1972, having considered the same, reports favorably thereon with an amendment in the nature of a substitute and recommends that the bill (as amended) do pass.

PURPOSE OF THE BILL

S. 1534, as amended, reauthorizes the Coastal Zone Management Act of 1972 (CZMA). The bill authorizes funding for fiscal years 2000 to 2004 for the Coastal Zone Management Program established under the Coastal Zone Management Act. This program is a unique Federal-State partnership that allows day-to-day coastal management decisions to be made at the state level in the 33 states and territories with federally approved coastal management programs. S. 1534, as amended, makes a variety of improvements to the framework of the Coastal Zone Management Program to help states address the growing problems resulting from increasing pressures on their coastal regions and resources. S. 1534, as amended, establishes the Coastal Community Program, to encourage community-based solutions to coastal development-related problems and impacts on coastal resources. The bill also provides funding to the states to address coastal nonpoint source pollution.

BACKGROUND AND NEEDS

In response to concerns about threats to coastal resources posed by a growing population and increasing development activities in coastal areas, Congress enacted the Coastal Zone Management Act

(CZMA) in 1972. The bill established the Coastal Zone Management Program, a voluntary Federal-State partnership to manage the coastal zone, and a National Estuarine Research Reserve System (NERRS). Both are administered by the National Oceanic and Atmospheric Administration (NOAA). The program was designed to strike a balance between conserving and maintaining healthy coastal ecosystems and providing for the sustainable development and use of coastal resources.

Today, the Coastal Zone Management Act continues to play a critical role in managing the multiple uses of coastal resources and meeting the needs of growing coastal communities in the United States as the pressures on them continue to increase. Although the coastal zone comprises only 10 percent of the contiguous United States land area, it is the home for more than 53 percent of the United States population. The coastal zone is expected to support 75 percent of the United States population by the year 2025. Additionally, over 3,600 new people move to coastal areas every day. United States coastal regions are very important areas for commerce, providing more than 90 percent of the transportation routes for international trade. Coastal fisheries resources are another valuable component of the coastal zone. In 1998, commercial fishermen landed 9 billion pounds of fish with a dockside value of $3.1 billion. Value-added services brought the total commercial fishing contribution to the U.S. economy up to $40 billion. Recreational fishermen added another $25 billion to the economy. Coastal tourism and recreation are also making a large economic contribution, with more than 180 million Americans visiting coastal regions annually. Coastal tourism accounts for 85 percent of the $700 billion travel and tourism industry.

The Coastal Zone Management Act created a voluntary assistance program under which the states are encouraged to exercise their authorities over the coastal zone through the development and implementation of management plans. In order to participate in the program, states must design, and the Secretary of Commerce must approve, a comprehensive coastal zone management plan. Once the state program has been approved, all subsequent federal actions are required to be consistent with state policies under the plan. Federal actions include the issuance of federal approvals for activities in the coastal zone, such as Outer Continental Shelf leasing licenses and any Federal permits. This provision is generally referred to as the Federal consistency requirement. Federal consistency gives states a powerful tool to help them identify and address the impacts of the Federal government's actions on their resources, and serves as a strong incentive for states to join the voluntary national coastal management program.

The Coastal Zone Management Act provides financial assistance to participating states through several grant programs. While each state tailors its management plan to meet its specific needs, section 306 of the Act provides each participating state with a base program grant. The section 306 Administrative Grant is the primary funding mechanism for the state coastal management programs, and requires a 1-to-1 state match. The section 306 base program grant is allocated through a formula that takes into account the state's coastline and population. However, since 1992, a $2 million dollar cap per state has been set by the Appropriations Committee

in order to try to ensure equitable allocation of grant funds to all participating states. Since this cap was established, appropriations have increased by $19 million. As a result, in FY 2000, 13 states with the largest coastlines and populations (AK, CA, FL, LA, ME, MD, MA, MI, NJ, NY, TX, VA, and WA) were at the $2 million cap. The Committee will continue to work with NOAA, the coastal states, and the Appropriations Committee to resolve this issue so that funding allocations are made in a manner equitable to all coastal states.

The Resource Management Improvement Grants (section 306A) are intended to help coastal states making satisfactory progress on implementing their coastal plans to preserve or restore specific coastal areas. These grants also have a 1-to-1 matching requirement. Some states may choose to allocate a portion of their Administrative Grant (section 306) monies to fund Improvement Grants under section 306A. These grants can be used to fund projects such as the preservation or restoration of coastal assets, redevelopment of urban waterfronts and ports, access to public beaches, inventories of coastal assets, and establishment of guidelines for coastal zone uses. Section 306A grants may also be used for land acquisition, construction, rehabilitation, or education projects.

The Coastal Zone Management Fund (section 308) provides grants to states for a variety of activities, including regional and interstate projects, demonstration projects, and emergency grants. This fund receives repayments for loans made to states from the long defunct Coastal Energy Impact Assistance Loan Program, which originally helped states offset impacts from the development of offshore energy resources. As the repayments from states have declined, the balance of the fund has also declined. The fund is expected to receive its last payment within four years. Current law allows the fund to be used for Federal program administration costs, so monies in this fund are being used by the NOAA Office of Ocean and Coastal Resources to pay for some of the expenses incurred administering the Coastal Zone Management Act program.

The Coastal Zone Enhancement Grant Program (section 309) provides participating states grants to strengthen their program framework. Grants are utilized for projects such as wetlands protection and restoration, protection from coastal hazards, and reduction of marine debris along the coast. These grants are awarded based on a review of state programs. Current law requires that the Secretary set aside 10 to 20 percent of the section 306 funds for section 309 grants, up to a maximum of $10 million. The Secretary has all participating states set aside the same percentage of their section 306 funding. In FY 2000, the full $10 million was set aside. No state match is required.

Section 310 authorizes a Federal technical assistance program for participating states to support development and implementation of Coastal Zone Management Act authorized activities.

The Coastal Zone Management Act also provides for the establishment and operation of the National Estuarine Research Reserve System (NERRS) in section 315. These reserves are part of a national system of protected areas administered by NOAA, but the states operate the individual reserves. This cooperative Federal-State program provides opportunities for long-term research, education, and nature interpretation in the country's coastal regions

and estuaries. Currently, there are 25 research and educational reserves in 22 states and territories.

LEGISLATIVE HISTORY

On May 6, 1999, the Subcommittee on Oceans and Fisheries conducted a hearing on the Coastal Zone Management program. Testimony was provided by Terry D. Garcia, Assistant Secretary of Commerce for Oceans and Atmosphere and Deputy Administrator of NOAA; Sarah W. Cooksey, President, Coastal States Organization; Tim Eichenberg, Counsel, Center for Marine Conservation; David Keeley, Maine State Planning Office; and Dr. Sylvia Earle, National Geographic Explorer-in-Residence, National Geographic Society.

S. 1534 was introduced on August 5, 1999, by Senators Snowe and McCain and referred to the Committee on Commerce, Science, and Transportation. On June 15, 2000, the bill was considered by the Committee in an open executive session. Senators Snowe and Kerry offered an amendment in the nature of a substitute and the Committee, without objection, ordered S. 1534 reported as amended.

SUMMARY OF MAJOR PROVISIONS

S. 1534, as amended, reauthorizes the Coastal Zone Management Act through FY 2004. The bill authorizes $119.5 million in FY 2000, $135.5 million in FY 2001 and increases the authorization levels by $5 million each year thereafter to $150.5 million in FY 2004. S. 1534, as amended, also broadens the objectives for which the Secretary of Commerce may allocate funds, providing states with the option of using funds for restoration and preservation of coastal habitats, as well as the continued implementation of the states' coastal nonpoint source pollution plans.

S. 1534, as amended, establishes a new program under section 309A, the Coastal Community Program. The purpose of this program is to increase Federal and State support of local, community-based environmentally protective planning, strategies, and solutions to address the impact of development and sprawl on coastal resources. Eligible projects would include those to revitalize previously developed areas, undertake conservation activities and projects in undeveloped and environmentally sensitive areas, emphasize water dependent uses, and protect coastal waters and habitats. S. 1534, as amended, authorizes $25 million for section 309A in FY 2000 and increases funding levels by $1 million per year until funding reaches $29 million in FY 2004.

Currently, many states conduct programs to mitigate nonpoint source pollution (NPS), or polluted runoff, using existing section 306, 306A, and 309 grants. Despite these efforts, polluted runoff continues to be one of the most serious problems facing coastal areas. Although no further authorization is necessary for continued NPS control activities under the Act, S.1534, as amended, encourages states to take additional steps to address polluted runoff by directing specific funding to coastal NPS programs through the coastal communities initiative (section 309A). Each year, $10 million or 35 percent of section 309A funding, whichever is less, will be made available for state-developed and community-based pol-

luted runoff prevention and control activities. This nonpoint source provision will not negatively impact base grant programs, does not create any new NPS programs, and allows the states to maintain the existing flexibility under the Coastal Zone Management Act to deal with local NPS pollution problems. The funding made available through this provision will be used to assist coastal communities to coordinate and implement approved coastal nonpoint pollution control strategies and measures.

Due to the declining amounts in the Coastal Zone Management Fund (section 308), S. 1534, as amended, transfers loan repayments from the Coastal Energy Impact Assistance Loan Program to the NOAA Operations, Research and Facilities account, and deletes the obsolete annual section 308 reporting requirement. S. 1534, as amended, also provides a new authorization line of $5.5 million specifically for CZM Program administration.

Section 310, Technical Assistance, requires the Secretary to conduct a technical assistance program to support the development and implementation of State coastal management programs. S. 1534, as amended, authorizes the Secretary to conduct a cooperative program to apply innovative technologies to the coastal zone.

S. 1534, as amended, also clarifies and strengthens section 315, the National Estuarine Research and Reserve System (NERRS) to include training, education and stewardship concepts. This bill authorizes $7 million for NERRS in FY 2000, $12 million in FY 2001, and increases authorization levels by $500,000 each year to $13.5 million in FY 2004. S. 1534, as amended, also authorizes $12 million for each fiscal year from FY 2000 to FY 2004 for construction projects at the estuarine research reserves.

ESTIMATED COSTS

In accordance with paragraph 11(a) of rule XXVI of the Standing Rules of the Senate and section 403 of the Congressional Budget Act of 1974, the Committee provides the following cost estimate, prepared by the Congressional Budget Office:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, July 14, 2000.

Hon. JOHN MCCAIN,
Chairman, Committee on Commerce, Science and Transportation, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for S. 1534, the Coastal Zone Management Act of 2000.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is Deborah Reis.

Sincerely,

BARRY B. ANDERSON
(For Dan L. Crippen, Director).

Enclosure.

S. 1534—Coastal Zone Management Act of 2000

Summary: S. 1534 would amend the Coastal Zone Management Act of 1972 (CZMA), which governs federal and state environ-

mental management of coastal areas. The bill would extend the authorization of appropriations for stage grants and other coastal zone management programs administered by the National Oceanic and Atmospheric Administration (NOAA). S. 1534 would authorize appropriations totaling about $136 million for fiscal year 2001 and $575 million over the 2001–2005 period.

Assuming appropriation of the authorized amounts, CBO estimates that the federal government would spend about $20 million in fiscal year 2001 and a total of $500 million over the 2001–2005 period on programs authorized by S. 1534. (About $75 million would be spent after fiscal year 2005.) Enacting the bill could increase governmental receipts and direct spending; therefore, pay-as-you-go procedures would apply. CBO estimates, however, that any additional receipts and resulting direct spending would be minimal and largely offsetting.

S. 1534 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA). Any costs to state governments would be the result of complying with grant conditions.

Estimated cost to the Federal Government: The estimated budgetary impact of S. 1534 is shown in the following table. The costs of this legislation fall within budget function 300 (natural resources and environment).

	By fiscal year, in millions of dollars—					
	2000	2001	2002	2003	2004	2005
SPENDING SUBJECT TO APPROPRIATION						
Spending Under Current Law:						
Budget Authority[1]	68	0	0	0	0	0
Estimated Outlays	70	24	7	2	0	0
Proposed Changes:						
Estimated Authorization Level	0	136	141	146	152	0
Estimated Outlays	0	20	84	125	141	130
Spending Under S. 1534:						
Estimated Authorization Level[1]	68	136	141	146	152	0
Estimated Outlays	70	44	91	127	141	130

[1] The level is the amount appropriated to NOAA for that year for CZMA programs.

Basis of estimate: For this estimate, CBO assumes that S. 1534 will be enacted near the end of fiscal year 2000 and that the entire amounts authorized will be appropriated for each fiscal year. The estimated authorization level for each year includes the amounts specified in the bill for grants made under the CZMA, plus an estimated $6 million for NOAA administrative costs (for which the bill would authorize the appropriation of whatever amounts are necessary). Outlays are based on historical spending patterns of CZMA programs.

Pay-as-you-go considerations: The Balanced Budget and Emergency Deficit Control Act sets up pay-as-you-go procedures for legislation affecting direct spending or receipts. S. 1534 would authorize NOAA to accept and spend donations of funds from the public for estuarine reserve projects. Such donations are recorded in the budget as governmental receipts, and spending of the gifts would be considered new direct spending. Based on information provided by the agency, CBO estimates that both the donations and resulting spending would be less than $500,000 annually.

Intergovernmental and private-sector impact: S. 1534 contains no intergovernmental or private-sector mandates as defined in UMRA. Much of the funding authorized by the bill would fund grant programs that require matching funds from participating state governments. States would be able to allocate a portion of the grant funds received under the program to qualified local entities to further their coastal management programs. Any costs to state governments from the requirements of this program would be incurred voluntarily.

Previous CBO estimate: On July 1, 1999, CBO transmitted a cost estimate for H.R. 1243, the National Marine Sanctuaries Enhancement Act of 1999, as ordered reported by the House Committee on Resources on June 9, 1999. On October 21, 1999, we transmitted a cost estimate for H.R. 2669, the Coastal Community Conservation Act of 1999, as ordered reported by the House Committee on Resources on October 6, 1999. These bills would authorize the appropriation of different amounts of money, and the three cost estimates reflect those differences.

Estimate prepared by: Federal Costs: Deborah Reis. Impact on State, Local, and Tribal Governments: Marjorie Miller. Impact on the Private Sector: Jean Wooster.

Esimate approved by: Peter H. Fontaine, Deputy Assistant Director for Budget Analysis.

REGULATORY IMPACT STATEMENT

In accordance with paragraph 11(b) of rule XXVI of the Standing Rules of the Senate, the Committee provides the following evaluation of the regulatory impact of the legislation, as reported:

S. 1534, as amended, establishes a new program under section 309A of the Coastal Zone Management Act, the Coastal Community Program. The purpose of this program is to increase Federal and State support of local, community-based environmentally protective planning, strategies, and solutions to address the impact of development and sprawl on coastal resources. Because the Coastal Community Program is designed within the framework of existing grant programs under the Coastal Zone Management Act, the legislation will have nominal additional regulatory impact and will result in no additional reporting requirements.

NUMBER OF PERSONS COVERED

S. 1534, as amended, authorizes a Federal-State matching grant program to assist states in coastal management projects. The reported bill authorizes grants to administer state programs, preserve or restore specific coastal areas, complete coastal enhancement projects and support National Estuarine Research Reserve System (NERRS). The legislation will have little, if any, further effect on the number or types of individuals and businesses regulated.

ECONOMIC IMPACT

The legislation will have little, if any, further effect on the economic impact of such regulation.

PRIVACY

The reported bill would have little, if any, impact on the personal privacy of U.S. citizens.

PAPERWORK

S. 1534, as amended, should not significantly increase paperwork requirements for individuals and businesses.

SECTION-BY-SECTION ANALYSIS

Section 1. Short title

This section of the reported bill cites the short title of the bill as the "Coastal Zone Management Act of 2000."

Sec. 2. Amendment of Coastal Zone Management Act

This section of the reported bill specifies that amendments shall be applied to the Coastal Zone Management Act of 1972 (16 U.S.C. 1451 et seq.).

Sec. 3. Findings

This section of the reported bill amends section 1451 of title 16, United States Code, to modify the findings, update emerging issues and reflect the need for Federal and State support of local community-based comprehensive planning and solutions to local problems. It also notes the need to increase local and state capacity to identify public infrastructure and open space needs, to develop and implement plans that provide for sustainable growth, resource and habitat protection, and community revitalization.

Sec. 4. Policy.

This section of the reported bill amends congressional policy in section 1452 of title 16, United States Code, to indicate support for the National Estuarine Research Reserve System (NERRS) and to encourage the use of innovative coastal and environmental technologies and techniques in the coastal zone for the long-term conservation of coastal ecosystems.

Sec. 5. Changes in definitions

This section of the reported bill amends section 1453 of title 16, United States Code, to modify the definitions in the Act. The changes clarify the terms "estuarine reserve," "coastal nonpoint pollution control strategies and measures," "qualified local entity," and indicate that coastal state no longer includes the trust territories of the Pacific Islands, that is the now independent nation of Palau.

Sec. 6. Reauthorization of management program development grants

This section of the reported bill amends section 1454 of title 16, United States Code, to re-instate the authorization for grants to the remaining states without approved coastal management programs to complete such program development during FY 2000 to FY 2004. Grants may not exceed $200,000 per year.

Sec. 7. Reauthorization of administrative grants

This section of the reported bill amends section 1455(a) of title 16, United States Code, to reauthorize the base administrative grant program and clarifies that coastal nonpoint pollution control programs are eligible for grants under this section. This section also addresses this issue of equitable allocation of funding to all participating states and territories.

Sec. 8. Coastal Resources Improvement Program

This section of the reported bill amends section 1455(a) of title 16, United States Code, to define the term "qualified local entity." Section 8 also authorizes the Secretary to allocate funds to states for restoration and preservation of coastal habitats and to continue implementation of the states' coastal nonpoint source pollution plans. The section makes technical changes to the guidelines for State matching funds and the allocation of the grants under sections 306 and 306A.

Sec. 9. Coastal Zone Management Fund

This section of the reported bill amends section 1456a(a)(2) of title 16, United States Code, to transfer loan repayments to the Operations, Research and Facilities account of the National Oceanic and Atmospheric Administration to offset administrative costs and deletes the annual reporting requirement. Technical changes are also made to section 308(b) (16 U.S.C. 1456(a)(b)).

Sec. 10. Coastal Zone Enhancement Grants

This section of the reported bill amends section 1456b of title 16, United States Code, to add two new objectives to which the Secretary may allocate funds and provides states with the option of allocating funds for restoration and preservation of coastal habitats as well as the continued implementation of the states' coastal nonpoint source pollution plans. Section 10 also removes several outdated sections and eliminates the $10 million cap on annual section 309 allocations to conform with increasing authorization levels.

Sec. 11. Coastal Community Program

This section of the reported bill establishes a new grant program (section 309A) for states to focus on community-based initiatives. This section demonstrates the need for federal and state support of community-based planning, strategies, and solutions to local sprawl, development, and resource conservation and management issues in the coastal zone. This section authorizes the Secretary to make grants to states through the base program allocation formula and requires the states to match the amount of the grant so that funds provided under sections 306, 306A and 309A, in aggregate, equal a 1-to-1 match. It will also revitalize previously developed areas, promote conservation projects in environmentally sensitive areas, protect coastal habitats, and assist coastal communities to coordinate and implement coastal NPS pollution programs.

Sec. 12. Technical assistance

This section of the reported bill amends section 1456c(b) of title 16, United States Code, to authorize the Secretary to conduct a

program to develop and apply innovative coastal and estuarine environmental technology through a cooperative program.

Sec. 13. Performance review.

This section of the reported bill amends section 1458(a) of title 16, United States Code, to add coordination with the National Estuarine Research Reserves to the performance review process.

Sec. 14. Walter B. Jones Award

This section of the reported bill amends section 1461 of title 16, United States Code, to authorize the Secretary to issue the Walter B. Jones Awards, subject to available funds.

Sec. 15. National Estuarine Research Reserve System

This section of the reported bill amends section 1461 of title 16, United States Code, to clarify and strengthen the National Estuarine Research Reserve System (NERRS). A majority of the amendments are technical changes to establish additional authorized activities such as training, education, and stewardship in addition to research under the NERRS. This section clarifies the NERRS description and allows the Secretary to enter into contracts and agreements with non-profit organizations to carry out projects that support reserves and to accept donations of funds or services for projects consistent with the purposes of this section.

Sec. 16. Coastal Zone Management reports

This section of the reported bill amends section 1462 of title 16, United States Code, to clarify the requirements for reports to Congress and require a report to be provided to Congress on Federal agency coordination and cooperation in coastal management.

Sec. 17. Authorization of appropriations

This section of the reported bill amends section 1464 of title 16, United States Code, to authorize Coastal Zone Management Act funding. Funding for 306, 306A, and 309 grants are combined at an authorization of $70 million in FY 2000, $80 million in FY 2001, and increases annually in $3.5 million dollar increments to $90.5 million in FY 2004. For 309A grants, $25 million is authorized for FY 2000, increasing annually in $1 million increments to $29 million in FY 2004. Of this 309A amount, $10 million or 35 percent (whichever is less) will be set aside for nonpoint source pollution programs. For 315 grants, authorization is provided at $7 million in FY 2000, $12 million in FY 2001, and increases annually in $500,000 increments until it reaches $13.5 in FY 2004. Twelve million dollars are authorized annually between FY 2000 and FY 2004 for construction projects at estuarine reserves designated under section 315. Administrative costs in FY 2000 are authorized at $5.5 million, and at such sums as are necessary in FY 2001 through FY 2004.

CHANGES IN EXISTING LAW

In compliance with paragraph 12 of rule XXVI of the Standing Rules of the Senate, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted

is enclosed in black brackets, new material is printed in italic, existing law in which no change is proposed is shown in roman):

COASTAL ZONE MANAGEMENT ACT OF 1972

[CHAPTER 33, TITLE 16, UNITED STATES CODE]

SEC. 302. CONGRESSIONAL FINDINGS. [16 U.S.C. 1451]

The Congress finds that—

[(a)] *(1)* There is a national interest in the effective management, beneficial use, protection, and development of the coastal zone.

[(b)] *(2)* The coastal zone is rich in a variety of natural, commercial, recreational, ecological, industrial, and esthetic resources of immediate and potential value to the present and future well-being of the Nation.

[(c)] *(3)* The increasing and competing demands upon the lands and waters of our coastal zone occasioned by population growth and economic development, including requirements for industry, commerce, residential development, recreation, extraction of mineral resources and fossil fuels, *ports,* transportation and navigation, waste disposal, and harvesting of fish, shellfish, and other living marine resources, have resulted in the loss of living marine resources, wildlife, nutrient-rich areas, permanent and adverse changes to ecological systems, decreasing open space for public use, and shoreline erosion.

[(d)] *(4)* The habitat areas of the coastal zone, *including coastal waters and wetlands,* and the fish, shellfish, other living marine resources, and wildlife [therein,] *dependent on that habitat,* are ecologically fragile and consequently extremely vulnerable to destruction by man's alterations.

[(e)] *(5)* Important ecological, cultural, historic, and esthetic values in the coastal zone which are essential to the [well-being] *quality of life* of all citizens are being irretrievably damaged or lost.

[(f)] *(6)* New and expanding demands for food, energy, minerals, defense needs, recreation, waste disposal, transportation, and industrial activities in the Great Lakes, territorial sea, exclusive economic zone, and Outer Continental Shelf are placing stress on these areas and are creating the need for resolution of serious conflicts among important and competing uses and values in coastal and ocean waters;

[(g)] *(7)* Special natural and scenic characteristics are being damaged by ill-planned development that threatens these values.

[(h)] *(8)* In light of competing demands and the urgent need to protect and to give high priority to natural systems in the coastal zone, present state and local institutional arrangements for planning and regulating land and water uses in such areas are inadequate.

[(i)] *(9)* The key to more effective protection and use of the land and water resources of the coastal zone is to encourage the states to exercise their full authority over the lands and waters in the coastal zone by assisting the states, in cooperation with Federal and local governments and other vitally affected interests, in developing land and water use programs for

the coastal zone, including unified policies, criteria, standards, methods, and processes for dealing with land and water use decisions of more than local significance.

[(j)] *(10)* The national objective of attaining a greater degree of energy self-sufficiency would be advanced by providing Federal financial assistance to meet state and local needs resulting from new or expanded energy activity in or affecting the coastal zone.

[(k) Land uses in the coastal zone, and the uses of adjacent lands which drain into the coastal zone, may significantly affect the quality of coastal waters and habitats, and efforts to control coastal water pollution from land use activities must be improved.]

(11) Land and water uses in the coastal zone and coastal watersheds may significantly affect the quality of coastal waters and habitats, and efforts to control coastal water pollution from activities in these areas must be improved.

[(l)] *(12)* Because global warming may result in a substantial sea level rise with serious adverse effects in the coastal zone, coastal states must anticipate and plan for such an occurrence.

[(m)] *(13)* Because of their proximity to and reliance upon the ocean and its resources, the coastal states have substantial and significant interests in the protection, management, and development of the resources of the exclusive economic zone that can only be served by the active participation of coastal states in all Federal programs affecting such resources and, wherever appropriate, by the development of state ocean resource plans as part of their federally approved coastal zone management programs.

(14) There is a need to enhance cooperation and coordination among states and local communities, to encourage local community-based solutions that address the impacts and pressures on coastal resources and on public facilities and public service caused by continued coastal demands, and to increase state and local capacity to identify public infrastructure and open space needs and develop and implement plans which provide for sustainable growth, resource protection and community revitalization.

SEC. 303. CONGRESSIONAL DECLARATION OF POLICY. [16 U.S.C. 1452]

The Congress finds and declares that it is the national policy—

(1) to preserve, protect, develop, and where possible, to restore or enhance, the resources of the Nation's coastal zone for this and succeeding generations;

(2) to encourage and assist [the states] *state and local governments* to exercise effectively their responsibilities in the coastal zone through the development and implementation of management programs to achieve wise use of the land and water resources of the coastal zone, giving full consideration to ecological, cultural, historic, and esthetic values as well as the needs for compatible economic development, which programs should at least provide for—

(A) the protection of natural resources, including wetlands, floodplains, estuaries, beaches, dunes, barrier is-

lands, coral reefs, and fish and wildlife and their habitat, within the coastal zone;

(B) the management of coastal development to minimize the loss of life and property caused by improper development in flood-prone, storm surge, geological hazard, and erosion-prone areas and in areas likely to be affected by or vulnerable to sea level rise, land subsidence, and saltwater intrusion, and by the destruction of natural protective features such as beaches, dunes, wetlands, and barrier islands;

(C) the management of coastal development to improve, safeguard, and restore the quality of coastal [waters,] *waters and habitats,* and to protect natural resources and existing uses of those [waters,] *waters and habitats;*

(D) priority consideration being given to coastal-dependent uses and orderly processes for siting major facilities related to national defense, energy, fisheries development, recreation, ports and transportation, and the location, to the maximum extent practicable, of new commercial and industrial developments in or adjacent to areas where such development already exists;

(E) public access to the coasts for recreation purposes;

(F) assistance in the redevelopment of deteriorating urban waterfronts and ports, and sensitive preservation and restoration of historic, cultural, and esthetic coastal features;

(G) the coordination and simplification of procedures in order to ensure expedited governmental decisionmaking for the management of coastal resources;

(H) continued consultation and coordination with, and the giving of adequate consideration to the views of, affected Federal agencies;

(I) the giving of timely and effective notification of, and opportunities for public and local government participation in, coastal management decisionmaking;

(J) assistance to support comprehensive planning, conservation, and management for living marine resources, including planning for the siting of pollution control and aquaculture facilities within the coastal zone, and improved coordination between state and Federal coastal zone management [agencies and state and wildlife agencies; and] *and wildlife management; and*

(K) the study and development, in any case in which the Secretary considers it to be appropriate, of plans for addressing the adverse effects upon the coastal zone of land subsidence and of sea level rise; and

(3) to encourage the preparation of special area management plans which provide for increased specificity in protecting significant natural resources, reasonable coastal-dependent economic growth, improved protection of life and property in hazardous areas, including those areas likely to be affected by land subsidence, sea level rise, or fluctuating water levels of the Great Lakes, and improved predictability in governmental decisionmaking;

(4) to encourage the participation and cooperation of the public, state and local governments, and interstate and other regional agencies, as well as of the Federal agencies having programs affecting the coastal zone, in carrying out the purposes of this title;

(5) to encourage coordination and cooperation with and among the appropriate Federal, state, and local agencies, *other countries,* and international organizations where appropriate, in collection, analysis, synthesis, and dissemination of coastal management information, research results, and technical assistance, to support state and Federal regulation of land use practices affecting the coastal and ocean resources of the United States; [and]

(6) to respond to changing circumstances affecting the coastal environment and coastal resource management by encouraging states to consider such issues as ocean uses potentially affecting the coastal [zone.] *zone;*

(7) to create and use a National Estuarine Research Reserve System as a Federal, state, and community partnership to support and enhance coastal management and stewardship; and

(8) to encourage the development, application, and transfer of innovative coastal and estuarine environmental technologies and techniques for the long-term conservation of coastal ecosystems.

SEC. 304. DEFINITIONS. [16 U.S.C. 1453]

For the purposes of this title—

(1) The term "coastal zone" means the coastal waters (including the lands therein and thereunder) and the adjacent shorelands (including the waters therein and thereunder), strongly influenced by each other and in proximity to the shorelines of the several coastal states, and includes islands, transitional and intertidal areas, salt marshes, wetlands, and beaches. The zone extends, in Great Lakes waters, to the international boundary between the United States and Canada and, in other areas, seaward to the outer limit of state title and ownership under the Submerged Lands Act (43 U.S.C. 1301 et seq.), the Act of March 2, 1917 (48 U.S.C. 749), the Covenant to Establish a Commonwealth of the Northern Mariana Islands in Political Union with the United States of America, as approved by the Act of March 24, 1976 (48 U.S.C. 1681 note), or section 1 of the Act of November 20, 1963 (48 U.S.C. 1705), as applicable. The zone extends inland from the shorelines only to the extent necessary to control shorelands, the uses of which have a direct and significant impact on the coastal waters, and to control those geographical areas which are likely to be affected by or vulnerable to sea level rise. Excluded from the coastal zone are lands the use of which is by law subject solely to the discretion of or which is held in trust by the Federal Government, its officers or agents.

(2) The term "coastal resource of national significance" means any coastal wetland, beach, dune, barrier island, reef, estuary, or fish and wildlife habitat, if any such area is determined by a coastal state to be of substantial biological or natural storm protective value.

(3) The term "coastal waters" means (A) in the Great Lakes area, the waters within the territorial jurisdiction of the United States consisting of the Great Lakes, their connecting waters, harbors, roadsteads, and estuary-type areas such as bays, shallows, and marshes and (B) in other areas, those waters, adjacent to the shorelines, which contain a measurable quantity or percentage of sea water, including, but not limited to, sounds, bays, lagoons, bayous, ponds, and estuaries.

(4) The term "coastal state" means a state of the United States in, or bordering on, the Atlantic, Pacific, or Arctic Ocean, the Gulf of Mexico, Long Island Sound, or one or more of the Great Lakes. For the purposes of this title, the term also includes Puerto Rico, the Virgin Islands, Guam, the Commonwealth of the Northern Mariana Islands, [and the Trust Territories of the Pacific Islands,] and American Samoa.

(5) The term "coastal energy activity" means any of the following activities if, and to the extent that—

(A) the conduct, support, or facilitation of such activity requires and involves the siting, construction, expansion, or operation of any equipment or facility; and

(B) any technical requirement exists which, in the determination of the Secretary, necessitates that the siting, construction, expansion, or operation of such equipment or facility be carried out in, or in close proximity to, the coastal zone of any coastal state;

(i) Any outer Continental Shelf energy activity.

(ii) Any transportation, conversion, treatment, transfer, or storage of liquefied natural gas.

(iii) Any transportation, transfer, or storage of oil, natural gas, or coal (including, but not limited to, by means of any deepwater port, as defined in section 3(10) of the Deepwater Port Act of 1974 (33 U.S.C. 1502(10)).

For purposes of this paragraph, the siting, construction, expansion, or operation of any equipment or facility shall be "in close proximity to" the coastal zone of any coastal state if such siting, construction, expansion, or operation has, or is likely to have, a significant effect on such coastal zone.

(6) The term "energy facilities" means any equipment or facility which is or will be used primarily—

(A) in the exploration for, or the development, production, conversion, storage, transfer, processing, or transportation of, any energy resource; or

(B) for the manufacture, production, or assembly of equipment, machinery, products, or devices which are involved in any activity described in subparagraph (A).

The term includes, but is not limited to (i) electric generating plants; (ii) petroleum refineries and associated facilities; (iii) gasification plants; (iv) facilities used for the transportation, conversion, treatment, transfer, or storage of liquefied natural gas; (v) uranium enrichment or nuclear fuel processing facilities; (vi) oil and gas facilities, including platforms, assembly plants, storage depots, tank farms, crew and supply bases, and refining complexes; (vii) facilities including deepwater ports, for the transfer of petroleum; (viii) pipelines and transmission

facilities; and (ix) terminals which are associated with any of the foregoing.

(6a) The term "enforceable policy" means state policies which are legally binding through constitutional provisions, laws, regulations, land use plans, ordinances, or judicial or administrative decisions, by which a state exerts control over private and public land and water uses and natural resources in the coastal zone.

(7) The term "estuary" means that part of a river or stream or other body of water having unimpaired connection with the open sea, where the sea water is measurably diluted with fresh water derived from land drainage. The term includes estuary-type areas of the Great Lakes.

[(8) The term "estuarine sanctuary" means a research area which may include any part or all of an estuary and any island, transitional area, and upland in, adjoining, or adjacent to such estuary, and which constitutes to the extent feasible a natural unit, set aside to provide scientists and students the opportunity to examine over a period of time the ecological relationships within the area.]

(8) The term 'estuarine reserve' means a coastal protected area which may include any part or all of an estuary and any island, transitional area, and upland in, adjoining, or adjacent to the estuary, and which constitutes to the extent feasible a natural unit, established to provide long-term opportunities for conducting scientific studies and educational and training programs that improve the understanding, stewardship, and management of estuaries.

(9) The term "Fund" means the Coastal Zone Management Fund established under section 308(b) .

(10) The term "land use" means activities which are conducted in, or on the shorelands within, the coastal zone, subject to the requirements outlined in section 307(g).

(11) The term "local government" means any political subdivison of, or any special entity created by, any coastal state which (in whole or part) is located in, or has authority over, such state's coastal zone and which (A) has authority to levy taxes, or to establish and collect user fees, or (B) provides any public facility or public service which is financed in whole or part by taxes or user fees. The term includes, but is not limited to, any school district, fire district, transportation authority, and any other special purpose district or authority.

(12) The term "management program" includes, but is not limited to, a comprehensive statement in words, maps, illustrations, or other media of communication, prepared and adopted by the state in accordance with the provisions of this title, setting forth objectives, policies, and standards to guide public and private uses of lands and waters in the coastal zone.

(13) The term "outer Continental Shelf energy activity" means any exploration for, or any development or production of, oil or natural gas from the outer Continental Shelf (as defined in section 2(a) of the Outer Continental Shelf Lands Act (43 U.S.C. 1331(a))), or the siting, construction, expansion, or operation of any new or expanded energy facilities directly required by such exploration, development, or production.

(14) The term "person" means any individual; any corporation, partnership, association, or other entity organized or existing under the laws of any state; the Federal Government; any state, regional, or local government; or any entity of any such Federal, state, regional, or local government.

(15) The term "public facilities and public services" means facilities or services which are financed, in whole or in part, by any state or political subdivision thereof, including, but not limited to, highways and secondary roads, parking, mass transit, docks, navigation aids, fire and police protection, water supply, waste collection and treatment (including drainage), schools and education, and hospitals and health care. Such term may also include any other facility or service so financed which the Secretary finds will support increased population.

(16) The term "Secretary" means the Secretary of Commerce.

(17) The term "special area management plan" means a comprehensive plan providing for natural resource protection and reasonable coastal-dependent economic growth containing a detailed and comprehensive statement of policies; standards and criteria to guide public and private uses of lands and waters; and mechanisms for timely implementation in specific geographic areas within the coastal zone.

(18) The term "water use" means a use, activity, or project conducted in or on waters within the coastal zone.

(19) The term "coastal nonpoint pollution control plan" means a plan submitted by a coastal state to the Secretary under section 306(d)(16).

(20) The term "qualified local entity" means—

(A) any local government;

(B) any areawide agency referred to in section 204(a)(1) of the Demonstration Cities and Metropolitan Development Act of 1966 (42 U.S.C. 3334 (a)(1));

(C) any regional agency;

(D) any interstate agency;

(E) any nonprofit organization; or

(F) any reserve established under section 315.

[SEC. 305. SUBMITTAL OF STATE PROGRAM FOR APPROVAL.

[A coastal state that has completed the development of its management program shall submit the program to the Secretary for review and approval under section 306.]

SEC. 305. MANAGEMENT PROGRAM DEVELOPMENT GRANTS.

(a) STATES WITHOUT PROGRAMS.—In fiscal years 2001, 2002, 2003, and 2004, the Secretary may make a grant annually to any coastal state without an approved program if the coastal state demonstrates to the satisfaction of the Secretary that the grant will be used to develop a management program consistent with the requirements set forth in section 306. The amount of any such grant shall not exceed $200,000 in any fiscal year, and shall require State matching funds according to a 4-to-1 ratio of Federal-to-State contributions. After an initial grant is made to a coastal state under this subsection, no subsequent grant may be made to that coastal state under this subsection unless the Secretary finds that the coastal state is satisfactorily developing its management program. No

coastal state is eligible to receive more than 4 grants under this subsection.

(b) SUBMITTAL OF PROGRAM FOR APPROVAL.—A coastal state that has completed the development of its management program shall submit the program to the Secretary for review and approval under section 306.

SEC. 306. ADMINISTRATIVE GRANTS. [16 U.S.C. 1455]

(a) AUTHORIZATION; MATCHING FUNDS.—The Secretary may make grants to any coastal state for the purpose of administering that state's management program, *including developing and implementing coastal nonpoint pollution control program components,* if the state matches any such grant according to the following ratios of Federal-to-state contributions for the applicable fiscal year:

(1) For those states for which programs were approved prior to enactment of the Coastal Zone Act Reauthorization Amendments of 1990, 1 to 1 for any fiscal year.

(2) For programs approved after enactment of the Coastal Zone Act Reauthorization Amendments of 1990, 4 to 1 for the first fiscal year, 2.3 to 1 for the second fiscal year, 1.5 to 1 for the third fiscal year, and 1 to 1 for each fiscal year thereafter.

(b) GRANTS TO COASTAL STATES; REQUIREMENTS.—The Secretary may make a grant to a coastal state under subsection (a) only if the Secretary finds that the management program of the coastal state meets all applicable requirements of this title and has been approved in accordance with subsection (d).

(c) ALLOCATION OF GRANTS TO COASTAL STATES.—Grants under this section shall be allocated to coastal states with approved programs based on rules and regulations promulgated by the Secretary which shall take into account the extent and nature of the shoreline and area covered by the program, population of the area, and other relevant factors. The Secretary shall establish, after consulting with the coastal states, maximum and minimum grants for any fiscal year to promote equity between coastal states and effective coastal management.

(d) MANDATORY ADOPTION OF STATE MANAGEMENT PROGRAM FOR COASTAL ZONE.—Before approving a management program submitted by a coastal state, the Secretary shall find the following:

(1) The state has developed and adopted a management program for its coastal zone in accordance with rules and regulations promulgated by the Secretary, after notice, and with the opportunity of full participation by relevant Federal agencies, state agencies, local governments, regional organizations, port authorities, and other interested parties and individuals, public and private, which is adequate to carry out the purposes of this title and is consistent with the policy declared in section 303.

(2) The management program includes each of the following required program elements:

(A) An identification of the boundaries of the coastal zone subject to the management program.

(B) A definition of what shall constitute permissible land uses and water users within the coastal zone which have a direct and significant impact on the coastal waters.

(C) An inventory and designation of areas of particular concern within the coastal zone.

(D) An identification of the means by which the state proposes to exert control over the land uses and water uses referred to in subparagraph (B), including a list of relevant state constitutional provisions, laws, regulations, and judicial decisions.

(E) Broad guidelines on priorities of uses in particular areas, including specifically those uses of lowest priority.

(F) A description of the organizational structure proposed to implement such management program, including the responsibilities and interrelationships of local, areawide, state, regional, and interstate agencies in the management process.

(G) A definition of the term "beach" and a planning process for the protection of, and access to, public beaches and other public coastal areas of environmental, recreational, historical, esthetic, ecological, or cultural value.

(H) A planning process for energy facilities likely to be located in, or which may significantly affect, the coastal zone, including a process for anticipating the management of the impacts resulting from such facilities.

(I) A planning process for assessing the effects of, and studying and evaluating ways to control, or lessen the impact of, shoreline erosion, and to restore areas adversely affected by such erosion.

(3) The state has—

(A) coordinated its program with local, areawide, and interstate plans applicable to areas within the coastal zone—

(i) existing on January 1 of the year in which the state's management program is submitted to the Secretary; and

(ii) which have been developed by a local government, an areawide agency, a regional agency, or an interstate agency; and

(B) established an effective mechanism for continuing consultation and coordination between the management agency designated pursuant to paragraph (6) and with local governments, interstate agencies, regional agencies, and areawide agencies within the coastal zone to assure the full participation of those local governments and agencies in carrying out the purposes of this title; except that the Secretary shall not find any mechanism to be effective for purposes of this subparagraph unless it requires that—

(i) the management agency, before implementing any management program decision which would conflict with any local zoning ordinance, decision, or other action, shall send a notice of the management program decision to any local government whose zoning authority is affected;

(ii) within the 30-day period commencing on the date of receipt of that notice, the local government may submit to the management agency written comments on the management program decision, and any recommendation for alternatives; and

(iii) the management agency, if any comments are submitted to it within the 30-day period by any local government—

(I) shall consider the comments;

(II) may, in its discretion, hold a public hearing on the comments; and

(III) may not take any action within the 30-day period to implement the management program decision.

(4) The state has held public hearings in the development of the management program.

(5) The management program and any changes thereto have been reviewed and approved by the Governor of the state.

(6) The Governor of the state has designated a single state agency to receive and administer grants for implementing the management program.

(7) The state is organized to implement the management program.

(8) The management program provides for adequate consideration of the national interest involved in planning for, and managing the coastal zone, including the siting of facilities such as energy facilities which are of greater than local significance. In the case of energy facilities, the Secretary shall find that the state has given consideration to any applicable national or interstate energy plan or program.

(9) The management program includes procedures whereby specific areas may be designated for the purpose of preserving or restoring them for their conservation, recreational ecological, historical, or esthetic values.

(10) The state, acting through its chosen agency or agencies (including local governments, areawide agencies, regional agencies, or interstate agencies) has authority for the management of the coastal zone in accordance with the management program. Such authority shall include power—

(A) to administer land use and water use regulations to control development to ensure compliance with the management program, and to resolve conflicts among competing uses; and

(B) to acquire fee simple and [less than fee simple] *other* interests in land, waters, and other property through condemnation or other means when necessary to achieve conformance with the management program.

(11) The management program provides for any one or a combination of the following general techniques for control of land uses and water uses within the coastal zone:

(A) State establishment of criteria and standards for local implementation, subject to administrative review and enforcement.

(B) Direct state land and water use planning and regulation.

(C) State administrative review for consistency with the management program of all development plans, projects, or land and water use regulations, including exceptions and variances thereto, proposed by any state or local authority or private developer, with power to approve or dis-

approve after public notice and an opportunity for hearings.

(12) The management program contains a method of assuring that local land use and water use regulations within the coastal zone do not unreasonably restrict or exclude land uses and water uses of regional benefit.

(13) The management program provides for—

(A) the inventory and designation of areas that contain one or more coastal resources of national significance; and

(B) specific and enforceable standards to protect such resources.

(14) The management program provides for public participation in permitting processes, consistency determinations, and other similar decisions.

(15) The management program provides a mechanism to ensure that all state agencies will adhere to the program.

(16) The management program contains enforceable policies and mechanisms to implement the applicable requirements of the Coastal Nonpoint Pollution Control Program of the state required by section 6217 of the Coastal Zone Act Reauthorization Amendments of 1990.

(e) AMENDMENT OR MODIFICATION OF STATE MANAGEMENT PROGRAM FOR COASTAL ZONE.—A coastal state may amend or modify a management program which it has submitted and which has been approved by the Secretary under this section, subject to the following conditions:

(1) The state shall promptly notify the Secretary of any proposed amendment, modification, or other program change and submit it for the Secretary's approval. The Secretary may suspend all or part of any grant made under this section pending state submission of the proposed amendments, modification, or other program change.

(2) Within 30 days after the date the Secretary receives any proposed amendment, the Secretary shall notify the state whether the Secretary approves or disapproves the amendment, or whether the Secretary finds it is necessary to extend the review of the proposed amendment for a period not to exceed 120 days after the date the Secretary received the proposed amendment. The Secretary may extend this period only as necessary to meet the requirements of the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.). If the Secretary does not notify the coastal state that the Secretary approves or disapproves the amendment within that period, then the amendment shall be conclusively presumed as approved.

(3)(A) Except as provided in subparagraph (B), a coastal state may not implement any amendment, modification, or other change as part of its approved management program unless the amendment, modification, or other change is approved by the Secretary under this subsection.

(B) The Secretary, after determining on a preliminary basis, that an amendment, modification, or other change which has been submitted for approval under this subsection is likely to meet the program approval standards in this section, may permit the state to expend funds awarded under this section to

begin implementing the proposed amendment, modification, or change. This preliminary approval shall not extend for more than 6 months and may not be renewed. A proposed amendment, modification, or change which has been given preliminary approval and is not finally approved under this paragraph shall not be considered an enforceable policy for purposes of section 307.

SEC. 306A. COASTAL RESOURCE IMPROVEMENT PROGRAM. [16 U.S.C. 1455a]

(a) DEFINITIONS.—For purposes of this section—

(1) The term "eligible coastal state" means a coastal state that for any fiscal year for which a grant is applied for under this section—

(A) has a management program approved under section 306; and

(B) in the judgment of the Secretary, is making satisfactory progress in activities designed to result in significant improvement in achieving the coastal management objectives specified in section 303(2)(A) through (K).

(2) The term "urban waterfront and port" means any developed area that is densely populated and is being used for, or has been used for, urban residential recreational, commercial, shipping or industrial purposes.

(b) RESOURCE MANAGEMENT IMPROVEMENT GRANTS.—The Secretary may make grants to any eligible coastal state to assist that state in meeting one or more of the following objectives:

(1) The preservation or restoration of specific areas of the state that

(A) are designated under the management program procedures required by section 306(d)(9) *or other important coastal habitats* because of their conservation recreational, ecological, or esthetic values, or

(B) contain one or more coastal resources of national significance, or for the purpose of restoring and enhancing shellfish production by the purchase and distribution of clutch material on publicly owned reef tracts.

(2) The redevelopment of deteriorating and underutilized urban *or historic* waterfronts and ports that are designated in the state's management program pursuant to section 306(d)(2)(C) as areas of particular concern.

(3) The provision of access to public beaches and other public coastal areas and to coastal waters in accordance with the planning process required under section 306(d)(2)(G).

(4) The development of a coordinated process among state agencies to regulate and issue permits for aquaculture facilities in the coastal zone.

(5) The coordination and implementation of approved coastal nonpoint pollution control plans.

(6) The preservation, restoration, enhancement or creation of coastal habitats.

(c) USES, TERMS AND CONDITIONS OF GRANTS.—

(1) Each grant made by the Secretary under this section shall be subject to such terms and conditions as may be appropriate to ensure that the grant is used for purposes consistent with this section.

(2) Grants made under this section may be used for—

(A) the acquisition of fee simple and other interests in land;

(B) low-cost construction projects determined by the Secretary to be consistent with the purposes of this section, including but not limited to, paths, walkways, fences, parks, and the rehabilitation of historic buildings and structures; except that not more than 50 per centum of any grant made under this section may be used for such construction projects;

(C) in the case of grants made for objectives described in subsection (b)(2)—

(i) the rehabilitation or acquisition of piers to provide increased public use, including compatible commercial activity,

(ii) the establishment of shoreline stabilization measures including the installation or rehabilitation of bulkheads for the purpose of public safety or increasing public access and use, and

(iii) the removal or replacement of pilings where such action will provide increased recreational use of urban waterfront areas, but activities provided for under this paragraph shall not be treated as construction projects subject to the limitations in paragraph (B);

(D) engineering designs, specifications, and other appropriate reports; [and]

(E) educational, interpretive, and management costs and such other related costs as the Secretary determines to be consistent with the purposes of this [section.] *section;*

(F) work, resources, or technical support necessary to preserve, restore, enhance, or create coastal habitats; and

(G) the coordination and implementation of approved coastal nonpoint pollution control plans.

[(d) STATE MATCHING CONTRIBUTIONS; RATIO; MAXIMUM AMOUNT OF GRANTS.—

[(1) The Secretary may make grants to any coastal state for the purpose of carrying out the project or purpose for which such grants are awarded, if the state matches any such grant according to the following ratios of Federal to state contributions for the applicable fiscal year: 4 to 1 for fiscal year 1986; 2.3 to 1 for fiscal year 1987; 1.5 to 1 for fiscal year 1988; and 1 to 1 for each fiscal year after fiscal year 1988.".

[(2) Grants provided under this section may be used to pay a coastal state's share of costs required under any other Federal program that is consistent with the purposes of this section.

[(3) The total amount of grants made under this section to any eligible coastal state for any fiscal year may not exceed an amount equal to 10 per centum of the total amount appropriated to carry out this section for such fiscal year.

[(e) ALLOCATION OF GRANTS TO LOCAL GOVERNMENTS AND OTHER AGENCIES.—With the approval of the Secretary, an eligible coastal state may allocate to a local government, an areawide agency designated under section 204 of the Demonstration Cities and Metro-

politan Development Act of 1966, a regional agency, or an interstate agency, a portion of any grant made under this section for the purpose of carrying out this section; except that such an allocation shall not relieve that state of the responsibility for ensuring that any funds so allocated are applied in furtherance of the state's approved management program.

[(f) OTHER TECHNICAL AND FINANCIAL ASSISTANCE.—In addition to providing grants under this section, the Secretary shall assist eligible coastal states and their local governments in identifying and obtaining other sources of available Federal technical and financial assistance regarding the objectives of this section.]

(d) SOURCE OF FEDERAL GRANTS; STATE MATCHING CONTRIBUTIONS.—

(1) IN GENERAL.—If a coastal state chooses to fund a project under this section, then—

(A) it shall submit to the Secretary a combined application for grants under this section and section 306;

(B) it shall match the combined amount of such grants in the ratio required by section 306(a) for grants under that section; and

(C) the Federal funding for the project shall be a portion of that state's annual allocation under section 306(a).

(2) USE OF FUNDS.—Grants provided under this section may be used to pay a coastal state's share of costs required under any other Federal program that is consistent with the purposes of this section.

(e) ALLOCATION OF GRANTS TO QUALIFIED LOCAL ENTITY.—With the approval of the Secretary, the eligible coastal state may allocate to a qualified local entity a portion of any grant made under this section for the purpose of carrying out this section; except that such an allocation shall not relieve that state of the responsibility for ensuring that any funds so allocated are applied in furtherance of the state's approved management program.

(f) ASSISTANCE.—The Secretary shall assist eligible coastal states in identifying and obtaining from other Federal agencies technical and financial assistance in achieving the objectives set forth in subsection (b).

SEC. 308. COASTAL ZONE MANAGEMENT FUND. [16 U.S.C. 1456a]

(a)(1) The obligations of any coastal state or unit of general purpose local government to repay loans made pursuant to this section as in effect before the date of the enactment of the Coastal Zone Act Reauthorization Amendments of 1990, and any repayment schedule established pursuant to this title as in effect before that date of enactment, are not altered by any provision of this title. Such loans shall be repaid under authority of this subsection and the Secretary may issue regulations governing such repayment. If the Secretary finds that any coastal state or unit of local government is unable to meet its obligations pursuant to this subsection because the actual increases in employment and related population resulting from coastal energy activity and the facilities associated with such activity do not provide adequate revenues to enable such state or unit to meet such obligations in accordance with the appropriate repayment schedule, the Secretary shall, after review of the information submitted by such state or unit, take any of the following actions:

(A) Modify the terms and conditions of such loan.

(B) Refinance the loan.

(C) Recommend to the Congress that legislation be enacted to forgive the loan.

[(2) Loan repayments made pursuant to this subsection shall be retained by the Secretary as offsetting collections, and shall be deposited into the Coastal Zone Management Fund established under subsection (b).]

(2) Loan repayments made under this subsection—

(A) shall be retained by the Secretary and deposited into the Coastal Zone Management Fund established under subsection (b); and

(B) subject to amounts provided in Appropriations Acts, shall be available to the Secretary for purposes of this title and transferred to the Operations, Research, and Facilities account of the National Oceanic and Atmospheric Administration to offset the costs of implementing this title.

(b)(1) The Secretary shall establish and maintain a fund, to be known as the "Coastal Zone Management Fund", which shall consist of amounts retained and deposited into the Fund under subsection (a) and fees deposited into the Fund under section 307(i)(3).

[(2) Subject to amounts provided in appropriation Acts, amounts in the Fund shall be available to the Secretary for use for the following:

[(A) Expenses incident to the administration of this title, in an amount not to exceed for each of fiscal years 1997, 1998, and 1999 the higher of—

[(i) $4,000,000; or

[(ii) 8 percent of the total amount appropriated under this title for the fiscal year.

[(B) After use under subparagraph (A)—

[(i) projects to address management issues which are regional in scope, including interstate projects;

[(ii) demonstration projects which have high potential for improving coastal zone management, especially at the local level;

[(iii) emergency grants to state coastal zone management agencies to address unforeseen or disaster-related circumstances;

[(iv) appropriate awards recognizing excellence in coastal zone management as provided in section 314; and

[(v) to provide financial support to coastal states for use for investigating and applying the public trust doctrine to implement state management programs approved under section 306.

[(3) On December 1, of each year, the Secretary shall transmit to the Congress an annual report on the Fund, including the balance of the Fund and an itemization of all deposits into and disbursements from the Fund in the preceding fiscal year.]

(2) Subject to Appropriation Acts, amounts in the Fund shall be available to the Secretary to carry out the provisions of this Act.

SEC. 309. COASTAL ZONE ENHANCEMENT GRANTS. [16 U.S.C. 1456b]

(a) COASTAL ZONE ENHANCEMENT OBJECTIVE DEFINED.—For purposes of this section, the term "coastal zone enhancement objective" means any of the following objectives:

[(1) Protection, restoration, or enhancement of the existing coastal wetlands base, or creation of new coastal wetlands.]

(1) Protection, restoration, enhancement, or creation of coastal habitats, including wetlands, coral reefs, marshes, and barrier islands.

(2) Preventing or significantly reducing threats to life and destruction of property by eliminating development and redevelopment in high-hazard areas, managing development in other hazard areas, and anticipating and managing the effects of potential sea level rise and Great Lakes level rise.

(3) Attaining increased opportunities for public access, taking into account current and future public access needs, to coastal areas of recreational, historical, aesthetic, ecological, or cultural value.

(4) Reducing marine debris entering the Nation's coastal and ocean environment by managing uses and activities that contribute to the entry *and removal* of such debris.

(5) Development and adoption of procedures to assess, consider, and control cumulative and secondary impacts of coastal growth and development, including the collective effect [on various individual uses or activities on coastal resources, such as coastal wetlands and fishery resources.] *of various individual uses or activities on coastal waters, habitats, and resources, including sources of polluted runoff.*

(6) Preparing and implementing special area management plans for important coastal areas.

(7) Planning for the use of ocean resources.

(8) Adoption of procedures and enforceable policies to help facilitate the siting of energy facilities and Government facilities and energy-related activities and Government activities which may be of greater than local significance.

(9) Adoption of procedures and policies to evaluate and facilitate the siting of public and private aquaculture facilities in the coastal zone, which will enable states to formulate, administer, and implement strategic plans for marine aquaculture.

(10) Development and enhancement of coastal nonpoint pollution control program components, including the satisfaction of conditions placed on such programs as part of the Secretary's approval of the programs.

(11) Significant emerging coastal issues as identified by coastal states, in consultation with the Secretary and qualified local entities.

(b) LIMITS ON GRANTS.—

(1) Subject to the limitations and goals established in this section, the Secretary may make grants to coastal states to provide funding for development and submission for Federal approval of program changes that support attainment of one or more coastal zone enhancement objectives.

(2)(A) In addition to any amounts provided under section 306, and subject to the availability of appropriations, the Secretary may make grants under this subsection to states for implementing program changes approved by the Secretary in accordance with section 306(e).

(B) Grants under this paragraph to implement a program change may not be made in any fiscal year after the second fis-

cal year that begins after the approval of that change by the Secretary.

(c) EVALUATION OF STATE PROPOSALS BY SECRETARY.—The Secretary shall evaluate and rank state proposals for funding under this section, and make funding awards based on those [proposals, taking into account the criteria established by the Secretary under subsection (d).] *proposals.* The Secretary shall ensure that funding decisions under this section take into consideration the fiscal and technical needs of proposing states and the overall merit of each proposal in terms of benefits to the public.

[(d) PROMULGATION OF REGULATIONS BY SECRETARY.—Within 12 months following the date of enactment of this section, and consistent with the notice and participation requirements established in section 317, the Secretary shall promulgate regulations concerning coastal zone enhancement grants that establish—

[(1) specific and detailed criteria that must be addressed by a coastal state (including the state's priority needs for improvement as identified by the Secretary after careful consultation with the state) as part of the state's development and implementation of coastal zone enhancement objectives;

[(2) administrative or procedural rules or requirements as necessary to facilitate the development and implementation of such objectives by coastal states; and

[(3) other funding award criteria as are necessary or appropriate to ensure that evaluations of proposals, and decisions to award funding, under this section are based on objective standards applied fairly and equitably to those proposals.]

[(e)] *(d)* NO STATE CONTRIBUTION REQUIRED—A state shall not be required to contribute any portion of the cost of any proposal for which funding is awarded under this section.

[(f)] *(e)* FUNDING.—Beginning in fiscal year 1991, not less than 10 percent and not more than 20 percent of the amounts appropriated to implement sections 306 and 306A of this title shall be retained by the Secretary for use in implementing this [section, up to a maximum of $ 10,000,000 annually.] *section.*

[(g)] *(f)* ELIGIBILITY; SUSPENSION OF STATE FOR NONCOMPLIANCE.—If the Secretary finds that the state is not undertaking the actions committed to under the terms of the grant, the Secretary shall suspend the state's eligibility for further funding under this section for at least one year.

SEC. 309A. COASTAL COMMUNITY PROGRAM.

(a) COASTAL COMMUNITY GRANTS.—The Secretary may make grants to any coastal state that is eligible under subsection (b)—

(1) to assist coastal communities in assessing and managing growth, public infrastructure, and open space needs in order to provide for sustainable growth, resource protection and community revitalization;

(2) to provide management-oriented research and technical assistance in developing and implementing community-based growth management and resource protection strategies in qualified local entities;

(3) to fund demonstration projects which have high potential for improving coastal zone management at the local level;

(4) to assist in the adoption of plans, strategies, policies, or procedures to support local community-based environmentally-

protective solutions to the impacts and pressures on coastal uses and resources caused by development and sprawl that will—

(A) revitalize previously developed areas;

(B) undertake conservation activities and projects in undeveloped and environmentally sensitive areas;

(C) emphasize water-dependent uses; and

(D) protect coastal waters and habitats; and

(5) to assist coastal communities to coordinate and implement approved coastal nonpoint pollution control strategies and measures that reduce the causes and impacts of polluted runoff on coastal waters and habitats.".

(b) ELIGIBILITY.—To be eligible for a grant under this section for a fiscal year, a coastal state shall—

(1) have a management program approved under section 306; and

(2) in the judgment of the Secretary, be making satisfactory progress in activities designed to result in significant improvement in achieving the coastal management objectives specified in section 303(2)(A) through (K).

(c) ALLOCATIONS; SOURCE OF FEDERAL GRANTS; STATE MATCHING CONTRIBUTIONS.—

(1) ALLOCATION.—Grants under this section shall be allocated to coastal states as provided in section 306(c).

(2) APPLICATION; MATCHING.—If a coastal state chooses to fund a project under this section, then—

(A) it shall submit to the Secretary a combined application for grants under this section and section 306; and

(B) it shall match the amount of the grant under this section on the basis of a total contribution of section 306, 306A, and this section so that, in aggregate, the match is 1:1.

(d) ALLOCATION OF GRANTS TO QUALIFIED LOCAL ENTITY.—

(1) IN GENERAL.—With the approval of the Secretary, the eligible coastal state may allocate to a qualified local entity amounts received by the state under this section.

(2) ASSURANCES.—A coastal state shall ensure that amounts allocated by the state under paragraph (1) are used by the qualified local entity in furtherance of the state's approved management program, specifically furtherance of the coastal management objectives specified in section 303(2).

(e) ASSISTANCE.—The Secretary shall assist eligible coastal states and qualified local entities in identifying and obtaining from other Federal agencies technical and financial assistance in achieving the objectives set forth in subsection (a).

SEC. 310. TECHNICAL ASSISTANCE. [16 U.S.C. 1456c]

(a) The Secretary shall conduct a program of technical assistance and management-oriented research necessary to support the development and implementation of state coastal management program amendments under section 309, and appropriate to the furtherance of international cooperative efforts and technical assistance in coastal zone management. Each department, agency, and instrumentality of the executive branch of the Federal Government may assist the Secretary, on a reimbursable basis or otherwise, in carrying out the purposes of this section, including the furnishing of information to the extent permitted by law, the transfer of per-

sonnel with their consent and without prejudice to their position and rating, and the performance of any research, study, and technical assistance which does not interfere with the performance of the primary duties of such department, agency, or instrumentality. The Secretary may enter into contracts or other arrangements with any qualified person for the purposes of carrying out this subsection.

(b)(1) The Secretary shall provide for the coordination of technical assistance, studies, and research activities under this section with any other such activities that are conducted by or subject to the authority of the Secretary.

(2) The Secretary shall make the results of research and studies conducted pursuant to this section available to coastal states in the form of technical assistance publications, workshops, or other means appropriate.

(3) The Secretary shall consult with coastal states on a regular basis regarding the development and implementation of the program established by this section.

(4) The Secretary may conduct a program to develop and apply innovative coastal and estuarine environmental technology and methodology through a cooperative program. The Secretary may make extramural grants in carrying out the purpose of this subsection.

SEC. 312. REVIEW OF PERFORMANCE. [16 U.S.C. 1458]

(a) EVALUATION OF ADHERENCE WITH TERMS OF GRANTS.—The Secretary shall conduct a continuing review of the performance of coastal states with respect to coastal management. Each review shall include a written evaluation with an assessment and detailed findings concerning the extent to which the state has implemented and enforced the program approved by the Secretary, addressed the coastal management needs identified in section 303(2)(A) through (K), *coordinated with National Estuarine Research Reserves in the state,* and adhered to the terms of any grant, loan, or cooperative agreement funded under this title.

(b) PUBLIC PARTICIPATION.—In evaluating a coastal state's performance, the Secretary shall conduct the evaluation in an open and public manner, and provide full opportunity for public participation, including holding public meetings in the state being evaluated and providing opportunities for the submission of written and oral comments by the public. The Secretary shall provide the public with at least 45 days' notice of such public meetings by placing a notice in the Federal Register, by publication of timely notices in newspapers of general circulation within the state being evaluated, and by communications with persons and organizations known to be interested in the evaluation. Each evaluation shall be prepared in report form and shall include written responses to the written comments received during the evaluation process. The final report of the evaluation shall be completed within 120 days after the last public meeting held in the state being evaluated. Copies of the evaluation shall be immediately provided to all persons and organizations participating in the evaluation process.

(c) SUSPENSION OF FINANCIAL ASSISTANCE FOR NONCOMPLIANCE; NOTIFICATION OF GOVERNOR; LENGTH OF SUSPENSION.—

(1) The Secretary may suspend payment of any portion of financial assistance extended to any coastal state under this

title, and may withdraw any unexpended portion of such assistance, if the Secretary determines that the coastal state is failing to adhere to (A) the management program or a state plan developed to manage a national estuarine reserve established under section 315 of this title , or a portion of the program or plan approved by the Secretary, or (B) the terms of any grant or cooperative agreement funded under this title.

(2) Financial assistance may not be suspended under paragraph (1) unless the Secretary provides the Governor of the coastal state with—

(A) written specifications and a schedule for the actions that should be taken by the state in order that such suspension of financial assistance may be withdrawn; and

(B) written specifications stating how those funds from the suspended financial assistance shall be expended by the coastal state to take the actions referred to in subparagraph (A).

(3) The suspension of financial assistance may not last for less than 6 months or more than 36 months after the date of suspension.

(d) WITHDRAWAL OF APPROVAL FROM PROGRAM.—The Secretary shall withdraw approval of the management program of any coastal state and shall withdraw financial assistance available to that state under this title as well as any unexpended portion of such assistance, if the Secretary determines that the coastal state has failed to take the actions referred to in subsection (c)(2)(A).

(e) NOTICE AND HEARING.—Management program approval and financial assistance may not be withdrawn under subsection (d), unless the Secretary gives the coastal state notice of the proposed withdrawal and an opportunity for a public hearing on the proposed action. Upon the withdrawal of management program approval under this subsection (d), the Secretary shall provide the coastal state with written specifications of the actions that should be taken, or not engaged in, by the state in order that such withdrawal may be canceled by the Secretary.

SEC. 314. WALTER B. JONES EXCELLENCE IN COASTAL ZONE MANAGEMENT AWARDS. [16 U.S.C. 1460]

(a) ESTABLISHMENT.—The Secretary [shall, using sums in the Coastal Zone Management Fund established under section 308] *may, using sums available under this Act* and other amounts available to carry out this title (other than amounts appropriated to carry out sections 305, 306, 306A, 309, 310, and 315, implement a program to promote excellence in coastal zone management by identifying and acknowledging outstanding accomplishments in the [field.] *field of coastal zone management. These awards, to be known as the "Walter B. Jones Awards", may include—*

(1) cash awards in an amount not to exceed $5,000 each;

(2) research grants; and

(3) public ceremonies to acknowledge such awards.

(b) ANNUAL SELECTION OF RECIPIENTS.—The Secretary [shall elect annually—] *shall select annually if funds are available under subsection (a)—*

(1) one individual, other than an employee or officer of the Federal Government, whose contribution to the field of coastal zone management has been the most significant;

(2) 5 local governments which have made the most progress in developing and implementing the coastal zone management principles embodied in this title; and

(3) up to 10 graduate students whose academic study promises to contribute materially to development of new or improved approaches to coastal zone management.

(c) SOLICITATION OF NOMINATIONS FOR LOCAL GOVERNMENT RECIPIENTS.—In making selections under subsection (b)(2) the Secretary shall solicit nominations from the coastal states, and shall consult with experts in local government planning and land use.

(d) SOLICITATION OF NOMINATIONS FOR GRADUATE STUDENT RECIPIENTS.—In making selections under subsection (b)(3) the Secretary shall solicit nominations from coastal states and the National Sea Grant College Program.

[(e) FUNDING; TYPES OF AWARDS.—Using sums in the Coastal Zone Management Fund established under section 308 and other amounts available to carry out this title (other than amounts appropriated to carry out sections 305, 306, 306A, 309, 310, and 315, the Secretary shall establish and execute appropriate awards, to be known as the "Walter B. Jones Awards", including—

[(1) cash awards in an amount not to exceed $ 5,000 each;

[(2) research grants; and

[(3) public ceremonies to acknowledge such awards.]

SEC. 315. NATIONAL ESTUARINE RESEARCH RESERVE SYSTEM. [16 U.S.C. 1461]

(a) ESTABLISHMENT OF THE SYSTEM.—There is established the National Estuarine Research Reserve System (hereinafter referred to in this section as the "System") that [consists of—] *is a network of areas protected by Federal, state, and community partnerships which promotes informed management of the Nation's estuarine and coastal areas through interconnected programs in resource stewardship, education and training, and scientific understanding consisting of—*

(1) each estuarine sanctuary designated under this section as in effect before the date of the enactment of the Coastal Zone Management Reauthorization Act of 1985; and

(2) each estuarine area designated as a national estuarine reserve under subsection (b).

Each estuarine sanctuary referred to in paragraph (1) is hereby designated as a national estuarine reserve.

(b) DESIGNATION OF NATIONAL ESTUARINE RESERVES.—After the date of the enactment of the Coastal Zone Management Reauthorization Act of 1985, the Secretary may designate an estuarine area as a national estuarine reserve if—

(1) the Governor of the coastal state in which the area is located nominates the area for that designation; and

(2) the Secretary finds that—

(A) the area is a representative estuarine ecosystem that is suitable for long-term research and contributes to the biogeographical and typological balance of the System;

(B) the law of the coastal state provides long-term protection for reserve resources to ensure a stable environment for research;

(C) designation of the area as a reserve will serve to enhance public awareness and understanding of estuarine

areas, and provide suitable opportunities for [public education and interpretation; and] *education, interpretation, training, and demonstration projects; and*

(D) the coastal state in which the area is located has complied with the requirements of any regulations issued by the Secretary to implement this section.

(c) ESTUARINE [RESEARCH] *RESEARCH, EDUCATION, AND RESOURCE STEWARDSHIP* GUIDELINES.—The Secretary shall develop guidelines for the [conduct of research] *conduct of research, education, and resource stewardship* within the System that shall include—

(1) a mechanism for identifying, and establishing priorities among, the coastal management issues that should be addressed through [coordinated research] *coordinated research, education, and resource stewardship* within the System;

(2) the establishment of common [research] principles and objectives to guide the development of [research programs] *research, education, and resource stewardship programs* within the System;

(3) the identification of uniform [research] methodologies which will ensure comparability of [data,] *information,* the broadest application of [research] results, and the maximum use of the System for [research purposes;] *research, education, and resource stewardship purposes;*

(4) the establishment of performance standards upon which the effectiveness of the [research efforts] *research, education, and resource stewardship efforts* and the value of reserves within the System in addressing the coastal management issues identified in paragraph (1) may be measured; and

(5) the consideration of additional sources of funds for estuarine [research] *research, education, and resource stewardship* than the funds authorized under this Act, and strategies for encouraging the use of such funds within the System, with particular emphasis on mechanisms established under subsection (d).

In developing the guidelines under this section, the Secretary shall consult with prominent members of the estuarine [research] community.

(d) PROMOTION AND COORDINATION OF [ESTUARINE RESEARCH.—] *ESTUARINE RESEARCH, EDUCATION, AND RESOURCE STEWARDSHIP.*—The Secretary shall take such action as is necessary to promote and coordinate the use of the System for [research purposes] *research, education, and resource stewardship purposes* including—

[(1) requiring that the National Oceanic and Atmospheric Administration, in conducting or supporting estuarine research, give priority consideration to research that uses the System; and]

(1) giving reasonable priority to research, education, and stewardship activities that use the System in conducting or supporting activities relating to estuaries; and

(2) consulting with other Federal and state agencies to promote use of one or more reserves within the System by such agencies when conducting estuarine [research.] *research, education, and resource stewardship activities;*

(3) establishing partnerships with other Federal and state estuarine management programs to coordinate and collaborate on estuarine research.

(e) FINANCIAL ASSISTANCE.—

(1) The Secretary may, in accordance with such rules and regulations as the Secretary shall promulgate, make grants—

(A) to a coastal state—

(i) for purposes of acquiring such lands and waters, and any property interests therein, as are necessary to ensure the appropriate long-term management of an area as a national estuarine [reserve,] *reserve; and*

(ii) for purposes of operating or managing a national estuarine reserve [and constructing appropriate reserve facilities, or] *including resource stewardship activities and constructing reserve facilities.*

[(iii) for purposes of conducting educational or interpretive activities; and

[(B) to any coastal state or public or private person for purposes of supporting research and monitoring within a national estuarine reserve that are consistent with the research guidelines developed under subsection (c).]

(B) to any coastal state or public or private person for purposes of—

(i) supporting research and monitoring associated with a national estuarine reserve that are consistent with the research guidelines developed under subsection (c); or

(ii) conducting educational, interpretive, or training activities for a national estuarine reserve that are consistent with the education guidelines developed under subsection (c).

(2) Financial assistance provided under paragraph (1) shall be subject to such terms and conditions as the Secretary considers necessary or appropriate to protect the interests of the United States, including requiring coastal states to execute suitable title documents setting forth the property interest or interests of the United States in any lands and waters acquired in whole or part with such financial assistance.

(3)(A) The amount of the financial assistance provided under paragraph (1)(A)(i) with respect to the acquisition of lands and waters, or interests therein, for any one national estuarine reserve may not exceed an amount equal to 50 percent of the costs of the lands, waters, and interests [therein or $5,000,000, whichever amount is less.] *therein. Non-Federal costs associated with the purchase of any lands and waters, or interests therein, which are incorporated into the boundaries of a reserve up to 5 years after the costs are incurred, may be used to match the Federal share.*

(B) The amount of the financial assistance provided under paragraph (1)(A) (ii) [and (iii)] and paragraph (1)(B) may not exceed 70 percent of the costs incurred to achieve the purposes described in those paragraphs with respect to a reserve; except that the amount of the financial assistance provided under [paragraph (1)(A)(iii)] *paragraph (1)(B)* may be up to 100 per-

cent of any costs for activities that benefit the [entire System.] *System as a whole.*

(4) The Secretary may—

(A) enter into cooperative agreements, financial agreements, grants, contracts, or other agreements with any nonprofit organization, authorizing the organization to solicit donations to carry out the purposes and policies of this section, other than general administration of reserves or the System and which are consistent with the purposes and policies of this section; and

(B) accept donations of funds and services for use in carrying out the purposes and policies of this section, other than general administration of reserves or the System and which are consistent with the purposes and policies of this section.

Donations accepted under this section shall be considered as a gift or bequest to or for the use of the United States for the purpose of carrying out this section.

(C) Notwithstanding subparagraphs (A) and (B), financial assistance under this subsection provided from amounts recovered as a result of damage to natural resources located in the coastal zone may be used to pay 100 percent of the costs of activities carried out with the assistance.

(f) EVALUATION OF SYSTEM PERFORMANCE.—

(1) The Secretary shall periodically evaluate the operation and management of each national estuarine reserve, including *coordination with other state programs established under sections 306 and 309A, education and interpretive activities, and the research being conducted within the reserve.*

(2) If evaluation under paragraph (1) reveals that the operation and management of the reserve is deficient, or that the research being conducted within the reserve is not consistent with the research guidelines developed under subsection (c), the Secretary may suspend the eligibility of that reserve for financial assistance under subsection (e) until the deficiency or inconsistency is remedied.

(3) The Secretary may withdraw the designation of an estuarine area as a national estuarine reserve if evaluation under paragraph (1) reveals that—

(A) the basis for any one or more of the findings made under subsection (b)(2) regarding that area no longer exists; or

(B) a substantial portion of the research conducted within the area, over a period of years, has not been consistent with the research guidelines developed under subsection (c).

(g) REPORT.—The Secretary shall include in the report required under section 316 information regarding—

(1) new designations of national estuarine reserves;

(2) any expansion of existing national estuarine reserves;

(3) the status of the research program being conducted within the System; and

(4) a summary of the evaluations made under subsection (f).

SEC. 316. COASTAL ZONE MANAGEMENT REPORTS. [16 U.S.C. 1462]

(a) BIENNIAL REPORTS.—The Secretary shall consult with the Congress on a regular basis concerning the administration of this title and shall prepare and submit [to the President for transmittal] to the Congress a report summarizing the administration of this title during each period of two consecutive fiscal years. Each report, which shall be transmitted to the Congress not later than April 1 of the year following the close of the biennial period to which it pertains, shall include, but not be restricted to (1) an identification of the state programs approved pursuant to this title during the preceding Federal fiscal year and a description of those programs; (2) a listing of the states participating in the provisions of this title and a description of the status of each state's programs and its accomplishments during the preceding Federal fiscal year; (3) an itemization of the allocation of funds to the various coastal states and a breakdown of the major projects and areas on which these funds were expended; (4) an identification of any state programs which have been reviewed and disapproved, and a statement of the reasons for such action; (5) a summary of evaluation findings prepared in accordance with subsection (a) of section 312, and a description of any sanctions imposed under subsections (c) and (d) of section 312; (6) a listing of all activities and projects which, pursuant to the provisions of subsection (c) or subsection (d) of section 307, are not consistent with an applicable approved state management program; (7) a summary of the regulations issued by the Secretary or in effect during the preceding Federal fiscal year; (8) a summary of a coordinated national strategy and program for the Nation's coastal zone including identification and discussion of Federal, regional, state, and local responsibilities and functions therein; (9) a summary of outstanding problems arising in the administration of this title in order of priority; (10) a description of the economic, environmental, and social consequences of energy activity affecting the coastal [zone and an evaluation of the effectiveness of financial assistance under section 308 in dealing with such consequences;] *zone;* (11) a description and evaluation of applicable interstate and regional planning and coordination mechanisms developed by the coastal states; (12) a summary and evaluation of the research, studies, *education,* and training conducted in support of coastal zone management; and (13) such other information as may be appropriate.

(b) RECOMMENDATIONS FOR LEGISLATION.—The report required by subsection (a) shall contain such recommendations for additional legislation as the Secretary deems necessary to achieve the objectives of this title and enhance its effective operation.

(c) REVIEW OF OTHER FEDERAL PROGRAMS; REPORT TO CONGRESS.—

(1) The [Secretary] *Secretary, in consultation with coastal states, and with the participation of affected Federal agencies,* shall conduct a systematic review of Federal programs, other than this title, that affect coastal resources for purposes of identifying conflicts between the objectives and administration of such programs and the purposes and policies of this title. [Not later than 1 year after the date of the enactment of this subsection, the Secretary shall notify each Federal agency having appropriate jurisdiction of any conflict between its program

and the purposes and policies of this title identified as a result of such review.] *The Secretary, in conducting such a review, shall coordinate with, and obtain the views of, appropriate Federal agencies.*

(2) The Secretary [shall promptly] *shall, within 4 years after the date of enactment of the Coastal Zone Management Act of 2000,* submit a report to the Congress consisting of the information required under paragraph (1) of this subsection. Such report shall include recommendations for changes necessary to resolve existing conflicts among Federal laws and programs that affect the uses of coastal resources. *If sufficient funds and resources are not available to conduct such a review, the Secretary shall so notify the Congress.*

SEC. 318. AUTHORIZATION OF APPROPRIATIONS. [16 U.S.C. 1464]

(a) SUMS APPROPRIATED TO SECRETARY.—There are authorized to be appropriated to the Secretary, to remain available until expended—

[(1) for grants under sections 306, 306A, and 309—
[(A) $47,600,000 for fiscal year 1997;
[(B) $49,000,000 for fiscal year 1998; and
[(C) $50,500,000 for fiscal year 1999; and
[(2) for grants under section 315—
[(A) $4,400,000 for fiscal year 1997;
[(B) $4,500,000 for fiscal year 1998; and
[(C) $4,600,000 for fiscal year 1999.]

(1) for grants under sections 306, 306A, and 309—
(A) $70,000,000 for fiscal year 2000;
(B) $80,000,000 for fiscal year 2001;
(C) $83,500,000 for fiscal year 2002;
(D) $87,000,000 for fiscal year 2003; and
(E) $90,500,000 for fiscal year 2004;

(2) for grants under section 309A,—
(A) $25,000,000 for fiscal year 2000;
(B) $26,000,000 for fiscal year 2001;
(C) $27,000,000 for fiscal year 2002;
(D) $28,000,000 for fiscal year 2003; and
(E) $29,000,000 for fiscal year 2004;

of which $10,000,000, or 35 percent, whichever is less, shall be for purposes set forth in section 309A(a)(5);

(3) for grants under section 315,—
(A) $7,000,000 for fiscal year 2000;
(B) $12,000,000 for fiscal year 2001;
(C) $12,500,000 for fiscal year 2002;
(D) $13,000,000 for fiscal year 2003; and
(E) $13,500,000 for fiscal year 2004;

(4) for grants to fund construction projects at estuarine reserves designated under section 315, $12,000,000 for each of fiscal years 2000, 2001, 2002, 2003, and 2004; and

(5) for costs associated with administering this title, $5,500,000 for fiscal year 2000 and such sums as are necessary for fiscal years 2001–2004.

(b) LIMITATIONS.—Federal funds received from other sources shall not be used to pay a coastal state's share of costs under section [306 or 309.] *306.*

(c) REVERSION TO SECRETARY OF UNOBLIGATED STATE FUNDS; AVAILABILITY OF FUNDS.—The amount of any grant, or portion of a grant, made to a state under any section of this Act which is not obligated by such state [during the fiscal year, or during the second fiscal year after the fiscal year, for which] *within 3 years from when* it was first authorized to be obligated by such state shall revert to the Secretary. The Secretary shall add such reverted amount to those funds available for grants [under the section for such reverted amount was originally made available.] *to states under this Act.*

(d) PURCHASE OF OTHERWISE UNAVAILABLE FEDERAL PRODUCTS AND SERVICES.—Federal funds allocated under this title may be used by grantees to purchase Federal products and services not otherwise available.

(e) RESTRICTION ON USE OF AMOUNTS FOR PROGRAM, ADMINISTRATIVE, OR OVERHEAD COSTS.—Except for funds appropriated under subsection (a)(5), amounts appropriated under this section shall be available only for grants to states and shall not be available for other program, administrative, or overhead costs of the National Oceanic and Atmospheric Administration or the Department of Commerce.

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