

STATE OF MINNESOTA

Office of Governor Tim Pawlenty

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May 20, 2004

VIA E-MAIL to
comments@oceancommission.gov

Dr. Thomas R. Kitsos, Executive Director
 US Commission on Ocean Policy
 1120 20th Street NW
 Suite 200 North
 Washington, DC 20036

Dear Dr. Kitsos:

Thank you for the opportunity to provide Minnesota's perspective on the April 2004 Governors' draft of the *Preliminary Report of the U.S. Commission on Ocean Policy*. The importance of protecting our Nation's coastline and waters cannot be minimized. Minnesota applauds the work of the Commission and hopes the report is a call to action on the significant challenges we face.

Minnesota generally agrees with the vision and principles enumerated in the Oceans Report. However, it is important to more clearly show that the Great Lakes are included in the scope of the Oceans Report, and that this vast freshwater system is not subsumed and forgotten by the references to only oceans. With 10,000 miles of coastline, the Great Lakes are recognized in law as America's fourth sea coast. The Great Lakes should be specifically included in the executive summary as well as mentioned in the body of the report.

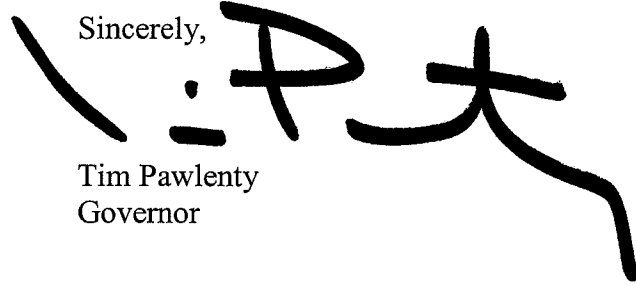
There are several other issues that I wish to emphasize, which are also enumerated in greater detail in the attached comments.

- We support the report recommendation to reauthorize the Coastal Zone Management Act.
- We do not support the report recommendation to merge the Coastal Non-point Program 6217 with EPA's 319 program, as this would limit Minnesota's management tools.
- We support a watershed approach, if adequate Federal funding is provided. Otherwise, it is preferred to have flexibility in determining boundaries contained in the existing coastal resources program.

We also share the desire to avoid new bureaucracy and the need to easily and effectively share data between the state and federal partners.

Minnesota remains committed to comprehensive management of Lake Superior and its watershed and we welcome the opportunity to help shape the nation's ocean and Great Lakes policy.

Sincerely,

A handwritten signature in black ink, appearing to read 'T. Pawlenty', written in a cursive style.

Tim Pawlenty
Governor

Minnesota's Comments on the Preliminary Report of the U.S. Commission on Ocean Policy 2004

Minnesota applauds the work of the U.S. Commission on Ocean Policy in its Preliminary Report of April 2004. The report draws attention to significant challenges we face and is a call to action. The report is very thorough and detailed while remaining well written and concise. We appreciate the work done by the Commission to pull together the diverse pieces that make up the federal ocean and Great Lakes policy picture. The vision for the Oceans and Great Lakes identified in Chapter 3: Setting the Nation's Sights, as well as the guiding principles to reach that desired future are well articulated and on the mark. We agree with the vision and guiding principles and support actions to achieve that vision.

As documented in the report, coastal, Great Lakes and ocean resources are national assets. The report clearly and correctly identifies the importance of managing complex natural resources such as the oceans and Great Lakes with an ecosystem focus. We support an increasing utilization of ecosystem-wide approaches to managing resources at the federal level. Minnesota has adopted such an approach through integrated resource management. This approach recognizes that partnerships and interdisciplinary cooperation are critical to achieving results, and acknowledges the interconnectedness of resource management targets. The economic and social benefits generated by the Duluth-Superior Harbor, the shipping and mining, recreational and commercial fishing industries, tourism along the North Shore of Lake Superior and in the City of Duluth, and our ability to ensure these benefits for future generations will depend on better understanding the impacts and interactions of our actions and taking actions now to support sustainable development and conservation of coastal, Great Lakes, and ocean resources. The true measure of our success will be how we improve the quality of life in coastal communities, ensure the nation's long term economic and ecological well-being, and affect positive outcomes "on the ground" at the state and local level. Minnesota is committed to the following priorities:

- Standardize and enhance the methods by which information is collected, recorded and shared within the Great Lakes region.
- Stop the introduction and spread of non-native aquatic invasive species.
- Enhance fish and wildlife by restoring and protecting habitats and coastal wetlands.
- Control pollution from diffuse sources into water, land and air.
- Promote programs to protect human health against adverse effects of pollution in the Great Lakes ecosystem.
- Ensure the sustainable use of our water resources while confirming that the States retain authority over water use and diversions of Great Lakes waters.
- Restore to environmental health the St. Louis River Area of Concern (AOC) as identified by the International Joint Commission as needing remediation.
- Adopt sustainable use practices that can protect environmental resources and that may enhance the commercial and recreational value of our Great Lakes. (Council on Great Lakes Governors letter to Congress April 2004).

We support the Commission's recommendations that work is needed to better understand the relationship between coastal economies, communities and coastal resource protection. Efforts are needed to maintain and support an ongoing Coastal and Ocean Socioeconomic Assessment System, including a standardized national reporting system among states and across regions that enables us to measure the value of these resources to the nation including recreational, social and natural resources values, and the values of people

and communities who rely on those resources. This will provide the information needed to make the most effective and efficient management and investments decisions. (Recommendation 25-3.)

We support the call to dedicate funding for ‘on-the-ground’ action. There is a need to provide sustained and dedicated funding and establish incentives to address priority management issues identified at the state and regional level. Funding should include a fair return to states and territories of OCS revenues and other revenues generated from use of coastal and ocean resources to the states for conservation of coastal, Great Lakes, and ocean, fish and wildlife, historic and land and water resources, as well as for reduction of impacts from OCS development and other activities. (Recommendations 24-1 and 30-1.) In addition, in order to proactively and aggressively fulfill the state-related activities in the report, there should be a strong effort to minimize the state/local funding match requirement and to recognize the investment by states and local governments for existing programs that should qualify to meet match requirements.

Minnesota strongly supports the need to maintain support for current programs and assess future needs. For example:

(i) Dedicated funds should be in addition to the current level of support for coastal and ocean programs including, but not limited to, state fisheries, coastal zone and watershed management, water quality protection, and habitat and wildlife conservation and should seek to build on the successes of current state efforts. Minnesota’s Lake Superior Coastal Program (CZM), the Lake Superior Beaches Program, and a variety of other monitoring, research, and educational programs could benefit from this type of increased focus at the watershed level. However, while we support such an expansion, there should be a corresponding increase in the amount of funding made available to reflect this increase (sometimes substantial) in scope/size.

(ii) The Administration should, as soon as possible, undertake a needs analysis of resources necessary to support state, regional and national coastal and ocean management goals, and coordinate Federal budget and program efforts to focus on achieving those goals most efficiently. (Recommendations 4.2, 7.2, and 30.1.)

(iii) While awaiting the needs assessment and Congressional action, the Administration and Congress should take action to assess the FY05 and FY06 budgets to provide increased support for key coastal, Great Lakes, and ocean management, research, monitoring and science programs to the extent possible given current budget constraints so that we can begin taking action under current authorities.

Minnesota recommends that the report explicitly include the Great Lakes. We would like to see more explicit mention of the Great Lakes and the coastal and aquatic resources associated with the Great Lakes throughout the report. The Great Lakes are mentioned in a few places and it is implied that they are included in most of the findings and recommendations. However, it is likely that the Great Lakes will get overlooked as parts of the report get brought forward for legislative action unless the language more directly addresses the Great Lakes as a vital resource on par with other ocean and coastal resources. Adding the words “and Great Lakes” throughout the report where the terms “ocean” or “marine” are used would appropriately and explicitly place the Great Lakes along side the other aquatic resources addressed in the report. The Great Lakes should also be mentioned explicitly in the Executive Summary. Because of the importance of the Executive Summary, it is very important to emphasize here that the Great Lakes are a vital part of the coastal and aquatic systems that are addressed by the report.

An example of this issue can be seen from the map inside the report’s front cover. The U.S. waters of the Great Lakes should be shown in dark blue, similar to the waters of the Exclusive Economic Zone (EEZ). Otherwise, the reader gets the impression right from the beginning of the report that the report excludes the Great Lakes. It is gratifying to see the text regarding the Great Lakes as the “Fourth Seacoast.” The message it conveys should be integrated more fully into the text of the report rather than isolated in a text box on its own and separate from the body of the report in its own box.

As noted throughout the Report, “the federal government is only one actor - and often not the important actor – at regional, state, and local levels.” While Minnesota supports increased integration at the federal level, the report should be amended to clarify throughout that a primary objective of these efforts is facilitation and support for implementation of coastal, Great Lakes, and ocean management plans and strategies developed at the local, state and regional level consistent with national goals. Improved government efficiency and responsiveness to state and public concerns can benefit from the integration of the myriad of federal coastal, Great Lakes, and ocean program efforts to improve support for ecosystem management and sustainable development “on-the-ground.”

To this end, Minnesota supports the following key recommendations in the report:

1. Increase federal agency coordination around the goal of ecosystem-based management: By Executive Order, direct all federal agencies to begin implementation of an integrated National Coastal and Ocean Policy that (i) incorporates ecosystem-based management approach to the extent possible under current law; (ii) promotes partnership with the states reflecting shared public trust and economic interests; (iii) improves regional coordination; (iv) supports ecologically sustainable use, incorporating a precautionary approach, and; (v) coordinates research, mapping, assessment and monitoring of coastal, Great Lakes, and ocean resources to support adaptive management and increased public understanding. (Recommendations 4-1 to 4-3, 4-11, 5-2, 5-3, 15-2; and 28-2.)
2. Establish a lead agency and clear lines of responsibility for coordination with states: Pending Congressional action, the Administration should designate the National Oceanic Atmospheric Administration (NOAA) as the lead agency to work with the Minerals Management Service, the US Army Corps of Engineers, other federal agencies and the states to coordinate review of current and foreseeable uses of federal waters. The review should ensure full consideration of the public interest and ecosystem-based management principles, as well as the coordination of research, assessment and monitoring of offshore activities. Any new offshore management regime for the EEZ should be consolidated within the lead agency, geographical linked to ecosystems and avoid single purpose governance structures that would create new stovepipes. It is important that the offshore management regime includes mechanisms for consultation with the states and seeks their review and consent for proposed actions or activities, including consistency under the Coastal Zone Management Act. (Recommendations 6-1 and 6-2.)
3. Avoid new bureaucracy and encourage innovation at the regional and state level:
 - i. Recommendations for the establishment of National and Regional Ocean Councils (NOC and ROC) should be amended to include a requirement that Governors be included as principals on the Councils, not simply as members of advisory committees. (Recommendations 4-1 to 4-3, 4-10, and 6-2.) In establishing a NOC, it should be clear that it is not another level of bureaucracy. The NOC should focus on its core responsibilities to “provide high level attention to ocean, Great Lakes, and coastal issues, develop and guide implementation of appropriate policies, and coordinate...” federal agencies. The recommendations should be amended throughout to clarify that appropriate lead agency or agencies with statutory responsibility is vested with necessary authority (and resources) to implement their programs, in consultation with other agencies and coordination with NOC. (Recommendation 11-2, 11-4, 6-3, 24-5, and. 25-5.)
 - ii. Clarify that proposed ROCs be flexible, build upon current efforts, and do not conflict with Fisheries Management Councils and State Commissions or other existing regional efforts such as the Great Lakes Commission and the Council of Great Lakes Governors. The principle role of the ROCs is to bring the collective resources and expertise of the federal agencies together with states and stakeholders to address significant issues that are identified at the state, local and regional level (Recommendations 4-11, 5-1 and 6-4,) not only issues identified by federal agencies at the national level. (Recommendation 4-2.) Links to the regional information programs should be clarified and strengthened. (See discussion below.)

4. Minnesota sees a need for additional support for major regional initiatives. The report should be amended to recognize that there are numerous regional restoration and conservation initiatives at a variety of scales such as Great Lakes Restoration that will require significantly more resources than identified in this report. The NOC and ROC's should be given the responsibility of working with the states to assess these additional needs and work with federal agencies, states, private sector and non-governmental organizations to identify funding sources and innovative financing for these regional and placed-based management initiatives.

We support the implementation of Adaptive, Ecosystem-Based Management. The report stresses throughout that there is a need for integration of watershed, coastal, Great Lakes, and ocean management that reaches from the hilltops to the seas and is capable of addressing problems at the ecosystem scale, and supports increased support for coastal zone management, watershed protection programs, land conservation and restoration. It also recognizes that in order to do this successfully we need a much better understanding of the coastal and ocean resources and the consequences of our actions on those resources. The report also recommends doubling the nation's investment in research and science and establishing an Integrated Ocean Observing System. As noted in the Report however, many development and land use decisions that can have the greatest impact on coastal, Great Lakes, and marine ecosystems are made at the local level; therefore, it is essential that support be provided for information and tools for states to use to assist in community planning efforts that will assist them in addressing broader ecosystem and regional objectives. In addition, current federal infrastructure programs, funding, and development incentives are often inconsistent with state coastal and growth management plans. As a result, the impacts of these projects in many cases can overwhelm local coastal and watershed planning efforts.

Within the report there are several key recommendations relating to ecosystem-based management that we support, including the following:

1. Increase support for integrated coastal, watershed and shoreline management. As recommended in Parts IV and V of the Report, we agree that it is important that coastal management and watershed management programs should be strengthened and better integrated with enhanced EPA point and nonpoint pollution control programs, particularly efforts to reduce nutrient loading in coastal waters.
 - (i) Minnesota strongly supports the recommendation for reauthorization of the Coastal Zone Management Act (CZMA), particularly the call for coastal resources assessments and increased incentives for state and community support for land conservation grants, as well as grants to be provided for coastal restoration, modeled on the Great Lakes restoration grants program, and increased funding for states to address community assistance on a watershed basis focused on hazards, land use, and growth management (Recommendations 9-1, 9-4, 10-3, 11-1, 11-2, 14-2.)
 - (ii) Pending reauthorization of the Clean Water Act, it is important that funding continue to be provided for grants to states to implement coastal nonpoint pollution control programs, and that NOAA, EPA and the states continue to work cooperatively to increase effectiveness and increase focus on efforts to reduce coastal nonpoint pollution to assure prevention of degradation, as well as restoration of impaired watersheds (Recommendations 14-8 and 14-10.) We support the existing structure of keeping the Section 6217 Coastal Nonpoint Program within NOAA and encourage additional funding and support for the program's coordinating efforts with the state's Section 319 program. We do not support merging of the Section 6217 program into the Section 319 program.
 - (iii) Specific programs to protect coastal resources from emerging threats such as aquatic invasive species, air deposition, and vessel pollution should also be reauthorized and strengthened and deserve more support. (Recommendations in chapters 14, 16, and 17.) The Administration and Congress should work with states to include appropriate recommendations in reauthorization of the National Aquatic Invasive Species Act and other

relevant pending legislation to support state and regional plans and support implementation of local action strategies.

- (iv) Minnesota supports the development of an integrated National Coastal Hazards and Shoreline Management Strategy among the Corps, FEMA, NOAA, NRCS and other appropriate agencies that would be designed to improve management of sediments, dredged material and erosion, and to reduce risk from coastal hazards. Among the issues it should provide for a uniform definition of shoreline and a commitment to mapping of the nearshore and coastal floodplains; regional sediment and dredged material management on a systemwide basis; enhancement of the storm protection and recreational benefits of beaches and wetlands as well as other natural features; and reduction of incentives for development in high hazard areas and increased assistance for hazard mitigation plans and relocation of at-risk property (Recommendations 10-1 to 10-4, and 12-1 to 12-5.)
2. Increase federal commitment to make data and information readily available to managers at the proper scale, and to support technical assistance and stronger links between the management and science communities. The state strongly supports the call for regional information programs to conduct regional ecosystem assessments based on state coastal assessments (see above), research and outreach plans, and links with integrated observing systems. We particularly support the recommendation that regional programs include state representatives, an enhanced role for Sea Grant, as well as inclusion of other marine and Great Lakes labs, academic and nongovernmental and private sector institutions, and “ensure that product development, dissemination, and user feedback” be integral components...” of the program. (Recommendations 5-3 to 5-5.) A specific mechanism should be provided to assure regular feedback from and surveys of state managers and other user group’s needs. (Recommendations 23-1 to 23-3.) These requirements should be included as an essential element of all the science and research recommendations of the report and the regional programs should be integrated with other science and research strategies, including the coastal water quality monitoring network (Recommendations 15-2 to 15-4), assessment mapping and charting activities, including an explicit commitment to map the near shore and coastal zone (Recommendation 25-5), and Integrated Ocean Observing Systems (Recommendations 28-1 to 28-2.)
 3. There is a need to assure consistency of federal infrastructure investment with ecosystem-based and state growth management plans. As previously noted, the new efforts to increase focus on ecosystem-based management will not be successful unless existing federal infrastructure and incentive programs are held accountable to ecosystem plans and are consistent with enhanced state coastal, watershed ocean and growth management plans. We support the recommendations in the report in this regard, including the following:
 - (i) Recommendation 14-7, which directs USDA to better align its conservation programs to reduce nonpoint source programs, Minnesota supports this recommendation and its intent to assure that those funds are used efficiently to provide important incentive to the agricultural community;
 - (ii) Recommendation 10-3 that proposes reducing incentives for building in high hazards zones;
 - (iii) Recommendation 9-3 which recommends development of guidance to discourage federal funding and infrastructure programs in fragile or hazard prone areas and ensure consistency with state, regional and national sustainable development goals; and
 - (iv) Recommendation 5-4 that calls for amendments to NEPA guidelines to require that environmental impact statements take into account regional ecosystem assessments to both provide an incentive for development of plans and provide increased project accountability to ecosystem concerns.

In addition, we have the following detailed comments:

1. The Commission recommends the development and use of regional structures and approaches for integrating and implementing management of Ocean and Great Lakes resources. We agree that regional

approaches will be critically important for implementing the recommendations in this report. It is essential, however, that these regional approaches and organizations are developed in close coordination with and with extensive input from state resource management agencies, and build on work that has already been done to address resource management challenges within and across political jurisdictions.

For example,

- a. National and regional goals for habitat conservation and restoration should be developed based on the goals already identified in the states' Coastal Programs and, for the Great Lakes, in the Lakewide Management Plans developed for each of the Great Lakes with state, federal, tribal and Canadian partners.
 - b. Likewise, coastal states are in the process of developing Coastal and Estuary Land Conservation Plans (CELCP) based, in part, on these on-going efforts. Funding made available to support acquisition from the CELCP program should be targeted to support the state priorities identified through the development of these plans.
 - c. Coastal resource inventories and assessments, identified in Chapter 11, should also build upon the work being done at the state level. In Minnesota, the Minnesota County Biological Survey is nearing completion of a comprehensive, systematic survey of natural plant communities on the coast of Lake Superior. Coordinated federal efforts and funds should be directed at supplementing these and similar efforts as well as integrating them into federal decision-making processes.
 - d. Regional structures and organizations need to be crafted carefully to ensure that within region differences are accounted for and addressed. For example, on page 156, Figure 14.1 illustrates a report card for regional coastal conditions. Overall Great Lakes water quality is described as "poor" despite the fact that water quality in Lake Superior, the largest of the Great Lakes has water quality conditions that are significantly better than other parts of the region.
2. Recommendation 11-4 calls for a major overhaul in federal wetlands law and oversight. Given the lack of detail presented in the report regarding specific changes that need to be made, a more appropriate recommendation would be to call for a national assessment of existing wetland regulations and an evaluation of those programs to develop an action plan designed to develop specific recommendations to protect and restore wetland habitats by federal agencies.
 3. The Great Lakes states and several federal agencies have initiated a wide-ranging and aggressive approach to managing aquatic nuisance species. We are concerned that an overhaul of the existing program might cause delays and divert resources away from implementation of necessary actions to prevent the introduction and spread of exotic species. Any new structures implemented in this arena should be carefully crafted to improve coordination and reduce the fragmentation of management rather than increasing them. In this as well as other issues, improvements in coordination at the federal level should result in recognizing effective, on-going programs and assisting them through providing additional resources and facilitation and should avoid causing disruption to these on-going efforts.
 4. Fisheries management councils, established through Congress exist elsewhere, but not in the Great Lakes. There needs to be a discussion of how the recommendations related to these councils will apply and be implemented in the Great Lakes. The Great Lakes Fishery Commission has a history of integrating resource management issues across political jurisdictions. It is not equivalent to a Fishery Management Council in a legal sense. The report should address, in greater detail, the differences between these structures and how those differences might affect implementation. (Chapter 19)
 5. Sport fishing was not thoroughly addressed in the report. It is a major issue for resource management and economic sustainability. We feel that it should be addressed in the report.
 6. We support Recommendation 24-1 and the use of OCS revenue for conservation of coastal resources. The discussion on funding activities through Outer Continental Shelf revenue needs to more strongly ensure that coastal states that do not generate OCS revenue, including the Great Lakes, are not left out of the picture simply because they do not generate OCS revenue. The distribution of money generated from OCS activities should be evaluated to ensure that it is based on resource management priorities and needs rather than on factors based solely on its source. There is a need to ensure that the generation of OCS based revenue does not become an incentive to over-develop those resources in a way that is counterproductive to the protection of coastal resources.

7. The report suggests establishing NOAA as the overarching, coordinating agency for policy in the Great Lakes. This should be approached with caution. NOAA does not have the same degree of history, regulatory oversight, and management authority here as perhaps it does in other areas. There is a long history of high-level involvement from other agencies with more direct regulatory and management roles in the Great Lakes. Because of this, we think that it is particularly important that NOAA create a regional, Great Lakes presence through the development of offices in the western and eastern ends of the Great Lakes Basin.
8. There should be a process identified for a 3 – 5 year review of progress and implementation of the recommendations in the report.
9. The Great Lakes typically does not get an equitable share of federal research money from sources such as NSF. Research and monitoring efforts should seek to resolve this inequity.
10. The report proposes to expand the number of Centers for Ocean Sciences Education Excellence (COSEE) – recommendation 8-5. There are currently no COSEE's located in the Great Lakes region. Minnesota recommends that this expansion include a Western Great Lakes Regional COSEE. This would be appropriate given the relationship between the Great Lakes watershed and the water that drains to the Atlantic Ocean. This would provide an opportunity to strengthen understanding of the relationship of watersheds and their impact on ocean and marine coast conditions. Additionally, with the headwaters of the Mississippi River in Minnesota, there would be an opportunity to provide linkages with the watersheds of the middle of the continent to the Gulf of Mexico.
11. The State of Minnesota appreciates the awareness and supports the position that no new mandates should be placed on states, and that in many cases, the role of the federal government can best be enhanced by supporting state efforts through additional funding and coordination of programs.
12. An important feature of any program to bring ocean education to the classroom should be the expansion of “remote-access technologies.” Federally supported programs should provide these opportunities to Minnesota students.
13. Great Lakes management needs to recognize the importance of working cooperatively with Canada and our vision, principles, structures and policies should be developed cooperatively with them in a way that helps accomplish shared goals.
14. Minnesota appreciates and supports the report's reaffirmation of the need for greater communication between the federal and state levels of government especially regarding OCS revenue and coastal states management needs.
15. Appendix C – Living Near...and Making a Living From...the Nation's Coasts and Oceans – Points out the need for more research on the socio-economic factors influencing coastal and ocean use. We agree that despite the importance of coastal communities to the nation's economy, funding for economic research is significantly less than that spent on the agricultural industry as an example. The report includes Great Lakes census data in its conclusions and makes several direct observations about the region, such as the relative slight increase in population but the large increase in housing in Great Lakes coastal areas. The report also makes mention of the increase in the importance of tourism and services in coastal economies, something especially true along Minnesota's North Shore. We support the need for more research related to this vital sector of our economy.
16. Recommendation 9-1 shifts the focus of the coastal programs to one of record keeping. Conducting meaningful work is replaced by additional bureaucratic requirements. The recommendation also removes the flexibility built into the Coastal Zone Management Act for states to determine their own coastal boundary by the requirement to use a watershed approach. We do support the watershed concept. However, adopting a watershed boundary would increase the area within the coastal program from 741,916 to 3,936,294 acres (1159 to 6148 square miles), a 530% increase in area. This would necessitate a substantial increase in the funding for the program even assuming that no other increased program requirements were adopted. Without increased funding, the effect of adopting a watershed boundary would be to substantially dilute the ability of the program to achieve its resource management goals. We would support a watershed approach if adequate funding is provided, and the approach gives the states flexibility, within a watershed concept, to determine their boundaries as resources are available.

- a. This recommendation places additional burdens on the state coastal program in the form of additional reviews, audits, and reports – implementation of a recommendation that includes the entire great lakes watershed must be accompanied by a substantial increase in funding to both the state program and NOAA to administer these additional burdens.
 - b. Minnesota’s Lake Superior Coastal Program distributes the majority of its federal grant (~75%) to local organizations in the form of grants. This money goes to fund selected projects dedicated to the mission of the CZMA – preserve, protect and enhance. Recommendation 9-1 will reduce the amount of funds available for these projects by requiring greater amounts to be spent on proving compliance with government standards.
 - c. The use of disincentives creates a spiral of inaction. Funding is already tight. Removing funding for poor performance that may be attributed to under-funding is a recipe for failure.
 - d. We do support the development of measurable outcomes and performance measures but need to be assured that the flexibility of the program is maintained and that there is not an increase in the burden of record keeping.
17. The report underscores the obstacles we face in operating our coastal program. We concur with the list of issues identified in the section on multi-layered decision-making on page 109. In particular, the lack of shared values consistent with program objectives, or the lack of political will to implement actions designed to reach those goals, particularly in small coastal communities, may limit the ability of the coastal program to achieve its goals.
 18. We support Recommendation 9-2 to consolidate the other area-based coastal management programs with those of NOAA.
 19. Recommendation 14-9 suggests the merger of the Coastal Non-point program with section 319 of the Clean Water Act. This merger is not supported by Minnesota for a variety of reasons. This action may result in a duplication of administrative functions and may undermine the availability of statewide Section 319 funds for addressing specific coastal issues. If the programs were merged the funds would be subject to the stringent standards that currently make it difficult to meet program goals. The restrictions on funds available for monitoring, administration and a burdensome match requirement results in a challenge to implementing the existing 319 program.
 20. Minnesota appreciates the Commission’s recognition that the meaningful changes proposed in the report will require meaningful investment. In order for states to be full participants and fulfill the broad comprehensive changes proposed in the report, there must be a substantial financial investment in each of the coastal states. The report works to portray that fact. Funding issues that are critical to Minnesota, include:
 - a. We would like more explicit mention of the principle that funding should be considered an augmentation of existing baseline program funding and should not be used to replace or supplant current federal funding of state programs. This principle is mentioned in a couple areas of the report, but only implied in others.
 - b. In order to proactively and aggressively fulfill the state-related activities in the report, there should be an effort to minimize, to the extent practical, the state/local funding match requirement. State and local governments have seen significant funding reductions over the past several years. Therefore, where a sizable match is required, it can significantly impede the ability of many states to use their allocation of funds. This is especially true in many coastal states, including Minnesota, where the coastal area represents a small fraction of the geographic area of the state and there is a broad range of competing statewide demands for diminishing and limited funds for new state initiatives.
 - c. Funds should be provided directly to the states via a baseline grant program that provides flexibility for state variability based on on-going identified needs. At times, states are in more need of funding for staff in order to develop, design, administer, and manage necessary programs and projects (especially during program start-up or enhancement) and, at other times, we are in more need of funds to pay for the contractors or services required to complete projects or program activities. However, federal grants oftentimes are made available to states for project implementation costs only and not for the staff necessary to develop, design, administer, and manage the projects. In these cases, we don’t have the staff necessary to even apply for or utilize the funding that is being made

available to us. Therefore, both the required staff and project implementation resources should be defined as eligible costs under the grant program. The actual amount and uses of the funds can be negotiated and defined in a work plan from grant-period-to-grant-period based on a current needs assessment for each state. In return for more flexibility, the states could provide mid- and end-of-grant reports summarizing their activities based upon the agreed upon work plan and the use of grant resources.

21. Watershed and Ecosystem Based Programs. Minnesota supports the increased utilization of watershed and ecosystem based management approaches in current federal programs and activities. Many of the current coastal-related programs do not cover the entire watersheds that drain into and affect the resource, but rather a much smaller boundary closer to the coast. Minnesota's Lake Superior Coastal Program, the Lake Superior Beaches Program, and a variety of other monitoring, research, and educational programs could benefit from this type of increased focus at the watershed level. However, while we support such an expansion, there should be a corresponding increase in the amount of funding made available to reflect this increase (sometimes substantial) in scope/size.

These comments were prepared with the help of staff from the Minnesota Department of Natural Resources, The Minnesota Pollution Control Agency and Minnesota Sea Grant. Questions and requests for clarification should be directed to the following persons:

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