



**Gulf Coast Ecosystem Restoration Council**

**Annual Report to Congress**

**Final Draft**

**December 12, 2014**

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## Letter from the Executive Director

With the RESTORE Act, Congress brought together the five Gulf Coast states directly impacted by the *Deepwater Horizon* oil spill with six federal agencies, creating an independent entity with an unprecedented amount of restoration expertise and knowledge. In the same spirit of cooperation and collaboration that Congress exhibited in the passage of the Act itself, Council members are working together to create a foundation for collaborative work that will allow us to efficiently and responsibly fund and implement large-scale restoration projects across the Gulf, the likes of which the region has not seen.

The Council recognizes the incredible opportunity the RESTORE Act represents for the Gulf of Mexico and the imperative that we get this right. In the two years since passage of the Act, the Council has worked to develop the foundational steps necessary to stand up and administer an independent federal entity whose charge will be to select and fund restoration projects in the Gulf region. While this has taken more time than Council members anticipated, we believe it is time well spent and will result in a more efficient, responsible and successful organization.

There are a number of challenges the Council must address in executing its mission. Due to the ongoing litigation against BP and other responsible parties, there remains tremendous uncertainty regarding the ultimate amount of funding that will be available for restoration projects as well as the timing of its availability. The Council recognizes the need to move forward in getting project implementation underway while at the same time planning for a future that is still uncertain.

Two years after the passage of the RESTORE Act, and four years after the explosion of the *Deepwater Horizon* rig, the Council is well-positioned to begin the process of selecting and funding restoration projects and programs across the Gulf of Mexico. On behalf of the Council, I am pleased to offer this *Annual Report to Congress* outlining the many foundational steps we have collectively taken to date.

The Council remains committed to maintaining an open line of communication with the Congress. Please contact us at any time with your thoughts, suggestions or questions. Thank you for your leadership over the past four years to help the Gulf Coast region recover from the worst environmental disaster America has ever faced.

Justin R. Ehrenwerth  
Executive Director  
Gulf Coast Ecosystem Restoration Council

## Executive Summary

Established by the Resources and Ecosystems Sustainability, Tourist Opportunities, and Revived Economies of the Gulf Coast States Act of 2012, or the RESTORE Act of 2012, the Gulf Coast Ecosystem Restoration Council (Council) is comprised of governors from the five affected Gulf States, the Secretaries from the U.S. Departments of the Interior, Commerce, Agriculture, and Homeland Security as well as the Secretary of the Army and the Administrator of the U.S. Environmental Protection Agency. The Gulf States recommended and President Obama appointed the Secretary of Commerce as the Council's Chair.

The Council has oversight over the expenditure of sixty percent of the funds made available from the Gulf Coast Restoration Trust Fund (the Trust Fund). Under the Council-Selected Restoration Component, thirty percent of available funding will be administered for Gulf-wide ecosystem restoration and protection according to the Comprehensive Plan developed by the Council. The other thirty percent will be allocated, under the Spill Impact Component, to the States according to a formula established by the Council by regulation and spent according to individual State Expenditure Plans (SEP) to contribute to the overall economic and ecological recovery of the Gulf. At the end of Fiscal Year (FY) 2014, the Council was well-positioned to select and fund an initial portfolio of projects (Funded Priorities List or FPL) as well as promulgating the regulation to administer the Spill Impact Component.

During its first year of operation, the Council established basic processes; assembled a transition staff; developed and published an Initial Comprehensive Plan and accompanying environmental compliance documents; hosted public listening sessions in all five Gulf Coast states with over 2,000 individuals in attendance; and hired key management positions, including an Executive Director and Chief Financial Officer. Since the Comprehensive Plan was approved in late August 2013, the Council has taken important steps to implement the Comprehensive Plan and fund projects under the Plan. During the past year, the Council developed its internal operating procedures and established its administrative infrastructure, functions, and procedures. The Council also developed the process for vetting and evaluating projects under the Council-Selected Restoration Component, published rules and guidelines for the Oil Spill Impact Component and approval of SEPs, and developed procedures for the disbursement of funds through grants and interagency agreements. Additionally, the Council took steps to coordinate its efforts with other large-scale Gulf restoration initiatives such as the *Deepwater Horizon* Natural Resource Damage Assessment Trustee Council and the National Fish and Wildlife Foundation.

This *Annual Report to Congress* summarizes the policies, strategies, plans and activities for addressing the restoration and protection of the Gulf Coast region. It does not include project or program specific information, as the Council has neither prioritized for funding nor implemented any projects to date. As of this writing, however, the process of evaluating and selecting ecosystem restoration projects and programs is underway. This *Report* also does not include a summary of activities from the Centers for Excellence program established under Section 1605 of the RESTORE Act as those entities have not yet been formally established.

The Council anticipates providing our next *Annual Report to Congress* no later than one-hundred and twenty days from the end of FY15.

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## Background

The Gulf Coast region is vital to our Nation and our economy, providing valuable energy resources, abundant seafood, extraordinary beaches and recreational activities, and a rich cultural heritage. Its waters and coasts are home to one of the most diverse environments in the world—including over 15,000 species of sea life. Over twenty-two million Americans live in Gulf coastal counties and parishes—working in crucial U.S. industries like commercial seafood, shipping, tourism, and oil and gas production. The region also boasts ten of America’s fifteen largest ports accounting for nearly a trillion dollars in trade each year.

Despite the tremendous importance of the Gulf Coast region, the health of the region’s ecosystem has been significantly impacted, most recently by the *Deepwater Horizon* oil spill. Over the past decade the Gulf Coast region has also endured significant natural catastrophes, including major hurricanes such as Katrina, Rita, Gustav, and Ike. The Gulf Coast region has experienced loss of critical wetland habitats, erosion of barrier islands, imperiled fisheries, water quality degradation, and significant coastal land loss due to natural forces, the alteration of hydrology, and other human activities.

In addition, the Gulf of Mexico experienced numerous water quality problems resulting from the *Deepwater Horizon* oil spill and other factors, including excess nutrients, hypoxia, altered sediment resources, pathogens, mercury, remaining *Deepwater Horizon* oil and other pollutants. Nearly five years after the spill, living coastal and marine systems still show signs of stress, such as depleted species populations and degraded habitats. Storm risk, land loss, depletion of natural resources, compromised water quality and quantity, and sea-level rise are imperiling coastal communities’ natural defenses and ability to respond to natural and man-made disruptions. These problems not only endanger the natural systems but also the economic vitality of the Gulf Coast region and the entire Nation.

## The RESTORE Act

Spurred by the *Deepwater Horizon* oil spill and in recognition of the need to restore both the Gulf’s vital natural resources and the economy of the region, the Resources and Ecosystems Sustainability, Tourist Opportunities, and Revived Economies of the Gulf Coast States Act of 2012, or the RESTORE Act, was passed by Congress on June 29, 2012, and signed into law by President Obama on July 6, 2012. The RESTORE Act envisions a regional approach to restoring the long-term health of the valuable natural ecosystems and economy of the Gulf Coast region. The RESTORE Act dedicates 80 percent of any civil and administrative penalties paid under the Clean Water Act, after the date of enactment, by responsible parties in connection with the *Deepwater Horizon* oil spill to the Restoration Trust Fund (Trust Fund) for ecosystem restoration, economic recovery, and tourism

promotion in the Gulf Coast region. This effort is in addition to the restoration of natural resources injured by the spill which will be accomplished through a separate Natural Resource Damage Assessment (NRDA).

In addition to creating the Trust Fund, the RESTORE Act established the Gulf Coast Ecosystem Restoration Council (Council). The Council is currently chaired by the Secretary of the U.S. Department of Commerce and includes the Governors of the States of Alabama, Florida, Louisiana, Mississippi and Texas and the Secretaries of the U.S. Departments of Agriculture, Army, Homeland Security and the Interior, and the Administrator of the U.S. Environmental Protection Agency.

One of the Council's primary responsibilities is to develop a Comprehensive Plan to restore the ecosystem and the economy of the Gulf Coast region. The Council is also tasked with approval of State Expenditure Plans. Both components are discussed in more detail below.

## **Gulf Coast Restoration Trust Fund**

The RESTORE Act dedicates 80 percent of any civil and administrative penalties paid under the Clean Water Act, after July 6, 2012, by responsible parties in connection with the *Deepwater Horizon* oil spill to the Gulf Coast Restoration Trust Fund (Trust Fund) for ecosystem restoration, economic recovery, and tourism promotion in the Gulf Coast region.

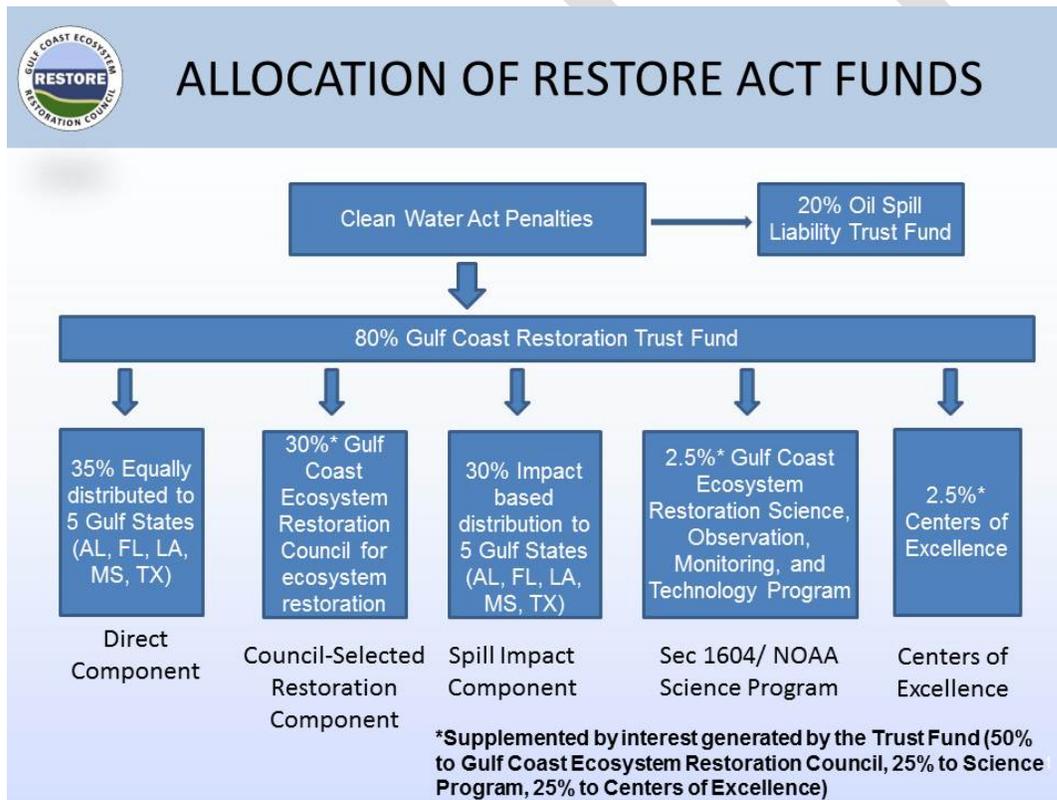
The RESTORE Act divides the funds into five "buckets" and sets parameters for how these funds will be spent:

- 35% of the funds are divided equally among the five Gulf Coast states for ecological and economic restoration. Eligible activities include: restoration and protection of natural resources; mitigation of damage to natural resources; workforce development and job creation; improvements to state parks; infrastructure projects, including ports; coastal flood protection; and promotion of tourism and Gulf seafood.
- 30% of the funds will be administered for restoration and protection according to the Comprehensive Plan developed by the Council.
- 30% of the funds are dedicated to the Gulf Coast states based on a formula established by the Council by regulation. This formula will be based on the number of miles of shoreline that experienced oiling, the distance from the *Deepwater Horizon* mobile drilling unit at the time of the explosion, and the average population as of the 2010 Census. Each state is required to have a Council approved plan in place for use of these funds.
- 2.5% of the funds are dedicated to the Gulf Coast Ecosystem Restoration Science, Observation, Monitoring and Technology Program. The National Oceanic and Atmospheric Administration (NOAA) will establish a Gulf Coast Ecosystem Restoration, Science, Observation, Monitoring and Technology Program for marine and estuarine research, ecosystem monitoring and ocean observation, data collection and stock assessments, and cooperative research.
- 2.5% of the funds are dedicated to the Centers of Excellence Research Grants Program. The Centers of Excellence Research Grants funding is distributed through the States to

nongovernmental entities to establish centers of excellence that will focus on the following disciplines: coastal and deltaic sustainability; restoration and protection; fisheries and wildlife ecosystem research and monitoring; offshore energy development; sustainable and resilient growth; and comprehensive observation, monitoring and mapping in the Gulf.

The Council has responsibilities with respect to 60 percent of the funds made available from the Trust Fund. 30 percent of the Trust Fund, plus interest, will be administered for ecosystem restoration and protection by the Council according to the Initial Comprehensive Plan. The other 30 percent of the Trust Fund will be allocated to the Gulf Coast States under a formula described in the RESTORE Act and established by regulation by the Council and spent according to individual SEPs. The SEPs must be consistent with the Goals and Objectives of the Initial Comprehensive Plan and are subject to the Council’s approval.

**Figure 1. Allocation of the Restoration Trust Fund**



Due to uncertainty around a variety of factors associated with ongoing litigation, the ultimate amount of administrative and civil penalties that may be available to the Trust Fund and the timing of their availability are currently unknown. On January 3, 2013, the United States announced that Transocean Deepwater Inc. and related entities had agreed to pay \$1 billion (plus interest) in civil penalties for violating the Clean Water Act (CWA) in relation to their conduct in the *Deepwater Horizon* oil spill. In accordance with the consent decree, Transocean has paid its first two installments of civil penalties plus

interest to the Department of Justice. In addition, the United States continues to seek additional civil penalties from BP Exploration and Production Inc. and Anadarko Petroleum Corporation, which may also provide funds for the Trust Fund. The Department of Justice has transferred 80% of these funds (\$653,034,301) to Treasury for deposit into the Gulf Coast Restoration Trust Fund.

## Organizational Independence and Administration

Congress created the Council as an independent entity in the federal government.<sup>1</sup> In so doing, Congress provided the opportunity to leverage the tremendous expertise of the five Gulf States as well as that of six Federal agencies—invaluable resources that will facilitate sound and inclusive restoration decisions and inform the manner in which we go about a task as large and complex as the comprehensive restoration of the Gulf Coast region..

In fiscal year 2013, the Council initiated a phased approach to standing-up the independent entity to help ensure that it would be ready to move efficiently and effectively to implement a restoration plan once funds were available. For the first two years, the entity was administratively housed in the Department of Commerce and most of the Council's efforts were undertaken by leveraging existing resources and personnel from the Department of Commerce, other Council members, and outside sources. Council members contributed both personnel and basic support services during this start-up period.

Over the past two years, the Council has successfully transitioned from a start-up within the Department of Commerce to an organizationally independent entity within the federal government. The Council has executed the necessary steps required in this complex process. The Council has been established as an independent entity with the Office of Management and Budget, the U.S. Treasury Department, the Office of Personnel Management and the General Services Administration. The Council also executed Memoranda of Understanding (MOU) with Treasury for access to administrative and programmatic funds in order to support start-up operations and to begin hiring staff.

A financial, internal control and administrative infrastructure was established to enable basic administrative and operational planning activities to be carried out. The Council continued to refine its internal governance structure through the development of Standard Operating Procedures and the finalization of a Federal Agency Memorandum of Understanding—an agreement documenting mutual expectations regarding participation by the Federal members of the Council and a process for consultation prior to voting. An accounting system was developed and implemented, and other administrative services such as human resources, procurement, travel, legal, and payroll were acquired through agency cross-servicing agreements. Office space for a small central headquarters was acquired in New Orleans which is supported by a distributed organizational structure across the Gulf Coast states. FY 2014 and 2013 financial statements were produced, and an audit of both was completed. The

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<sup>1</sup> "ESTABLISHMENT.—There is established as an independent entity in the Federal Government a council to be known as the 'Gulf Coast Ecosystem Restoration Council'" 33 U.S.C. 1321(t)(2)(C)(i).

Council is delighted to report that the review resulted in an unmodified or “clean” opinion from the outside auditors.

The Executive Director and Chief Financial Officer/Director of Administration have been in place since mid-2013. Additional core staff capacity has been made possible by details and temporary personnel assignments from member agencies and others. Though organizational independence is beneficial, there are challenges associated with standing up any new independent federal agency. The Council has worked to overcome the budget challenges of starting operations from the ground-up by relying on our member states and agencies.

Additional information regarding the Council’s budget and finances can be found in the Council’s FY 14 Performance and Accountability Report (PAR).

## **Council-Selected Restoration Component (Bucket 2)**

One of the Council’s primary responsibilities was to develop an Initial Comprehensive Plan to restore the ecosystem and economy of the Gulf Coast region. The Council approved and published an Initial Comprehensive Plan (Plan) in August 2013 that outlines overarching goals for restoring and protecting the natural resources of the Gulf.

To develop the Plan, the Council carefully reviewed the findings and recommendations of the *Gulf Coast Ecosystem Restoration Task Force Strategy (Strategy)*. The Council also reviewed numerous existing local, regional, state, and federal plans to inform the development of the Plan. The Council initiated a robust public engagement process to receive input from diverse voices from across the region. The Council hosted fourteen public meetings with over 2,300 attendees; over 41,000 public comments on the Draft Initial Comprehensive Plan and accompanying Programmatic Environmental Assessment were received. These comments were considered and incorporated, as appropriate, into the Initial Comprehensive Plan.

Building on the strong foundation established in the Task Force *Strategy* and other local, regional, state, and federal plans, the Council is moving forward with an integrated and coordinated approach to Gulf Coast restoration. This approach strives to both restore the Gulf Coast region’s environment and, at the same time, revitalize the region’s economy because the Council recognizes that ecosystem restoration investments may also improve economic prosperity and quality of life. In addition, this approach acknowledges that coordinated action with other partners is important to successfully restore and sustain the health of the Gulf Coast region. This coordination is particularly important because diverse funding sources and decision-making bodies are simultaneously investing in Gulf Coast restoration.

To provide the overarching framework for an integrated and coordinated approach for region-wide Gulf Coast restoration and to help guide the collective actions at the local, state, tribal and federal levels, the Council has adopted five goals:

- (1) **Restore and Conserve Habitat** – Restore and conserve the health, diversity, and resilience of key coastal, estuarine, and marine habitats.
- (2) **Restore Water Quality** – Restore and protect water quality of the Gulf Coast region’s fresh, estuarine, and marine waters.
- (3) **Replenish and Protect Living Coastal and Marine Resources** – Restore and protect healthy, diverse, and sustainable living coastal and marine resources.
- (4) **Enhance Community Resilience** – Build upon and sustain communities with capacity to adapt to short- and long-term changes.
- (5) **Restore and Revitalize the Gulf Economy** – Enhance the sustainability and resiliency of the Gulf economy.

The fifth goal focuses on reviving and supporting a sustainable Gulf economy to ensure that those expenditures by the Gulf Coast States authorized in other sections of the RESTORE Act, such as the Direct Component and the Spill Impact Component, can be considered in the context of comprehensive restoration. To achieve all five goals, the Council will support ecosystem restoration that can enhance local communities by giving people desirable places to live, work, and play, while creating opportunities for new and existing businesses of all sizes, especially those dependent on natural resources. In addition, the Council will support ecosystem restoration that has the added benefit of building local workforce capacity.

### Funded Priorities List

The RESTORE Act requires creation of a Funded Priorities List (FPL) that indicates which projects and programs the Council intends to fund. The Initial Comprehensive Plan did not include this list for several reasons, including the uncertainty regarding ultimate availability of funding and the fact that the final procedures to guide Trust Fund expenditures had not yet been issued by the U.S. Department of the Treasury.

In July 2014, the Council finalized a proposal submission and evaluation process described in the Comprehensive Plan. The process will allow the Council to select projects for inclusion on a forthcoming FPL which will be included as an addendum to the Initial Comprehensive Plan. This project selection and vetting process provides for a merit-based selection of projects to achieve comprehensive ecosystem restoration. It incorporates an independent peer review evaluation to ensure projects are grounded in science, provides for coordination at a project level with other restoration efforts, and gives the highest priority to projects that meet one or more of the evaluation criteria enumerated in the law.

The FPL will contain projects and programs that will be funded with available Transocean Deepwater Inc. funds. Future amendments to the FPL and the process by which projects are selected for inclusion will evolve over time as new information becomes available, adaptive management activities occur and as funding uncertainties are resolved. The Council anticipates that once the full amount ultimately to be paid into the Trust Fund is known, future amendments to the FPL will include significantly larger projects and project lists that reflect the full amount available to be spent for restoration activities.

This approach will allow the Council to invest early in specific actions, projects and programs that can be carried out in the near-term with known funding to provide on-the-ground results while maintaining a focus on the long-term recovery of the Gulf Coast.

The RESTORE Act outlines several requirements the Council must consider when selecting projects to fund, including that projects must utilize best available science, and that the Council prioritize projects that meet one or more of the four priority criteria outlined in the Act. This process will ensure that projects that receive funding meet the statutory requirements of the RESTORE Act, will have a positive impact on the natural resources of the Gulf and will provide a level of transparency and assurance that projects were chosen using the application of consistent and objective criteria. The Council developed a rigorous proposal submission and evaluation process that:

1. Ensures that projects to be funded meet both statutory requirements and commitments the Council made in the Comprehensive Plan.
2. Provides for external scientific review of project proposals to maintain objectivity and ensure that statutory requirements for use of best available science are met.
3. Promotes project submissions that emphasize:
  - a. How a project is foundational in the sense that the project forms the initial core steps in addressing a significant ecosystem issue so that future projects can be tiered to substantially increase the benefits;
  - b. How a project will be sustainable over time;
  - c. Why a project is likely to succeed; and
  - d. How a project benefits the human community where implementation occurs.
4. Proposes project focus areas of Habitat and Water Quality for the first addendum to the Plan to allow Council members to submit for consideration projects that address common ecosystem priorities and to find synergies among projects and across jurisdictional boundaries.
5. Ensures that all applicable environmental compliance requirements are addressed.

Council members provided a number of public engagement opportunities in the Gulf region to explain the process and collect high-level public input. This process was developed to ensure that projects comply with the requirements of the RESTORE Act. It also provides Council members the

project-specific context they need to ensure that the activities chosen for funding can be expected to have a synergistic and significant positive impact.

After projects are vetted and evaluated, the Council will publish for public review and comment a Draft FPL, which will identify the projects and programs the Council intends to prioritize for funding. The Council will carefully review public comments, make any appropriate changes, and finalize the FPL. Once finalized, the FPL will serve as the basis for allocating funds currently available under the Comprehensive Plan Component through grants to the five Gulf Coast States and Interagency Agreements with Federal Agencies. The Council anticipates publishing a final FPL in late FY 15.

Once the Council decides on the projects or programs to fund with existing funds, the U.S. Department of the Treasury, at the direction of the Council, will transfer funds to the appropriate state and federal Members through a process that complies with its regulations and all applicable laws. The Council will include project- and program-specific measures and reporting requirements in its funding agreements.

The Council recognizes the importance of measuring outcomes and impacts in order to achieve tangible results and ensure that funds are invested in a meaningful way. The Council will consider a variety of methods to measure and report on the results and impacts of Council- Selected Restoration Component activities and will include project- or program-specific measurement and reporting requirements in funding agreements with Council Members.

### **Spill Impact Component (Bucket 3)**

While the Council will select and fund projects and programs to restore the ecosystem with Council- Selected Restoration Component funds, the Spill Impact Component funds will be invested in projects, programs, and activities identified in approved State Expenditure Plans (SEP). The RESTORE Act allocates 30% of the Trust Fund to the Gulf Coast States under a formula established by the Council by regulation and spent according to individual SEPs. Each Gulf Coast State will develop an SEP describing how it will disburse the amounts allocated under the Spill Impact Component. These projects, programs, and activities will be implemented through grants to the States in a manner that is consistent with the requirements of the RESTORE Act as well as the Goals and Objectives of the Comprehensive Plan.

The RESTORE Act provides the scope of activities eligible for funding under the Spill Impact Component. As described in the Act, these activities can include:

- Restoration and protection of the natural resources, ecosystems, fisheries, marine and wildlife habitats, beaches, and coastal wetlands of the Gulf Coast region.
- Mitigation of damage to fish, wildlife, and natural resources.

- Implementation of a federally approved marine, coastal, or comprehensive conservation management plan, including fisheries monitoring.
- Workforce development and job creation.
- Improvements to or on State parks located in coastal areas affected by the *Deepwater Horizon* oil spill.
- Infrastructure projects benefitting the economy or ecosystem resources, including port infrastructure.
- Coastal flood protection and related infrastructure.
- Planning assistance.
- Administrative costs of complying with the Act.
- Promotion of tourism in the Gulf Coast region, including recreational fishing.
- Promotion of the consumption of seafood harvested from the Gulf Coast region.

In recognition of the need to provide funding for planning and the development of SEPs, in August 2014, the Council published an Interim Final Rule in the Federal Register that will allow Gulf Coast states to receive funding for development of State Expenditure Plans. The Interim Final Rule provides access to up to 5% of the funds available to each State under the Oil Spill Impact Component for planning—a percentage equal to the statutory minimum each Gulf Coast state is guaranteed under the RESTORE Act.

The Council anticipates releasing a proposed rule in the coming months that adheres to the RESTORE Act, details the oil spill restoration impact allocation formula, and sets levels of funding provided to each State. The Council will undertake a public notice and comment process for this second rule. Following review of and response to public comments, the Council will finalize the regulation and begin accepting State Expenditure Plans.

Once an SEP is approved by the Council, grants will be awarded to the State, in accordance with a formula developed by the Council as directed by the Act, for specific projects, programs, and activities identified in the SEP.<sup>2</sup> Because the ultimate size of the Trust Fund is unknown at this time, a State may submit periodic addenda to its SEP in order to request additional disbursements.

## Development of State Expenditure Plans

The Council recognizes that each Gulf Coast State is unique and may have a distinct set of priorities. SEPs may include the following information and must comply with the RESTORE Act and applicable regulations:

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<sup>2</sup> Council approval of a SEP is signified by the certification by a State member of the Council that the plan satisfies all requirements in (i) and (ii) of paragraph (3)(B), when joined with an affirmative vote of the Council Chair. 33 U.S.C. 1321(t)(2)(C)(vi)(III)

1. The amount of funding needed for each project, program, and activity selected by the State for planning and implementation; the proposed start and completion dates; and specific mechanisms that will be used to monitor and evaluate the outcomes and impacts of each project, program, and activity.
2. A description of how the best available science, as applicable, informed the State's project, program, and activity selection.
3. A statement that all included projects, programs, and activities are eligible activities under the RESTORE Act.
4. A statement that all included projects, programs, and activities do not exceed the 25 percent funding limit for infrastructure, unless the State Expenditure Plan documents an exception in accordance with the RESTORE Act.
5. A description of how all included projects, programs, and activities contribute to the overall ecosystem and economic recovery of the Gulf Coast.
6. A description of how all projects, programs, and activities are consistent with the Goals and Objectives of this Plan. The Council views "consistent" to mean that the Gulf Coast States will implement eligible projects, programs, and activities that will further one or more of the five Goals and will be implemented in a manner that does not have a negative impact on the Gulf Coast ecosystem restoration projects and programs selected for implementation by the Council.
7. A description of the process the State will use to ensure appropriate public and tribal participation and transparency in the project, program, and activity selection process.
8. A description of the financial controls and other financial integrity mechanisms to be used to assure the public and Congress that funds have been managed appropriately to further the purposes of the RESTORE Act.
9. A description of the methods the State will use to measure, monitor, and evaluate the outcomes and impacts of funded projects, programs, and activities.
10. To the extent known, a description of any certain or prospective collaborations or partnerships to be used or created through the selection process.
11. To the extent known, a description of any additional resources that will be leveraged to meet the goals of the State Expenditure Plan.

The Council will review each SEP to ensure it is consistent with Goals and Objectives set forth in the Initial Comprehensive Plan and ensure all requirements are met. The Council will also consider the SEP's compatibility with other SEPs when evaluating issues that cross Gulf Coast State boundaries. The Council will make SEPs available to the public and tribes and will approve or disapprove a plan within sixty days of receipt. If a SEP does not meet the applicable requirements, the Council will work with the State to address any outstanding issues.

## Regulatory Efficiencies Suggestions

The Act provides the Council with the opportunity in this *Annual Report to Congress* to recommend modifications to existing laws which may be necessary to implement the Comprehensive Plan. The Council does not have any legislative recommendations at this time. Projects and programs to be funded by the Council will need to comply with a range of existing legal, regulatory, and policy requirements. The Council is currently developing internal policies and procedures to efficiently and effectively address these regulatory requirements.

Pursuant to White House Council on Environmental Quality regulations, the Council is required to establish procedures for addressing NEPA. The Council is currently developing these NEPA procedures in a collaborative process, involving input from all federal and state members. One of the overarching goals of the Council's procedures will be to ensure that NEPA and other potentially applicable regulatory requirements are addressed as expeditiously as possible. Among other efficiency practices, the Council's NEPA procedures will encourage robust interagency coordination and collaboration, along with effective public engagement. The Council's NEPA procedures will also seek to avoid potential redundancy and inefficiency by encouraging concurrent and unified processes when addressing a range of regulatory requirements. The Council intends to publish its draft NEPA procedures for public review in 2014.

The Council fully recognizes the public interest in expeditious implementation of Gulf ecosystem restoration projects and programs. Being comprised of state and federal agencies, including those with jurisdiction over major environmental laws and regulations, the Council is in a unique and advantageous position with respect to interagency coordination and collaboration. The Council intends to leverage this broad membership with the goal of becoming a model of efficiency and interagency coordination on regulatory matters. The Council looks forward to keeping Congress apprised of its progress in that regard.

## Conclusion

Four years after the unprecedented disaster in the Gulf, two years after passage of the RESTORE Act, and thanks to the leadership, foresight and cooperation of a bipartisan Congress, we are poised to chart a new future for the natural resources, economy and communities of the Gulf Coast region. The Council is committed to the success of this effort in the long-term. More than process, more than any individual project, this effort is about ensuring that the people and wildlife who call the Gulf home can continue to do so for generations to come.

## Performance and Accountability Report

The PAR is available on [www.restorethegulf.gov](http://www.restorethegulf.gov).

## Council Members

Department of Commerce (Chair)

Penny Pritzker

Secretary

State of Alabama

Robert Bentley

Governor

State of Florida

Rick Scott

Governor

State of Louisiana

Bobby Jindal

Governor

State of Mississippi

Phil Bryant

Governor

State of Texas

Rick Perry

Governor

Department of Agriculture

Thomas J. Vilsack

Secretary

Department of the Army

John McHugh

Secretary of the Army

Environmental Protection Agency

Gina McCarthy

Administrator

Department of Homeland Security

Jeh Johnson

Secretary

Department of the Interior

Sally Jewell

Secretary

## List of Acronyms

Council	Gulf Coast Ecosystem Restoration Council
ED	Executive Director
FOIA	Freedom of Information Act
FPL	Funded Priorities List
GCERC	Gulf Coast Ecosystem Restoration Council
GSA	General Services Administration
IPA	Intergovernmental Personnel Act
MOU	Memorandum of Understanding
NEPA	National Environmental Policy Act
NOAA	National Oceanic and Atmospheric Administration
NRDA	Natural Resource Damage Assessment
OMB	Office of Management and Budget
OPM	Office of Personnel Management
PEA	Programmatic Environmental Assessment
Plan	Initial Comprehensive Plan
RESTORE Act	The Resources and Ecosystems Sustainability, Tourist Opportunities, and Revived Economies of the Gulf Coast States Act of 2012
SEP	State Expenditure Plans
SOP	Standard Operating Procedures
Strategy	Gulf Coast Ecosystem Restoration Task Force Strategy