

each year, five members complete their appointment. Therefore, this notice solicits names to fill the five vacancies, with appointed terms ending on December 15, 2005.

Any interested person or organization may nominate qualified individuals for membership. Nominees should be identified by name, occupation, position, address and telephone number. To be considered, all nominations must include a current resume providing the nominee's background, experience and qualifications.

Persons selected for membership will receive compensation for travel and a nominal daily compensation while attending meetings. The Council holds two face-to-face meetings each year, generally in the Spring and Fall. Additionally, members may be asked to serve on one of the Council's workgroups that are formed each year to assist the EPA in addressing specific programmatic issues. These workgroup meetings are held approximately four times a year, typically with two meetings by conference call.

Please submit nominations to Brenda P. Johnson, Designated Federal Officer, National Drinking Water Advisory Council, U.S. Environmental Protection Agency, Office of Ground Water and Drinking Water (4601), 1200 Pennsylvania Avenue, NW, Washington, DC 20460-0001, no later than October 15, 2002. For additional information send an e-mail to Johnson.BrendaP@epa.gov or call 202/564-3791.

Dated: August 16, 2002.

William R. Diamond,

Acting Director, Office of Ground Water and Drinking Water.

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ENVIRONMENTAL PROTECTION AGENCY

[FRL-7267-4]

Supplemental Guidelines for the Award of Section 319 Nonpoint Source Grants to States and Territories in FY 2003

AGENCY: Environmental Protection Agency (EPA).

ACTION: Notice of availability.

SUMMARY: EPA has developed guidelines that describe the process and criteria to be used to award Clean Water Act (CWA) Section 319 nonpoint source grants to States and Territories (hereinafter referred to collectively as "States") in FY 2003. The process and

criteria for FY 2003 are similar to those established for FY 2002, but are modified as described below. The guidelines continue to emphasize a concentrated focus on the implementation of projects that are designed to improve waters that have been listed as impaired under Section 303(d) of the CWA. After the President signs EPA's FY 2003 appropriations bill later this year, EPA will immediately provide to States their allocations based upon the appropriation level and the long-standing Section 319 allocation formula. EPA also intends to publish separate guidance addressing Tribal FY 2003 allocations later this year.

DATES: The guidelines are effective August 26, 2002.

ADDRESSES: Persons requesting additional information should contact Romell Nandi at (202) 566-1203; nandi.romell@epa.gov; or U.S. Environmental Protection Agency (4503T), 1200 Pennsylvania Avenue, NW, Washington, DC 20460. The complete text of today's guidelines is also available at EPA's Nonpoint Source Web site: <http://www.epa.gov/owow/nps/cwact.html>

SUPPLEMENTARY INFORMATION:

I. Introduction

In FY 1999 and 2000, EPA stated that \$100 million additional grant dollars appropriated by Congress under Section 319 of the CWA (referred to as "incremental funds") were to be focused on implementing watershed restoration action strategies ("WRASs") in high-priority watersheds identified by States as being "in need of restoration." In FY 2001, EPA recognized the need to increasingly focus Section 319 grant dollars on implementing approved total maximum daily loads ("TMDLs") for waters that are impaired in whole or in part by nonpoint sources (hereinafter "NPS TMDLs"), under EPA's existing effective TMDL regulations and guidance. Based on this need, EPA stated that incremental funds may be used in FY 2001, in addition to the activities authorized in FY 1999 and 2000, to fund the development and implementation of approved NPS TMDLs for Section 303(d)-listed waterbodies, as well as to develop and implement WRASs.

On September 13, 2001, EPA published Supplemental Guidelines for the Award of Section 319 Nonpoint Source Grants to States and Territories in FY 2002 and Subsequent Years (66 FR 47653-47657). These guidelines modified the approach of FY 1999-2001 by focusing the incremental funds entirely on NPS TMDLs rather than on

WRASs. Specifically, EPA required that States use the incremental funds only within 303(d)-listed waters to develop NPS TMDLs; develop watershed-based plans that describe the actions that are necessary to implement NPS TMDLs; and to implement NPS TMDLs for which watershed plans have been completed.

Since the publication of the FY 2002 NPS guidance on September 13, 2001, EPA has held numerous public meetings around the country with States and other interested parties regarding the most appropriate means to restore waters that are listed by States as impaired under Section 303(d) of the CWA. A significant amount of discussion at these meetings and in other fora has focused upon the FY 2002 NPS guidance and generated further thinking as to the most effective means to promote expeditious implementation of nonpoint source controls needed to achieve water quality standards. Based upon these discussions and upon further reflection by EPA, EPA has decided that, for FY 2003 and subsequent years, we will somewhat modify the approach taken in the FY 2002 guidelines. The modified approach is discussed below.

Several earlier guidance documents govern the Section 319 grants process, and they remain in effect for FY 2003 and subsequent years except to the extent that they are specifically modified in this memorandum. These are summarized in Appendix A to this memorandum and may all be accessed at <http://www.epa.gov/owow/nps>.

II. Continued Focus on Restoring Waters Impaired by NPS Pollution

The priority objective for the use of Section 319 grant funds is to implement the national policy, set forth in Section 101(a) of the CWA, that nonpoint source programs be implemented expeditiously to achieve the goals of the CWA, including the restoration and maintenance of the chemical, physical, and biological integrity of the Nation's waters. To achieve this objective, the guidance places top priority on implementing on-the-ground measures and practices that will reduce pollutant loads and contribute to the restoration of impaired waters. The process described below achieves this objective by directing the use of incremental Section 319 funds (\$100 million) to the development and implementation of watershed-based plans that are designed to restore waters that have been listed by States as impaired under Section 303(d) of the Clean Water Act.

This guidance also facilitates smooth and effective integration of Section 319

program objectives with those set forth in the new Farm Bill (Farm Security and Rural Investment Act of 2002). The new Farm Bill provides more conservation funding for agricultural producers than any previous Farm Bill. As discussed below, this FY 2003 guidance strongly promotes States' use of 20 percent of both the base funds and incremental funds to develop watershed-based plans that holistically identify watershed-based problems and their solutions. By working closely with the United States Department of Agriculture (USDA) State conservationists, local conservation districts, and agricultural producers to identify those areas and practices in greatest need of assistance to address water quality concerns, State nonpoint source agencies can help promote integrated approaches by all agencies and funding sources to address these needs. We strongly encourage State 319 agencies to coordinate with these critical partners to assess water quality needs, develop watershed-based plans, and to implement appropriate practices using Section 319, Environmental Quality Incentives Program, and other funding sources.

Beginning in FY 2003, EPA will award Section 319 funds only in accordance with the following principles:

1. As in the past, States may use the "base funds" for the full range of activities addressed in their approved NPS management programs. EPA notes in particular that States have the opportunity to focus much of these funds upon activities that protect threatened waters. In any event, States have great flexibility as to how to focus these funds.

2. As in the past, States may use up to 20% of the "base" funds to develop NPS TMDLs and watershed-based plans to implement NPS TMDLs; develop watershed-based plans in the absence of or prior to completion of TMDLs; develop watershed-based plans that focus on the protection of threatened waters or other unimpaired waters; and conduct other NPS monitoring and program assessment/development activities. EPA expects States to prioritize their Section 319-supported NPS TMDL development activities in accordance with their TMDL schedules that they have developed pursuant to their Section 303(d) lists.

3. States may use up to 20% of the "incremental" \$100 million funds to develop NPS TMDLs as well as to develop watershed-based plans that describe the actions that are necessary to implement NPS activities in watersheds of Section 303(d)-listed waters. Where a NPS TMDL for the

affected waters has already been developed and approved or is being developed, the watershed-based plan must be designed to achieve the load reductions called for in the NPS TMDL. However, where a NPS TMDL has not yet been developed and approved or is not yet being developed for the waters, the State may use these funds to develop a watershed-based plan in the absence of the TMDL. In such cases, the plan must be designed to reduce NPS pollutant loadings that are contributing to non-attainment of water quality standards. However, once the TMDL is completed and approved, the plan must be modified as appropriate to be consistent with the load allocation portion contained within the TMDL. For example, if the TMDL assigns a load allocation to nonpoint sources that requires greater than previously estimated load reductions, the watershed-based plan must be modified to reflect the increased nonpoint source load reduction needed to implement the TMDL.

EPA encourages States to develop NPS TMDLs or, where applicable, sets of NPS TMDLs on a watershed basis. We encourage States to implement watershed-based plans holistically, as this approach usually provides the most technically sound and economically efficient means of addressing water quality problems. Consistent with this approach, EPA encourages States to include in their watershed-based plans approaches that will address all of the sources and causes of impairments and threats to the watersheds in question. Thus, the watershed-based plans should address not only the sources of water quality impairment, but also any pollutants and sources of pollution that need to be addressed to assure the long-term health of the watershed. Finally, since watersheds with completed TMDLs have the best documentation of the load reductions needed to achieve water quality standards, EPA recommends that States assign the highest priority to implementing watershed-based plans for waters that have completed TMDLs.

We recognize that some States have not yet developed sufficiently detailed watershed-based plans to help the States and their partners determine which management measures or practices should be implemented in particular places in the watershed to assure the achievement of desired load reduction (whether identified in a NPS TMDL or prior to its development) and to ensure that all significant water quality problems in the watershed are successfully addressed. In such cases, a State may need to use more than 20%

of its incremental funds to develop sound watershed-based plans that can then be implemented successfully. Where this is the case, the State and the Region should discuss the State's need to devote greater resources to completing watershed-based plans, recognizing at the same time the urgent need to focus most Section 319 funds on actual implementation efforts to achieve water quality improvements. Based on these discussions, the Region may authorize the State to use more than 20% of the incremental funds to develop these watershed-based plans in appropriate circumstances.

To ensure that Section 319 projects funded with incremental dollars make progress towards restoring waters impaired by nonpoint source pollution, watershed-based plans that are developed or implemented with Section 319 funds to address 303(d)-listed waters must include at least the elements listed below. Where the watershed-based plan is designed to implement a TMDL, these elements will help provide reasonable assurance that the nonpoint source load allocations identified in the NPS TMDL or anticipated in National Pollutant Discharge Elimination System (NPDES) permits for the watershed will be achieved, as discussed in the Assistant Administrator's August 8, 1997 memorandum, "New Policies for Establishing and Implementing Total Maximum Daily Loads (TMDLs)." However, even if a NPS TMDL has not yet been completed, EPA believes that these nine elements are critical to assure that public funds to address impaired waters are used effectively. (See also Appendix C of the May 1996 Nonpoint Source Guidance for more discussion of a "well-designed watershed implementation plan," which specifically discusses most of the elements listed below.)

- a. An identification of the causes and sources or groups of similar sources that will need to be controlled to achieve the load reductions estimated in this watershed-based plan (and to achieve any other watershed goals identified in the watershed-based plan), as discussed in item (b) immediately below. Sources that need to be controlled should be identified at the significant subcategory level with estimates of the extent to which they are present in the watershed (e.g., X numbers of dairy cattle feedlots needing upgrading, including a rough estimate of the number of cattle per facility; Y acres of row crops needing improved nutrient management or sediment control; or Z linear miles of eroded streambank needing remediation).

b. An estimate of the load reductions expected for the management measures described under paragraph (c) below (recognizing the natural variability and the difficulty in precisely predicting the performance of management measures over time). Estimates should be provided at the same level as in item (a) above (e.g., the total load reduction expected for dairy cattle feedlots; row crops; or eroded streambanks).

c. A description of the NPS management measures that will need to be implemented to achieve the load reductions estimated under paragraph (b) above (as well as to achieve other watershed goals identified in this watershed-based plan), and an identification (using a map or a description) of the critical areas in which those measures will be needed to implement this plan.

d. An estimate of the amounts of technical and financial assistance needed, associated costs, and/or the sources and authorities that will be relied upon, to implement this plan. As sources of funding, States should consider the use of their Section 319 programs, State Revolving Funds, USDA's Environmental Quality Incentives Program and Conservation Reserve Program, and other relevant Federal, State, local and private funds that may be available to assist in implementing this plan.

e. An information/education component that will be used to enhance public understanding of the project and encourage their early and continued participation in selecting, designing, and implementing the NPS management measures that will be implemented.

f. A schedule for implementing the NPS management measures identified in this plan that is reasonably expeditious.

g. A description of interim, measurable milestones for determining whether NPS management measures or other control actions are being implemented.

h. A set of criteria that can be used to determine whether loading reductions are being achieved over time and substantial progress is being made towards attaining water quality standards and, if not, the criteria for determining whether this watershed-based plan needs to be revised or, if a NPS TMDL has been established, whether the NPS TMDL needs to be revised.

i. A monitoring component to evaluate the effectiveness of the implementation efforts over time, measured against the criteria established under item (h) immediately above.

In commenting on a draft of these guidelines, several States noted the

difficulty of developing this information with precision and suggested that States should be authorized to begin implementing projects without having first developed some or all of this information. EPA believes, as this guidance reflects, that there must be a balanced approach to address this concern. On one hand, it is absolutely critical that States make, at the subcategory level, a reasonable effort to identify the significant sources; identify the management measures that will most effectively address those sources; and broadly estimate the expected load reductions that will result. Without such information to provide focus and direction to the project's implementation, it is much less likely that the project can efficiently and effectively address the nonpoint sources of water quality impairments. On the other hand, EPA recognizes that even with reasonable steps to obtain and analyze relevant data, the available information at the planning stage (within reasonable time and cost constraints) may be limited; preliminary information and estimates may need to be modified over time, accompanied by mid-course corrections in the watershed plan; and it often will require a number of years of effective implementation for a project to achieve its goals. EPA fully intends that the watershed planning process described above should be implemented in a dynamic and iterative manner to assure that projects whose plans address each of the nine elements above may proceed even though some of the information in the watershed plan is imperfect and may need to be modified over time as information improves.

4. States must use any incremental funds that remain after Step 3 above to implement watershed-based plans that have been completed. Regions should assure that the plans have been completed and address all of the nine elements prior to awarding the grant. To assure that the implementation of these watershed-based plans actually results in the restoration of watersheds, as well as to maximize efficiencies in the implementation of all watershed-based plans, we recommend that States use these incremental Section 319 funds on a watershed basis to develop and implement the watershed-based plans for all the waters impaired by nonpoint source pollution in a watershed. In addition, as in the plan development stage, we recommend that States' implementation activities also address other significant sources and pollutants in the watershed, including both those that are causing water quality impairments and others that are not

currently causing water quality impairments but that nonetheless should be controlled to assure a successful long-term solution to the watershed's existing and threatened water quality problems.

The watershed-based plan must address a large enough geographic area so that its implementation will solve the water quality problems for the watershed. While there is no rigorous definition or delineation for this concept, the general intent is to avoid single segments or other narrowly defined areas that do not provide an opportunity for addressing a watershed's stressors in a rational and economic manner. However, once a watershed plan meeting the nine items listed above has been established, a State may choose to implement it in portions (e.g., based on particular segments, other geographic subdivisions, or NPS categories in the watershed), consistent with the schedule established pursuant to item (f) above.

We recognize that States already have in place or have been developing watershed plans and strategies of varying levels of scale, scope, and specificity that may contribute significantly to the process of developing and implementing watershed-based plans. We encourage States to use these plans and strategies, where appropriate, as building blocks for developing and implementing the watershed-based plans. (Where these plans and strategies have been developed at a basin-wide or other large geographic scale, they will generally need to be refined at a smaller watershed scale to provide the information needs for the nine items identified above as required for watershed-based plans.) In particular, we recommend that States use their continuing planning processes, water quality management plans (WQMPs), WRASs, comprehensive conservation and management plans (CCMPs), coastal nonpoint pollution control programs under Section 6217 of the Coastal Zone Act Reauthorization Amendments of 1990, and other similar holistic watershed documents, to help guide their watershed-based approaches to watershed-based plan development and implementation.

We further recommend that States give their highest funding priority to projects that are supported by additional funding from other Federal, State, and local agencies, Clean Water State Revolving Funds (SRF), or private sector funding. Additionally, States should consult their SRF Program's Integrated Planning and Priority Setting System, if

such system is in use, to address the highest priority water quality improvement projects (see <http://www.epa.gov/owm/finan.html>). Given the significant expense of many watershed projects, such an approach will help expedite successful implementation of needed practices and thus speed the restoration of water quality. It will also help assure that watersheds are addressed in a holistic manner that accounts for the broad variety of stressors in the watersheds.

III. Protection of Threatened Waters

While States need to place very high priority on the need to restore waters impaired by nonpoint source pollution, as described above, EPA wishes to recognize and emphasize the continued need to protect waters that currently are not impaired by nonpoint source pollution to assure that they remain unimpaired. This particularly includes waters in which the good quality is threatened by such factors as changing land uses. EPA recommends that States place a high priority for the use of their base Section 319 funding on such protective activity. This includes both on-the-ground projects and broader educational and regulatory programs established by the State to promote broad awareness and implementation of activities that can help protect these waters from degradation by new and expanded land use activities which cause nonpoint source pollution.

EPA recognizes that in a few States, there is a uniquely high-priority need to focus significant funds on prevention activities in addition to the need for remediating impaired waters. While all States have significant pollution prevention and water quality protection needs, there are certain States with extensive aquatic resources that are especially valuable and at serious risk of irreparable harm, including especially good-quality aquatic habitat for salmon migration, spawning, and rearing. Therefore, EPA Regions may authorize States to use a portion of incremental funds to the extent necessary to address these unique situations. Such variation from the norm is intended to occur in only a handful of States at most, and may be provided only upon a finding by the Region that:

- The State has extensive unique aquatic resources that are especially valuable and at serious risk of irreparable harm and that therefore require a special focus on protection activities. These resources and threats to them should be documented in the State's 305(b) report.
- The State has established a schedule for TMDL development

consistent with an even pace and completion of needed TMDLs within 8 to 13 years of listing.

- The State is completing TMDLs in reasonable accord with the established development schedules.
- The State has committed, upon completion and approval of any TMDL, to incorporate the TMDL's load allocations into any watershed plan that has been developed for the waterbody addressed by the TMDL, as discussed above in this guidance in the third principle in the section "Continued Focus On Restoring Waters Impaired By NPS Pollution."
- The State is or commits to including loading reduction estimates in all Section 319 projects as required by EPA's September 27, 2001, memorandum from Robert H. Wayland III entitled, "Modification to Nonpoint Source Reporting Requirements for Section 319 Grants," <http://www.epa.gov/owow/nps/Section319/grts.html>, and as discussed further below in the section "Reporting NPS Results."

IV. Operation and Maintenance

Each Section 319 grant must contain a condition requiring that the State assure that its project sub-awards (e.g., sub-contracts and sub-grants) include a provision that any management practices implemented for the project be properly operated and maintained for an appropriate period of years. Following the approach used in many State and Federal funding programs, EPA recommends that State provisions generally ensure that practices are operated and maintained for a period of at least five to ten years.

For assistance in developing appropriate grant condition language, Regions should work with their Office of Regional Counsel. States may wish to consult with colleagues implementing similar programs, such as U.S. Department of Agriculture's conservation programs, for information on how to develop appropriate contract language and operation and maintenance periods that are tailored to the types of practices expected to be funded in a particular project.

V. Reporting NPS Results

Section 319(h)(8) of the CWA requires EPA to determine, prior to awarding a Section 319 grant, that the State has made "satisfactory progress" in meeting the schedule set forth in its NPS management program. When making this determination, the Region should include in the decision memo for the grant a concise summary of the basis for the determination. In addition, Section

319(h)(11) requires that States report annually to EPA concerning their progress in meeting their schedules of milestones contained in their nonpoint source management programs and, to the extent that appropriate information is available, reductions in nonpoint source pollutant loading and improvements in water quality. These annual reports in turn can assist the Region in making the satisfactory progress determination required by Section 319(h)(8).

To provide a mechanism for the State to meet the reporting requirement in Section 319(h)(11), as well as assist in the dissemination of information on States' progress in implementing their NPS programs, EPA is now upgrading the nonpoint source grants computer-based data system, the Grants Reporting and Tracking System (GRTS), which will include new and modified data elements to be reported by States. The most significant new mandated fields include the following: (1) Identify the location of the stream (or other waterbody) reach or reaches that are intended to be affected by each Section 319-funded project; (2) describe the project; (3) state whether the project consists of one or more of (a) the development of a NPS TMDL, (b) the development of a NPS TMDL implementation plan to achieve specific load-reduction goals, (c) the actual implementation of such a plan or (d) none of the above; and (4) annually provide (for nitrogen, phosphorus, and/or sediments) an estimate of load reductions achieved by the project and (for streambank and wetlands protection or restoration projects) the linear feet of streambank, or acres of wetlands, protected or restored. EPA intends to use these data as a means of tracking and reporting to Congress and the public the progress being made by States to successfully implement their NPS TMDLs and other projects to improve water quality.

To ensure that States meet the reporting requirement in section 319(h)(11) by entering information into GRTS, Regions must require States to enter all mandated data elements into GRTS as part of their negotiation of the evaluation process and reports under 40 CFR 35.115, and include it as a condition in grant awards of Section 319 funds. Information that is available at the time of grant award (e.g., project location and description) should generally be entered into GRTS within 3 months of the receipt of the grant or by a specific date agreed to by the Region and State. Other information should be entered at the appropriate time after project implementation has

begun (e.g., estimated load reductions would be reported annually once project implementation has progressed to the point that practices have been installed or implemented).

The upgraded GRTS system, including text fields, will enable States to satisfy all of their annual reporting requirements through GRTS. However, many States are using their annual reports as a means to not only meet statutory reporting requirements but also to educate State legislatures, other agencies, and the public, of the progress that they are making through implementation of their nonpoint source programs. Therefore, States may find it most beneficial to publish a separate annual report, but to do so in a cost- and time-saving manner that borrows heavily from the project summaries and data reported in GRTS.

VI. Waiver Process

Circumstances may arise which a State believes require it to develop and submit a work plan in a particular year that fails to meet one or more requirements in these guidelines. If such a circumstance arises, and the State believes that the circumstance justifies a waiver from one or more requirements in these guidelines, the State may submit a request for a waiver to EPA's Regional Water Division Director. The request should identify the requirement from which a waiver is requested; the circumstances requiring the waiver; a description of the activities and projects that the State will be implementing in lieu of those required by these guidelines; and a commitment to adhere to the guidelines to the greatest extent possible. The Regional Division Director may approve the waiver for the year requested with the concurrence of the Director of the Assessment and Watershed Protection Division.

Please note that this waiver process applies only to the requirements established in these and previous Section 319 guidelines; it does not apply to any statutory or regulatory requirements reiterated in these guidelines. In addition, this process is not required for any Regional authorization of the use of more than 20% of incremental funds to develop watershed-based plans in appropriate circumstances as discussed earlier in this memorandum.

VII. Conclusion

Significant challenges remain in our efforts to abate NPS pollution, protect threatened waters, and restore impaired aquatic resources. EPA will work with States to make the most effective use of

Federal resources to meet these challenges.

Appendix A—Significant Nonpoint Source Grants Guidance Documents

EPA has published several guidance documents that apply to the Section 319 grants guidance process. These documents are listed and briefly summarized below. Each of them may be reviewed online from the following address at EPA's nonpoint source Web site: <http://www.epa.gov/owow/nps/cwact.html>.

(1) Nonpoint Source Program and Grants Guidance for Fiscal Years 1997 and Future Years (May 1996). This 33-page document is the chief national nonpoint source program document. It describes criteria and processes for States and Territories to upgrade their nonpoint source management programs; summarizes statutory and regulatory provisions that apply to the award of nonpoint source grants; and provides guidance designed to assist States and Territories in implementing effective programs and projects.

(2) Process and Criteria for Funding State and Territorial Nonpoint Source Management Programs in FY 1999 (August 18, 1998). This 6-page document established guidelines for the use of incremental dollars (\$100 million) that were anticipated to be appropriated later that year. The guidance (1) authorized States and Territories to use up to 20 percent of their Section 319 funds to upgrade and refine their nonpoint source programs and assessments; (2) directed that the incremental dollars be focused upon implementation of watershed restoration action strategies in high-priority watersheds identified by the States and Territories as not meeting clean water and other natural resource goals; and (3) established a schedule for the award of the incremental funds.

(3) Funding the Development and Implementation of Watershed Restoration Action Strategies under Section 319 of the Clean Water Act (December 4, 1998). This 4-page document reiterated the priority placed on using the incremental \$100 million to address the States' and Territories' high-priority watersheds that do not meet clean water and other natural resource goals, focused particularly in sub-watersheds where NPS control activities are likely to have the greatest positive impact. It identified 303(d) sub-watersheds as high-priorities for such work.

(4) Supplemental Guidance for the Award of Section 319 Nonpoint Source Grants in FY 2000 (December 21, 1999). This 10-page document (1) asked the Regions to assure that Section 319 grants that include programs or projects that assist animal feeding operations (AFO) include a provision to assure that any AFO which receives financial assistance under the grant has and will implement a comprehensive nutrient management plan; (2) recommended steps intended to achieve a suggestion by the congressional appropriations committees that 5 percent of the Section 319 funds be allocated to clean lakes; and (3) announced and discussed EPA's intention to work with the States to consider changes to the Section 319 reporting/tracking system to support program

needs, including promoting better integration with Section 305(b) data and Section 303(d) lists.

(5) Supplemental Guidance for the Award of Section 319 Nonpoint Source Grants in FY 2001 (65 FR 70899–70905, Nov. 28, 2000). This document (1) discussed how States and Territories may use funding increases appropriated in FY 2001; (2) broadened the use of the "incremental" (\$100 million) to authorize their use to develop and implement the nonpoint source components of TMDLs in watersheds throughout the State; and (3) directed that each State or Territory with conditional approval under Section 6217 of the Coastal Zone Act Reauthorization Amendments of 1990 ("CZARA") devote at least \$100,000 of its FY 2001 Section 319 grant dollars to specific actions that are designed to meet all outstanding conditions for NOAA and EPA approval.

(6) Supplemental Guidelines for the Award of Section 319 Nonpoint Source Grants to States and Territories in FY 2002 and Subsequent Years (66 FR 47653–47657, Sept. 13, 2001). This document (1) increased the focus of the "incremental" (\$100 million) funding on developing TMDLs and watershed-based plans and implementing the watershed-based plans for 303(d)-listed waters throughout the State; (2) provided for a transition towards the new focus in FY 2002; (3) discussed the need for long-term operation and maintenance of practices funded with Section 319 funds; and (4) discussed pending changes in the GRTS reporting system.

Dated: August 19, 2002.

Robert H. Wayland, III,

Director, Office of Wetlands, Oceans, and Watersheds.

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ENVIRONMENTAL PROTECTION AGENCY

[FRL–7268–1]

FY03 Wetland Program Development Grants Guidelines

AGENCY: Environmental Protection Agency.

ACTION: Notice.

SUMMARY: Wetland Program Development Grants (WPDGs) provide eligible applicants an opportunity to conduct projects that promote the coordination and acceleration of research, investigations, experiments, training, demonstrations, surveys, and studies relating to the causes, effects, extent, prevention, reduction, and elimination of water pollution. While WPDGs can continue to be used by recipients to build and refine any element of a comprehensive wetland program, priority will be given to funding projects that address the three areas identified by EPA for FY03: